
FEHB Program Carrier Letter

U.S. Office of Personnel Management
Healthcare and Insurance

FEHB ☒ PSHB ☒

Letter Number 2025-14

Date: December 12, 2025

Fee-for-service [12]

Experience-rated HMO [12]

Community-rated HMO [12]

SUBJECT: Updates to Carrier Letter 2023-13 Related to the LOCA Runout Account

This Carrier Letter updates guidance in [Carrier Letter 2023-13](#) related to the LOCA Runout account.

Carrier Letter 2023-13 provides that remaining funds in an experience-rated FEHB Option's LOCA Runout account after all pre-2025 claims and expenses are paid will be credited to FEHB and PSHB Options' reserves by applying the Reserve Credit methodology described in the Letter. That continues to be the case, but, prior to the completion of the runout period, OPM may transfer a portion of what it determines to be excess funds from an Option's LOCA Runout account to the FEHB and PSHB Options' reserves. OPM will inform Carriers in advance of the amount of such transfer.

Please send questions about this update to Actuary@opm.gov and copy your FEHB and PSHB Health Insurance Specialist.

Sincerely,

D. Shane Stevens
Associate Director
Healthcare and Insurance