



**Policy Manual**  
**Florida Health Maintenance Organization Consumer Assistance Plan**  
Page 1 of 1

**Policy Number: 1.10**  
**Subject: Investment Policy**

<b>Category: Accounting and Financial Policies</b>	<b>Original Date: Jan. 5, 2012</b>
<b>Approval: Board of Directors</b>	<b>Revision Date:</b>
<b>Responsible Party: Plan Manager</b>	<b>Distribution:</b>

**Purpose:**

To comply with HMOCAP Plan of Operation Articles VII, Section 3 and XI, Section 3.

**Policy:**

The HMOCAP shall maintain a sufficient amount of readily available funds and invest remaining funds in a diverse portfolio.

**Implementation Information:**

A. FUNDS IMMEDIATELY AVAILABLE. To help ensure that short-term funds are immediately available, and to minimize the risk of having to incur penalties through accessing funds in certificates of deposit prior to their maturation dates, the HMOCAP shall strive to maintain at least \$30,000 in checking or money market accounts.

The Investment Advisory Committee described in HMOCAP Plan of Operation Article VII, Section 3 shall periodically review the needs of the HMOCAP to determine the appropriate amount to be held in short-term accounts and in the certificates of deposit to ensure that there is a maximum investment return consistent with the required risk minimization.

B. INVESTMENT STRATEGY. To help ensure that funds are available quickly if necessary, and to help minimize the HMOCAP's exposure to loss of funds due to financial institution solvency concerns, the HMOCAP should diversify its investments as follows:

The majority of the HMOCAP's funds should be invested in the Florida State Treasury Special Investment Account. The HMOCAP should also purchase short-term certificates of deposit ("CDs") and/or money market accounts from at least three financial institutions. The HMOCAP should strive to ensure that the total amounts of the CDs and/or money market accounts held by any one financial institution shall not exceed the amount protected by the Federal Deposit Insurance Corporation. To the extent possible, CD maturity dates should be staggered so that they mature throughout the year. In determining where to purchase the CDs and/or money market accounts, the HMOCAP Plan Manager shall consider the length of the CD, the rate of return, and the solvency of the financial institution.