



**INFORMATIONAL MEMORANDUM  
OIR-11-08M  
ISSUED**

**November 14, 2011**

Florida Office of Insurance Regulation  
**Kevin M. McCarty, Commissioner**

**ALL LIFE AND HEALTH INSURERS AND HMOs**

*The purpose of this memorandum is to inform Florida Life and Health insurers and Health Maintenance Organizations (HMOs) of the Office's requirement that all trend factors must be included in the actuarial memorandum in table format in each filing.*

It has come to the Office of Insurance Regulation's (Office) attention that some companies are applying trend factors that vary by deductible, co-pay, and/or coinsurance amount ("trend leveraging").

Some companies have included references to trend leveraging since the inception of their product; however, not all companies have informed the Office of their trend leveraging practices.

Sections 627.410 and 641.31, Florida Statutes, and Rules 69O-149.003(2)(b)4 and 69O-191.054, Florida Administrative Code, require form and rate filings to include rate pages that define all proposed rates, rating factors and methodologies for determining rates applicable in this state.

**Please identify all factors by which trend may vary in each filing, pursuant to Rules 69O-149.006 and 69O-191.055, Florida Administrative Code. Please clarify if the company leverages trend by deductible, co-pay, coinsurance and/or any other variable.**

**Please also provide for each filing a complete breakout of trend, including trend leveraging, in an Excel table. Include the weighted average trend (weighted by premium volume) for each factor alone (leveraging for deductible, co-pay, coinsurance, prescription, etc.) and for all factors combined. Please note that each factor must be justified.**

If you have questions regarding this Memorandum, please contact Eric Lingswiler, Director of Life and Health Product Review, Florida Office of Insurance Regulation at [eric.lingswiler@floir.com](mailto:eric.lingswiler@floir.com) or (850) 413-5110.