

**AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation**

January 18, 2007

MEMBERS

Governor Charlie Crist
Attorney General Bill McCollum
Chief Financial Officer Alex Sink
Commissioner Charles Bronson

**Contact: Chris Bailey
(850-413-2552)**

9:00 A. M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
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1. Minutes of the Financial Services Commission, December 5, 2006.

(ATTACHMENT 1) FOR APPROVAL

2. The Office is requesting that the Commission give approval for publication of Rules 690-149.205, .206, and .207; "Indemnity Standard Risk Rate", "Preferred Provider/Exclusive Provider Standard Risk Rates", and "Health Maintenance Organization Standard Risk Rates".

A conversion policy is a policy an insurer is required to provide to an insured whose insurance under a group policy has been terminated for certain specified reasons; the insured's group policy is "converted" to an individual policy. This rule helps answer the question of what rate the insurer can charge for the converted individual policy. The Office is required by Section 627.6675(3)(c), F.S., to conduct an annual survey of the individual market (as contrasted with the group market) and determine "standard risk rates". These standard risk rates are the average rates charged in the individual market for health insurance. The standard risk rates are used by the health insurers in setting their conversion rates, because pursuant to Section 627.6675(3)(a), F.S., the maximum a health insurer can charge for a conversion policy is 200% of the standard risk rate. The annual survey is conducted for PPO/EPO, Indemnity and HMO separately.

(ATTACHMENT 2) APPROVAL FOR PUBLICATION

3. The Office is requesting that the Commission give approval for publication of Rule 690-203.202; Standards for Discount Medical Plans.

Monthly fees charged by Discount Medical Plan Organizations in excess of \$30 must, pursuant to statute, be approved by the Office. This rule provides the standards the Office uses in making the determination as to whether the fees will be approved. The rule clarifies that if there is no cost to the member, the rule does not apply. For example, if a DMPO charges a fee to an HMO, but the HMO provides the discount medical cards to its members without charging them, the rule does not apply.

(ATTACHMENT 3) APPROVAL FOR PUBLICATION