

OFFICE OF INSURANCE REGULATION

---



FAIR. FAST. PROFESSIONAL.

---

# Discount Medical Plan Organizations (DMPOs)

Gerry Smith, Senior Policy Analyst  
Life and Health Product Review





# Florida Statistics

---

- 44 DMPOs and 3 insurance companies are authorized to sell discount medical plans in Florida;
- During calendar year 2007, DMPOs generated over \$35 million in revenue from Florida;
- During calendar year 2007, licensed DMPOs reported over 2 million Florida members.



# Cover Letter

---

- *Always* submit with every filing
- *Always* provide detailed information
  - ✓ Clearly explain the type and nature of the filing;
  - ✓ Marketing;
  - ✓ Is this a new filing or revisions?
  - ✓ You cannot give us too much information!



# Member Agreement

---

- Include a specific title of Member Agreement;
- The contract is specific to Florida;
- Must contain elements in Rule 690-203.202(1)(a) through (I), F.A.C.;
- Agreement is between DMPO and member - not between marketer and member.



# Other Information

---

- Universal Data Letter (UDL);
- Enrollment Forms;
- Price Filing Form;
- Member Complaint Procedure;
- Refund of periodic charges if the plan is cancelled within the first 30 days.



# Disclosures

---

- Include on all advertisements and marketing materials;
- Include on the first page of the Member Agreement;
- Font size of 12-point or more with heading of "Disclosures" in bold;
- If initial contract is made by phone, Disclosures must be read to the prospective member.



# Bundling

---

- Discount medical plans may be combined together with other products;
- Insurance products must be filed with our Office in the appropriate manner prior to being bundled with a DMP;
- The DMPO is responsible for verifying the insurance product has been filed before submitting the bundled filing.



# Bundling with Insurance: Information Required

- Name of the licensed insurer;
- Specific policy form;
- Florida filing number and date the insurance was approved by the Office;
- A copy of the rate schedule on the insurer's letterhead;
- Explanation as to how the member is applying for the insurance;
- If Group, provide identity of the group and the state in which the group policy was issued to the group policyholder.



# Bundled Products

---

- The insurance form may not be altered in any way from its approved form;
- Only a Florida licensed insurance agent may sell a bundled product;
- Identify the fees for each product separately in your filing;
- Include the insurance component and DMP component separately in your member booklet.



# Revisions to Rule 690-203, Part II, F.A.C.

- Effective November 1, 2007;
- Charges per contract, not per member;
- Certain plans may charge \$50 per month;
- DMPO has burden of proof;
- Free Plans;
- Disclose, in writing, the charges attributable to the DMP in a bundled product, if charges exceed \$30 or \$50;
- Combined applications.



Thank you for your attendance  
today!