

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM
EXPERIENCE-RATED CARRIERS
ESTIMATED SUMMARY STATEMENT

As of September 30, 2002

(Due to OPM by Oct. 24, 2002)

**Instructions for Preparing
The *ESTIMATED SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS***

Round all amounts to the nearest whole dollar and ensure they add to the totals.

1. PROGRAM INCOME:

Enclosure A of the cover letter lists Letter-of-Credit (LOC) authorizations recorded by OPM for your plan during the period October 1, 2001 through September 30, 2002. Please compare the information provided to your records and immediately notify Melanese Matthews, of the Benefits Accounting Branch on (202) 606-4498 of any differences.

Carrier Interest Income: Your contract states that all funds in excess of those needed to promptly discharge the obligations of the contract should be invested. Report all interest earned on these funds on line 1e. Do not report interest earned on your Letter-of-Credit account on this line.

2. ESTIMATED HEALTH BENEFITS CHARGES:

a. Paid: Show the amount of cash payments for health benefit charges from October 1, 2001 through September 30, 2002.

b. Accrued but Unpaid:

1) Beginning: Line 2 of Enclosure A of the cover letter shows the ending health benefits accrual reported on your September 30, 2001 fiscal year accounting statement. This figure is to be used on line 2b(1) of this year's ESTIMATED SUMMARY STATEMENT.

2) Ending: Show the charges incurred but unpaid as of September 30, 2002.

c. Total: Line 2a minus line 2b(1) plus line 2b(2).

3. ESTIMATED ADMINISTRATIVE EXPENSES: If your plan has high and standard options, show the basis and amounts used for prorating administrative expenses between the two options. All reported administrative expenses must be within your contract limit.

a. Paid: The estimated cash payments for administrative expenses during fiscal year 2002.

**Instructions for Preparing
The ESTIMATED SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS**
continued:

b. Accrued but Unpaid:

- 1) Beginning: Show on line 3b(1) the amount of the accrued administrative expenses as shown on your prior fiscal year accounting statement.
- 2) Ending: Show on line 3b(2) the estimated amount of accrued administrative expenses as of September 30, 2002.

c. Total: Line 3a minus line 3b(1) plus line 3b(2).

4. **ESTIMATED OTHER EXPENSES AND RETENTIONS:**

- a. State Statutory Reserve: Report the amount necessary to satisfy state requirements for mandatory statutory reserves for the period October 1, 2001 through September 30, 2002.
- b. Reinsurance Expenses: List the amount paid for reinsurance expenses (if applicable) for the period October 1, 2001 through September 30, 2002.
- c. Service Charge: Show on Line 4c, 25 percent of the formula derived contract limitation for calendar year 2001 plus 75 percent of the allowable 2002 service charge.
- d. Other: Other expenses not previously stated.
- e. Total: The sum of lines 4a through 4d.

5. **ESTIMATED CHANGES TO SPECIAL RESERVE:**

- a. Special Reserve, 09/30/01: The amount of the prior fiscal year accounting statement ending Special Reserve (line 3, of Enclosure A).
- b. Gain (Loss) on Operations: This is calculated as follows:
(Line 1f)-(line 2c)-(line 3c)-(line 4e).
- c. Prior Period Adjustments: All adjustments made to the current fiscal year report as a result of prior OPM audits or due to any other reasons.

**Instructions for Preparing
The *ESTIMATED* SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS**
continued:

- d. Contingency Reserve Payments: Show the amount transferred from the contingency reserve to your LOC account during the period October 1, 2001 through September 30, 2002. (Line 4d(1) of Enclosure A.)
- e. Return of Excess Reserves: Show the amount of excess reserves withdrawn from your LOC account and transferred to the contingency reserve from October 1, 2001 through September 30, 2002 (Line 4d(2) of Enclosure A).
- f. Other: Show on line 5f any transfers or other additions or subtractions to the special reserve during fiscal 2002.
- g. Special Reserve, Ending: The total of lines 5a, 5b, 5c, 5d, 5e, and 5f.

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM
EXPERIENCE-RATED CARRIERS
SUMMARY STATEMENT

As of September 30, 2002

(Due to OPM by December 01, 2002)

**Instructions for Preparing
The SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS**

Round all amounts to the nearest whole dollar and ensure they add to the totals. Carriers participating in the Department of Defense (DOD) Project should state this activity separately on the Summary Statement and related schedules.

1. **PROGRAM INCOME:** Enclosure A of the cover letter lists Letter-of-Credit (LOC) authorizations recorded by OPM for your plan during the period October 1, 2001 through September 30, 2002. Please compare the information provided to your records and immediately notify Melanese Matthews of the Benefits Accounting Branch on (202) 606-4498 of any differences.

Carrier Interest Income: Your contract states that all funds in excess of those needed to promptly discharge the obligations of the contract should be invested. Report all interest earned on these funds on line 1e. Do not report interest earned on your Letter-of-Credit account on this line.

2. **HEALTH BENEFITS CHARGES:**

- a. **Paid:** Should agree with both the "TOTAL" in Part D of the "**Health Benefits Charges Paid**" Schedule 1 and the total Claims Paid in the "**Supplemental Schedule of Cash Flows**".
- b. **Accrued but Unpaid:**
 - 1) **Beginning:** Line 2 of Enclosure A of the cover letter shows the ending health benefits accrual reported on your September 30, 2001 fiscal year accounting statement. This figure is to be used on Line 2b(1) of this year's SUMMARY STATEMENT. Attach a schedule showing the monthly liquidation of the September 30, 2001 accrual.
 - 2) **Ending:** Show the charges incurred but unpaid as of September 30, 2002. Attach a schedule showing the development of the unreported health benefit charges. All assumptions, judgment factors and estimates should be supported and all sources of data identified.
- c. **Total:** Line 2a minus line 2b(1) plus line 2b(2).

Instructions for Preparing

The SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS continued:

3. **ADMINISTRATIVE EXPENSES:** If your plan has high and standard options, show the basis and amounts used for prorating administrative expenses between the two options. All reported administrative expenses must be within your contract limit.
 - a. Paid: Should agree with the amount stated on the Statement of Cash Flows.
 - b. Accrued but Unpaid:
 - 1) Beginning: Show on Line 3b(1) the amount of the accrued administrative expenses as shown on your prior fiscal year accounting statement.
 - 2) Ending: Show on line 3b(2) the amount of accrued administrative expenses as of September 30, 2002.
 - c. Total: Line 3a minus line 3b(1) plus line 3b(2).

4. **OTHER EXPENSES AND RETENTIONS:**
 - a. State Statutory Reserve: Report the amount necessary to satisfy state requirements for mandatory statutory reserves for the period October 1, 2001 through September 30, 2002. Attach a schedule showing in detail the development of the charges or credits for this retention.
 - b. Reinsurance Expenses: List the amount paid for reinsurance expenses (if applicable) for the period October 1, 2001 through September 30, 2002.
 - c. Service Charge: Show on Line 4c, 25 percent of the formula derived contract limitation for calendar year 2001 plus 75 percent of the allowable 2002 service charge.
 - d. Other: Other expenses not previously stated.
 - e. Total: The sum of Lines 4a through 4d.

5. **CHANGES TO SPECIAL RESERVE:**
 - a. Special Reserve, 09/30/01: The amount of the prior fiscal year accounting statement ending Special Reserve (Line 3 of Enclosure A).

Instructions for Preparing

The SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS continued:

- b. Gain (Loss) on Operations: This is calculated as follows:
Line 1f)-(line 2c)-(line 3c)-(line 4e).
- c. Prior Period Adjustments: All adjustments made to the current fiscal year report as a result of prior OPM audits or due to any other reasons. These adjustments should also be included in your annual accounting statement of December 31, 2002.
- d. Contingency Reserve Payments: Show the amount transferred from the contingency reserve to your LOC account during the period October 1, 2001 through September 30, 2002. (Line 4d(1) of Enclosure A)
- e. Return of Excess Reserves: Show the amount of excess reserves withdrawn from your LOC account and transferred to the contingency reserve during the period October 1, 2001 through September 30, 2002. (Line 4d(2) of Enclosure A)
- f. Other: Show on line 5f any transfers or other additions or subtractions to the special reserve during fiscal 2002.
- g. Special Reserve, Ending: The total of lines 5a, 5b, 5c, 5d, 5e, and 5f.