Florida
Department of
Insurance

Holocaust Survivor Proposal

projected implementation: January 01, 2000
HOME HEALTH CARE COVERAGE

Location of coverage
• Home
• Adult day care facility
• Hospice care facility

Additional benefits
• Caregiver training
• Emergency medical response system
• Respite care
• Alternate plan of care
• Care coordination advisor

Eligibility to receive benefits
• Certified as chronically ill by a licensed health care practitioner
• Unable to perform at least two Activities of Daily Living
• Care provided by a Plan of Care approved by a licensed Health Care Practitioner

Benefits
• Average of 8 hours per day in home care
• Lifetime coverage
• 0-day elimination period, i.e. first day coverage
• No cost to the eligible individual
COVERAGE AVAILABLE TO ELIGIBLE INDIVIDUALS

- Home Health Care policy issued by Lead Insurer
- Coverage provided at no cost to individual
- Individuals will be issued paid-up coverage
- Coverage: Average 8 hours per day in home care, 0-day elimination period, lifetime benefit period coverage
- Guaranteed issue – no underwriting standards to pass
- Qualification – eligibility based solely on being a holocaust survivor
- Coverage available January 01, 2000
ENROLLMENT PROCESS

- Lead Insurer will provide all enrollment or application forms necessary
- Lead Insurer will provide product description material
- The Department will be responsible for contacting all eligible individuals and provide enrollment material
- Lead Insurer will be provided completed applications with no direct marketing costs
- Lead Insurer will issue a policy and provide the Department with the policy and outline of coverage for delivery to eligible individuals
ADMINISTRATION

- Lead Insurer will perform all claims administration
- Lead Insurer will issue an individual policy form with an identifiable plan code to isolate this business from standard policy issues
- Lead Insurer will isolate all experience and reserves
RISK SHARING

- Experience shall be shared among the consortium of participating insurers
- Business will be reflected on Lead Insurer books with participants reflected through reinsurance arrangements and credits
- Lead Insurer shall be permitted to reflect reserve credits for the participating insurers
ACCOUNTING

- Lead Insurer shall reflect premium income of $1,300/year/insured contributed by all participating insurers
- Participants shall record their portion of the premium as due to Lead Insurer but are able to retain such funds
- Lead Insurer shall process and pay claims
- Lead Insurer shall calculate and determine the statutory active life reserve to be held for statutory reporting purposes
- Lead Insurer shall provide quarterly reporting to participating insurers and the Department of:
  - Quarterly premium
  - Cumulative premium from inception of the program
  - Quarterly claims paid
  - Cumulative claims paid from inception of the program
  - Administrative costs paid
  - Cumulative administrative costs paid from inception of the program
  - Claims reserve
  - Number of inforce policies
  - Number of insureds on-claim
  - Active life reserve
  - Annual premium coming due in the next quarter
- Participating insureds shall record their portion of the ALR and Claim reserve
- Lead Insurer may take reserve credit for participant's reserve established
- Participants shall remit their portion of claims and administrative costs paid quarterly to Lead Insurer
- Participants shall record as a liability as a premium due to Lead Insurer the value of the cumulative premiums less cumulative claims less cumulative administrative costs, if positive
BENEFIT TO PARTICIPATING INSURERS

- Provide social good without large immediate cash divestiture
- Marketing and public relations advertising
- Fund obligation from future earnings
- Retain reserve funds for control of investment decisions
- Retain earnings on reserve funds
- Remit funds for claim payments only on a cash basis
- Participants do not remit funds for premium payments or prefunding
- Positive experience results in benefit to participants
- Participants do not have to pay funds unless actual claims emerge
- Participants benefit from under-utilization, case management controls
- Reinsurance arrangement designed to fund claims on a pay-as-you-go basis with reserves and liabilities for future claims and funding commitments to be retained by the participating insurer
ESTIMATED COST

- $1,300/year/insured – assuming 10,000 insureds – 11 participating insurers
- $10,000,000 initial funding provided by Holocaust Trust Fund
- The assumed level annual funding is $1,100,000/year/participant
- Estimated cost to fully prefund 10,000 lives would be $16,000,000/participant
- Obligation for future premiums is not recorded as a liability