

Document Number: 01 / 2005  
Publication Date: 04.01.2005

# FMA CIRCULAR

  

## CONCERNING RATE ADJUSTMENTS IN HEALTH INSURANCE OPERATED ACCORDING TO THE TECHNICAL PRINCIPLES OF LIFE ASSURANCE

**DISCLAIMER:** This circular does not constitute a legal regulation. It is intended to serve as guidance and reflects the FMA's legal interpretation. No rights and obligations extending over and above the provisions of the law can be derived from circulars.

Pursuant to Article 18d para. 2 of the *Versicherungsaufsichtsgesetz* (VAG; Insurance Supervision Act), prior to the application of any changes in or amendments to the actuarial bases in health insurance operated according to the technical principles of life assurance, insurance undertakings must inform the FMA. All parameters (e.g. statistics on cases of illness, mortality charts, etc.) which are required to determine the amount of premiums and benefits are specifically regarded as actuarial bases.

The information should be submitted as follows:

1. Electronically (a file compatible with Adobe Acrobat and/or as a CSV file (for data in table form)) by e-mail to [krankenversicherung@fma.gv.at](mailto:krankenversicherung@fma.gv.at) or on electronic storage medium,
2. and in writing, duly signed. This is to be supplemented by details on the form and time when the actuarial bases were submitted to the FMA (in order to guarantee that they can be accurately categorised and correctly documented). If the changes in the actuarial bases have been submitted by e-mail, the details must include send date, the sender's e-mail address as well as a detailed list of e-mail attachments (quantity, all file names, all file sizes).

In order to facilitate efficient supervision, the following standardisation is required:

The notification must be on a separate page for each rate, but one file may be used for several rates. Every page must contain the following information in the upper right or left corner:

- Name of the insurance undertaking
- Name and type of rate
- Federal province
- Social insurance
- Date of the adjustment

The adjustments must be structured as follows; “n/a” is to be indicated for individual items where appropriate.

- **Adjustments**

- **Tabular premiums:** Indicate the range of the increase in tabular premiums as a percentage
- **Benefits:** Indicate the range of the increase in benefits as a percentage
- **Meal cost reimbursement** (*Verpflegskostensatz*): Indicate the increase in the meal cost reimbursement (if this is a benefit covered by the rate)
- **Substitute daily benefit** (*Ersatztagegeld*)<sup>1</sup>: Indicate the increase in the substitute daily benefit (if this is a benefit covered by the rate)
- **New child benefit** (*Entbindungspauschale*): Indicate the increase in the single payment paid at the birth of a child (if this is a benefit covered by the rate)
- **Surgery group** (*Operationsgruppe*): Indicate the benefit increase in surgery group V (if this is a benefit covered by the rate)
- **Daily benefit amount for conservative treatment:** Indicate the benefit increase for conservative treatments (if this is a benefit covered by the rate)
- **Average increase in benefits:** Indicate the weighted, average increase in the benefits as a percentage. In cases where the benefits are payable in daily amounts, these daily amounts are to be multiplied by the calculated average retention period in the portfolio (= number of days claimed by the portfolio / benefit events of the portfolio). This average increase should only be given for those rates for which no meal cost reimbursement, no substitute daily benefit, no new child benefit, no surgery group or daily benefit amount for conservative treatment has been calculated.
- **Excesses:** Indicate the range of increase in excesses as a percentage and in euro; if the rate does not include any, indicate this accordingly (“No excess”); if excesses have been agreed in per cent and not in absolute values, indicate the corresponding percentage.

---

<sup>1</sup> Translator’s note: *Ersatztagegeld* is paid to policyholders if they use a general hospital bed instead of taking advantage of the privileged care to which they would be entitled under their policy.

- **Premiums:** The amount of the premiums in euro must be given according to the following table, with “Old premium” designating the premium amount prior to the current increase and “New premium” the premium amount following the current increase.

Age	Men			Women		
	Old premium	New premium	Increase (%)	Old premium	New premium	Increase (%)
20						
30						
40						
50						
60						
70						

- **Claims amount per risk:** Indicate the claims amount per risk in euro before and after the current adjustment. Additionally, indicate the age to which the claims amount per risk applies. If several profiles are used for one rate, indicate the claims amount per risk for each profile separately, as well as the weighting of the claims amount per risk in the rate’s calculation. For rates which are calculated without using a claims amount per risk, indicate “Not used”.
- **Case frequencies:** For rates which are calculated without using a claims amount per risk, indicate the case frequencies for the age of 43.
- **Case frequencies per day:** For rates which are calculated without using a claims amount per risk, indicate the case frequencies per day for the age of 43.
- **Costs per case:** For rates which are calculated without using a claims amount per risk, indicate the average costs per case.
- **Change in the calculation basis**
  - **Assumed interest rate:** Indicate here the amount of the assumed interest rate as well as the change since the last rate adjustment as a percentage.
  - **Mortality chart:** Indicate here the mortality charts used as well as any changes since the last rate adjustment.

- **Standardised profiles:** Indicate here whether different standardised profiles and/or case frequencies and case frequencies per day are now used. Standardised profiles and/or case frequencies and case frequencies per day must be indicated for the first time in the course of the 2006 rate adjustments; any changes from then on must be detailed in tabular and chart form in the annex and compared with those previously used.

Adjustments must be reported from 1 July 2005 at the latest as specified in these provisions.