

SUMMARY OF REQUIRED FILINGS

DUE IN 2011 FROM

PREPAID LIMITED HEALTH SERVICE ORGANIZATIONS



OFFICE OF INSURANCE REGULATION

LIFE AND HEALTH FINANCIAL OVERSIGHT

November 30, 2010

M E M O R A N D U M

TO: All authorized Prepaid Limited Health Service Organizations

**FROM: Al Willis
Director
Life and Health Financial Oversight**

DATE: November 30, 2010

SUBJECT: Filing Requirements

Please file the financial statements and related filings electronically through REFS. Enclosed are the instructions for the annual statement and related financial reporting filings due in 2011. As you know, annual reports are due 90 days from the end of your fiscal year. The quarterly filings, including the fourth quarter filing, are due 45 days from the end of the quarter-closing date.

The live cycle quarterly and annual report forms will be available in REFS. In addition, please attach a pdf file of the entire NAIC Health Blank quarterly or annual report. Please continue to use the Health Blank Instructions adopted by the National Association of Insurance Commissioners (NAIC) for guidance on what should be recorded on each line. NAIC Health Annual and Quarterly Statement Instructions are available through the NAIC and may be ordered by phoning the Publication Department at (816) 783-8300. Please be advised that these instructions are provided for the purpose of reference only and are not intended to alter, amend, or replace statutory requirements.

We hope that this assists in your management of the filings.

Questions may be referred to:

**Latasha Davis or Joe Erhart
Financial Examiner/Analyst Supervisors
Florida Office of Insurance Regulation
Life and Health Financial Oversight
200 E. Gaines Street, Tallahassee, FL 32399-0327
E-Mail: LaTasha.Davis@flor.com
Telephone Number: (850) 413-5226
E-Mail: Joe Erhart@flor.com
Telephone Number: (850) 413-5066**

FILING REQUIREMENTS INSTRUCTIONS: QUESTIONS & ANSWERS

1. **The instructions indicate that the deadlines for filing statements are within 90 days of the fiscal year ending date, and within 45 days of the quarter-ending date. Do they have to be received by the Office of Insurance Regulation (Office) on that due date, or postmarked by these dates?**

All PLHSOs should file electronically through REFS. Both the completed adobe life cycle forms available at the REFS industry portal, and an attached pdf file of the entire NAIC Quarterly or Annual health blank financial statements (including schedules and exhibits) need to be submitted and available for viewing by the Office by the due date. If permission has been granted to the company by the Office to submit a hard copy, the applicable financial statement must be physically on the premises of the Office's headquarters in the Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0327, on or before 5 PM on the applicable date specified.

2. **Where do I go to find REFS and the new financial statement forms?**

When using REFS please go to www.floir.com website and click on the Companies tab at the top, then on the Industry Portal Link, and then the Regulatory Electronic Filing System link. You will find the applicable adobe life cycle forms here. In addition, please attach a pdf file of the entire NAIC Quarterly or Annual Financial Statement. The user Guide and Tutorial are available at www.floir.com/Office/OnlineApplications/REFSindex.aspx and can be accessed from the floir.com home page by clicking on the Companies tab and then the Required Forms, Filing and Reporting link.

3. **If a filing requirement deadline falls on a weekend or holiday when is the filing due?**

The deadline would be moved to the first business day following the original deadline.

4. **Will companies submitting statements late be fined?**

Yes. Furthermore, failure to timely file statements is grounds for suspension of the company's Certificate of Authority.

5. **Can I attach my check for the annual filing fee to my filing?**

Please include a letter of explanation with the check and address the letter and check to Florida Department of Financial Services, Revenue Processing Section as noted in C on page 6. Since you will be filing your financial statements electronically through REFS, a copy of the check and accompanying letter that is being sent to the DFS should be scanned and attached through REFS.

6. **If the PLHSO does not have anything to report on a schedule or exhibit of the financial report, should the page be included in the report?**

Yes, the page should be filed with "NONE" written on it.

7. **I have read the entire package but I still have questions regarding financial filings and/or solvency requirements (vs rate/form or other). How can I reach the Financial Examiner in charge of my company?**

Since company assignments rotate periodically, the Office's automated telephone system is designed to assist you in reaching the individual you need. To reach the Life & Health Financial Oversight, Managed Care Section directly, dial (850) 413-3153. An Operator or Secretary will guide you to the individual examiner assigned to your company.

GENERAL INSTRUCTIONS
Section 636.043, F.S. and Rule 690-203.070

1. Each prepaid limited health service organization (PLHSO) must file with the Office annually, within 3 months after the end of its fiscal year, a report verified by the oath of at least two officers covering the preceding fiscal year.
2. Each PLHSO must file with the Office, within 45 days from the quarter end for all four quarters, quarterly financial statements verified by the oath of at least two officers.
3. Such reports must be on forms prescribed by the Office (Newly created forms in REFS, and a pdf. file of entire financial statement, and State forms OIR-A2-949 and OIR-A2-950).

PREPAID LIMITED HEALTH SERVICE ORGANIZATIONS

COMPANY NAME: _____ **NAIC Company Code (If available):** _____

Contact: _____ **Telephone:** _____

REQUIRED FILINGS IN THE STATE OF: Florida

Filings Made During the Year 2011

| (1) Check- list | (2) Line # | (3) REQUIRED FILINGS FOR THE ABOVE STATE | (4) NUMBER OF COPIES | | (5) DUE DATE | (6) FORM SOURCE** | (7) APPLICABLE NOTES |
|--|------------------|---|-------------------------|------|--|-------------------------|----------------------------|
| | | | *State | NAIC | | | |
| I. NAIC FINANCIAL STATEMENTS | | | | | | | |
| | 1 | Annual Statement (8 ½"X14") – | EO | N/A | 90 days from fiscal year end | REFS & NAIC | D,E,F,G,H,I,J |
| | 1.1 | Printed Investment Schedule detail (Pages E01-E27) | EO | N/A | 90 days from fiscal year end | NAIC | |
| | 2 | Quarterly Financial Statement (8 ½" x 14") | EO | N/A | 45 days from quarter end | REFS & NAIC | D,E,F,G,H,I,J |
| II. NAIC SUPPLEMENTS | | | | | | | |
| | 10 | Accident & Health Policy Experience Exhibit | EO | N/A | 90 days from fiscal year end | NAIC | |
| | 11 | Actuarial Certification | EO | N/A | 90 days from fiscal year end | Company | K |
| | 12 | Investment Risk Interrogatories | EO | N/A | 90 days from fiscal year end | NAIC | |
| | 13,14 15,16 | Life Supplemental | N/A | N/A | | | |
| | 17 | Long-term Care Experience Reporting Forms | N/A | N/A | | | |
| | 18 | Management Discussion & Analysis | EO | N/A | 90 days from fiscal year end | Company | |
| | 19 | Medicare Supplement Insurance Experience Exhibit | N/A | N/A | | NAI C | |
| | 20 | Medicare Part D Coverage Supplement | EO | N/A | 90 days from fiscal year end | NAIC | |
| | 21,22 | Property/Casualty Supplement | N/A | N/A | | | |
| | 23 | Risk-Based Capital Report | N/A | N/A | N/A | | |
| | 24 | Schedule SIS | EO | N/A | 90 days from fiscal year end | NAIC | |
| | 25 | Supplemental Compensation Exhibit | EO | N/A | 90 days from fiscal year end | NAIC | |
| III. AUDITED FINANCIAL STATEMENTS | | | | | | | |
| | 51 | Accountants Letter of Qualifications | EO | N/A | 90 days from fiscal year end | Company | M |
| | 52 | Audited Financial Statements | EO | N/A | 90 days from fiscal year end | Company | L |
| | 53 | Audited Financial Statements Exemption Affidavit | EO | N/A | | | |
| | 54 | Independent CPA/Awareness Letter | 1 | N/A | fiscal year end date | Company | Q |
| | 55 | Notification of Adverse Financial Condition | EO | N/A | 5 Days | Company | O |
| | 56 | Report of Significant Deficiencies in Internal Controls | EO | N/A | 90 days from fiscal year end | Company | N |
| | 57 | Request for Exemption to File | EO | N/A | N/A | Company | |
| IV. STATE REQUIRED FILINGS | | | | | | | |
| | 101 | Filings Checklist (with Column 1 completed) | EO | N/A | 90 days from fiscal year end and 45 days from quarter year end | State | I |
| | 102 | State Filing Fees | 1 | N/A | 90 days from fiscal year end | Company | C |
| | 103 | Disclosure of Material Transactions | 1 | N/A | As Required | Company | P |
| | 104 | Number of Contracts Issued and Outstanding | EO | N/A | 90 days from fiscal year end | State OIR-A2-949 | R |
| | 105 | Number and amount of Damage Claims for Medical Injury | EO | N/A | 90 days from fiscal year end | State OIR-A2-950 | S |
| | 106 | Evidence of Adequate Insurance | EO | N/A | 90 days from fiscal year end | Company | T |

*** Column 4 State—EO (electronic only filing) and the Office does not need a hard copy. The Adobe Life Cycle forms in REFS need to be completed as well as attaching a pdf file of the complete quarterly or annual financial statements as required by the NAIC instructions for the Annual or Quarterly Health Blanks.**

NOTES AND INSTRUCTIONS (A-I APPLY TO ALL FILINGS)

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|---|--|---|--------------------------|-----------------------|---|---|---|
| A | <p>Required Filings Contact Person:</p> <p>PLHSO Insurance Examiner Life & Health Financial Oversight, Managed Care Section Florida Office of Insurance Regulation (850) 413-3153</p> | | | | | | |
| B | <p>Mailing Address and REFS link:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"><u>By Mail</u></td> <td style="width: 33%;"><u>Via Hand Delivery</u></td> <td style="width: 33%;"><u>Overnight Mail</u></td> </tr> <tr> <td>Office of Insurance Regulation Attn: Life and Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327</td> <td>Office of Insurance Regulation Larson Receptionist Attn: Life and Health Financial Oversight Tallahassee, Florida (850) 413-3153</td> <td>Office of Insurance Regulation Attn: Life & Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327</td> </tr> </table> <p>REFS Electronic Submission – https://apps.fldfs.com/REFS/Security/LogOn.aspx</p> | <u>By Mail</u> | <u>Via Hand Delivery</u> | <u>Overnight Mail</u> | Office of Insurance Regulation Attn: Life and Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327 | Office of Insurance Regulation Larson Receptionist Attn: Life and Health Financial Oversight Tallahassee, Florida (850) 413-3153 | Office of Insurance Regulation Attn: Life & Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327 |
| <u>By Mail</u> | <u>Via Hand Delivery</u> | <u>Overnight Mail</u> | | | | | |
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| C | <p>Filing Fees, Florida Statutes 636.057(2):</p> <p>The \$200.00 Annual Statement Filing Fees should be attached to a letter identifying the regulated entity, and the amount and purpose of the check (filing fee pursuant to Section 636.057, F.S.), with the Type and Class of 1204 F and should be submitted to the Florida Department of Financial Services, Revenue Processing Section, P.O. Box 6100, Tallahassee, Florida 32314-6100. Please attach a copy of this letter to the annual statement as an attachment in REFS.</p> | | | | | | |
| D | <p>Delivery Instructions, Rule 690-191.075:</p> <p>Annual and Quarterly Financial Statement filings (with all printed schedules and exhibits), must be electronically submitted through REFS no later than 5 p.m. on the indicated due date. If the due date falls on a weekend or holiday, then the deadline would be moved to the first business day following the original due date.</p> <p>If permission was granted by the Office to submit the financial statement by hard copy, the date stamp affixed by the Office to the face page of the statement shall serve as evidence of the timeliness of the statement.</p> | | | | | | |
| E | <p>Late Filings, Florida Statutes 636.043(3)</p> <p>Companies will be fined for late filings. The company’s license may be suspended if filings are not received timely.</p> | | | | | | |
| F | <p>Original Signatures:</p> <p>Original signatures are required on annual and quarterly statements filed by all PLHSOs. After the jurat page is signed by the officers and notarized, the signed jurat page should be scanned and uploaded as a document in REFS. If a hard copy is submitted to the Office only 1 original of all required filings is needed.</p> | | | | | | |
| G | <p>Signature/Notarization/Certification:</p> <p>Annual and Quarterly financial statement filings must have at least two original signatures of executive officers whose name appears on the jurat page with a notary seal.</p> | | | | | | |
| H | <p>Amended Filings:</p> <p>See NAIC Annual Statement Instructions for guidance on amended filings.</p> | | | | | | |
| I | <p>Filings Checklist Instructions:</p> <p>Attach a Required Filings Checklist as a miscellaneous document in REFS to each financial statement filing submitted to the Office. Fill in the company name, federal employer identification number, and NAIC company code (if available). In column (1) check off the items being submitted.</p> | | | | | | |
| J | <p>Financial Statement Forms:</p> <p>The annual and quarterly reports shall be filed on the form provided through REFS. In addition, please attach in REFS a pdf file of the entire NAIC Health Blank Financial Statement. NAIC Health Annual and Quarterly Instructions can still be ordered by phoning the NAIC Publication Department at (816) 783-8300.</p> | | | | | | |
| K | <p>Statement of Actuarial Opinion, Florida Statutes 636.043(2)(e)</p> <p>Each PLHSO licensed to do business in this state shall annually, with its annual statement, submit an actuarial report certified by a qualified independent actuary or qualified employee, that:</p> <ol style="list-style-type: none"> 1. The prepaid limited health service organization is actuarially sound, which certification shall consider the rates, | | | | | | |

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| | <p>benefits, and expenses of, and any other funds available for, the payment of obligations of the organization.</p> <ol style="list-style-type: none"> 2. The rates being charged or to be charged are actuarially adequate to the end of the period for which rates have been guaranteed. 3. Incurred but not reported claims and claims reported but not fully paid have been adequately provided for. |
| L | <p>Audited Financial Statement, Florida Statutes 636.043, and Rule 690-203.070: The Audited Financial Report must be filed with this Office within three (3) months after the end of each fiscal year. The Annual Audited Financial Report shall report the financial position of the PLHSO as of the end of the most recent fiscal year and the results of its operations, cash flows, and changes in capital and net worth for the year then ended in conformity with statutory accounting practices prescribed, or otherwise permitted by the Office. The Annual Audited Financial Report shall include the following:</p> <ol style="list-style-type: none"> 1. Report of independent Certified Public Accountant. 2. Balance sheet reporting admitted assets, liabilities, capital and net worth. 3. Statement of operations. 4. Statement of cash flows. 5. Statement of changes in capital and net worth. 6. Notes to financial statements. These notes shall be those required by the appropriate NAIC Annual Statement instructions and any other notes required by generally accepted accounting principles and shall also include: <ol style="list-style-type: none"> a. A reconciliation of differences, if any, between the Audited Financial Report and the Annual Statement with a written description of the nature of these differences. b. A summary of ownership and relationships of the PLHSO and all affiliated companies. 7. The financial statements included in the Audited Financial Report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the Annual Statement of the PLHSO filed with the Office. The financial statements shall be comparative, presenting the amount as of the current year and the amounts as of the immediately preceding fiscal year end. |
| M | <p>Accountant's Letter of Qualifications: The accountant shall furnish a Letter of Qualifications to the PLHSO for filing with the Annual Audited Financial Report. The letter shall state:</p> <ol style="list-style-type: none"> 1. That the accountant is independent with respect to the PLHSO and conforms to the standards of his/her profession. 2. The background and experience in general, and the experience in audits of PLHSOs of the staff assigned to the engagement and whether each is an independent Certified Public Accountant. 3. That the accountant understands the annual Audited Financial Report, and his/her opinion thereon will be filed in compliance with the Florida Statutes, and that the Office will be relying on this information in the monitoring and regulation of the financial position of PLHSOs. 4. That the accountant consents to the requirements of Florida Statutes 636.043(6)(c) and that the accountant consents and agrees to make the workpapers available for review by the Office. 5. A representation that the accountant is properly licensed by an appropriate state licensing authority. |
| N | <p>Report of Significant Deficiencies in Internal Control, Florida Statutes: Each PLHSO shall furnish the Office with a written report prepared by the accountant describing significant deficiencies in the PLHSO's internal control structure noted during the audit. The report on internal control systems of the PLHSO shall be filed with the Annual Audited Financial Report. The PLHSO is required to provide a description of remedial actions taken or proposed to correct significant deficiencies, if said actions are not described in the accountant's report. If the accountant does not identify significant deficiencies and no report is issued, attach a document in REFS stating this fact.</p> |
| O | <p>Notification of Adverse Financial Condition, Florida Statutes 636.043(6),(b): All PLHSOs required to furnish the annual Audited Financial Report shall require the independent Certified Public Accountant to report in writing, to the board of directors or its audit committee any determination by the accountant that the PLHSO has materially misstated its financial condition as reported to the Office as of the balance sheet date currently under examination, or that the PLHSO does not meet the minimum capital and surplus requirement of the Florida Insurance Code. A PLHSO who has received such a report shall forward a copy to the Office within five business days.</p> |
| P | <p>Disclosure of Material Transactions, Section 636.043 (2)(b) and Rule 690-203.070(5): All PLHSOs are required to submit with each annual report adequate disclosure of material transactions</p> |

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| Q | <p>Independent CPA/Awareness Letter: Designation of independent C.P.A. must be filed by the company's fiscal year end date.</p> |
| R | <p>The Number of PLHSO Contracts Issued and Outstanding and the Number of PLHSO Contracts Terminated As required by Section 636.043(2)(c), Florida Statutes, the annual report shall include the number of PLHSOs contracts, issued and outstanding, and the number of prepaid limited health services contracts terminated. Form OIR-A2-949 should be completed. This form can be submitted as an attachment in REFS.</p> |
| S | <p>The Number and Amount of Damage Claims for Medical Injury As required by Section 636.043(2)(d), Florida Statute, the annual report shall include the number and amount of damage claims for medical injury initiated against the PLHSO, and if known, any of the providers engaged by it during the reporting year, broken down into claims with and without formal legal process, and the disposition, if any, of each such claim. Form OIR-A2-950 should be completed. This form can be submitted as an attachment in REFS.</p> |
| T | <p>Evidence of Adequate Insurance Please provide documentation showing compliance with Rule 69O-203.060 regarding general liability and medical malpractice insurance. Also provide evidence of a current fidelity bond or the extra cash deposit in compliance with Section 636.047, F.S.</p> |