

The benefits you want. The protection you need.

Starmark *HealthyEdge*SM

Understanding how Starmark *HealthyEdge* funding works for businesses with 10 or more employees



Trustmark
LIFE INSURANCE COMPANY



Starmark[®]

PERSONAL. FLEXIBLE. TRUSTED.

Starmark *HealthyEdge*SM

Employers like you often struggle to find healthcare benefits options that give you the control, flexibility and value you need – until now. With *HealthyEdge*, you get better control over your health benefits, the flexibility to tailor your self-funded plan design to your specific needs, and the opportunity to receive a refund if your group's claims are lower than expected.



HealthyEdge self-funded health plan designs with stop-loss insurance give you peace of mind - you can offer your employees the benefits they want while we protect your small business from big claims. Plus, if you have a surplus in your account, you have a choice for how to receive the refund!

Self-funding with *HealthyEdge* has many advantages, including:

Opportunity for future savings – If there is a surplus in the aggregate claim liability account (also called claim pre-fund account) for your self-funded plan at the end of the contract, a portion of that money will be credited to your account and used to lower your costs in future months or returned to you as cash, depending on your plan design.

Stop-loss protection – If medical claims paid by your self-funded plan are higher than the amount of money funded in the claim pre-fund account, you're protected with stop-loss insurance. The stop-loss insurance takes effect and pays claims over the amount you've funded, which means if an individual in your group has a catastrophic claim, or the entire group has high claims, you don't need to worry.

Predictable Payments – Payments are the same amount each month, regardless of medical claim activity, which allows for better budgeting and peace of mind.

Attract and retain employees – *HealthyEdge* gives you the feel of a traditional health plan your employees are used to, while allowing you the flexibility to tailor the plan to meet the needs of your company.

Savings on State Premium Taxes – With self-funded plans, employers are not subject to state health insurance premium taxes, which helps lower costs.

Claim Activity Reporting – You receive a monthly report showing how claim dollars are being spent, which means you'll be armed with knowledge that can help you target specific areas in your plan design to modify at renewal.

"Between 2008 and 2010, the trend to self-funding by small employers increased by as much as 20 percent, according to PricewaterhouseCoopers."

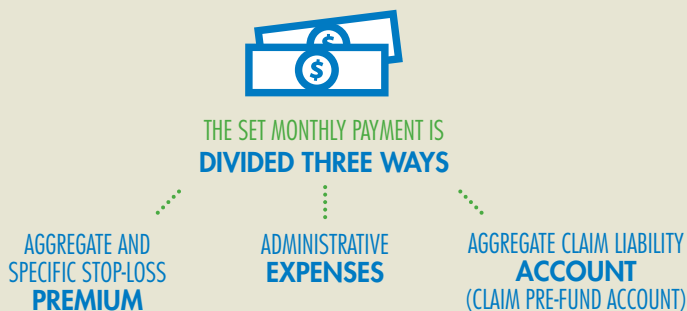
Small Business and Self-funding: Dispelling Some Myths
March 2011, by George J. Pantos, Esq.

How does *HealthyEdge* funding work for you?

With *HealthyEdge*, you only pay for the claims incurred by your employees under your self-funded plan. And to help minimize the risk and protect your business, the stop-loss insurance pays if the covered claims are more than what you are required to fund, so you don't have to worry.

The aggregate stop-loss will cover claims over a certain amount for the entire group and the specific stop-loss will cover claims over a certain amount for a specific person.

You pay one fixed monthly payment, which goes toward the aggregate and specific stop-loss insurance premium, administrative costs, and claims pre-fund account.



When employees have medical claims, the covered claims are paid out of the claim pre-fund account.

Then, one of two things can happen at the end of the year.



If claims are less than what you funded, you can choose to receive the surplus either as an administrative fee credit or cash¹.

OR



If claims are more than what you funded, the stop-loss insurance pays the balance so you don't have to. This means you are protected against large, unexpected claims from the entire group or even just one individual.



HealthyEdge self-funded plan designs include a 15-month runout period, which means covered claims will continue to be paid for 15 months after the contract ends. Based on the group's claims experience, Trustmark will estimate an amount of money to hold in the terminal liability reserve fund to pay claims during the runout period.

HealthyEdge gives you the opportunity to manage your surplus

If claim activity is favorable, you may have a surplus in the claim pre-fund account. When you select your *HealthyEdge* plan design you may choose to either have your surplus returned as an administrative fee credit or as cash¹.

The three surplus options² include:

- 2/3 administrative fee credit at renewal, no credit at termination on or off anniversary³.
- 2/3 administrative fee credit at renewal or 2/3 as cash when the plan terminates on anniversary³. However, any surplus is forfeited if the plan is terminated off anniversary.
- 100% of the surplus as cash at the end of the year.

When is the surplus determined?

Groups with 10 to 24 covered employees will have their surplus determined in the 16th month after the effective date.

Groups with 25 or more covered employees may choose to have the surplus determined in either the 13th month or 16th month. Once the surplus is determined, it cannot be changed, regardless of actual claim activity at the end of the runout period. However, groups may choose a new surplus option when they renew their contract.

¹ Not all surplus options have a cash option.

² Surplus options may vary by state.

³ Trustmark retains 1/3 of the surplus as a delayed administration fee.

Ask your broker for more information about which option is right for your business and your budget.



Count on Starmark®

Choosing a self-funded plan design can be confusing, but Starmark is here to help. Starmark offers the expertise, service and seamless integration you need to make the transition to *HealthyEdge* smooth and successful.

Seamless Integration

Self-funded plans are administered by Starmark and the stop-loss insurance is insured by Trustmark Life Insurance Company, a leading health and life insurer for nearly 100 years. And because Starmark is part of the Trustmark Companies, you get seamless integration of claims payment, administration and benefits.

Expertise

When you choose a *HealthyEdge* plan design from Starmark, you can rest assured knowing that you're getting the benefit of Starmark's expertise. Starmark has been serving businesses since 1985. Plus, Starmark actively markets self-funded medical plan designs in numerous states.

Service

Starmark prides itself on providing exceptional customer service to its clients. Starmark calls each new group to welcome them and then follows up throughout the year to ensure satisfaction.



"My experience with Starmark thus far has been extremely favorable. The product is so good that we signed our insurance agency up for it! I highly recommend working with Starmark in today's competitive employee benefits climate."

Jennifer Platt, Stamford Insurance

Trustmark, an employee benefits company for nearly 100 years, is dedicated to providing financial security, improving health and well-being, and helping people navigate the healthcare system. Serving more than 2 million covered lives or plan participants, Trustmark is rated A- (Excellent) by A.M. Best. Self-funded plans are administered by Starmark, and stop-loss insurance is provided by Trustmark Life Insurance Company.

Starmark® is a distinguished leader in group healthcare benefits offering self-funded and fully insured plan designs. With paperless employee enrollment, health and wellness programs, nationwide network access and seamless HRA administration, Starmark is the choice in employer healthcare benefits.

The information contained in this product brochure is a general description of features, benefits, requirements and restrictions of the Administration Agreement. More details are provided in the Administration Agreement, which is the prevailing document.
Plan design availability and/or surplus options may vary by state.



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