

PRODUCER AFFAIRS POLICY

POLICY NO. **POR-1-E (Formerly AOR-1-E)**

EFFECTIVE DATE: **4/1/2000**
(Revised 3/17/2009)

SUBJECT: **Submission and Filing of Producer of Record (POR) Letters – all size groups**

POLICY

Producer of Record (POR) letters are required for all new medical and vision groups when commission is to be paid to a Highmark appointed General Agency and for POR changes for existing business. No commission will be entered/paid until the POR letter is received.

Experience rated business with 51 or more employees

The following will be required for POR letters (sample letter – Attachment I):

- Letters must be dated and on the client's letterhead; only originals will be accepted.
- Letters must be signed by an owner/officer or owner-authorized signer of the company.
- Letters must designate the full name(s) of the Producer of Record, the agent (producer) and General Agency, if different, and the requested effective date.
- Letters may authorize the release of requested applicable and relevant Benefit Booklet(s), executed Administrative Services or Insurance Contract(s) to the Producer of Record - subject to each being confidentially maintained.
- The commission amount (percent of premium, per contract per month, or other amount) must be indicated in the POR.
- If, at any time, multiple Producers are listed as POR, the General Agency names and the commission amount for each must be indicated.

Demographically rated business with 50 or fewer employees

- The Small Group Business Application will function as an original POR letter for new groups or at renewal when both product and POR changes are being made.

The following will be required for POR change letters at renewal or for mid-year changes (sample letter – Attachment II):

- Letters must be dated and on the client's letterhead; only originals will be accepted.
- Letters must be signed by an owner/officer or owner-authorized signer of the company.
- Letters must designate the full name(s) of the Producer of Record, the agent/producer and General Agency, if different, and the requested effective date.
- Letters may authorize the release of requested applicable and relevant Benefit Booklet(s) and executed Insurance Contracts to the Producer of Record - subject to each being confidentially maintained.
- If, at any time, multiple producers are listed as POR's, the General Agency name and the commission amount for each must be indicated.

Notes:

To facilitate processing, it is recommended that POR letters be forwarded to the Highmark Client Manager via Certified Mail.

If another Highmark General Agency is currently assigned to the case (i.e., a POR change), the Client Manager will be responsible for sending the 10-day courtesy notification letter to the prior General Agency.

SAMPLE PRODUCER OF RECORD (POR) LETTER

Applies to POR letters for New/Existing Experience-Rated Business (51 or more Employees)

Producer of Record letters must be on the client's letterhead, signed by an authorized company representative (e.g., owner, partner, officer, human resources director, etc.), and specify the commission amount. Original signature is required.

(DATE)

(Name of Highmark Blue Cross Blue Shield Client Manager)

Highmark Blue Cross Blue Shield
120 Fifth Avenue: Suite **(Number)**
Pittsburgh, PA 15222-3099

RE: Producer of Record

To: **(Name of Highmark Blue Cross Blue Shield Client Manager)**

(Company name) has named **(Producer (Agency) name, producer (individual) name and General Agency name, if different from Agency name)** as its Producer of Record, effective **(Insert effective date)**, for group health care benefits offered through Highmark Blue Cross Blue Shield for the following lines of business: **(client should specify medical, HMO, vision, etc, AND applicable group numbers, if known)**. This Producer of Record Letter will remain in effect until Highmark Blue Cross Blue Shield is notified via a revised Producer of Record Letter, or the group health care benefits contract is terminated. In addition, **(Company Name)** hereby authorizes release of requested applicable and relevant Benefits Booklets, executed Administrative Services or Insurance Contracts to Producer of Record - subject to each being confidentially maintained.

(Company name) recognizes that the Producer of Record identified above is acting as an agent for Highmark Blue Cross Blue Shield in accordance with the Highmark Inc. Producer Agreement. It is understood that the General Agency will receive commission for the services it will provide in the amount of **(percent of premium, per contract per month, or other amount must be inserted here; if the amount is to be split between multiple Agencies, the commission for each Agency must be indicated)**. The commission amount will be included as an additional component of the premium rate. In addition, the Agency may be eligible to receive additional compensation for meeting specified sales goals.

Sincerely,

(Name of Authorized Company Representative)

Title: _____

SAMPLE PRODUCER OF RECORD (POR) LETTER

Applies to Mid-Year POR Changes or at renewal for a POR change only for Demographically-Rated Business (50 or fewer Employees)

Producer of Record letters must be on the client's letterhead and signed by an authorized company representative (e.g., owner, partner, officer, human resources director, etc.). Original signature is required.

(DATE)

(Name of Highmark Blue Cross Blue Shield Client Manager)

Highmark Blue Cross Blue Shield
120 Fifth Avenue: Suite **(Number)**
Pittsburgh, PA 15222-3099

RE: Producer of Record

To: **(Name of Highmark Blue Cross Blue Shield Client Manager)**

(Company name) has named **(Producer (Agency) name, producer name and General Agency name, if different from Agency name)** as its Producer of Record, effective **(Insert effective date)**, for group health care benefits offered through Highmark Blue Cross Blue Shield for the following lines of business: **(client should specify medical, HMO, vision, etc, AND applicable group numbers, if known)**. This Producer of Record Letter will remain in effect until Highmark Blue Cross Blue Shield is notified via a revised Producer of Record Letter, or the group health care benefits contract is terminated. In addition, **(Company Name)** hereby authorizes release of requested applicable and relevant Benefits Booklets and executed Insurance Contracts to Producer of Record - subject to each being confidentially maintained.

(Company name) recognizes that the Producer of Record identified above is acting as an agent for Highmark Blue Cross Blue Shield in accordance with the Highmark Inc. Producer Agreement. It is understood that the Agency will receive commission for the services it will provide. In addition, the Agency may be eligible to receive additional compensation for meeting specified sales goals.

Sincerely:

(Name of Authorized Company Representative)

Title: _____