SUBJECT: 2009 RATE INSTRUCTIONS -- Community-Rated Carriers

Please use the enclosed documents to prepare your 2009 rate proposal. You must submit your proposal and the completed attachments by May 31, 2008. May 31 is the deadline required by regulations and no one can grant extensions.

See the enclosed "OPM Community Rating Guidelines - 2009" for pertinent definitions and an overall view of our community rating policy for 2009.

If a carrier has more than 1500 FEHBP contracts at the time of the rate proposal:

- The carrier is considered a large carrier. The carrier must complete and submit Attachments II, IIA, IIB, and IIC.

If a carrier has less than 1500 FEHBP contracts at the time of the rate proposal, the carrier must choose between the following options:

- Submit the same detailed documentation required for large carriers (see above). A carrier that chooses this option will be considered a large carrier.

OR

- If the carrier’s 2008 income from the Federal group will be greater than or equal to $650,000, the carrier must complete Attachments I, IA, II, IIA, IIB, and IIC and submit Attachments I, IA, IIB, and IIC. A carrier should not send Attachments II and IIA to OPM; however, these documents must be kept on file and available for OPM review in accordance with the records retention clause of the contract. A carrier that chooses this option will be considered a small carrier;

- If the carrier’s 2008 income from the Federal group will be less than $650,000, the carrier must complete and submit Attachments I, IIB, and IIC. Such a carrier need not complete or retain Attachments IA, II and IIA. A carrier that chooses this option will be considered a small carrier.

This proposal is being e-mailed to you as a Word document. This year your proposal should be submitted electronically. Please e-mail your proposal as a Word document to Actuary@opm.gov. Please send any additional information by overnight delivery to each of the following addresses:
Lorraine Dettman  
Assistant Director for Insurance Services Program  
Office of Personnel Management  
1900 E Street, N.W., Room 3400  
Washington, DC 20415-0001

and

Sherry Simon  
Actuary  
Office of Personnel Management  
1900 E St, NW, Room 4307  
Washington, DC 20415

Also, please remember your first quarter enrollment report, Table 1, is due on April 15 to:

Eric Figg  
Office of Personnel Management  
Office of Insurance Programs  
1900 E Street, N.W., Room 3415  
Washington, DC 20415–0001  
or fax to (202) 606-0036

Please direct your questions about the 2009 rate submission to Sherry Simon, Sharon Tu, or Chris Vaughn-Uding at (202) 606-0722, or actuary@opm.gov.

Sincerely,

Kay T. Ely  
Associate Director  
Human Resources Products and Services Division

Enclosures