

# Starmark

## Producer Guide



Providing important information regarding:

- Eligibility
- Small group submission
- Underwriting guidelines
- Installation
- Administration guidelines

 **Starmark**<sup>®</sup>  
Small business is our only business.

For the benefit of small business.

**STARMARK'S SOLE FOCUS** is providing small businesses with a flexible healthcare benefits portfolio and the unparalleled personal service they deserve. Plus, we offer easy and innovative paperless employee enrollment, valuable online healthcare decision support tools and nationwide network access.



## Helping You Sell and Service Starmark-Administered Plans

**The Producer Guide provides important information** you need to sell and service Starmark-administered plans, and reflects the rules and regulations of Illinois, Trustmark Life Insurance Company's domicile state. Company procedures are subject to change at any time. As laws change or our product offering is updated, we will notify you through field communications, including online newsletters, e-mail and phone calls.

Regulations for the items listed below may vary by state:

- Employer contribution and participation requirements
- Eligible group size
- Definition of an eligible employee
- Special enrollment forms
- Qualified and preferred industries
- Effective date of insurance (actively at work)
- Carve-outs

Benefits, contract provisions and underwriting rules are modified to comply with state law. As a health insurance producer, you are asked to comply with our commitment to the HIPAA Privacy and Security Rules.

Contact your Starmark distribution partner for the plans approved and available in your state. For the most up-to-date product information, including marketing materials and applications, visit the Starmark website at [www.starmarkinc.com](http://www.starmarkinc.com).

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## Eligibility and Contribution Requirements

<b>Groups</b>	<ul style="list-style-type: none"> <li>• Small employer groups with two or more eligible employees are eligible for health coverage. Groups with one employee may receive health coverage in states where allowed.</li> <li>• An eligible group is one that can provide a completed and signed State Quarterly Wage and Tax Statement.</li> <li>• Corporations, partnerships and sole proprietorships are eligible for coverage.</li> <li>• Carve-outs may be allowed as defined by state law and on groups with more than 50 total eligible employees.</li> <li>• Management carve-outs are not acceptable if the owners of the company are the only insureds.</li> <li>• Union employee carve-outs are permitted if the employer provides adequate proof of union membership, which includes:             <ul style="list-style-type: none"> <li>— Union membership rosters, or</li> <li>— Payroll records showing union dues</li> </ul> <p>If the above materials are provided, waivers from union employees are not required.</p> </li> <li>• HIPAA provides certain protections to small group employers with two to 50 employees, which includes the availability of currently marketed plans for eligible employees on a guaranteed issue basis. For small group employers with two to 50 employees, coverage must be offered to all eligible employees and their dependents. In determining whether an employer is classified as a small group employer, all full-time employees are included. Some states include all full- and part-time employees. If the employer has more than 50 employees, the employer group is not subject to small group regulations, and premium rate restrictions and guaranteed issue requirements do not apply.</li> </ul>
<b>Employees and Dependents</b>	<p>Coverage must be offered to all eligible employees and their dependents.</p> <ul style="list-style-type: none"> <li>• To be considered an eligible employee, a formal employer-employee relationship must exist that can be confirmed by demonstrating the employer pays FICA wages and reports them on a Federal W-2. Any employee, including a proprietor or partner, who works for the participating employer at least 30 hours per week on a regular basis is eligible for coverage. An employee must reside in the U.S. and be:             <ul style="list-style-type: none"> <li>— A U.S. citizen and possess a Social Security number; or</li> <li>— A legal alien, and possess a green card and a Social Security number</li> </ul> </li> <li>• An eligible dependent is an eligible employee's:             <ul style="list-style-type: none"> <li>— Legally married spouse</li> <li>— Unmarried child under 25 years of age (26 in Georgia, Illinois and Utah) who is dependent on the employee for support, or a child who is the subject of a court-issued, qualified medical support order. A child placed for adoption (including the time before the adoption is final) will be considered an eligible dependent.</li> </ul> </li> <li>• Groups with employees earning at least minimum wage and who are not considered full-time employees must submit the employees' hourly rate, number of hours worked per week and job description.</li> <li>• Groups employing both husband and wife on a full-time basis should write them as employee and dependent with the older written as the employee. If both appear on the State Quarterly Wage and Tax Statement as full-time employees, they can be written as separate employees.</li> <li>• Independent contractors, commissioned or 1099 employees may be considered for:             <ul style="list-style-type: none"> <li>— One-life groups with a Schedule C in states where one-life groups are required. A copy of the 1099 form will be required.</li> <li>— Groups of five or more enrolling for medical coverage if they work for only one employer and comprise no more than 50 percent of the total employees enrolling in the health plan. Short term and long term disability coverage are not available to independent contractors, commissioned or 1099 employees. A copy of the 1099 form for each employee will be required.</li> </ul> </li> <li>• Part-time, temporary, seasonal, retired or leased employees are not eligible for coverage unless otherwise required by state law.</li> <li>• Boards of Directors, shareholders and/or silent partners are not considered eligible for coverage unless they can show a full-time employment status.</li> </ul>
<b>Employer Contribution</b>	<p>The employer must contribute toward the overall cost of the group health plan. The minimum employer contribution is 25 percent of the total cost for employees and dependents or 50 percent of the total cost for employees.</p>

## Participation, Licensing and Appointments

<p><b>Participation Requirements</b></p>	<ul style="list-style-type: none"> <li>● The minimum participation requirement for each eligible group enrolling for health and/or dental coverage is 75 percent of eligible employees after valid waivers are removed.             <ul style="list-style-type: none"> <li>— Eligible employees and dependents may be excluded from medical or dental coverage and not be counted toward meeting participation requirements if they have comparable medical and/or dental insurance not sponsored by the employer.</li> <li>— If an employee is covered by another medical or dental plan sponsored by the employer, that employee will be considered for participation.</li> </ul> </li> <li>● No more than 20 percent of the employees enrolling for coverage may be on COBRA/continuation at the time of application.</li> <li>● When an eligible employee chooses to provide coverage to his/her dependents, the following guidelines apply:             <ul style="list-style-type: none"> <li>— The spouse and children may not apply for any coverage the eligible employee has waived.</li> <li>— The spouse and children are not required to have the same coverage as the eligible employee.</li> <li>— All children must have identical coverage.</li> </ul> </li> <li>● Life, long term disability or short term disability coverage cannot be waived by the employee when offered by the employer, unless waiving all coverage.</li> <li>● 100 percent participation of eligible employees is required for stand-alone long term disability and stand-alone life.</li> <li>● 75 percent participation of eligible employees is required for stand-alone dental.</li> </ul>
<p><b>Licensing Requirements and Appointments</b></p>	<p>Producers are required to hold a current license in each state in which business is being solicited and be appointed when the first piece of business is submitted. To be appointed, producers must submit the following paperwork to Starmark:</p> <ol style="list-style-type: none"> <li>1. Copy of current state license</li> <li>2. Completed Appointment Questionnaire (MK35) and W-9</li> <li>3. Completed Direct Deposit Authorization Agreement for Commissions Form (S605-13)</li> </ol> <p>Producers in preappointment states must be appointed before sending in their first case to Starmark. Producers in non-preappointment states must also be appointed, but may submit the appropriate paperwork with their first case. Appointment must be completed before an underwriting offer is extended. For a list of appointment guidelines by state, please refer to the Starmark website.</p> <p>Note: If the producer pays commissions to an agency, the agency must also be appointed. Pursuant to state requirements and Starmark policy, when commissions are payable to an agency, both the agency and the writing individual must be licensed and appointed in the state where business is located.</p> <p><b>Background Investigations</b></p> <p>The Federal Violent Crime Control Act prohibits any individual convicted of certain crimes to participate in the business of insurance. The law also prohibits insurance carriers from conducting business with any individual convicted of such a crime. Therefore, Starmark may conduct a background criminal investigation on any producer applying for appointment. Some states also require that a credit and/or criminal report be obtained on the producer prior to appointment.</p> <p><b>Renewals and Reappointments</b></p> <ul style="list-style-type: none"> <li>● Producers are required to maintain a current license by complying with all state renewal and continuing education requirements. Information can be obtained by calling the state department of insurance.</li> <li>● As stated in the Producer Agreement (MK11BA), appointments remain active if business is submitted within 18 months prior to the renewal of the license.</li> </ul>

## General Plan Provisions

<b>Ancillary Coverage</b>	<ul style="list-style-type: none"> <li>• Life/Accidental Death and Dismemberment (AD&amp;D), Short Term Disability, Long Term Disability (LTD) and Dental Plans are available to groups with two or more employees with health coverage. The Critical Illness Plan is available to groups with five or more employees with health coverage. Starmark reserves the right to approve or decline these benefits based on the specifics of the case.</li> <li>• Life/AD&amp;D, LTD, dental and critical illness coverage may be purchased on a stand-alone basis by groups with five or more insured employees. Note: Short term disability coverage is not available on a stand-alone basis.</li> <li>• Short term disability and long term disability benefits are not available to any business that is conducted out of a private residence or to any employees working out of their own private residence. Choice of elimination period for long term disability benefits may be limited by occupation.</li> </ul>
<b>Limited Occupational/ 24-Hour Coverage</b>	<p>Work-related injuries and illnesses are covered only for sole proprietors, partners and executive officers of the company sponsoring a Starmark-administered plan when:</p> <ul style="list-style-type: none"> <li>• The sole proprietor, partner or executive officer is covered by the plan; and</li> <li>• The purchase of Workers' Compensation or similar coverage is not required; and</li> <li>• The sole proprietor, partner or executive officer does not have Workers' Compensation or similar coverage.</li> </ul>
<b>Network Selection</b>	<p>Starmark offers groups with single- and multiple-business locations options for selecting networks.</p> <ul style="list-style-type: none"> <li>• A group with one business location may have up to two networks. A group with multiple business locations may have no more than five networks/locations. Rates will vary by network within the same location.</li> <li>• The employer may choose to offer the group dual networks: <ul style="list-style-type: none"> <li>— Both networks must be available in the business location.</li> <li>— Both networks must be compatible with the plan design, either for in-force or new business groups. This will apply in instances where the employer would like to offer prospective enrollees the choices between PPO networks.</li> <li>— Employees may select only one PPO network at the time of enrollment.</li> </ul> </li> <li>• Employers may add additional networks or business locations to the group's plan on the first of any month. This requires advance notification by requesting a plan change through Account Management. Please see the <i>Plan Changes</i> section for more details.</li> </ul> <p>Note: There are certain PPO networks that do not permit dual network options through contractual language in their agreements. No exceptions can be made. Refer to the Network Availability Chart on the Starmark website for the list of networks that do not allow dual network selection.</p>
<b>Dual Plan Designs</b>	<p>Dual plan designs offer flexibility for today's employers. Employers simply combine currently marketed plans with the same deductible structure, such as plans with separate in- and out-of-network deductibles. They can then choose to pair different deductible levels, coinsurance percentages and coinsurance limits to create a plan to meet their business needs and budget. For more information, refer to the separate flyer, <i>Guidelines for Selecting Dual Plan Designs</i>, which is available on the Starmark website.</p> <ul style="list-style-type: none"> <li>• Dual plan designs may be formed at a group's anniversary, subject to underwriting approval, or they may be formed with a January effective date (if not within three months of the anniversary date).</li> <li>• Groups with a dual plan design can make a plan change at anniversary, or one time off anniversary, subject to underwriting approval. Once the plan change is implemented, employees can only change from one plan to another at the group's anniversary.</li> </ul>
<b>Deductible Credit</b>	<ul style="list-style-type: none"> <li>• An insured continuously covered under a prior health insurance plan and the Starmark-administered plan will be credited for any portion of the deductible satisfied under the insured's prior health insurance plan during the same calendar year. Credit for out-of-pocket amounts will not be given.</li> <li>• There is no prescription drug card deductible credit on new business.</li> </ul>

## Submitting a Case to Starmark

### Enrollment Options and Submission Requirements

Applying for health insurance is easier with Starmark. You have three enrollment options for your groups:

1. Online enrollment through Express Connect
2. Telephone enrollment through Express Connect
3. Paper enrollment

#### Express Connect®

Applying for health coverage has never been more convenient. Employees can enroll for coverage with Starmark online or over the telephone through Express Connect. It's quick, convenient and secure. With Express Connect, there's no distribution or collection of paper employee enrollment forms, no back and forth to groups for clarification, and less administrative functions during enrollment.

The following items must be submitted for all groups enrolling via Express Connect:

1. Participating Employer Application and Agreement (UW2)
2. Commission Notice (UW8)
3. Copy of the proposal
4. Complete census form
5. State Quarterly Wage and Tax Statement
6. Prior carrier bill
7. Company business check for one month's premium  
(See page 8 for more information)

For groups with 51 to 99 employees, the renewal bill and prior carrier plan design are also required.

#### Paper Enrollment

The following items must be submitted for all groups enrolling via paper enrollment:

1. Participating Employer Application and Agreement (UW2)
2. Employee Enrollment Forms (UW3)
3. Medical Questionnaires  
(Not required, but can expedite the underwriting process when completed and submitted)
4. Commission Notice (UW8)
5. Copy of the proposal
6. State Quarterly Wage and Tax Statement
7. Prior carrier bill
8. Company business check for one month's premium  
(See page 8 for more information)

For groups with 51 to 99 employees, the renewal bill and prior carrier plan design are also required.

**Note: All employees who are in their waiting period and are eligible for coverage within 60 days of the group's effective date must complete enrollment.**

Please provide all completed forms to your managing general agent (MGA). The MGA will submit each new business case to Starmark. All forms must be properly completed and specific details provided for all questions answered. Completeness is mandatory. Any incomplete or missing information will delay processing. Incomplete submissions will be held for 72 hours. If the outstanding items are not received within 72 hours of the notification, the group's submission will be returned to the MGA.

If a group submits multiple applications to Starmark through multiple producers, only the first submission will be accepted. All subsequent submissions will be returned to the MGA. No exceptions will be made. Employers may change producers only after the group is issued by submitting a broker of record letter to Starmark's Licensing and Commissions Department. The original producer will be vested for the first year, and the MGA will remain the same.

## Case Submission Guidelines

<b>Participating Employer Application and Agreement (UW2)</b>	Use the current version of the Participating Employer Application and Agreement (UW2) based on the business location that has the majority of eligible employees. Refer to the appropriate state page on the Starmark website for the current UW2. Producers may not alter the UW2 on behalf of the employer. Altered forms will not be accepted. If the UW2 is altered, a new form will be requested before an offer of coverage is made. The form must be signed and dated by both the company officer and the producer.
<b>Employee Enrollment Form (UW3)</b>	<ul style="list-style-type: none"> <li>• Use the current version of the Employee Enrollment Form (UW3) that corresponds to the completed Participating Employer Application and Agreement (UW2). Employee Enrollment Forms may be downloaded from the appropriate state page on the Starmark website.</li> <li>• A completed UW3 must be submitted for all employees who are in their waiting period and are eligible for coverage within 60 days of the group's effective date. If forms are submitted after the offer has been accepted, Starmark may re-underwrite the group and charge the appropriate premium as of the original effective date.</li> <li>• Employee Enrollment Forms must be completed, signed and dated in ink by employees only. Producers may not complete or alter any Employee Enrollment Form on behalf of an employee. Altered forms will not be accepted. If the UW3 is altered, a new form will be requested before an offer of coverage is made.</li> <li>• If an employee fails to answer or correct a medical question, or fails to mark the waiver on the Employee Enrollment Form, Starmark will obtain the missing information through a telephone interview.</li> <li>• Please ensure each employee application clearly indicates the network selection prior to submitting to Starmark.</li> <li>• Waivers must be completed, if applicable.</li> <li>• Upon completion of the Employee Enrollment Form, any Notices that are attached must be detached and given to the employee.</li> </ul>
<b>Commission Notice (UW8)</b>	The Commission Notice (UW8) must be completed and signed by the producer to ensure commissions are paid appropriately. The UW8 is included with the Participating Employer Application and Agreement (UW2).
<b>Proposals</b>	Proposals are generated using Starmark's online quoting system. Please contact your MGA to obtain a proposal. All employee names must correctly appear on the proposal. The proposal should correctly quote the group's requested plan design before it is submitted to Starmark. If a prescreen was completed, please include a copy of the prescreen worksheet along with the proposal.
<b>Premium Payment and Billing</b>	<p>Employers have two options for submitting payment for the first month's premium:</p> <ul style="list-style-type: none"> <li>• <b>Before the offer is presented</b> <ul style="list-style-type: none"> <li>— Submitting the initial premium check at the time of application or during the underwriting process expedites the issuance of certificates/ID cards and the premium statement when the offer is accepted.</li> <li>— The company business check for the first month's premium is not deposited until after the group accepts the offer of coverage. If the offer is not accepted, the check will be returned.</li> </ul> </li> <li>• <b>At the time the offer is presented</b> <ul style="list-style-type: none"> <li>— If the first month's premium has not been paid by the time the offer is presented/accepted, the premium amount due is included on the Offer/Acceptance Notice that is sent to the employer. The employer should review the Notice to ensure accuracy.</li> </ul> </li> </ul> <p>A company business check for the premium due should be made payable to <b>Starmark</b>. Personal checks, cash or money orders are not acceptable forms of payment. Note: Subsequent monthly premium billing statements are mailed approximately 20 days prior to the due date. <b>Payments are due in advance, on the first day of each month.</b></p>
<b>Prior Carrier Bill</b>	<ul style="list-style-type: none"> <li>• If the group is a takeover group, please submit the most recent prior carrier bill to Starmark. Indicate whether or not COBRA/continuation was elected for any employee who has terminated coverage. If COBRA/continuation was elected, a completed Employee Enrollment Form (UW3) must be submitted.</li> <li>• If the group is not a takeover group but employees qualify for portability, the <i>Proof of Prior Coverage</i> section must be completed on the Employee Enrollment Form (UW3).</li> </ul>

## Case Submission Guidelines (cont.)

<b>Medical Questionnaires</b>	If a Medical Questionnaire is necessary, the employee must provide complete details regarding the condition, and he or she must complete, sign and date the questionnaire. Medical Questionnaires are available on the Starmark website.																				
<b>Long Term Disability Addendum (UW21)</b>	Employees with monthly salaries of \$5,000 or more must complete and sign the UW21.																				
<b>State Quarterly Wage and Tax Statement</b>	<p>All corporations, sole proprietors, partnerships and not-for-profit organizations that employ individuals will be required to provide the most recent State Quarterly Wage and Tax Statement for all business locations.</p> <ul style="list-style-type: none"> <li>• The State Quarterly Wage and Tax Statement for each business location must include a list of all employees, their status (full-time, part-time or seasonal) and their wages. <b>Room and board are not considered compensation.</b></li> <li>• Employees who work a minimum of 30 hours per week and earn at least \$3,300 per quarter are considered eligible employees. Note: The employee’s hourly rate, hours worked per week and job description may be needed for consideration for those employees earning less than \$3,300 per quarter. Owners who work 30 hours per week and do not appear on the State Quarterly Wage and Tax Statement must complete an Employer’s Participation Statement/Employee Census (UW67).</li> <li>• A completed Employee Enrollment Form (UW3), waiver or employment status (for employees not eligible for the plan) is required for every employee appearing on the State Quarterly Wage and Tax Statement.</li> <li>• If a State Quarterly Wage and Tax Statement is not available, Starmark will accept the following tax and wage alternatives:</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #f4b084;">Type of Business</th> <th style="background-color: #f4b084;">Required Document(s)</th> </tr> </thead> <tbody> <tr> <td>New Business</td> <td>Payroll Records and Employer Participation Form (UW67)</td> </tr> <tr> <td>C Corporation</td> <td>Form 1120</td> </tr> <tr> <td>S Corporation</td> <td>Form 1120S and K-1S</td> </tr> <tr> <td>Partnership</td> <td>Form 1065 and K-1 Partnership Agreement<sup>1</sup></td> </tr> <tr> <td>Sole Proprietor</td> <td>Schedule C</td> </tr> <tr> <td>Limited Liability Company (LLC)</td> <td>Form 1120 or Form 1120S, and K-1<sup>2</sup></td> </tr> <tr> <td>Nonprofit</td> <td>Form 941 and Payroll Records, or W2</td> </tr> <tr> <td>Farms</td> <td>Schedule F and Payroll Records, or W2</td> </tr> <tr> <td>Independent Contractor</td> <td>Form 1099-Misc</td> </tr> </tbody> </table> <p><sup>1</sup> Exception: If a husband and wife wholly own an unincorporated business as community property under the community property laws of a state, they may treat the business either as a sole proprietorship or a partnership. The only states with community property laws are AZ, ID, LA, NV, NM, TX and WI. If they file as Sole Proprietor, the Schedule C will have both names. In the other states, the husband and wife business is considered a partnership and must file a 1065 and K-1 for each partner. Note: The K-1 document is a separate form from the 1065. The K-1 will show the income and percent ownership of each individual partner.</p> <p><sup>2</sup> If the only member of the LLC is an individual, the LLC can use Form 1040 with Schedule C, E or F. If the only member is a corporation, the LLC can use Form 1120 or Form 1120S. If the LLC has multiple members, they will file Form 1065 plus K-1 for each partner.</p> <p>Payroll records must include: Dated report for at least three months of current payroll, name of company, wage for each employee, status of each employee (full-time, part-time, seasonal, etc.), hours worked and total taxes withheld (itemized). Payroll records cannot be copies of checks.</p> <p>Farmers and ranchers must submit the most current Schedule F or State Quarterly Wage and Tax Statement, which includes dollar compensation of at least \$4 per hour, and a completed Employer’s Participation Statement/Employee Census (UW67). Note: Room/board/livestock are not considered compensation.</p>	Type of Business	Required Document(s)	New Business	Payroll Records and Employer Participation Form (UW67)	C Corporation	Form 1120	S Corporation	Form 1120S and K-1S	Partnership	Form 1065 and K-1 Partnership Agreement <sup>1</sup>	Sole Proprietor	Schedule C	Limited Liability Company (LLC)	Form 1120 or Form 1120S, and K-1 <sup>2</sup>	Nonprofit	Form 941 and Payroll Records, or W2	Farms	Schedule F and Payroll Records, or W2	Independent Contractor	Form 1099-Misc
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## Underwriting Guidelines and Group Installation

<b>Health Coverage</b>	<ul style="list-style-type: none"> <li>• The underwriting process may include personal phone interviews by the Underwriting Department. Health records from physicians or hospitals may also be requested.</li> <li>• Individuals who waive coverage and are covered under another company's COBRA plan will be underwritten. Anticipated claims on these individuals will be assessed and may contribute to the group's rate-up in premium.</li> <li>• Starmark reserves the right to rerate a group if a terminated individual elects COBRA within 60 days after he/she has been notified of COBRA eligibility.</li> </ul>
<b>Ancillary Coverage</b>	<p><b>Life/Accidental Death and Dismemberment</b></p> <p>Starmark guarantees \$15,000 of life insurance for each employee when the employer chooses the optional life coverage for the first time. Additionally, when employees have \$15,000 of life coverage and dependent life coverage is offered, Starmark guarantees \$5,000 of life coverage for a spouse and \$2,000 per child.</p> <ul style="list-style-type: none"> <li>• All applicants who apply for more than \$100,000 of life insurance must provide the following:             <ul style="list-style-type: none"> <li>— dried blood spot profile</li> <li>— dried blood spot HIV</li> <li>— height and weight check</li> <li>— three blood pressure readings taken at 3-minute intervals</li> </ul> </li> </ul> <p>Note: Additional requirements may be requested. Life amounts reduce beginning at age 65.</p> <ul style="list-style-type: none"> <li>• The cost of group life coverage in excess of \$50,000 is taxable to the employee if the employer contributes toward the cost of the insurance. If questions arise, the employer should contact a tax advisor.</li> </ul>
<b>Effective Date of Insurance</b>	<ul style="list-style-type: none"> <li>• All applications for enrollment must be completed and received by Starmark prior to the requested effective date of coverage.</li> <li>• If underwriting is not completed by the 20th calendar day, the group will receive a later effective date.</li> </ul> <p>All groups replacing prior group coverage are required to have a first of the month effective date unless the prior group carrier renews mid month. A group's renewal will always be the first of the month following the mid-month effective date.</p> <p><b>An employer must not cancel current coverage until written notification is received from Starmark. Coverage is not in effect until written notification is received from Starmark.</b></p>
<b>Rating</b>	<p>Starmark complies with all applicable state laws regarding rates.</p> <ul style="list-style-type: none"> <li>• A six-month rate guarantee will apply if the underwriting/medical load needed to cover the risk exceeds the legal maximum rating restriction for that state. This does not apply to states that require a 12-month rate guarantee.</li> <li>• For groups with individual rating, premium adjustments for increased age occur at the time of the insured's birthday in five-year increments beginning at age 25.</li> <li>• For groups with composite rating, premium adjustments for increased age occur only when the average premium is recalculated at the plan's renewal.</li> <li>• Final rates are based on the total health risk associated with the group.</li> </ul>

## Underwriting Guidelines and Group Installation (cont.)

<p><b>Ineligible Industries</b> <i>(for groups with 51 to 99 employees)</i></p>	<p>Certain industries are not eligible for coverage through Starmark. All final decisions, which are based on Standard Industrial Classifications (SIC), are determined by Starmark Underwriting. The following industries are not eligible for coverage:</p> <ul style="list-style-type: none"> <li>• Mining – Metal, coal, oil and gas extraction, nonmetallic minerals (except fuels)</li> <li>• Logging</li> <li>• Legal services (i.e., attorneys)</li> <li>• Taxicab operations</li> <li>• Fishing, hunting and trapping (commercial)</li> <li>• Wrecking and demolition work</li> <li>• Drinking places (i.e., bars, taverns, lounges)</li> <li>• Theatrical producers and services</li> <li>• Entertainers (i.e., stunt fliers, actors, musicians)</li> <li>• Manufacturing – Chemicals and Allied Products</li> </ul>
<p><b>Prescreening Process</b></p>	<p>The prescreen process allows you to provide your small group client with an estimated cost of health coverage prior to their actual enrollment. <b>The prescreen is only an estimated rating for the group and is not guaranteed.</b> Final rates are determined following underwriting review.</p> <p>To complete a prescreen, please contact your Starmark distribution partner.</p>
<p><b>Initial Underwriting</b></p>	<ul style="list-style-type: none"> <li>• Notify the Underwriting Department of any changes that occur in an individual’s health history prior to the date of the employer’s signed acceptance of the offer of coverage. The changes must be submitted on an updated Employee Enrollment Form and the prior offer will be subject to additional underwriting and possible modification.</li> <li>• Changes in plan design or effective date can be made during the initial underwriting process.</li> <li>• Once an offer is signed by a company officer and returned to Starmark, no changes can be made to the health plan before the group’s first anniversary.</li> </ul>
<p><b>Group Installation</b></p>	<p><b>Offer Acceptance</b> Upon acceptance of the offer, an acceptance letter outlining the group’s plan is sent to the employer, MGA and producer.</p> <p><b>Administration Kit</b> An Administration Kit for the employer is sent to the MGA or producer upon issuance of coverage. The Administration Kit includes the following:</p> <ul style="list-style-type: none"> <li>• Participating Employer Administration Guide (AD44), which explains enrollment, premium payment and other important plan procedures</li> <li>• Enrollment, claim and additional administrative materials</li> <li>• Certificates of Insurance that provide a comprehensive explanation of benefits for each covered employee</li> <li>• Medical and dental (if applicable) ID cards for each covered employee <ul style="list-style-type: none"> <li>— Groups with a prescription drug card benefit will be activated in the pharmacy benefit manager’s system within 10 days of the employer’s acceptance of the offer or on the group’s effective date, whichever is later. During this period, prescriptions may be filled and claims may be filed manually using the Prescription Drug Claim Form.</li> </ul> </li> <li>• Copy of the Participating Employer Application and Agreement (UW2)</li> </ul> <p><b>Website Access</b> As a courtesy, Starmark will preregister the employer or administrator/correspondent on the Starmark website when an e-mail address is provided on the Participating Employer Application and Agreement (UW2). The employer’s unique user ID and password, which enables direct access to the Starmark website, will be included with the HTML e-mail that is sent upon issuance of coverage. Note: It is up to the employer to sign up for access to ACE. Starmark will continue to mail an Administration Kit, Certificates of Insurance and ID cards to the MGA or producer, for delivery to the group as soon as possible.</p>

## Administration Guidelines and Commissions

<b>Change of Premium Rates</b>	<ul style="list-style-type: none"> <li>• Premiums vary by age brackets in five-year increments from age 25 to age 65.</li> <li>• Plans are established with either individual rating or composite rating:             <ul style="list-style-type: none"> <li>— For individual rating, premium adjustments for age will apply any time an employee reaches a new age bracket. The rate change will take place on the first of the month following the employee’s birthday. In the case of an employee who turns 65, the rate will change on the first of the month in which the employee’s birthday occurs to coincide with Medicare. The premiums charged for a spouse are based on the age of the employee. Therefore, when the employee’s age moves to a new age bracket, premiums for the covered spouse will also change. The change of an insured from one age bracket to another does not, by law, require notification from Starmark.</li> <li>— For composite rating, premium adjustments for age will only occur when the average premium is recalculated at the plan’s renewal.</li> </ul> </li> <li>• Starmark may change the monthly premium amount on any due date after the rates have been in effect for the applicable rate guarantee period. The rate guarantee period does not apply to any adjustment due to the following:             <ul style="list-style-type: none"> <li>— A change of more than 10 percent in the composition of the covered employees.</li> <li>— The business is no longer in the same business as when the plan was originally effective.</li> <li>— Any change in federal or state law, which affects all covered employers.</li> </ul> </li> <li>• Starmark also has the right to change the rates on any due date following the effective date of any state premium tax law, or change to such law. The amount of such change will be determined by the amount of the tax imposed.</li> </ul>
<b>Plan Changes</b>	<ul style="list-style-type: none"> <li>• Any change to the employer’s current plan design may result in a premium change. All requests are subject to written approval by Starmark.</li> <li>• No health plan changes are allowed on new business cases within the first 12 months of coverage.</li> <li>• Employers may change plans on their anniversary date, or one time off anniversary, subject to underwriting approval.             <ul style="list-style-type: none"> <li>— Changes to the health or dental plan cannot be made within the three-month period prior to renewal as plan changes cannot be processed when renewals are in progress.</li> <li>— Health and dental plan changes effective as of the renewal date can be processed once the MGA receives notice of final renewal action.</li> </ul> </li> <li>• Any group requesting a plan change will receive a current health plan and prescription drug benefit. When the prescription drug card is included with a health plan, it is a mandatory benefit and may not be removed.</li> <li>• Groups with the highest renewal increases or with ongoing claims may make the following changes only at anniversary:             <ul style="list-style-type: none"> <li>— Move up one deductible and one coinsurance limit</li> <li>— Change their prescription drug card</li> </ul> </li> <li>• Preventive Care Plus may be added or removed at the group’s anniversary only, subject to underwriting approval.</li> <li>• Maternity             <ul style="list-style-type: none"> <li>— May be added or removed at anniversary only, subject to underwriting approval.</li> <li>— Renewal rates may increase if someone in the group is currently pregnant.</li> <li>— Must have five employees with health coverage or at least \$1,000 in monthly health premium.</li> <li>— May be added at any time once a group reaches 15 or more total employees, subject to underwriting approval.</li> </ul> </li> <li>• If a group changes its health plan, ancillary benefits will not be changed from an old plan to a current plan unless requested by the group. If an ancillary benefit change is requested, a current plan will be quoted.</li> <li>• If a group requests the addition of a subsidiary, location, newly purchased company, or a new class of employees to its plan, or if group composition changes by 10 percent or more, the health plan for the entire group must be reunderwritten. The group may be assigned a new group number and begin a new rate guarantee period. All claim history and accumulated benefits will be transferred to the new group health plan when appropriate. Premium rates will be the group’s last renewal premium plus any adjustments to reflect the company’s new composition and other risk factors as a result of the additional employees.</li> </ul> <p>These groups must submit all of the following:</p> <ol style="list-style-type: none"> <li>1. Newly completed Participating Employer Application and Agreement (UW2)</li> <li>2. Newly completed Employee Enrollment Forms (UW3) for employees being added to the plan; and</li> <li>3. Most recent State Quarterly Wage and Tax Statement</li> </ol>

## Administration Guidelines and Commissions (cont.)

<b>Requesting a Plan Change</b>	<p>In the event an employer wishes to make a plan change, please follow these simple steps:</p> <ol style="list-style-type: none"> <li>1. <b>Request a proposal from Starmark</b> <ul style="list-style-type: none"> <li>— Submit an Alternative Quote Request online through the Starmark website; or</li> <li>— Obtain the Alternative Quote Request Form from the Starmark website, complete and fax to 847.615.3813; or</li> <li>— Call Account Management at 800.522.1246, ext. 35382.</li> </ul> </li> <li>2. <b>Submit a Starmark proposal signed by the employer’s company officer detailing the requested change(s).</b> <ul style="list-style-type: none"> <li>— Newly completed Employee Enrollment Forms for the entire group must be submitted when requesting any of the following:                             <ul style="list-style-type: none"> <li>• Increase in health benefits (i.e., decrease deductible)</li> <li>• Addition of maternity</li> <li>• Addition or increase of life, short term disability or long term disability benefits</li> </ul> </li> </ul> </li> </ol>
<b>Adding Employees and Dependents</b>	<p><b>Timely Enrollees</b></p> <p>Timely enrollees are eligible employees who <i>complete and sign</i> an Employee Enrollment Form for themselves and/or their dependents during the employer’s waiting period and prior to the end of the initial enrollment period. The initial enrollment period is the 31 days following the waiting period. The effective date will be the first of the month following completion of the enrollment requirements. Coverage cannot become effective before the date the employee signs the enrollment form. Any enrollment form signed or received prior to the first day of employment will not be accepted.</p> <p><b>Special Enrollees</b></p> <p>Special enrollees are employees or dependents who previously waived coverage, but may now be eligible because they have <i>involuntarily</i> lost their other coverage, had a benefit/coverage change or had a life-changing event. The enrollment period for a special enrollee is the 31 days following the special enrollment event. An Employee Enrollment Form and a Special Enrollee Form (AD41) must be submitted, along with documentation to support the qualifying event.</p> <p>If an applicant qualifies as a special enrollee, coverage will become effective on the date of the qualifying event. Failure to submit the request and supporting documentation within 31 days of the qualifying event could result in an extended pre-existing condition limitation period or a delay in coverage. The applicant should not delay sending his/her enrollment request if he/she is unable to obtain the supporting documentation within the 31-day time frame.</p> <p><b>Late Enrollees</b></p> <p>Late enrollees are separated into two categories:</p> <ol style="list-style-type: none"> <li>1. <b>Eligible employees or dependents who waive coverage at the original effective date of the group health plan administered by Starmark</b> <p>These late enrollees must submit an enrollment form to Starmark at the time coverage is desired. If the enrollment form is received by Starmark prior to the group health plan’s first anniversary date, coverage will be effective on the first anniversary date. If the enrollment form is received by Starmark after the group health plan has been in force for 12 months, coverage will start on the first day of the month following the date the enrollment form is signed. If the signature on the Employee Enrollment Form is more than 60 days old, it will be returned to you for the employee to make sure all the information on the enrollment form is correct and for the employee to re-sign the form with a current date. The updated Employee Enrollment Form must be returned to Starmark for coverage to become effective. The effective date of the employee’s coverage will be the group health plan’s first anniversary date or the first of the month following the date the original enrollment form was received by Starmark, whichever is later.</p> </li> <li>2. <b>Eligible employees who are hired after the original effective date of the group health plan administered by Starmark who request enrollment for themselves or their eligible dependents following the initial enrollment period</b> <p>Coverage will start on the first day of the month following the date the enrollment form is signed. If the signature on the Employee Enrollment Form is more than 60 days old, it will be returned to you for the employee to make sure all the information on the enrollment form is correct and for the employee to re-sign the form with a current date. The updated Employee Enrollment Form must be returned to Starmark for coverage to become effective. The effective date of the employee’s coverage will be the first of the month following the date the original enrollment form was received by Starmark.</p> </li> </ol> <p><b>Important:</b> Late enrollees may be subject to an 18-month pre-existing condition limitation period for medical coverage and may be subject to a separate waiting period for dental benefits, if the plan includes dental coverage. If a person had creditable coverage with no more than a 63-day gap in coverage, time covered under the prior plan will be credited toward satisfying the 18-month pre-existing condition limitation period.</p>

## Administration Guidelines and Commissions (cont.)

<b>Automated Customer Environment (A.C.E.)</b>	<p>Starmark’s Internet-based Automated Customer Environment (A.C.E.) allows employers to make real-time changes to eligibility information online and access enrollment records and premium payment history. Employers may reduce their administration fees by:</p> <ul style="list-style-type: none"> <li>• Signing up to use A.C.E.</li> <li>• Using electronic funds transfer (EFT) to make premium payments</li> <li>• Signing up to receive billing statements by e-mail</li> </ul> <p>If you have any questions regarding A.C.E., contact Starmark’s Customer Service Department at 800.522.1246, option 8.</p>
<b>COBRA</b>	<p><b>Employers with 20 or more full- and part-time employees may be subject to COBRA.</b> Starmark will provide continuation of coverage to satisfy the requirements of COBRA.</p>
<b>Continuation of Health Coverage</b>	<ul style="list-style-type: none"> <li>• Health coverage may be continued for up to nine months following termination of employment, provided the employee was covered under the employer’s group health plan for at least three months.</li> <li>• Health coverage for dependents may be continued for up to two years following the death or retirement of an employee or the dissolution of marriage. A former spouse who has attained age 55 when continuation begins may continue coverage until eligible for Medicare.</li> <li>• In any event, coverage will terminate if: premiums are not paid when due; the former employer ceases to participate under the contract; the person is eligible to be covered by a similar group health plan; or for a dependent, coverage would end because he or she is no longer an eligible dependent.</li> <li>• A six-month continuation of health coverage is available for dependent children who no longer meet the eligibility requirements due to a loss of student status or are no longer a full-time student and who have been continuously insured for at least three months. Premium is determined by using the rate for an employee of the appropriate age and gender.</li> </ul>
<b>Medicare</b>	<ul style="list-style-type: none"> <li>• Health benefits for employees or spouses who are age 65 and over will be paid secondary to Medicare when an employer has fewer than 20 employees. Covered charges will be reduced by any benefits payable by Medicare Parts A and B. Employees and spouses are considered to be enrolled under both Parts A and B whether or not they are actually enrolled.</li> <li>• When an employer has 20 or more employees and is subject to the Social Security Act (Section 1862(b)), health benefits will be paid primary to Medicare. This will result in an increase in premium. An employee may choose to voluntarily waive coverage under the plan and elect Medicare as sole payer.</li> </ul>
<b>Renewals</b>	<ul style="list-style-type: none"> <li>• Groups will receive written notice at least 60 days prior to the effective date of any rate change. Note: Starmark does not notify groups of rate changes that are due to age changes.</li> <li>• The employer has a choice between individual rating or composite rating when health coverage is issued for 10 or more employees. If the employer selects composite rating, the employer is eligible to continue composite rating as long as 10 or more employees are covered under the health plan. If the number of employees insured for health coverage drops below 10, the rating methodology will change to individual rating at the next renewal.</li> <li>• Prior to each renewal, each employer may be required to submit a State Quarterly Wage and Tax Statement and a completed State Employer Certification Form to verify the number of eligible employees and the number of employees participating in the plan.</li> <li>• If a group’s participation drops from two or more employees to one, the group will be required to meet participation requirements or coverage will be canceled.</li> <li>• Starmark may terminate an employer’s plan for lack of participation on any premium due date with 30 days advance notice.</li> <li>• Some states have different provisions regarding renewals – Starmark complies with state laws.</li> </ul>

## Administration Guidelines and Commissions (cont.)

<b>Terminations</b>	<p>If a group is terminated for nonpayment of premium and subsequently applies for coverage within six months of termination, new business rules and the following apply:</p> <ul style="list-style-type: none"> <li>• A certified check equal to two months of premium is required along with the new business submission; four months of premium is required for a second occurrence.</li> <li>• Electronic funds transfer is the required payment method for monthly premiums.</li> <li>• The starting point for new business rates will be the renewal rate. Rates will be adjusted up or down depending on the new anticipated risk developed as a result of the new business underwriting evaluation. This also applies to groups voluntarily terminating coverage and reapplying within one year.</li> </ul> <p><b>Voluntary terminations must be requested prior to the termination date, and premium refund requests will not be honored.</b></p>
<b>Reinstatements</b>	Reinstatement will be honored only twice in a 12-month period, and a reinstatement fee will apply.
<b>Commission Payments</b>	<ul style="list-style-type: none"> <li>• Commissions are paid on the first business day of each month. Commissions are earned on any group premium received within the previous month. Note: A minimum amount of earned commissions is required to receive a manual check. Direct deposit commissions are paid for any amount earned.</li> <li>• Direct deposit commissions are sent to the bank on the first business day of the month. Please allow two to three business days for the bank to process the deposit. A confirmation e-mail is sent for your convenience.</li> <li>• Commission statements and manual checks are sent within the first five business days of the month.</li> <li>• A copy of the current producer commission schedule can be obtained from your Starmark distribution partner.</li> <li>• To ensure timely and accurate commission payments, promptly report any change in address, including e-mail address changes, to the Starmark Licensing and Commissions Department at 800.522.1246, ext. 33485. Additionally, you should report any changes to your state department of insurance.</li> </ul>
<b>Producer Bonus Program</b>	Bonuses earned are paid with commissions, and a bonus statement is mailed separately. Ask your Starmark distribution partner for a copy of the Producer Bonus Program, available for all producers with active Starmark business.
<b>IRS Form 1099</b>	Producers who earn more than \$600 in commissions each year will be mailed an IRS Form 1099 by January 31.
<b>Payment Changes</b>	<ul style="list-style-type: none"> <li>• Commissions paid to an agency can only be changed to pay another entity by obtaining a written release from the agency or by obtaining a broker of record letter from the group.</li> <li>• The new entity must be appropriately licensed and appointed.</li> <li>• All commission changes will be effective the first of the month following the receipt of the request.</li> </ul>
<b>Broker of Record Changes</b>	<ul style="list-style-type: none"> <li>• Broker of record changes, including changes in commissions due to broker of record changes, are effective the first of the month following 30 days from the receipt of the group's request.</li> <li>• If there are outstanding licensing requirements, the new producer must submit the paperwork prior to the effective date of the change. If the required paperwork is not received by this date, the previous producer will remain the broker of record.</li> <li>• Paperwork received after the effective date will require the new producer and group to resubmit their request, resulting in a new effective date.</li> <li>• Producers are vested for the first year of a group. A new servicing producer may be named, but commissions will not be released to the new producer until the group's first anniversary.</li> <li>• A producer change must be requested in writing on company letterhead and signed by an officer or owner of the group. Letters cannot be dated more than 60 days prior to the receipt date.</li> <li>• The new producer, previous producer, MGA for the group and the group are sent confirmation letters of the change.</li> <li>• MGAs are vested for life on a group.</li> </ul>

Starmark's sole focus is providing a flexible healthcare benefits portfolio and unparalleled personal service to small businesses. By offering HSA-compatible health plans and nationwide network access, plus cutting-edge resources such as seamless HRA administration, easy and innovative paperless employee enrollment and valuable online healthcare decision support tools, Starmark continues to be a distinguished leader in small group healthcare benefits.



Plan availability and/or coverage may vary by state. Plans administered by Starmark are fully insured by Trustmark Life Insurance Company.



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