

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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Representative Stargel offered the following:

**Amendment**

Remove line(s) 46-70, and insert:

2.a. Effectuated and delivered outside this state, but covering residents of this state, except for policies issued to provide coverage to groups of persons all of whom are in the same or functionally related licensed professions, and providing coverage only to such licensed professionals, their employees or their dependents, if the insurer meets the requirements of s. 627.6515, files its rates with the Office of Insurance Regulation for information purposes only, and the filing of rates is accompanied by an actuarial certification that the loss ratios for the certificates delivered or issued for delivery in this state meet or exceed a lifetime loss ratio for incurred claims to earned premium of 65 percent for group policies, and

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28 certificates reflecting coverage thereunder, issued on or after  
29 the effective date of this act.

30 b. If an insurer issues policies which are not provider  
31 network-based, they shall file with the Office of Insurance  
32 Regulation for information purposes only, and accompanied by an  
33 actuarial certification, that the loss ratios for certificates  
34 delivered or issued for delivery in this state meet or exceed a  
35 loss ratio of 60 percent for the first 2 years of coverage for  
36 incurred claims. After the first 2 complete years of coverage,  
37 such policies will be subject to the 65-percent loss ratio as  
38 set forth in this section.

39 c. For the purposes of this subparagraph, incurred claims  
40 may include, at the company's discretion, costs that do not  
41 result in increasing the loss ratio by more than 5 percent which  
42 are expenses that serve to reduce the number of health services  
43 provided or the cost of such services. Examples of cost  
44 containment expenses are:

45 (I) Case management activities;  
46 (II) Utilization review;  
47 (III) Detection and prevention of payment for fraudulent  
48 request for reimbursement;

49 (IV) Network access fees to Preferred Provider  
50 Organizations and other network-based health plans, including  
51 prescription drug networks; and

52 (V) Consumer education solely relating to health  
53 improvement and relying on the direct involvement of health  
54 personnel, which would include smoking cessation and disease  
55 management programs and other programs that involve hands on  
56 medical education.

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58 The 65 percent loss ratio does not apply to accidental death,  
59 accidental death and dismemberment, accident-only, vision-only,  
60 dental only, hospital indemnity, hospital accident, cancer,  
61 specified disease, disability income insurance, or similar  
62 supplemental plans provided under a separate policy,  
63 certificate, or contract of insurance, which cannot duplicate  
64 coverage under an underlying health plan and are specifically  
65 designed to fill gaps in the underlying health plan, coinsurance  
66 or deductibles; coverage issued as a supplement to liability  
67 insurance; worker's compensation or similar insurance; or  
68 automobile medical payment insurance.

69 d. As used in this subparagraph, the actuarial  
70 certification shall be made by a qualified actuary who is a  
71 member of the Society of Actuaries or the American Academy of  
72 Actuaries and who is qualified in the area of health insurance.  
73 For purposes of this subparagraph, group health insurance policy  
74 means any hospital or medical policy, hospital or medical  
75 service plan contract, or health maintenance organization  
76 subscriber contract. The term does not include accidental death,  
77 accidental death and dismemberment, accident-only, vision-only,  
78 dental-only, hospital indemnity, hospital accident, cancer,  
79 specified disease, limited-benefit, disability income insurance,  
80 or similar supplemental plans provided under a separate policy,  
81 certificate, or contract of insurance, which cannot duplicate  
82 coverage under an underlying health plan and are specifically  
83 designed to fill gaps in the underlying health plan,  
84 coinsurance, or deductibles; coverage issued as a supplement to

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85 liability insurance; worker's compensation, or similar  
86 insurance; or automobile medical-payment insurance.