

SERFF Tracking Number: STAR-126786631 State: Arkansas
Filing Company: Starmount Life Insurance Company State Tracking Number: 46723
Company Tracking Number:
TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity
Product Name: Hospital Indemnity Policy 06-004
Project Name/Number: /

Filing at a Glance

Company: Starmount Life Insurance Company

Product Name: Hospital Indemnity Policy 06-004 SERFF Tr Num: STAR-126786631 State: Arkansas

TOI: H14I Individual Health - Hospital Indemnity SERFF Status: Closed-Approved-Closed State Tr Num: 46723

Sub-TOI: H14I.000 Health - Hospital Indemnity Co Tr Num: State Status: Approved-Closed
Filing Type: Form Reviewer(s): Rosalind Minor

Author: Natka Varisco Disposition Date: 09/09/2010

Date Submitted: 09/07/2010 Disposition Status: Approved-Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 09/09/2010

Explanation for Other Group Market Type:

State Status Changed: 09/09/2010

Deemer Date:

Created By: Natka Varisco

Submitted By: Natka Varisco

Corresponding Filing Tracking Number:

Filing Description:

The above referenced hospital indemnity policy was previously approved in the state of Arkansas on January 11, 2010. We have made changes to the previously approved form (Policy Form No. 06-003) and application (Application form 06-002 APP (Rev 11/09)). The policy has been assigned form number 06-004 and application has been assigned form number 06-004 APP.

The changes to the policy and application are as follows:

Policy Form

SERFF Tracking Number: STAR-126786631 State: Arkansas
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Page 6 – Section VI – Exceptions and Reductions

- Loss for care or treatment that is received outside of the fifty (50) United States and the District of Columbia.
- Loss for injury sustained while intoxicated or under the influence of narcotics, unless administered on the advice and the dosage prescribed a physician.

Application Form No. 06-004 APP

We have bracketed the following portions of the application:

Please note: Your first month's premium is just \$1;

Accidental Death Rider ADH 09;

The Daily Benefit amounts.

The following statement has been added below the signature section:

May we send you information about other products which may interest you: Yes___No___

Additionally, our Accidental Death Rider for Health Products, ADH 09 (approved in Arkansas on October 2, 2009) may be marketed with this policy.

The enclosed forms are in final printed format, subject only to minor changes in ink, color, paper stock, company logo, margins and positioning.

This filing is being filed without an illustration. To market this policy in Arkansas, Starmount Life will buy lists of recent mail order purchasers, use third party inserts, place the application on our website, seek referrals from friends and/or family members of current insureds and use any other methods of direct marketing that the company may subsequently develop. At this time Starmount Life has no plans to market this policy through agents.

Company and Contact

Filing Contact Information

Natka Varisco, compliance specialist

7800 Office Park Blvd.

Baton Rouge, LA 70809

natkav@starmountlife.com

225-926-2888 [Phone] 219 [Ext]

225-610-1419 [FAX]

Filing Company Information

Starmount Life Insurance Company

7800 Office Park Boulevard

Baton Rouge, LA 70809

(225) 926-2888 ext. [Phone]

CoCode: 68985

Group Code: 68985

Group Name:

FEIN Number: 72-0977315

State of Domicile: Louisiana

Company Type:

State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? Yes
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Starmount Life Insurance Company	\$100.00	09/07/2010	39281902

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/09/2010	09/09/2010

SERFF Tracking Number: *STAR-126786631* *State:* *Arkansas*
Filing Company: *Starmount Life Insurance Company* *State Tracking Number:* *46723*
Company Tracking Number:
TOI: *H14I Individual Health - Hospital Indemnity* *Sub-TOI:* *H14I.000 Health - Hospital Indemnity*
Product Name: *Hospital Indemnity Policy 06-004*
Project Name/Number: /

Disposition

Disposition Date: 09/09/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	Yes
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Form	Hospital Indemnity Policy	Approved-Closed	Yes
Form	Application	Approved-Closed	Yes

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Form Schedule

Lead Form Number: 06-004

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 09/09/2010	06-004-AR	Policy/Cont ract/Fratern al Certificate	Hospital Indemnity	Initial		45.600	06-004-AR.pdf
Approved-Closed 09/09/2010	06-004 APP	Application/ Enrollment Form	Application	Initial		43.100	06-004 HIP application Reg 4.pdf

STARMOUNT LIFE INSURANCE COMPANY
P. O. Box 98100, Baton Rouge, LA 70898-9100

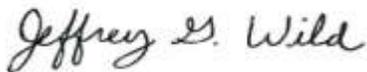
A STOCK LIFE INSURANCE COMPANY

Starmount Life Insurance Company will pay You if you are hospital confined subject to the terms of this Policy. This Policy is issued to You in return for the application and payment of the first premium. A copy of the application is attached to this Policy and made a part of it.

This policy is effective from 12:01 a.m. Standard Time, on the Policy Date at your place of residence. It expires at 12:01 a.m. on the Renewal Date unless continued to the next Renewal Date by timely payment of premiums.

90 Day right to examine this policy -- You have the right to cancel this policy within 90 days after you receive it, if no claims have been made. To cancel, mail or return the policy to our home office or to the agent who sold it. The policy will be treated as if it had never been issued and any premium paid will be returned.

Please read your Policy carefully! This Policy is a legal contract between Starmount Life Insurance Company and the Policyowner.



Secretary



Chairman & CEO

**THIS POLICY IS RENEWABLE BY STATE TO AGE [80]
SUBJECT TO OUR RIGHT TO CHANGE PREMIUMS
BY CLASS AT THE RENEWAL DATE**

HOSPITAL INDEMNITY POLICY

POLICY SPECIFICATIONS

BENEFIT AND PREMIUM SCHEDULE

FORM NUMBER	DAILY HOSPITAL BENEFIT	INITIAL ANNUAL PREMIUM	PAYMENT PERIOD
	[\$50 to \$300]; DAILY HOSPITAL BENEFIT [\$25 to \$150]; HOME RECOVERY BENEFIT AT AGE 65 AND BEYOND [\$25 to \$150]		
06-004	HOSPITAL INDEMNITY INSURANCE	[\$240.00]	TO AGE [80]*
06-004	SPOUSE HOSPITAL INDEMNITY INSURANCE	[\$240.00]	TO AGE [80]*
06-004	CHILDREN'S HOSPITAL INDEMNITY INSURANCE	[\$105.00]	TO AGE [19] (OR AGE [24] IF A FULL-TIME STUDENT)**
	TOTAL ANNUAL PREMIUM	[\$585.00]	

* Protection ends on first renewal date following the Primary Insured's or Spouse's [80th] birthday.
 ** Unmarried full-time student to age [24].

Daily Hospital Benefits are shown on page 3.

Total Daily benefits for Intensive Care confinement shall be twice the Daily Benefit. A total of [365] days of hospitalization will be paid with a maximum of [30] days paid for Intensive Care confinement.

Benefits are reduced by half on the first of the month following each Insured's 65th birthday.

Children who are (1) incapable of self-sustaining employment, and (2) chiefly dependent upon the policyholder for support and maintenance and remain in this plan will be charged the same premiums as others of the same age. Proof of such incapacity and dependency shall be furnished to Us and may be required annually after the 2-year period following the child's attainment of the limiting age.

WAITING PERIOD: [0, 1] DAY

LIFETIME MAXIMUM BENEFIT PERIODS

[365] DAYS OF HOSPITALIZATION
 [0, 30] DAYS OF INTENSIVE CARE CONFINEMENT

NAME	RELATIONSHIP	AGE
JOHN DOE	INSURED	58
JANE DOE	SPOUSE	55
WILLIAM DOE	DEPENDENT CHILD	15
AMY DOE	DEPENDENT CHILD	10

INSURED - [JOHN DOE]

RENEWAL PREMIUM:

POLICY DATE - [APRIL 15, 2006]

[\$ 48.75 MONTHLY]
 [\$146.25 QUARTERLY]
 [\$292.50 SEMI-ANNUAL]
 [\$555.75 ANNUAL]

INITIAL MONTHLY PREMIUM - [\$1.00]

INITIAL PERIOD - [ONE MONTH]

SCHEDULE OF PREMIUMS

Policy Year Beginning	Primary Insured's Attained Age	Insured's Daily Benefit	Insured's Total Annual Premium	Spouse's Attained Age	Spouse's Daily Benefit	Spouse's Total Annual Premium	Children's Daily Benefit (all ages)	Children's Total Annual Premium (all ages)	Total Annual Premium
[April 15, 2006	58	\$100	\$240.00	55	\$100	\$240.00	\$50.00	\$105.00	\$585.00
April 15, 2007	59	\$100	\$240.00	56	\$100	\$240.00	\$50.00	\$105.00	\$585.00
April 15, 2008	60	\$100	\$270.00	57	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2009	61	\$100	\$270.00	58	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2010	62	\$100	\$270.00	59	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2011	63	\$100	\$270.00	60	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2012	64	\$100	\$270.00	61	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2013	65	\$50	\$270.00	62	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2014	66	\$50	\$270.00	63	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2015	67	\$50	\$270.00	64	\$100	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2016	68	\$50	\$270.00	65	\$50	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2017	69	\$50	\$270.00	66	\$50	\$270.00	\$50.00	\$105.00	\$645.00
April 15, 2018	70	\$50	\$375.00	67	\$50	\$375.00	\$50.00	\$105.00	\$855.00
April 15, 2019	71	\$50	\$375.00	68	\$50	\$375.00	\$50.00	\$105.00	\$855.00
April 15, 2020	72	\$50	\$375.00	69	\$50	\$375.00	\$50.00	\$105.00	\$855.00
April 15, 2021	73	\$50	\$375.00	70	\$50	\$375.00			\$750.00
April 15, 2022	74	\$50	\$375.00	71	\$50	\$375.00			\$750.00
April 15, 2023	75	\$50	\$375.00	72	\$50	\$375.00			\$750.00
April 15, 2024	76	\$50	\$375.00	73	\$50	\$375.00			\$750.00
April 15, 2025	77	\$50	\$375.00	74	\$50	\$375.00			\$750.00
April 15, 2026	78	\$50	\$375.00	75	\$50	\$375.00			\$750.00
April 15, 2027	79	\$50	\$375.00	76	\$50	\$375.00			\$750.00
April 15, 2028]	80	\$50	\$375.00	77	\$50	\$375.00			\$750.00

If a Spouse is insured, the Primary Insured shall be the elder of the two insureds.

Premiums are based on Primary Insured's age and selected daily benefit. Insurance is renewable to age [80]. Premiums change as the Primary Insured enters a higher age category. Premiums are payable until the first month after the Primary Insured's [80th] birthday.

All benefits are reduced by half on the first of the month following each Insured's 65th birthday.

** To age [24] if an unmarried, full- time student.

SECTION 1
DEFINITIONS

In this policy The words **We, Us, and Our**, mean **Starmount Life Insurance Company. You and Your** mean the **Insured**.

Age means the age of the insured at the effective date of the policy.

Attained Age means an insured's age increased by one year for each complete policy year.

Injury means accidental bodily injury sustained by a Covered Person which is the direct cause of loss, independent of disease, bodily infirmity or any other cause, and occurs while this policy is in force.

Sickness means an illness or disease which is diagnosed while this policy is in force.

Hospital means an institution which is both: (a) licensed as a hospital; and (b) operated pursuant to law for the care and treatment of sick and injured persons for compensation from its patients. The institution must also maintain and use on its premises or in facilities available to it on a prearranged written, contractual basis: a laboratory; x-ray equipment; and major surgery facilities.

The institution must also: have permanent, full-time facilities for the care of overnight resident bed patients under the supervision of one or more licensed physicians; provide 24-hour nursing service by or under the supervision of a graduate Registered Nurse (R.N.); and maintain the patients' written histories and medical records on the premises. **Hospital** does not include any institution or part thereof used as: a convalescent home; a rest or nursing facility; a rehabilitation unit; an extended care facility; or a skilled nursing facility, hospice facility or a self care unit of a hospital. It does not include a facility primarily affording: custodial care; educational care; care or treatment for persons suffering from mental disease or disorders; or care for the aged, drug addicts, or alcoholics. It does not include a facility owned or operated by a government agency which does not require payment for its services or does not require non-subsidized payment for its services.

Physician means any person licensed to prescribe and administer drugs and perform surgery acting within the scope of his license. It does not include you or a member of your family. Such person must be a graduate of an accredited American medical school.

Renewal Date means the date of the next premium due. The Policy Issue Date is the original date on which the policy was issued.

Covered Person means:

- * any eligible family member as defined in Section III, named in the application and accepted by us for coverage; or
- * a newborn child under Section III.

Intensive Care Facility means a medical facility inside a Hospital which provides advanced and highly specialized care to medical or surgical patients whose conditions are life-threatening and require comprehensive care and constant monitoring on a consistent, 24 hours, 7 days per week schedule. It is administered by physicians and certified registered nurses in specially equipped units to include coronary care and burn units of a Hospital.

Intensive Care means special care received in an Intensive Care Facility because of immediate life threatening needs which require comprehensive care and constant monitoring on a consistent 24 hour, 7 days per week schedule.

SECTION II
RENEWAL PROVISION

You can continue this policy timely payment of premiums. Renewal premiums will be at the premium rates in effect on the date of each renewal.

Unpaid Premium. We will subtract any unpaid premium from any amount we pay under this policy.

Default. If you do not pay a premium by the end of the grace period, your policy will be in default. It will cease to be in force. It will have no further value.

Renewable. You may renew your Policy, during the Insured's lifetime, until the first month after the Insured's [80th] birthday, by the payment of premiums when due.

We can change the premium rates on premiums becoming due after the first premium. However, we can only change the rate on this policy by making the rate change for all such policies in a class. We cannot place any restrictive riders or cancel or refuse to renew your policy if you maintain it continuously in force. If we do change rates on all like policies in your class, we will mail you a notice of this change. This notice will be mailed at least 30 days (45 days if rates increase 20% or more) prior to such change; it will be mailed to your address as shown on our records. No change in premiums will be effective unless you are mailed such notice. The premium shall not be increased in the first 12 months and cannot be increased more than once every 12 months.

This policy can only be otherwise canceled if every policyholder in your classification is canceled. You cannot be singled out.

SECTION III ELIGIBILITY

Your family members eligible to be "Covered Persons" are:

- * You;
- * Your legally married spouse;
- * Unmarried children of you or your spouse, including adopted children, children pending adoption procedures, unmarried grandchildren who are in the legal custody of and residing with the grandparent, and stepchildren, who are:
 - (a) under 21 years old; or
 - (b) under 24 years old and full-time students at an accredited college or university, or at a vocational, technical, vocational-technical or trade school or institute, or secondary school, and who are dependent upon the primary insured for their support provided premiums are paid on their behalf.

A child born to you or your spouse while this policy is in force as a family policy will be a **Covered Person**, upon written application and payment of required premium. The required premium will be the premium for the class of risk for which the child belongs as of the effective date of the child's coverage. If applied for, the effective date of the child's coverage shall be [60, 90] days after birth of such child.

If a Spouse is insured, the Primary Insured shall be the elder of the two insureds.

SECTION IV BENEFITS

Daily Hospital Benefit

We will pay you the Daily Benefit if, while this policy is in force, a Covered Person is:

- * hospital confined as a result of an Injury or Sickness; and
- * regularly attended by a physician.

The Daily Benefit will be paid during the period of hospital confinement after the waiting Period at the rate shown in the Policy Schedule. The waiting period applies to each period of hospitalization.

In no event will the benefits paid to any one Covered Person exceed the Lifetime Maximum Benefit Period for hospitalization stated in the Policy **Specifications**. Once the Lifetime Maximum Benefit Period for hospitalization has been reached for any one Covered Person, this Policy shall become null and void for that person.

All benefits are reduced by half on the first of the month following the each Insured's 65th birthday.

A Child's benefit shall be as shown on pages 2 and 3.

Intensive Care

If you receive Intensive Care, the benefits paid will be as specified on page 2 for each full 24 hour period you are confined to an Intensive Care Facility. In no event will the benefits paid to any one Covered Person exceed the Lifetime Maximum Benefit Period for Intensive Care confinement stated in the Policy Schedule.

Home Recovery Benefit

Immediately following hospitalization covered by this Policy, the Insured shall receive benefits for care received at home for a period equal to the number of days of hospitalization benefits covered under the Policy. The daily benefit amount of the Home Recovery Benefit will be as indicated on the Policy Specifications Page. The Home Recovery Benefit will not pay if the hospitalization is not covered under the Policy.

All benefits are reduced by half on the first of the month following the each Insured's 65th birthday.

SECTION V

RECURRENT HOSPITALIZATION

A covered Person may be hospitalized at different times due to the same or related causes. These confinements will be considered as one confinement unless they are separated by a continuous period of 30 days or more.

SECTION VI

EXCEPTIONS AND REDUCTIONS

We will not pay for loss caused by:

- * Emergency Room care;
- * an act or acts of war, declared or undeclared;
- * normal pregnancy which exceeds [0, 1, 2] days of hospital confinement—benefit occurs after policy has been in force for nine months, and pregnancy must have begun after this policy was in force;
- * suicide or any attempt at suicide while sane or insane;
- * intentionally self-inflicted Injury;
- * alcoholism or habitual substance abuse;
- * mental or nervous disorders;
- * hospitalization beginning before this policy was in force;
- * treatment not considered medically necessary;
- * any injury caused by commission or attempted commission of a crime or criminal act;
- * cosmetic surgery, breast reduction or augmentation, weight modification or surgical treatment for obesity, sex change surgery;
- * health examinations;
- * care provided in a hospice facility;
- * Sickness contracted or Injury sustained while on fulltime active duty (other than for one month or less training) in any military, naval or air force. When you give Us written notice, any unearned premium will be refunded pro-rata for any period not covered by the Policy because of this exclusion; or
- * dental care or treatment unless caused by Injury.
- * any patient that has not been admitted as an inpatient and confined for at least 24 hours.
- * Loss for care or treatment that is received outside of the fifty (50) United States and the District of Columbia.
- * Loss for injury sustained while intoxicated or under the influence of narcotics, unless administered on the advice of and in the dosage prescribed a physician.

Pre-existing conditions are not covered until after the policy has been in force continuously for a period of [0, 12, 24] months during a Covered Person's lifetime.

Pre-existing condition means a condition for which medical advice or treatment was recommended by a physician or received within a [0, 12, 24] month period preceding the Effective Date of the Covered Person's coverage or a condition which manifested symptoms which would cause an ordinarily prudent person to seek diagnosis or treatment.

SECTION VII

TERMINATION OF INSURANCE

Renewable. You may renew your Policy, during the Primary Insured's lifetime, until the first month after the Primary Insured's 80th birthday, by the payment of premiums when due.

If Your Spouse is a Covered Person, the Spouse's coverage will cease at the end of the first month following the Spouse's 80th birthday, or upon the final decree of divorce, whichever first happens.

If Your Child is a Covered Person, the child's coverage will cease on the first billing date after the date the Child ceases to be eligible.

Termination of the policy by us shall be without prejudice to any continuous loss which commenced while the policy was in force.

Your spouse, if a Covered Person, shall become the Insured upon your death. In the event of the death of a Covered Person, any premium paid to us on behalf of the deceased for a period subsequent to the date of such death will be refunded on a pro rata basis.

Upon the termination of coverage of a Covered Person, the premium of this policy will be reduced to the appropriate premium for the remaining Covered Persons.

Conversion Privilege. A Spouse covered under this Policy may be issued his own Policy if his coverage is terminated under this Policy because of his divorce from the Primary Insured or upon the Primary Insured reaching age 80. Such Spouse must apply for coverage and pay the first premium within 60 days after the date of termination under this Policy. No evidence of insurability is needed. The provision entitled "Time Limit on Certain Defenses" will be interpreted as if the new Policy took effect when he was insured under this Policy.

SECTION VIII

ASSIGNMENT

We are not bound by any assignment of this policy for a claim on this policy unless we have received this assignment in our Home Office prior to the payment of any benefits claimed. We will assume no responsibility for the validity of the assignment.

SECTION IX

GENERAL PROVISIONS

Entire Contract: Changes. This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the Company and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses.

- * After two years from the date on which a person becomes a Covered Person under this policy, no misstatements, made by the applicant in the application for coverage of such person shall be used to void the policy or deny a claim for loss incurred commencing after the expiration of such two year period.
- * After two years from the date of issue of this policy, only fraudulent misstatements made by the applicant may be used to void the policy or deny a claim that commences after the expiration of the two-year period.
- * No claim for loss incurred or disability commencing, with respect to any Covered Person, after three years from the date such person becomes covered under this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of such person.

Grace Period. A grace period of thirty-one days will be granted for the payment of each premium falling due after the first premium, during which grace period this policy shall continue in force.

Reinstatement. If any renewal premium is not paid within the time granted the Insured for payment, a subsequent acceptance of premium by the Company or by any agent duly authorized by the Company to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate this policy; provided, however, that if the

Company or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, this policy will be reinstated upon approval of such application by the Company, or lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the Company has previously notified the Insured in writing of its disapproval of such application. The reinstatement policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the Insured and the Company shall have the same rights thereunder as they had under this policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement.

Notice of Claim. Written notice of claim must be given to the Company within thirty days after the occurrence or commencement of any loss covered by this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the Insured of the Company at its Home Office in Baton Rouge, LA, or to any authorized agent of the Company, with information sufficient to identify the Insured, shall be deemed notice to the Company.

Claim Forms. The Company, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within fifteen days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in this policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which the claim is made.

Proof of Loss. Written proof of loss must be furnished to the Company at its said office in case of claim for loss for which this policy provides any payment within ninety days after termination of the period for which the Company is liable. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

Time Payment of Claims. All benefits payable under this Policy, other than benefits for loss of time, will be payable immediately upon receipt of due written proof of such loss. If We fail to pay benefits payable under this Policy, other than benefits payable for loss of time, upon receipt of due written proof of loss, We shall have fifteen working days thereafter within which to mail You a letter of notice. Such letter will state the reasons we may have for failing to pay the claim, either in whole or in part and give You a written itemization of any documents or other information needed to process the claim or any portions thereof which are not being paid.

When all of the listed documents or other information needed to process the claim have been received, We shall then have thirty working days within which to process the claim and either pay the claim or deny the claim in whole or in part.

We must give You the reasons We may have for denying such claim or any portions thereof.

Subject to proof of loss, all accrued benefits payable under this Policy for loss of time will be paid not later than at the expiration of each period of thirty days during the continuance of the period for which We are liable. Any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of such proof.

Payment of Claims. All indemnities payable under this policy will be paid to the Insured. Any accrued indemnities unpaid at the Insured's death will be paid to the estate of the Insured. If any indemnity of this policy shall be payable to the estate of the Insured, or to an Insured who is not competent to give valid release, the Company may pay such indemnity, up to an amount not exceeding \$1,000, to any relative by blood or connection by marriage of the Insured who is deemed by the Company to be equitably entitled thereto. Any payment made by the Company in good faith pursuant to this provision shall fully discharge the Company to the extent of such payment.

Unearned Premiums. In the event of the death of a Covered Person while insured under this Policy, We will pay any premiums received by US for coverage beyond the end of the Policy Month in which the Covered Person's death occurs. Such payment will be made within 30 days after We receive proof of the Covered Person's death. Policy Months begin and end on the day of the month which is shown as part of the Policy Date on the Policy Specifications Page.

Physical Examinations. The Company at its own expense shall have the right and opportunity to examine the person or any Covered Person when and as often as it may reasonably require during the pendency of a claim hereunder.

Conformity with State and Federal Statutes: Any provisions of this policy that on its effective date is in conflict with the statutes of the state in which it was issue or with any federal statutes is hereby amended to conform to the minimum requirements of such statutes.

Misstatement of Age or Sex: If the age and sex of any Covered Person has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age and sex.

Other Insurance with Starmount --- You may qualify under one like policy from Starmount, only. If you are insured under more than one like policy, we will consider you to be insured under the policy which provides the greatest amount of coverage. Unless specifically accepted in writing by Starmount, insurance effective at one time on the insured under a like policy or policies issued by Starmount is limited to the one such like policy having the greatest daily benefit. We will return all premiums paid for all other such policies.

Starmount Life Insurance Company

Thanks You

For Your Patronage.

STARMOUNT

LIFE INSURANCE COMPANY

POST OFFICE BOX 98100 · BATON ROUGE, LA 70898-9100

A STOCK LIFE INSURANCE COMPANY

THIS POLICY IS RENEWABLE BY STATE TO AGE [80]
SUBJECT TO OUR RIGHT TO CHANGE PREMIUMS
BY CLASS AT THE RENEWAL DATE

HOSPITAL INDEMNITY POLICY

90 Day right to examine this policy -- You have the right to cancel this policy within 90 days after you receive it, if no claims have been paid or pending.

To cancel, mail or return the policy to our home office or to the agent who sold it. The policy will be treated as if it had never been issued and any premium paid will be returned.

Caution: Read Your Policy Carefully.

This policy is a legal contract between Starmount Life Insurance Company and the policy owner.

Starmount Life Insurance Company
The Starmount Building P.O. Box 98100
Baton Rouge, LA 70898-9100

[PLEASE NOTE: YOUR FIRST MONTH'S
PREMIUM IS JUST \$1!] (See enclosed rate chart)
PERSONAL APPLICATION Form No: 06-004 [Accidental Death Rider ADH09]

MEDPLUS
Hospital Cashsm

Name of Main Insured: _____ Sex: M F
Address _____ City _____ State _____ ZIP _____
Date of Birth (month/day/year) _____ Height (Ft. In) _____ Weight (Lbs.) _____
Occupation _____ Email Address _____ Home Phone (_____) _____
Work or Cell Phone (_____) _____ Name of Doctor (Full Name) _____
Doctor's Location (City, State) _____

I want a Daily Benefit (includes the Daily Basic Benefit + 50% Home Recovery¹) of the plan that pays:
[\$300.00 a day \$150.00 a day \$75.00 a day]

Daily Cash Benefits double the Basic Benefit for up to 30 days when you are in the ICU. Home Recovery Benefit only applies to other than ICU stays. ¹ Home Recovery not offered in every state.

LIST OTHER MEMBERS OF YOUR FAMILY TO BE INSURED:

Please note: List any child to be enrolled below. The child(ren) must be unmarried and under age 21 (in ME, age 19) - unmarried under age 24, if full-time student.⁴ If you want to insure more than 3 children, please list them on a separate sheet of paper and attach it to this form. If Dependent is not your natural child, attach documentation of legal custody or adoption. If coverage is court ordered attach a copy of the order.

Dependent's Full Name	Relationship	Date of Birth	Age	Height
Spouse:	<input type="checkbox"/> Husband <input type="checkbox"/> Wife			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			

⁴ Please check your policy for state specific dependent age requirements.

HEALTH QUESTIONS:

1. Have you or any other proposed insured been admitted or treated at a hospital or at an emergency room during the last 12 months or do you or any other proposed insured expect to be admitted to the hospital in the next 12 months? If so, why? Please list the complete details for each proposed insured. Use a separate sheet of paper, if necessary.
_____ Yes No

2. Have you or any other proposed insured ever (in TX, been diagnosed by a health care provider as having) tested positive for exposure to (not applicable in WV and GA) the HIV infection or been diagnosed by a health care provider as having ARC or AIDS caused by the HIV infection? Yes No

3. For residents of Missouri only: Have you or any other proposed insured within the last 10 years had: high blood pressure, cancer, polyps, a tumor, diabetes, asthma, an ulcer, or a stroke; any disease or disorder of the kidneys, heart, blood, lungs, liver; tested positive diagnosed or treated for ARC or AIDS caused by the HIV infection: If Yes, please explain: _____
_____ Yes No

PAYMENT METHOD: (Please Choose One)

My check for \$1 is enclosed, payable to Starmount Life Insurance Company. I authorize Starmount to automatically deduct future premium payments from my checking account. (Starmount prefers this method.)q

Charge \$1 and future payments to: _____ _____
Credit card #: _____ Expiration Date: ____/____/____

My check for \$1 is enclosed. Bill me directly for future payments. I prefer to pay: Annually (5% discount) Every 3 months Monthly (\$1 fee per month for monthly billing.) We recommend annual or every 3 months.

PLEASE READ CAREFULLY AND SIGN BELOW: To the best of my knowledge, I and the others to be covered by this policy are in good health (not applicable in MD). Please enroll me and everyone listed on this application in the MedPlus Hospital Indemnity Health Protection Plan from Starmount Life Insurance Company. I declare the answers to the questions are complete and true to the best of my knowledge and belief. I agree the answers will form a part of the policy and the insurance will not be in force until this application has been approved by the Company and the Policy is issued and delivered to me subject to all conditions set forth in the Policy, and the first premium paid. I have read and understand the terms. I understand that conditions which pre-existed for 12 months prior to the policy issuance date of this plan will qualify for no benefits for 12 months after coverage begins. I understand I can have only one policy providing the same or similar coverage with Starmount Life.

AUTHORIZATION: I authorize any licensed physician, medical practitioner, hospital, clinic or other medical related facility, insurance company, the Medical Information Bureau or other organizations, institutions or person that has records of me, my health, or anyone proposed for coverage to give STARMOUNT LIFE INSURANCE, my legal representative for medical records receipt, its assignees or its reinsurers any such information. This includes knowledge about drug abuse, alcoholism or mental illness, and HIV and/or AIDS status. Although information about drug or alcohol abuse, or mental illness, and HIV and/or AIDS status may be protected by government regulation, I allow Starmount to collect it to determine insurability. I understand I am entitled to a copy of the information obtained; that this authorization will expire in 30 months (in KS and OK, 24 months), but can be revoked at any time with my written notification. A copy is as valid as the original. I am also aware that the records may be subject to re-disclosure by the recipient. Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree. (Please see back page for fraud statements and policy exclusions & limitations for specific states.)

Your Signature _____ Date _____ Spouse's Signature (if to be insured) _____ Date _____
X _____ X _____

Send me _____ more applications for friends and relatives _____ May we send you information about other products which may interest you? Yes _____ No _____
(For Company Use) Authorized Agent _____

EXCEPTIONS AND LIMITATIONS TO THE HIP POLICY: We will not pay for loss caused by: Emergency Room care; an act or acts of war, declared or undeclared; pregnancy that occurs before this policy is in force; suicide or any attempt at suicide while sane or insane; intentionally self-inflicted injury; alcoholism or habitual substance abuse (In VA, drug addiction); mental or nervous disorders; hospitalization beginning before this policy was in force; treatment not considered medically necessary; any

injury caused by commission or attempted commission of a crime or criminal act; cosmetic surgery, breast reduction or augmentation, weight modification or surgical treatment for obesity, sex change surgery; health examinations; sickness contracted or injury sustained while on full-time active duty (other than for one month or less training) in any military, naval or air force. When you give Us written notice, any unearned premium will be refunded pro-rata for any period not covered by the Policy because of this exclusion; dental care or treatment unless caused by injury; care provided in a hospice facility; care provided as an in-patient in a U.S. Government Hospital or a Charity Hospital; or hospital confinements of less than 24 hours; Loss for care or treatment that is received outside of the fifty (50) United States and the District of Columbia; Loss for injury sustained while intoxicated or under the influence of narcotics, unless administered on the advice of and in the dosage prescribed by a physician.

Pre-existing conditions are not covered until after the policy has been in force continuously for a period of twelve months during a covered person's lifetime. Pre-existing condition means a condition for which medical advice or treatment was recommended by a physician or received within a 12 month period preceding the Effective Date of the Covered Person's coverage or a condition which manifested symptoms which would cause an ordinary person to seek diagnosis or treatment. **MEDICAL INFORMATION BUREAU DISCLOSURE NOTICE:** Information regarding your insurability will be treated as confidential. Starmount Life or its reinsurers may, however, make a brief report to the Medical Information Bureau, a non-profit membership organization of life insurance companies, which operates an information exchange on behalf of its members. If you apply to another Bureau member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, the Bureau, upon request, will supply such company with the information in its file. Upon receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. If you question the accuracy of information in the Bureau's file, you may contact the Bureau and seek a correction in accordance with the procedures set forth in the Federal Fair Credit Reporting Act. The address of the Bureau's information office is 50 Braintree Hill, Suite 400, Braintree, MA 02184-8734; Telephone number and website are (781) 751-6000 and www.mib.com. Starmount Life or its reinsurers, may also release information in its file to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted.

NOTICE OF INSURANCE INFORMATION PRACTICES: Personal information about you or members of your family who are to be insured may be collected from other persons. This information as well as other personal or privileged information subsequently collected by the company or its agent may in certain circumstances be disclosed to third parties without authorization. You have a right of access and correction with respect to all personal information requested. You may write the Company at the address shown on the letter to obtain additional information regarding information practices.

FRAUD STATEMENTS:

FOR RESIDENTS OF KANSAS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information may be guilty of a crime by a court of law.

FOR RESIDENTS OF TEXAS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information may be guilty of a felony.

FOR RESIDENTS OF ARKANSAS AND LOUISIANA: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a crime and may be subject to fines and confinement in prison.

SERFF Tracking Number: STAR-126786631 State: Arkansas
 Filing Company: Starmount Life Insurance Company State Tracking Number: 46723
 Company Tracking Number:
 TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity
 Product Name: Hospital Indemnity Policy 06-004
 Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification Comments: Attachment: Flesch Readability.pdf	Approved-Closed	09/09/2010

	Item Status:	Status Date:
Satisfied - Item: Application Comments: Attachment: 06-004 HIP application Reg 4.pdf	Approved-Closed	09/09/2010

	Item Status:	Status Date:
Satisfied - Item: Health - Actuarial Justification Comments: Attachments: 06-004 Actuarial Memo signed.pdf HIP_06-004_actl_memo_DL_table_A_040610.pdf	Approved-Closed	09/09/2010

	Item Status:	Status Date:
Satisfied - Item: Outline of Coverage Comments: Attachment: Outline of Coverage 06-004.pdf	Approved-Closed	09/09/2010

STARMOUNT LIFE INSURANCE COMPANY

FLESCH READABILITY ANALYSIS

<u>FORM</u>	<u>WORDS</u>	<u>PARAGRAPHS</u>	<u>SENTENCES</u>	<u>SCORE</u>
06-004-AR	4325	422	157	45.6

This is to certify that this form meets the minimum score on the Flesch reading ease test in the NAIC Life and Health Insurance Policy Language Simplification Model Act. The Flesch score has been measured by the method described in the act and reflects all text excluding only language or terminology in the following categories entitled to be excepted under the act: the name and address of the insurer; the name, number or title of the policy; the table of contents or index; captions and subcaptions; specifications pages, schedules or table; language required by law or regulation; medical terminology; and words which are defined in the policy.

Jeffrey G. Wild
Chief Financial Officer
Starmount Life Insurance Company

DATE: August 26, 2010

Starmount Life Insurance Company [PLEASE NOTE: YOUR FIRST MONTH'S MEDPLUS PREMIUM IS JUST \$1!] Hospital Cash sm
The Starmount Building
P.O. Box 98100
Baton Rouge, LA 70898-9100
(See enclosed rate chart)

PERSONAL APPLICATION Form No: 06-004
[Accidental Death Rider ADH09]

Name of Main Insured: _____ Sex: M F
 Address _____ City _____ State _____ ZIP _____
 Date of Birth (month/day/year) _____ Height (Ft. In) _____ Weight (Lbs.) _____
 Occupation _____ Email Address _____ Home Phone (_____) _____
 Work or Cell Phone (_____) _____ Name of Doctor (Full Name) _____
 Doctor's Location (City, State) _____

I want a Daily Benefit (includes the Daily Basic Benefit + 50% Home Recovery¹) of the plan that pays:
[\$300.00 a day \$150.00 a day \$75.00 a day]

Daily Cash Benefits double the Basic Benefit for up to 30 days when you are in the ICU. Home Recovery Benefit only applies to other than ICU stays. ¹ Home Recovery not offered in every state.

LIST OTHER MEMBERS OF YOUR FAMILY TO BE INSURED:

Please note: List any child to be enrolled below. The child(ren) must be unmarried and under age 21 (in ME, age 19) - unmarried under age 24, if full-time student.⁴ If you want to insure more than 3 children, please list them on a separate sheet of paper and attach it to this form. If Dependent is not your natural child, attach documentation of legal custody or adoption. If coverage is court ordered attach a copy of the order.

Dependent's Full Name	Relationship	Date of Birth	Age	Height
Spouse:	<input type="checkbox"/> Husband <input type="checkbox"/> Wife			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			
Child:	<input type="checkbox"/> Son <input type="checkbox"/> Stepson <input type="checkbox"/> Daughter <input type="checkbox"/> Stepdaughter <input type="checkbox"/> Other			

⁴ Please check your policy for state specific dependent age requirements.

HEALTH QUESTIONS:

1. Have you or any other proposed insured been admitted or treated at a hospital or at an emergency room during the last 12 months or do you or any other proposed insured expect to be admitted to the hospital in the next 12 months? If so, why? Please list the complete details for each proposed insured. Use a separate sheet of paper, if necessary.
 Yes No
2. Have you or any other proposed insured ever (in TX, been diagnosed by a health care provider as having) tested positive for exposure to (not applicable in WV and GA) the HIV infection or been diagnosed by a health care provider as having ARC or AIDS caused by the HIV infection? Yes No
3. For residents of Missouri only: Have you or any other proposed insured within the last 10 years had: high blood pressure, cancer, polyps, a tumor, diabetes, asthma, an ulcer, or a stroke; any disease or disorder of the kidneys, heart, blood, lungs, liver; tested positive diagnosed or treated for ARC or AIDS caused by the HIV infection: If Yes, please explain: _____
 Yes No

PAYMENT METHOD: (Please Choose One)

My check for \$1 is enclosed, payable to Starmount Life Insurance Company. I authorize Starmount to automatically deduct future premium payments from my checking account. (Starmount prefers this method.)
 Charge \$1 and future payments to: _____ _____
 Credit card #: _____ Expiration Date: ____/____/____
 My check for \$1 is enclosed. Bill me directly for future payments. I prefer to pay: Annually (5% discount) Every 3 months Monthly (\$1 fee per month for monthly billing.) We recommend annual or every 3 months.

PLEASE READ CAREFULLY AND SIGN BELOW: To the best of my knowledge, I and the others to be covered by this policy are in good health (not applicable in MD). Please enroll me and everyone listed on this application in the MedPlus Hospital Indemnity Health Protection Plan from Starmount Life Insurance Company. I declare the answers to the questions are complete and true to the best of my knowledge and belief. I agree the answers will form a part of the policy and the insurance will not be in force until this application has been approved by the Company and the Policy is issued and delivered to me subject to all conditions set forth in the Policy, and the first premium paid. I have read and understand the terms. I understand that conditions which pre-existed for 12 months prior to the policy issuance date of this plan will qualify for no benefits for 12 months after coverage begins. I understand I can have only one policy providing the same or similar coverage with Starmount Life.

AUTHORIZATION: I authorize any licensed physician, medical practitioner, hospital, clinic or other medical related facility, insurance company, the Medical Information Bureau or other organizations, institutions or person that has records of me, my health, or anyone proposed for coverage to give STARMOUNT LIFE INSURANCE, my legal representative for medical records receipt, its assignees or its reinsurers any such information. This includes knowledge about drug abuse, alcoholism or mental illness, and HIV and/or AIDS status. Although information about drug or alcohol abuse, or mental illness, and HIV and/or AIDS status may be protected by government regulation, I allow Starmount to collect it to determine insurability. I understand I am entitled to a copy of the information obtained; that this authorization will expire in 30 months (in KS and OK, 24 months), but can be revoked at any time with my written notification. A copy is as valid as the original. I am also aware that the records may be subject to re-disclosure by the recipient. Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree. (Please see back page for fraud statements and policy exclusions & limitations for specific states.)

Your Signature _____ Date _____ Spouse's Signature (if to be insured) _____ Date _____
 X _____ X _____

Send me _____ more applications for friends and relatives _____ May we send you information about other products which may interest you? Yes _____ No _____
 (For Company Use) Authorized Agent _____

EXCEPTIONS AND LIMITATIONS TO THE HIP POLICY: We will not pay for loss caused by: Emergency Room care; an act or acts of war, declared or undeclared; pregnancy that occurs before this policy is in force; suicide or any attempt at suicide while sane or insane; intentionally self-inflicted injury; alcoholism or habitual substance abuse (In VA, drug addiction); mental or nervous disorders; hospitalization beginning before this policy was in force; treatment not considered medically necessary; any injury caused by commission or attempted commission of a crime or criminal act; cosmetic surgery, breast reduction or augmentation, weight modification or surgical treatment for obesity, sex change surgery; health examinations; sickness contracted or injury sustained while on full-time active duty (other than for one month or less training) in any military, naval or air force. When you give Us written notice, any unearned premium will be refunded pro-rata for any period not covered by the Policy because of this exclusion; dental care or treatment unless caused by injury; care provided in a hospice facility; care provided as an in-patient in a U.S. Government Hospital or a Charity Hospital; or hospital confinements of less than 24 hours; Loss for care or treatment that is received outside of the fifty (50) United States and the District of Columbia; Loss for injury sustained while intoxicated or under the influence of narcotics, unless administered on the advice of and in the dosage prescribed by a physician.

Pre-existing conditions are not covered until after the policy has been in force continuously for a period of twelve months during a covered person's lifetime. Pre-existing condition means a condition for which medical advice or treatment was recommended by a physician or received within a 12 month period preceding the Effective Date of the Covered Person's coverage or a condition which manifested symptoms which would cause an ordinary person to seek diagnosis or treatment.

MEDICAL INFORMATION BUREAU DISCLOSURE NOTICE: Information regarding your insurability will be treated as confidential. Starmount Life or its reinsurers may, however, make a brief report to the Medical Information Bureau, a non-profit membership organization of life insurance companies, which operates an information exchange on behalf of its members. If you apply to another Bureau member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, the Bureau, upon request, will supply such company with the information in its file. Upon receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. If you question the accuracy of information in the Bureau's file, you may contact the Bureau and seek a correction in accordance with the procedures set forth in the Federal Fair Credit Reporting Act. The address of the Bureau's information office is 50 Braintree Hill, Suite 400, Braintree, MA 02184-8734; Telephone number and website are (781) 751-6000 and www.mib.com. Starmount Life or its reinsurers, may also release information in its file to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted.

NOTICE OF INSURANCE INFORMATION PRACTICES: Personal information about you or members of your family who are to be insured may be collected from other persons. This information as well as other personal or privileged information subsequently collected by the company or its agent may in certain circumstances be disclosed to third parties without authorization. You have a right of access and correction with respect to all personal information requested. You may write the Company at the address shown on the letter to obtain additional information regarding information practices.

FRAUD STATEMENTS:

FOR RESIDENTS OF KANSAS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information may be guilty of a crime by a court of law.

FOR RESIDENTS OF TEXAS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information may be guilty of a felony.

FOR RESIDENTS OF ARKANSAS AND LOUISIANA: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a crime and may be subject to fines and confinement in prison.

**Starmount Life
Insurance Company**

Actuarial Memorandum

**Hospital In-Patient Policy with Home Recovery
Benefit**

Policy Form: 06-004

1. Purpose of Memorandum

This is a new filing. This actuarial demonstration has been prepared to accompany the state filings of the above policy form and is not intended for any other purpose.

2. Description of Benefits

This policy provides in-patient daily hospital benefits:

- a. The lifetime maximum number of days of hospital benefits is [365].
- b. Benefits will be paid following an elimination period of [0,1] day(s).
- c. Double benefits are payable for intensive care confinement with a lifetime maximum number of days of benefit of [0,30].
- d. The home recovery benefit equals 50% of the in-hospital benefit paid (excluding the intensive care benefit).
- e. All benefits reduce by 50% beginning at age 65.
- f. Maternity is covered as any other hospitalization for [0, 1, or 2] days
- g. The policy will be sold in units of \$10 of daily benefit.
- h. Conditions for which advice or treatment was recommended or received during [24, 12, 0] months prior to the effective date of the policy will not be covered until the policy has been in force for [24, 12, 0] months.

3. Renewability Clause

This form is conditionally renewable. Coverage may be terminated for all policyholders in a state. Coverage ends at age 80.

4. Applicability

The premiums described in this actuarial memorandum will apply to all policies and all durations. The premiums are shown in Table A.

5. Morbidity

5.1 Daily hospital benefits:

The expected claim costs for hospitalization were derived from a study titled "2003 National Hospital Discharge Survey," Advance Data, Number 359, July 8, 2005 published by the U.S. Department of Health and Human Services. This study provides both the hospital frequency rate and average number of days of hospitalization by attained age and sex.

It is expected that an average of 2.5 children will be covered whenever children are insured.

Intensive care is assumed to cost an extra 10% claim cost based on estimates derived from American Hospital Association data.

5.2 Maternity:

Hospital claim costs in the "2003 National Hospital Discharge Survey" were available both with and without maternity costs. The only claim costs affected are for females under age 45. The rate of maternity was developed from this data. A 50% anti-selection factor was assumed for this benefit. Based on this data the claim costs per \$10 of daily hospital benefit were increased by \$1.20 per year for maternity benefits assuming that 60% of adult insureds below age 45 will be females.

5.3 Elimination period:

The hospital data costs in the "2003 National Hospital Discharge Survey" covered both frequency and severity of hospitalization. Based on this data, it was determined that claim costs for a 1 day elimination benefit were around 80% of claim costs without any elimination period.

5.4 Pre-existing:

Claim costs were adjusted by the following factors for each of the three pre-existing condition options:

Table 1 - Claim Cost Adjustment for Pre-Existing Conditions

Policy Year	24/24 Pre-ex	12/12 Pre-ex	0/0 Pre-ex
1	.55	.80	1.20
2	.85	.90	1.30
3 & over	1.30	1.30	1.30

These factors are intended to recognize the impact of the different pre-existing periods as well as recognize that there will be some ultimate anti-selection by renewing insureds.

6. Mortality

The pricing assumptions do not include an explicit mortality assumption. Terminations from death have been included in both lapse and claim termination rates.

7. Persistency

The expected lapse rates for this policy are:

Table 2- Lapse Rates

Policy Year	Lapse Rate
1	35%
2	20%
3	15%
4	12%
5 & over	10%

Lapse rates were increased to 20% when an insured enters a new attained age bracket (40, 50, 60, and 70).

8. Expenses

Estimated expenses and taxes are calculated as a percentage of premiums. The product may be marketed either by direct response or agents. Expenses are approximately equivalent regardless of product distribution method.

Table 3- Projected Percentage of Premium Expenses

ITEM	Direct Response Year 1	Direct Response Years 2+	Agency Year 1	Agency Years 2+
Administration	9.00%	9.00%	9.00%	9.00%
Marketing	100.00%	3.00%	0.00%	0.00%
Overhead and claim settlement	2.00%	2.00%	2.00%	2.00%
Premium taxes and fees	2.50%	2.50%	2.50%	2.50%
Commissions & agency management	0.00%	0.00%	40.00%	19.00%
	-----	-----	-----	-----
Total expenses	113.50%	16.50%	53.50%	32.50%

9. Marketing Method

This policy will be marketed using direct response (mainly direct mail) or through agents.

10. Underwriting

The coverage will be minimally underwritten.

11. Premium Classes

None.

12. Issue Age Range

Coverage may be limited to adult issue ages 18 to 74, although family coverage including children is available.

13. Area Factors

There are no area factors.

14. Average Annual Premiums

- a. The average annual premium per policy is expected to be under \$200.
- b. The policy may be issued with a \$1 premium for the first month. If so, this will very slightly reduce the average annual premium and increase the loss ratio shown in this actuarial memorandum.

15. Premium Modalization Rules

Table 4- Premium Modalization Rules

Mode	Factor
Monthly direct	1.00*
Monthly check	1.00
Quarterly	3.00
Semiannually	6.00
Annually	11.40

* Plus \$1 per month billing charge

16. Reserves

16.1 Claim Liability and Reserve

Since this is a new policy form, no reserves are being held. Future claim reserves will be based on appropriate company experience.

16.2 Active life reserves

Since the premiums increase by attained age and benefits decrease by 50% at age 65 and the policy is conditionally renewable, no active life reserves (other than gross unearned premiums) are expected to be required.

17. Premium Rates

The premiums for all benefit combinations are shown in Table A.

18. Anticipated Loss Ratio

The anticipated lifetime loss ratio for new policies is at least 55%. Since there are many possible combinations of benefits, there may be slight variations in loss ratios for different plan combinations (e.g., elimination period, maternity, pre-existing period, etc.) If the first month premium is \$1, the loss ratio will slightly higher than 55%.

19. Miscellaneous Information

19.1 Trend assumptions:

Because benefits are fixed, no inflation assumption has been built into the expected claim costs.

19.2 Distribution of business:

The projected distribution is as follows:

Table 5- Projected Distribution of Business

Issue Age	Percentage
35	5.00%
45	10.00%
55	35.00%
65	35.00%
75	15.00%

19.3 Contingency and risk margin:

7 1/2% to 8 1/2% of premiums

19.4 Proposed effective date:

June 1, 2010

20. Certification:

To the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws of this state and with the rules of the department of insurance and the benefits provided by the policy are reasonable in relation to the premiums charged. Furthermore this rate submission complies with Actuarial Standards of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans", as adopted by the Actuarial Standards Board, December 2005.



David S. Lee, FSA, MAAA
 Consulting Actuary
 Actuarial Resources Corporation
 June 10, 2010

Attained Age	Daily Benefit	EP Days	ICU max days	Pre-ex Pd Months	Maternity Days	Monthly Premium	Attained Age	Daily Benefit	EP Days	ICU max days	Pre-ex Pd Months	Maternity Days	Monthly Premium	Attained Age	Daily Benefit	EP Days	ICU max days	Pre-ex Pd Months	Maternity Days	Monthly Premium
Under 40	\$10	0	30	24	2	\$19.50	Under 40	\$10	0	30	24	1	\$13.50	Under 40	\$10	0	30	24	0	\$9.75
40-49	\$10					\$19.50	40-49	\$10					\$16.50	40-49	\$10					\$16.50
50-59	\$10					\$22.50	50-59	\$10					\$21.75	50-59	\$10					\$21.00
60-59	\$10/\$5					\$25.50	60-59	\$10/\$5					\$25.88	60-59	\$10/\$5					\$24.00
70-79	\$5					\$37.50	70-79	\$5					\$38.25	70-79	\$5					\$40.50
Children	\$5					\$9.38	Children	\$5					\$9.38	Children	\$5					\$9.38
Under 40	\$10	0	0	24	2	\$18.00	Under 40	\$10	0	0	24	1	\$12.75	Under 40	\$10	0	0	24	0	\$8.25
40-49	\$10					\$18.00	40-49	\$10					\$15.00	40-49	\$10					\$15.00
50-59	\$10					\$21.00	50-59	\$10					\$20.25	50-59	\$10					\$18.75
60-59	\$10/\$5					\$24.00	60-59	\$10/\$5					\$24.00	60-59	\$10/\$5					\$22.50
70-79	\$5					\$35.25	70-79	\$5					\$34.50	70-79	\$5					\$36.75
Children	\$5					\$8.25	Children	\$5					\$8.25	Children	\$5					\$8.25
Under 40	\$10	0	30	12	2	\$21.00	Under 40	\$10	0	30	12	1	\$13.50	Under 40	\$10	0	30	12	0	\$7.50
40-49	\$10					\$21.00	40-49	\$10					\$16.50	40-49	\$10					\$13.50
50-59	\$10					\$24.00	50-59	\$10					\$23.25	50-59	\$10					\$22.50
60-59	\$10/\$5					\$27.00	60-59	\$10/\$5					\$25.50	60-59	\$10/\$5					\$25.50
70-79	\$5					\$37.50	70-79	\$5					\$39.00	70-79	\$5					\$39.75
Children	\$5					\$10.50	Children	\$5					\$10.50	Children	\$5					\$10.50
Under 40	\$10	0	0	12	2	\$18.00	Under 40	\$10	0	0	12	1	\$12.75	Under 40	\$10	0	0	12	0	\$6.00
40-49	\$10					\$18.00	40-49	\$10					\$15.00	40-49	\$10					\$12.00
50-59	\$10					\$21.75	50-59	\$10					\$21.00	50-59	\$10					\$20.25
60-59	\$10/\$5					\$24.00	60-59	\$10/\$5					\$24.00	60-59	\$10/\$5					\$23.25
70-79	\$5					\$36.00	70-79	\$5					\$36.00	70-79	\$5					\$36.00
Children	\$5					\$9.75	Children	\$5					\$9.75	Children	\$5					\$9.75
Under 40	\$10	0	30	0	2	\$21.75	Under 40	\$10	0	30	0	1	\$15.00	Under 40	\$10	0	30	0	0	\$8.25
40-49	\$10					\$21.75	40-49	\$10					\$19.50	40-49	\$10					\$14.25
50-59	\$10					\$25.50	50-59	\$10					\$24.75	50-59	\$10					\$24.75
60-59	\$10/\$5					\$28.50	60-59	\$10/\$5					\$28.50	60-59	\$10/\$5					\$29.25
70-79	\$5					\$48.00	70-79	\$5					\$46.50	70-79	\$5					\$46.50
Children	\$5					\$10.88	Children	\$5					\$10.88	Children	\$5					\$10.88
Under 40	\$10	0	0	0	2	\$20.25	Under 40	\$10	0	0	0	1	\$13.50	Under 40	\$10	0	0	0	0	\$9.00
40-49	\$10					\$21.00	40-49	\$10					\$16.50	40-49	\$10					\$12.00
50-59	\$10					\$23.25	50-59	\$10					\$21.75	50-59	\$10					\$23.25
60-59	\$10/\$5					\$25.88	60-59	\$10/\$5					\$25.50	60-59	\$10/\$5					\$24.75
70-79	\$5					\$45.00	70-79	\$5					\$44.25	70-79	\$5					\$44.25
Children	\$5					\$10.13	Children	\$5					\$10.13	Children	\$5					\$10.13

The benefit reduces by half when the insured reaches age 65. The child benefit is one-half the adult pre-65 benefit.
 The total policy benefits include the in-patient hospital benefit plus the home recovery benefit, which is half the in-patient benefit.
 The annual premium equals the monthly premium times 12.

Starmount Life Insurance Company

8485 Goodwood Boulevard
Baton Rouge, LA 70806-7878
Toll Free Telephone No: 1-888-729-5433

Hospital Confinement Indemnity Coverage Outline of Coverage

- 1) **Read Your Policy Carefully** – This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you READ YOUR POLICY CAREFULLY!
- 2) **Hospital Confinement Indemnity Coverage** – Policies of this category are designed to provide to persons insured, coverage in the form of a fixed daily benefit during periods of hospitalization resulting from a covered accident or sickness, subject to any limitations set forth in the policy. Such policies do not provide any benefits other than the fixed daily indemnity for hospital confinement and any additional benefit described below.
- 3) Starmount Life will pay you [\$50 \$100 \$200] per day for your hospital stay. Total Daily benefits for Intensive Care confinement are twice the Daily Hospital Benefit. A total of [365] days of hospitalization will be paid with a maximum of [30] days paid for Intensive Care Confinement.
- 4) **Exceptions and Reductions** – We will not pay for loss caused by:
 - Emergency Room care;
 - An act or acts of war, declared or undeclared;
 - Normal pregnancy which exceeds [0, 1, 2] days of hospital confinement. The benefit will occur after the policy has been in force for nine months and the pregnancy must have begun after this policy was in force;
 - Suicide or any attempt at suicide while sane or insane;
 - Intentionally self-inflicted injury;
 - Alcoholism or habitual substance abuse;
 - Mental or nervous disorders;
 - Hospitalization beginning before this policy was in force;
 - Treatment not considered medically necessary;
 - Any injury caused by committing or attempting to commit a felony;
 - Cosmetic surgery, breast reduction or augmentation, weight modification or surgical treatment for obesity, sex change surgery;
 - Health examinations;
 - Sickness contracted or injury sustained while on full time active duty (other than for one month or less training) in any military, naval or air force. When you give Us written notice, any unearned premium will be refunded pro-rate for any period not covered by the Policy because of this exclusion; or
 - Dental care or treatment unless caused by injury;

- Any patient that has not been admitted as an inpatient and confined for at least 24 hours.
 - Loss for care or treatment that is received outside of the fifty (50) United States and the District of Columbia.
 - Loss for injury sustained while intoxicated or under the influence of narcotics, unless administered on the advice of a physician.
- 5) **Renewable** – You can renew your Policy during the Insured’s lifetime until the first months after the insured’s [80th] birthday by paying the premium when due.
- 6) Immediately following hospitalization covered by the Policy, the Insured will receive a benefit for care received at home. This benefit will be for the same number of days as is paid for the hospitalization covered by the policy. This benefit will be [25% 50% 100%] of the Daily Hospital Benefit.