Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

VIA USPS CERTIFIED MAIL
RETURN RECIEPT REQUESTED

August 1, 2014

Ms. Lisa Sayerstad
Director, Compliance
Trustmark Life Insurance Company
400 Field Dr
Lake Forest, IL 60045-258

Re: ***Trustmark Life Insurance Company-NAIC #62863***
Market Conduct Examination Report Closing letter

Dear Ms. Sayerstad:

The Department has reviewed your company's proof of compliance and deems it adequate and sufficient. Therefore, the Department is closing its file on this exam. I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132.

If you have any questions, my contact information is listed below.

Sincerely,

Lysa Saran

Lysa Saran
Deputy Director
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

STATE OF ILLINOIS

Department of Insurance

IN THE MATTER OF
THE EXAMINATION OF:

TRUSTMARK LIFE 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 Life Insurance Company of Lake Forest, Illinois, and to make a full and true report to me of the examination made by them of Trustmark Life Insurance Company with a full statement of the condition and operation of the business and affairs of Trustmark Life 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 Life Insurance Company.

SEAL OF THE STATE OF ILLINOIS
AUG. 28TH 18

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 26th day of August 2009.

Michael T. McRaith
Michael T. McRaith — *Director*

Trustmark Life Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION:	November 30, 2009 through April 9, 2010
EXAMINATION OF:	Trustmark Life Insurance Company
LOCATION:	400 Field Drive Lake Forest, Illinois 60045
PERIOD COVERED BY EXAMINATION:	09-01-08 through 08-31-09 – Claims 09-01-07 through 11-27-09 – Complaints
EXAMINERS:	Pat Hahn Mike Hager David Bradbury, Examiner-in-Charge

INDEX

		Page
I.	SUMMARY	1-2
II.	BACKGROUND	3
III.	METHODOLOGY	4-6
IV.	FINDINGS	7-13

A. Claims Analysis
1. Paid Group Life
2. Denied Group Life
3. Paid Group Major Medical
4. Denied Group Major Medical
5. Paid Group Short Term Disability
6. Denied Group Short Term Disability
7. Approved Group Waiver of Premium
8. Rejected Group Waiver of Premium
9. Life Cash Surrenders

B. Complaints
1. Department of Insurance Complaints
2. Consumer Complaints

C. Policy Forms
1. Policy Forms and Advertising

D. Producers Analysis
1. Producer Licensing

V. INTERRELATED FINDINGS 14

A. Pre-Certification Penalty Review

I. SUMMARY

1. 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.

2. The Company was criticized under 50 Ill. Adm. Code 2051.55(e) (10) (A)[1] 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.

3. The Company was criticized under 215 ILCS 5/370i(c) for allowing an in-network physician to balance bill an insured on a valid claim.

4. The Company was criticized under 215 ILCS 5/370o for failure to pay a claim as an emergency without regard to the provider's contractual status.

5. The Company was criticized under 215 ILCS 5/154.6(d) for failure to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear.

6. The Company was criticized under 50 Ill. Adm. Code 2002.60(b) Appendix A, Illustration H for use of words and phrases that are ambiguous.

7. The Company was criticized under 215 ILCS 5/370c and 50 Ill. Admin Code 2002.6(b) for advertisements containing incorrect limitations of inpatient and outpatient days for the treatment of serious mental illness.

8. The Company was criticized under 215 ILCS 5/356z.12 and 50 Ill. Admin Code 2002.6(b) for advertising incorrect age limits for dependent coverage.

9. The Company was criticized under 215 ILCS 5/367(7) for advertising incorrect limitations for inpatient alcoholism coverage.

10. The Company was criticized under 215 ILCS 5/356g and 50 Ill. Admin Code 2002.6(a) for advertising that omits coverage for medically necessary breast cancer screening for women under the age of 40 with a family history of breast cancer.

11. The Company was criticized under 215 ILCS 5/143(1) for use of a form that contains a separate limit for organ transplants.

12. The Company was criticized under 215 ILCS 5/370c for use of a policy form that does not meet the current definition of serious mental illness.

13. The Company was criticized under 215 ILCS 5/356x for use of a policy form that does not comply with colorectal cancer mandated benefit provisions.

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

14. The Company was criticized under 215 ILCS 5/500-80 for payment of commissions to an unlicensed producer.

15. The Company was criticized under 50 Ill. Adm. Code 919.50(a) (1) for failing to include the "Notice of Availability of the Department of Insurance" on denial letters to the claimants.

II. BACKGROUND

Trustmark Life Insurance Company (Company) was incorporated on January 21, 1925 and was originally known as Employees Mutual Benefit Association of St. Paul, located in St. Paul, Minnesota. In 1985, policies were reinsured by Benefit Trust Life Insurance Company (Trustmark Insurance Company's name prior to 1963).

In 1986, the Company converted from a mutual life company to a stock life company. The office was moved to Edina, Minnesota in 1989 then to Lake Forest, Illinois in 1992, by way of charter amendment. The Company remains located in Lake Forest, Illinois.

Effective May 1, 2004, the Company reinsured the existing group of life and health business of Trustmark Insurance Company. On June 9, 2008, the Company was authorized to operate as a third party administrator.

III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's system and procedures used in dealing with the insured 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, 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 coverage 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 5/*et seq.*) and Illinois Administrative Code (50 Ill. Adm. Code 919 *et seq.*).

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 of Insurance 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 of Insurance.

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

SELECTION OF SAMPLE

Survey	Population	Reviewed	% Reviewed
CLAIMS ANALYSIS			
Paid Group Life	56	56	100.0
Denied Group Life	1	1	100.0
Paid Group Major Medical	102,537	120	0.1
Denied Group Major Medical	12,047	120	0.9
Paid Group Short Term Disability	31	31	100.0
Denied Short Term Group Disability	4	4	100.0
Approved Waiver of Premium	1	1	100.0
Rejected Waiver of Premium	8	8	100.0
Life Cash Surrender	8	8	100.0
COMPLAINTS			
Department of Insurance Complaints	25	25	100.0
Consumer Complaints	1294	119	9.1
POLICY FORMS & ADVERTISING			
Policy Forms/Advertising	3/216	3/216	100.0
PRODUCERS ANALYSIS			
Producer Licensing	320 Producers/690 Policies		100.0

IV. FINDINGS

A. Claims Analysis

1. Paid Group Life

A review of 56 of the paid group life claims produced no criticisms.

The median for payment was 14 days.

2. Denied Group Life

A review of the only denied group life claim produced no criticisms.

A median could not be established.

3. Paid Group Major Medical

A review of 120 paid group health claims produced 5 individual criticisms. One criticism was written under 50 Ill. Adm. Code 2051.55(e) (10) (A)[2] for improper denial and subsequent underpayment in the amount of $15.06. In all instances where an insured has made a good faith effort to use the services of a contracted provider and there is not equitable access to such provider(s), it is the insurer's contractual and statutory responsibility to ensure that the covered person be provided covered services at no greater cost than if such services had been provided by a contracted provider. The Company made the underpayments prior to the completion of the examination. This included the interest due to late payment. One criticism was written under 215 ILCS 5/370(i) for allowing an in-network physician to balance bill an insured. The insured should not be responsible when the insurer and the provider of service, pursuant to a network contract, have a dispute regarding reimbursement. The underpayment was in the amount of $62.00 and the Company did not correct the underpayment. One criticism was written under 215 ILCS 5/370o for the Company's failure to pay a claim as an emergency. The Company agreed and applied this amount to the insured's deductible. Two (2) criticisms were written under 215 ILCS 5/368a(c) for failing to pay interest when a claim remained unpaid for more than 30 days. The Company agreed and corrected the underpayments in the amount of $144.74 prior to completion of the exam.

---

[2] 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."

The median for payment was 8 days.

4. Denied Group Major Medical

A review of 120 of the 12,047 denied group health claims produced 21 individual criticisms. A general criticism was written under 50 Ill. Adm. Code 919.50(a) (1) for failing to include the "Notice of Availability of the Department of Insurance" on denial letters. 17 individual criticisms were written under 50 Ill. Adm. Code 2051.55(e) (10) (A)[3] for improper denial and subsequent underpayment in the amount of $1,404.08. In all instances where an insured has made a good faith effort to use the services of a contracted provider and there is not equitable access to such provider(s), it is the insurer's contractual and statutory responsibility to ensure that the covered person be provided covered services at no greater cost than if such services had been provided by a contracted provider. The Company refused to correct the underpayments prior to the completion of the examination. The following claims remain underpaid and owing interest due to late payment:

	$ 124.50
	$ 158.70
	$ 347.70
	$ 107.00
	$ 24.00
	$ 111.00
	$ 13.00
	$ 17.50
	$ 13.00
	$ 88.00
	$ 30.00
	$ 115.00
	$ 24.00
	$ 12.00
	$ 54.40
	$ 61.00
	$ 104.00
Total	**$ 1,404.08**

2 criticisms were written under 215 ILCS 5/370(i) for allowing an in-network physician to balance bill an insured. The insured should not be financially responsible in any instance in which the insurer and the provider of service pursuant, to a network contract, have a dispute regarding reimbursement. The underpayments total $155.00 and the Company did not make this payment. The following claims remain underpaid and owing interest due to late payment:

[3] Repealed in 2009 and amended as 50 Ill. Adm. Code 2051.310(a) (6) (f).

	$ 65.00
	$ 90.00
Total	**$ 155.00**

An individual criticism was written under 215 ILCS 5/154.6(d) for failure to pay a claim when liability was reasonably clear. The underpayment was in the amount of $30.00. The Company made the payment prior to completion of the examination, but did not agree with this criticism.

The median for denial was 10 days.

5. Paid Group Short Term Disability

   A review of all 31 paid group short term disability claims produced no criticisms.

   The median for payment was 11 days.

6. Denied Group Short Term Disability

   A review of all 4 denied group health claims produced no criticisms.

   A median could not be determined.

7. Approved Group Waiver of Premium

   A review of the only approved group waiver of premium produced 1 criticism. An individual criticism was written under 215 ILCS 5/154.6(d) for failure to pay a claim when liability was reasonably clear. The underpayment was in the amount of the yearly premium.

   A median could not be established.

8. Rejected Group Waiver of Premium

   A review of all 8 group waiver of premium claims produced no criticisms.

   The median for rejection could not be determined.

9. Life Cash Surrenders

   A review of all 8 life cash surrenders produced no criticisms.

   The median for surrender was 15 days.

B. COMPLAINTS

1. Department of Insurance Complaints

A review of 25 Department of Insurance complaint files produced 2 individual criticisms. One criticism was written under 50 Ill. Adm. Code 2051.55(e) (10) (A)[4] for improper denial and subsequent underpayment in the amount of $8,882.00 plus interest. 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 refused to correct the underpayment prior to the completion of the examination. It remains underpaid including interest due to late payment. One criticism was written under 215 ILCS 5/370(i) for allowing an in-network physician to balance bill an insured. The insured should not be financially responsible in any instance in which the insurer and the provider of service, pursuant to a network contract, have a dispute regarding reimbursement. The underpayment in the amount of $1,240.15 remains unpaid. The following claims remain underpaid and owing interest due to late payment:

	$ 1,240.15
Total	**$ 1,240.15**

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

[4] 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."

2. Consumer Complaints

A review of 119 of 1,294 consumer complaint files produced 18 individual criticisms. 10 criticisms were written under 50 Ill. Adm. Code 2051.55(e) (10) (A)[5] for improper denial and subsequent underpayment in the amount of $39,43.32. 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 made the underpayments prior to the completion of the examination for only one of the criticisms in the amount of $528.83. This included interest due to late payment. The remaining 10 criticisms totaling $38,905.49 remained unpaid. Interest is also due from the date the files were complete until the date it makes the payments. One criticism was written under 215 ILCS 5/370(i) for allowing an in-network physician to balance bill an insured. The insured should not be financially responsible in any instance in which the insurer and the provider of service, pursuant to a network contract, have a dispute regarding reimbursement. The underpayment is in the amount of $3,375.00 and the Company did not make this payment. Interest is also due from the date the files were complete until the date they make the payments. 6 criticisms were written under 215 ILCS 5/370o for the Company's failure to pay a claim as an emergency. The Company agreed and paid $3,770.48. This included interest due to late payment. One criticism was written under 215 ILCS 5/368a(c) for failing to pay interest when a claim remained unpaid for more than 30 days. The Company agreed and made a payment of $21.94 prior to the completion of the exam.

The following claims remain underpaid and owing interest due to late payment:

$ 3,375.00
$19,753.65
$12,775.00
$ 941.00
$ 476.00
$ 3,143.00
$ 107.00
$ 29.00

[5] 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."

	$ 184.00
	$ 1,496.84
Total:	**$42,280.49**

The median for response to the consumer was 23 days.

C. POLICY FORMS

1. Policy Forms and Advertising

A review of the policy forms, applications and membership materials produced 8 criticisms.

An advertising form was criticized under 215 ILCS 5/370c for placing incorrect limitations on the treatment of Serious Mental Illness.

An advertising form was criticized under 50 Ill. Adm. 2002.60(b) Appendix (A) Illustration H for use of a word that is ambiguous in the context of the advertisement. The words "intentionally self-inflicted sickness or injury" should be removed from the advertising materials.

An advertising form was criticized under 215 ILCS 356z.12 for advertising the incorrect age limits for dependents' eligibility. A group or individual policy of accident and health insurance or managed care plan that provides coverage for dependents shall not terminate coverage or deny the election of coverage for an unmarried dependent by reason of the dependent's age before the dependent's 26th birthday.

A policy form was criticized under 215 ILCS 5/356g for not including medically necessary coverage for breast cancer screenings for women under age 40 with a family history of breast cancer.

A policy form was criticized under 215 ILCS 5/370c for using an incorrect definition of serious mental illness. Under Section 370c "Serious mental illness" includes anorexia nervosa and bulimia as defined in the most current edition of the Diagnostic and Statistical Manual (DSM) published by the American Psychiatric Association.

A policy form was criticized under 215 ILCS 5/356x for policy language that does not meet the current standards for colorectal cancer screening. An individual or group policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2004 that provides coverage to a resident of this State must provide benefits or coverage for all colorectal cancer examinations and laboratory tests for colorectal cancer as prescribed by a physician, in accordance with the published American Cancer

Society guidelines on colorectal cancer screening or other existing colorectal cancer screening guidelines issued by nationally recognized professional medical societies or federal government agencies, including the National Cancer Institute, the Centers for Disease Control and Prevention, and the American College of Gastroenterology.

A criticism was written on an advertising form under 215 ILCS 5/367(7) for advertising the incorrect levels of coverage for Alcoholism inpatient treatment. According to the materials provided a $10,000 limit is placed on inpatient alcoholism treatment.

A policy form was criticized under 215 ILCS 5/143(1) regarding organ transplant limitations. No provisions are contained in the code that would allow for a separate maximum, either lifetime or annual, for organ transplantations.

D. PRODUCER ANALYSIS

1. Producer Licensing

A review of the producer licensing files and first year commissions produced 1 criticism. A general criticism was written under 215 ILCS 5/500-80 for payment of commissions to an unlicensed producer. One unlicensed agent received $1,845.35 in commission on 2 policies.

V. INTERRELATED FINDINGS

A. Pre-Certification Penalty Review

Claims that had a pre-certification penalty applied were reviewed. The examiners did not find excessive precertification penalties. No exceptions were noted in the 26 files reviewed.

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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 Life Insurance Company, NAIC #62863

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 13th day of NOVEMBER, 2013.

Notary Public

OFFICIAL SEAL
RUDOLPH J STIMAC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/14/13

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

TRUSTMARK LIFE 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 Life 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; and

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 whereby the Company pays interest on claims not paid within 30 days as required by 215 ILCS 5/368a(c).

2. Institute and maintain procedures whereby the Company pays claims when the insured has made a good faith effort to use the services of a contracted provider, but one is unavailable as required by 50 Ill. Adm. Code 2051.55.310(a)(6)(I).

3. Institute and maintain procedures whereby the Company prohibits its in-network providers from balance billing an insured on valid claims as required by 215 ILCS 5/370i(c).

4. Institute and maintain procedures whereby the Company pays a claim as an emergency without regard to the medical provider's contractual status as required by 215 ILCS 5/370o.

5. Institute and maintain procedures whereby the Company to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear, as required by 215 ILCS 5/154.6(d).

6. Discontinue the use of advertising forms that use words and phrases that are ambiguous as required under 50 Ill. Adm. Code 2002.60(b) Appendix A, Illustration H.

7. Discontinue the use of advertising forms that contain incorrect limitations on inpatient and outpatient stays for patients with a serious mental health diagnosis as outlined in 215 ILCS 5/370c and 50 Ill. Admin Code 2002.6(b).

8. Discontinue the use of advertising forms that contain incorrect age limits for dependent coverage as outlined in 215 ILCS 5/356z.12 and 50 Ill. Admin Code 2002.6(b).

9. Discontinue the use of advertising forms that do not satisfy the requirements of 215 ILCS 5/367(7) by indicating that there is a limit for treatment of alcoholism that differs from the limit for treatment of other diseases.

10. Discontinue the use of policy forms that contain a separate limit for organ transplantation in violation of 215 ILCS 5/143(1).

11. Discontinue the use of advertising forms that omit coverage for medically necessary breast cancer screening for women under age 40 with a family history of breast cancer as outlined in 215 ILCS 5/356g and 50 Ill. Admin Code 2002.6(a).

12. Discontinue the use of policy forms that have an incorrect definition of serious mental illness as defined in 215 ILCS 5/370c.

13. Discontinue the use of policy forms that do not satisfy the coverage requirements for colorectal cancer examination and screening benefits as required by 215 ILCS 5/356x.

14. Institute and maintain procedures whereby the Company ensures that commissions are paid only to duly licensed insurance producers as required by 215 ILCS 5/500-80.

15. Institute and maintain procedures whereby the Company ensures that Notice of Availability of the Department of Insurance is included on denial letters as required by 50 ILL Adm. Code 919.50(a)(1).

16. Reopen and pay the following claims, plus interest on the amount indicated as due for each claim:

- Paid Group Medical: 215 ILCS 5/370(i)(c).

	$ 62.00

- Denied Group Major Medical: 50 Ill. Adm. Code 20151.310(a)(6)(I), formerly 50 Ill. Adm. Code 2051.55(e)(10)(A).

	$ 124.50
	$ 158.70
	$ 347.70
	$ 107.00
	$ 24.00
	$ 111.00
	$ 13.00
	$ 17.50
	$ 13.00
	$ 88.00
	$ 30.00
	$ 115.00
	$ 24.00
	$ 12.00
	$ 54.40
	$ 61.00
	$ 104.00
Total	**$ 1,404.08**

- Denied Group Major Medical: 215 ILCS 5/370(i)(c).

	$ 65.00
	$ 90.00
Total	**$ 155.00**

- Department Complaints: 50 Ill. Adm. Code 20151.310(a)(6)(I), formerly 50 Ill. Adm. Code 2051.55(e)(10)(A).

  $ 8,882.00

- Department Complaints: 215 ILCS 5/370(i)(c).

  $ 1,240.15

- Consumer Complaints: 50 Ill. Adm. Code 20151.310(a)(6)(I), formerly 50 Ill. Adm. Code 2051.55(e)(10)(A).

	$ 3,375.00
	$12,775.00
	$ 941.00
	$ 476.00
	$ 3,143.00
	$ 107.00
	$ 29.00
	$ 184.00
	$ 1,496.84
Total:	**$22,526.94**

17. Reopen the remaining 1,175 consumer complaint files and pay the balance on any files that do not comply with 215 ILCS 370o, 215 ILCS 370i and/or 50 Ill. Adm. Code 2051.310(a)(6)(1); and provide a report of the corrected claims to the Director.

18. Submit to the Director of Insurance, proof of compliance with the above seventeen (17) Orders within 30 days of the execution of these Orders.

19. Pay to the Director of Insurance, a civil forfeiture in the amount of $70,000 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 Life Insurance Company:

Signature

Lisa Sayerstad
Name

Director, Compliance
Title

Subscribed and sworn to before me this 4th day of June A.D. 2014.

Paula R. Bures
Notary Public

OFFICIAL SEAL
PAULA R BURES
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/19/15

DATE 6-5-14

DEPARTMENT OF INSURANCE of the State of Illinois;

Andrew Boron
Director