



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

April 1, 2013

Lisa Sayerstad
Trustmark Insurance Company
400 Field Drive
Lake Forest, Illinois 60045

*sent via USPS certified mail
return receipt requested*

Dear Ms. Sayerstad:

A Market Conduct Examination of your companies was conducted by authorized examiners designated by the Director of Insurance pursuant to Illinois Insurance Code Sections 132, 401, 402, 403 and 425 of the Illinois Insurance Code. The examination covered the period September 1, 2008 through August 31, 2009 for Claims and September 1, 2007 through November 27, 2009 for Complaints.

As required by Illinois Insurance Code Section 132, the Director must notify the company made the subject of any market conduct examination of the contents of the verified examination report before filing it and making the report public of any matters relating thereto, and must afford the company an opportunity to demand a hearing with reference to the facts and other evidence therein contained. A copy of the examination report is accordingly enclosed with this letter as well as a Stipulation and Consent Agreement. The company may request a hearing within 10 days after receipt of the examination report by giving the Director written notice of the request, together with a statement of its objections. The examination report will generally not be filed until hearing is completed.

Companies that do not demand a formal hearing may submit their rebuttal with respect to any matters in the examination report. The rebuttal will be considered by the Director before the examination report is filed. Please provide any rebuttals, or the signed Stipulation and Consent Order, to the undersigned by close of business, Monday, April 15, 2013. In the event that the Company elects to sign the Stipulation and Consent Order, please sign and return both copies. The Director will sign both copies and a fully executed copy will be returned to you for your records. Note that the Stipulation and Consent requires proof of compliance with Orders 1 through 10 and payment of a civil forfeiture in the amount of \$20,000 within 30 days of the receipt of the fully executed Stipulation and Consent Order.

Once the report of examination has been filed, the exam report, the company's rebuttal, if any, and corresponding Orders (if applicable) are public documents under the Freedom of Information Act (5 ILCS 140/1 *et al.*) and may be posted on the Department's website. In the

event of a formal hearing, the record of the hearing, the Hearing Officer Recommendations and the Director's final Order are also public documents and may be posted on the Department's website. Please contact me if you have any questions. I may be reached at 312-814-2420.

Sincerely,



Amanda J. Kimble

Staff Attorney

Illinois Department of Insurance

Amanda.Kimble@illinois.gov

This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

Amanda J. Kimble
Staff Attorney
Illinois Department of Insurance
Amanda.Kimble@illinois.gov



Department of Insurance

IN THE MATTER OF
THE EXAMINATION OF:

TRUSTMARK INSURANCE COMPANY
400 FIELD DRIVE
LAKE FOREST, ILLINOIS 60045

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 5/131.21, 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint David Bradbury, Examiner-In-Charge, Mike Hager, Pat Hahn and associates as the proper persons to examine the insurance business and affairs of Trustmark Insurance Company of Lake Forest, Illinois, and to make a full and true report to me of the examination made by them of Trustmark Insurance Company with a full statement of the condition and operation of the business and affairs of Trustmark Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Trustmark Insurance Company.



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.
Done at the City of Springfield, this 11th day of September 2009.

Michael T. McRaith

Michael T. McRaith

Director

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE EXAMINATION OF

TRUSTMARK INSURANCE COMPANY
400 FIELD DR
LAKE FOREST, IL 60045-2581

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403, and 5/425) do hereby appoint Scott A. Hanfling, Mark Wilson, Tim Kelly, and Meghan Welch, each of Kerns Frost & Pearlman, LLC, as Examiners, to assist the Illinois Department of Insurance ("Department") in the completion of the market conduct examination of Trustmark Insurance Company, NAIC #61425, (the "Company") by reviewing and completing the examination report prepared by Examiner-in-Charge, David Bradbury, including the review of any objections or rebuttals submitted by the Company regarding the findings of such reports, and drafting of any related Stipulation and Consent Order for the review and approval of the Director. The costs of this examination shall be borne by the Company.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of the Company.



IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed this Seal.

Done at the City of Chicago, this 10th day of December, 2012.

Andrew Boron

Andrew Boron

Director

Trustmark Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: November 30, 2009 through April 9, 2010

EXAMINATION OF: Trustmark Insurance Company

LOCATION: 400 Field Drive
Lake Forest, Illinois 60045

PERIOD COVERED
BY EXAMINATION: 09-01-08 through 8-31-09 – Claims
09-01-07 through 11-27-09 -- Complaints

EXAMINERS: Pat Hahn
Mike Hager
David Bradbury, Examiner in Charge

INDEX

	<u>Page</u>
I. SUMMARY	3
II. BACKGROUND	4
III. METHODOLOGY	5-7
IV. FINDINGS	8-12
A. Claims Analysis	
1. Paid Individual Life	
2. Denied Individual Life	
3. Paid Group Life	
4. Paid Hospital Indemnity	
5. Denied Hospital Indemnity	
6. Paid Individual Major Medical	
7. Denied Individual Major Medical	
8. Denied Specified Diseases	
9. Paid Individual Disability	
10. Denied Individual Disability	
11. Approved Waiver of Premium	
12. Annuity Death Settlements	
B. Underwriting	
1. Life Cash Surrenders	
2. Extended Term Insurance (ETI) / Reduced Paid Up (RPU)	
C. Complaints	
1. Department of Insurance Complaints	
2. Consumer Complaints	
D. Policy Forms and Advertising	
1. Policy Forms and Advertising	
E. Producers Analysis	
1. Producer Licensing	
V. INTERRELATED FINDINGS	12
A. Pre-Certification Penalty Review	

I. SUMMARY

1. The Company was criticized under 215 ILCS 5/224(1)(1) for failing to include the notice of availability of interest if the individual life claim is delayed beyond 15 days.¹
2. The Company was criticized under 50 Ill. Adm. Code 919.70(a)(2) for failing to send a delay letter when a claim remains open beyond 45 days.
3. The Company was criticized under 215 ILCS 5/368a(c) for the underpayment of interest when a claim remains unpaid for more than 30 days.
4. The Company was criticized under 50 Ill. Adm. Code 919.50 (a)(1) for failing to include notice of availability of the Department of Insurance on the denial letters.
5. The Company was criticized under 215 ILCS 5/154.6(i) for failing to affirm or deny coverage for claims within a reasonable time after proof of loss statements have been completed.
6. The Company was criticized under 215 ILCS 5/132(2) for failure to provide complete files needed to complete the examination.
7. The Company was criticized under 50 Ill. Adm. Code 2051.55(e)(10)(A)² for the underpayment of claims when the insured has made a good faith effort to use the services of a contracted provider but one was unavailable.

¹ Payment within fifteen (15) days and interest at nine percent (9%) was the statutory requirement during the period of the examination. The statute has since been amended to require payment within 31 days and interest at ten percent (10%).

² Repealed in 2009 and amended as 50 Ill. Adm. Code 2051.310(a)(6)(I).

II. BACKGROUND

Trustmark Insurance Company (the "Company") was first incorporated in the State of Illinois on January 18, 1913, under the name of the Brotherhood of All Railway Workers. In 1917 the Company's name was changed to Benefit Association of Railway Employees (B.A.R.E.). In 1922, B.A.R.E. became a mutual insurance company, owned by its policyholders. The Company established its first home office in Chicago, Illinois in 1923. In 1945, the Company established the life insurance department. In 1963, the Company changed its name to Benefit Trust Life Insurance Company.

In 1985, Star Marketing and Administration (Starmark) became a distinct marketing organization for small group plans. In 1986, the Company contracted with Private Healthcare Systems, Inc. (PHCS) to implement managed care products and programs.

In 1989, the Company moved its corporate headquarters to Lake Forest, Illinois where it remains today. In 1990, the Company was authorized to operate as a third party administrator.

On January 1, 1994 the Company changed its name to Trustmark Insurance Company, which remains in effect today. At that time, Bankers Mutual Life Insurance Company merged into Trustmark.

By order, the Director approved the Company's Plan of Mutual Holding Company Conversion on October 19, 1999. The Plan provided for the conversion of Trustmark Mutual, an Illinois mutual insurance company, into a stock insurance company named Trustmark Insurance Company. The Plan further provided that Trustmark Insurance Company would become a wholly owned subsidiary of Trustmark Group, Inc., a newly formed mutual holding company.

Trustmark Insurance Company is licensed to do business in all 50 states.

III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's system and procedures used in dealing with insureds and claimants. The following categories are the general areas examined:

1. Producer Licensing and Production Analysis
2. Policy Forms and Advertising Material Analysis
3. Claims
4. Consumer and Insurance Department Complaints

The review of these categories is accomplished through examination of producer files, Medicare supplement application files, cash surrendered policy files, extended term and reduced paid-up policy files, claim files, Insurance Department complaint files, policy forms and advertising material. Each of these categories is examined for compliance with Department regulations and applicable State laws.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated to the insurer, but not cited in the report if not indicative of a general trend, except to the extent that there were underpayments in claim surveys or undercharges and/or overcharges in underwriting surveys. The following methods were used to obtain the required samples and to assure a methodical selection.

Producer Licensing and Production Analysis

Populations for the producer file reviews were determined by whether or not the producers were licensed by the State of Illinois. New business listings were retrieved from Company records selecting newly solicited insurance applications which reflected Illinois addresses for the applicants.

Policy Forms and Advertising Material Analysis

The Company was requested to provide specimen copies of all policy forms and samples of all advertising material in use during the survey period.

Claims

Claim surveys were selected using the following criteria:

1. Paid Claims - Payment for a claim made during the examination period.
2. Denied Claims - Denial of benefits for losses not covered by policy provisions.
3. Individual or Franchise Claims - Determine whether the contracts were issued on an individual or franchise basis.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS), and Illinois Administrative Code (50 Ill. Adm. Code).

All median payment periods were measured from the date necessary proofs of loss were received to the date of payment or denial to the insured or the beneficiary.

The examination period for the claims review was September 1, 2008 through August 31, 2009.

Consumer and Insurance Department Complaints

The Company was requested to provide all files relating to complaints which had been received via the Department, as well as those received directly by the Company from the insured or his/her representative. A copy of the Company's complaint register was also reviewed.

Median periods were measured from the date of notification of the complaint to the date of response to the Department.

The examination period for Department complaints was September 1, 2007 through November 27, 2009.

SELECTION OF SAMPLE

<u>Survey</u>	<u>Population</u>	<u>Reviewed</u>	<u>% Reviewed</u>
CLAIMS ANALYSIS			
Paid Individual Life	10	10	100
Denied Individual Life	1	1	100
Paid Group Life	240	49	20
Paid Hospital Indemnity	207	55	27
Denied Hospital Indemnity	75	75	100
Paid Individual Major Medical	5,118	120	2
Denied Individual Major Medical	1,304	55	4
Denied Specified Diseases	10	10	100
Paid Individual Disability	389	41	11
Denied Individual Disability	4	4	100
Approved Waiver of Premium	20	20	100
Annuity Death Settlements	41	41	100
UNDERWRITING			
Life Cash Surrenders	270	49	18
ETI / RPU	38	38	100
COMPLAINTS			
Department of Insurance Complaints	19	19	100.00
Consumer Complaints	89	89	100.00
POLICY FORMS & ADVERTISING			
Policy Forms/Advertising	15 / 24	15 / 24	100.00
PRODUCERS ANALYSIS			
Producer	See Trustmark Life Report		

IV. FINDINGS

A. Claims Analysis

1. Paid Individual Life

A review of ten (10) paid individual life claims produced two general criticisms. The first general criticism was written under 215 ILCS 224(l)(l) for failing to include notice of the availability of interest if a claim remains unpaid beyond 15 days. (Payment within fifteen (15) days and interest at nine percent (9%) was the statutory requirement during the period of the examination. The statute has since been amended to require payment within 31 days and interest at ten percent (10%). A second general criticism was written under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide the insured with a reasonable written explanation for delay beyond 45 days for all of the claim files reviewed. The purpose of this Section of the Administrative code is to inform claimants with delayed claims that the Illinois Department of Insurance is available to assist. Letters were sent periodically but none contained the required Notice of Availability of the Department of Insurance and therefore did not qualify as delay letters.

The median for payment was 14 days.

2. Denied Individual Life

A review of one (1) denied individual life claim produced no criticisms.

A median could not be established.

3. Paid Group Life

A review of 49 paid group life claims produced no criticisms.

The median for payment was eleven (11) days.

4. Paid Hospital Indemnity

A review of 55 paid hospital indemnity claims produced one criticism. A criticism was written under 215 ILCS 5/368a(c) for failing to pay interest when a claim has remained unpaid for more than 30 days. The Company agreed and made payment totaling \$3.85 prior to completion of the exam.

The median for payment was nine (9) days.

5. Denied Hospital Indemnity

A review of 75 denied hospital indemnity claims produced two (2) criticisms. A general criticism was written under 50 Ill. Adm. Code 919.50(a) (1) for failure to provide the insured with notice of availability of the Department of Insurance on denied claims. The purpose of this Section of the Administrative Code is to inform claimants with denied claims that the Illinois Department of Insurance is available to assist. Sixteen (16) of 75 denials did not include the notice of the availability of the Department. Thirteen (13) of these denials were for claimants who had been residents of Illinois when the policy was issued but had moved out of state at the time of the claim. The other three were for one claimant who was a resident of Illinois when the policy was issued and the claims were submitted.

The median for denial was nine (9) days.

6. Paid Individual Major Medical

A review of 120 paid individual major medical claims produced two (2) criticisms. Two individual criticisms were written under 215 ILCS 5/368a(c) for failing to pay interest when a claim has remained unpaid for more than 30 days. The Company agreed and made payments totaling \$59.83 prior to completion of the exam.

The median for payment was nine (9) days.

7. Denied Individual Major Medical

A review of 55 denied individual major medical claims produced no criticisms.

The median for denial was eleven (11) days.

8. Denied Specified Diseases

A review of ten (10) denied specified disease claims produced no criticisms.

The median for denial was eight (8) days.

9. Paid Individual Disability

A review of 41 paid individual disability claim files produced one criticism. An individual criticism was written under 215 ILCS 154.6(d) for not attempting in good faith to effectuate prompt, fair and equitable settlement in which liability has become reasonably clear. The underpayment amount totaled \$323.79 and included interest due to late payment. The company made the payment prior to completion of the examination.

The median for payment was ten (10) days.

10. Denied Individual Disability

A review of four (4) denied individual disability claim files produced no criticisms.

A median could not be established.

11. Approved Waiver of Premium

A review of 20 approved waivers of premium claims produced two (2) criticisms. A general criticism was written under 215 ILCS 5/154.6(i) for failure to approve or deny a claim within a reasonable time after receipt of all information required to adjudicate a claim. An individual criticism was written under 215 ILCS 154.6(d) for not attempting in good faith to effectuate prompt, fair and equitable settlement in which liability has become reasonably clear. The underpayment amount totaled \$12.93 and included interest due to late payment. The company made the payment prior to completion of the examination.

The median for processing the claims was 23 days.

12. Annuity Death Settlements

A review of 41 annuity death settlements produced no criticisms.

The median for payment was seven (7) days.

B. UNDERWRITING

1. Life Cash Surrenders

The examiners requested files for 49 cash surrenders. Trustmark was unable to produce files for three cash surrenders. For three (3) other files where the surrender requests were taken over the phone, Trustmark was unable to produce a record of the phone call. Trustmark was criticized for not producing complete files for these six surrenders. A general criticism was written under 215 ILCS 5/132(2) for failure to provide complete files needed to complete the examination.

The median for processing was two (2) days.

2. Extended Term Insurance /Reduced Paid Up

A review of 38 ETI/RPU files produced no criticisms.

C. COMPLAINTS

1. Department of Insurance Complaints

A review of 19 Department of Insurance Complaint files produced no criticisms.

The median for response to the Department of Insurance was 20 days.

2. Consumer Complaints

A review of 89 consumer complaint files produced two (2) individual criticisms. One criticism was written under 50 Ill. Adm. Code 2051.55 (e) (10)(A),³ for improper denial and subsequent underpayment in the amount of \$96.18. In any case whereby a beneficiary has made a good faith effort to utilize network providers for a covered service and it is determined the administrator does not have the appropriate preferred providers due to insufficient number, type or distance, the administrator shall ensure, by terms contained in the payor contract, that the beneficiary will be provided the covered service at no greater cost than if the service had been provided by a preferred provider. The company disagreed with the criticism and did not make the underpayment prior to the completion of the examination in the amount of \$96.18. Interest is also due from the date the file was complete until the date of the payment.

Two individual criticisms were written under 215 ILCS 154.6(d) for not attempting in good faith to effectuate prompt, fair and equitable settlement in which liability has become reasonably clear. The underpayment amounts totaled \$6,483.44. The company made the payment on one claim in the amount of \$939.44 prior to completion of the examination. However, the second underpayment was not paid in the amount of \$5,499.00. This was a dispute over reimbursement for physician directed care and inpatient admission costs. Precertification was obtained and Trustmark's vendor PHCS repriced the gross billing from \$23,599.00 to \$5,499.00, but still has not paid the claim. Interest is also due from the date the file was complete until the date they make the payment.

The median for response to the consumer was 15 days.

³ Repealed in 2009 and amended as 50 Ill. Adm. Code 2051.310(a)(6)(I), which states in relevant part, "In any case in which a beneficiary has made a good faith effort to utilize network providers, by satisfying contractual obligation as specified in the benefit contract or certificate, for a covered service and the administrator does not have the appropriate preferred specialty providers (including but not limited to radiologists, anesthesiologists, pathologists and emergency room physicians) under contract due to the inability of the administrator to contract with the specialists, or due to insufficient number or type of, or travel distance to, specialists, the administrator shall ensure that the beneficiary will be provided the covered service at no greater cost to the beneficiary than if the service had been provided by a preferred provider."

D. POLICY FORMS AND ADVERTISING

1. Policy Forms and Advertising

A review of the policy forms and advertising produced no criticisms.

E. PRODUCER ANALYSIS

1. Producer Licensing

The production and first year commission listing were combined with the listings for Trustmark Life Insurance Company by the persons in charge of providing the licensing and first year commissions. No unlicensed producers were identified for Trustmark Insurance Company.

V. INTERRELATED FINDINGS

A. Pre-Certification Penalties

Claims that had a pre-certification penalty applied were reviewed. No exceptions were noted.

STATE OF FLORIDA)
) ss
COUNTY OF ESCAMBIA)

David Bradbury, being first duly sworn upon his oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of:

Trustmark Insurance company, NAIC # 61425

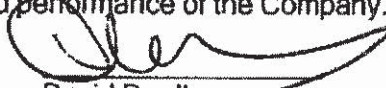
That, as Examiner-In-Charge, he was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither he nor any other persons designated as examiners nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as policyholders, and that neither he nor any other persons designated as examiners nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

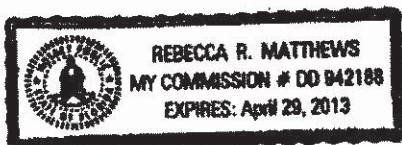
That he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

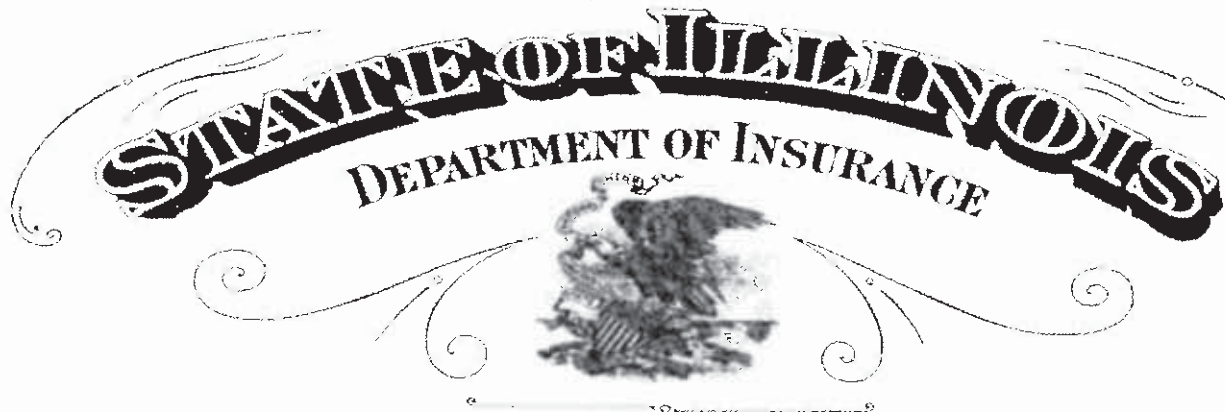
That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.


David Bradbury
Examiner-In-Charge

Subscribed and sworn to before me
this 9 day of March, 2013.


Notary Public





IN THE MATTER OF:

TRUSTMARK INSURANCE COMPANY
400 FIELD DRIVE
LAKE FOREST, ILLINOIS 60045

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Trustmark Insurance Company (Company) is authorized under the insurance laws of this State and by the Director as a domestic stock company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 131.21, 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Department examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company.

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:


1. Institute and maintain procedures to notify the insured's beneficiary of the availability of interest payment due to delayed claim processing as required by 215 ILCS 224(1)(1).
2. Institute and maintain procedures to provide the insured with a reasonable written explanation for delay beyond 45 days and notice of availability of the Department of in accordance with 50 Ill. Adm. Code 919.70(a)(2).
3. Institute and maintain procedures whereby the Company pays interest on claims not paid within 30 days as required by 215 ILCS 5/368a(c).
4. Institute and maintain procedures to provide the insured with notice of availability of the Department of Insurance in the denial letters in accordance with 50 Ill. Adm. Code 919.50(a)(1).
5. Institute and maintain procedures whereby the Company affirms or denies coverage within a reasonable time after proof of loss statements have been completed as required by 215 ILCS 5/154.6(i).
6. Institute and maintain procedures whereby the company maintains complete records and files in accordance with 215 ILCS 5/132(2).
7. Institute and maintain procedures whereby the Company pays claims when the insured has made a good faith effort to utilize network providers, by satisfying contractual obligation as specified in the benefit contract or certificate, for a covered service and the administrator does not have the appropriate preferred specialty providers (including but not limited to radiologists, anesthesiologists,

pathologists and emergency room physicians) under contract due to the inability of the administrator to contract with the specialists, or due to insufficient number or type of, or travel distance to, specialists, the administrator shall ensure that the beneficiary will be provided the covered service at no greater cost to the beneficiary than if the service had been provided by a preferred provider, as required by 50 Ill. Adm. Code 2051.310(a)(6)(I), formerly 50 Ill. Adm. Code 2051.55 (e) (10)(A).

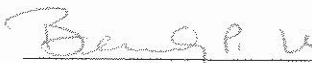
8. Reopen and correctly pay the following claims:
 - a. \$ 5,499.00 plus interest
 - b. \$ 96.18 plus interest
9. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above 8 orders within 30 days of the execution of these orders.
10. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$20,000 to be paid within 30 days of the execution of these orders.

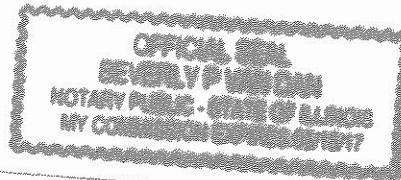
NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of Trustmark Insurance Company:


Signature
Lisa Sayerstad
Name
Director
Title

Subscribed and sworn to before me this
8 day of August A.D. 2013.


Notary Public



DEPARTMENT OF INSURANCE of the
State of Illinois;

DATE 8-16-13

Andrew Boron
Andrew Boron
Director



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

May 21, 2014

Ms. Lisa Sayerstad
Director, Compliance
Trustmark Insurance Company
400 Field Drive
Lake Forest, IL 60045

Re: *Trustmark Insurance Company*
Market Conduct Examination Report

Dear Ms. Sayerstad:

The Department has received the \$20,000 civil forfeiture and proofs of compliance as stated in the Stipulation and Consent Order. The proofs of compliance have been reviewed and deemed satisfactory. The Department is closing its file on this exam. The exam report, the company's rebuttal, if any, and corresponding Orders are public documents under the Freedom of Information Act (5 ILCS 140/1 *et el*).

If you have any questions, I may be reached at the contact information listed below.

Sincerely


Lysa Saran
Acting Deputy Director of
Consumer Outreach and Protection
Illinois Department of Insurance
122 S. Michigan Avenue, 19th Floor
Chicago, IL 60603
Phone: 312-814-1767
Cell: 312-833-4396
E-mail: Lysa.Saran@Illinois.gov