

The Trustmark Companies

Rated A- (Excellent) by A.M. Best | \$1.8 billion in assets | 98 years in business | 6,200 employees | 300+ Health and Fitness Management Clients | 2+ million covered lives or plan participants

Founded in 1913, Trustmark is an employee benefits company dedicated to providing financial security, improving health and well-being, and helping people navigate the healthcare system.

Trustmark holds true to three core corporate values: Personal, Flexible, and Trusted. The company's more than 6,000 full- and part-time associates earn the trust of clients through forthright communication and by following through on commitments, providing personal service and guidance, and offering innovative, customizable products.

Operating Divisions

Trustmark Voluntary Benefit Solutions is a leading provider of voluntary benefits, including life, disability, accident and critical illness coverage. Seamless payroll deduction, consolidated billing, and program enrollment highlight the division's worksite administration expertise.

CoreSource, ranked among the nation's largest employee benefit administrators,* offers benefit administration and health management services to self-funded employers, state high-risk pools, public retiree plans and other large clients.

Employer Medical delivers group benefit plans and administrative services to small and midsize employers, with a focus on product flexibility, including fully insured and self-funded plan designs, and a commitment to true, personal service.

HealthFitness is an NCQA- and URAC-accredited provider of population health management solutions targeted to *Fortune 500* companies and health plans. HealthFitness' solutions effectively engage individuals in long-term healthy behaviors using health promotion, fitness management, condition management and health advocacy.

Individual Medical and Disability Income/Long-term Care manage closed blocks of PPO-based individual health insurance and medical disability and long-term care policies, respectively.

**Business Insurance Rankings: Largest third-party claims administrators; March 25, 2011.*

Overview of 2010 Consolidated Results, Capitalization and Growth Initiatives*

Last year was an important chapter in Trustmark's continuing story of diversification and transformation. Major milestones included Trustmark's acquisition of leading wellness promotion and fitness management provider Health Fitness Corporation, and, for the first time since 2002, growth in consolidated revenue.

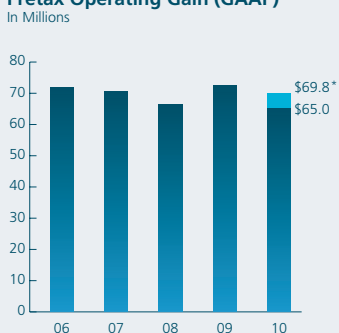
These achievements are especially significant for what they represent: the acceleration of Trustmark's Consumer Health Advice (CHA) strategy; and the fact that Trustmark is back on a path of revenue growth after years of contraction due to a planned, strategic shift away from higher-risk (and higher revenue) medical and sports disability products toward lower-risk voluntary benefits, benefit administration, wellness, and healthcare management services.

Operating Results and Capitalization

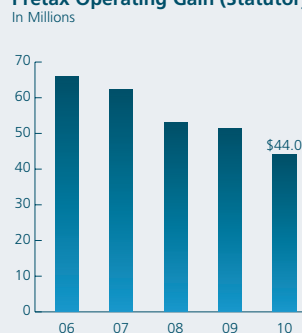
The company's \$44.0 million reported pretax gain was down \$7.3 million from \$51.3 million reported in 2009. The lower consolidated gain was due primarily to HealthFitness acquisition costs, lower earnings from Trustmark's closed individual medical and disability blocks, and incrementally higher corporate expenses. Each of Trustmark's major businesses – Voluntary Benefit Solutions, CoreSource, and Employer Medical – performed well, with higher year-over-year earnings.

Insurance company accounting conventions conceal underlying strength in Trustmark's earnings. According to Generally Accepted Accounting Principles (GAAP), earnings in 2010 were \$65.0 million. Trustmark reported \$44.0 million because, as an insurance carrier, the company must deduct the entire sales (acquisition) cost of policies in the year they are written. For that reason, record sales of over \$50 million in Trustmark Voluntary Benefit Solutions, where acquisition costs are highest, negatively impacted current-year reported earnings. GAAP accounting rules require that acquisition costs be deferred and amortized over the life of the policy. This better reflects the growth and profitability of Voluntary Benefit Solutions and Trustmark overall.

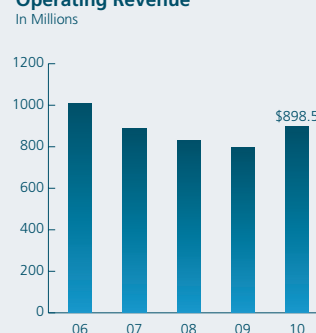
Pretax Operating Gain (GAAP)



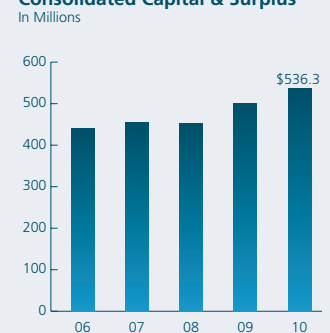
Pretax Operating Gain (Statutory)



Operating Revenue



Consolidated Capital & Surplus



*Excluding \$4.8 million HealthFitness non-recurring acquisition expenses.

Trustmark's sales of nearly \$231 million represent 12 percent year-over-year growth. As noted above, sales in Voluntary Benefit Solutions topped \$50 million for the first time. In addition, CoreSource sales were the highest in that division since 2003, and Employer Medical increased sales by 7 percent, driven by particularly strong Starmark small-group results.

The company generated \$898.5 million in consolidated revenue, an increase of nearly \$100 million, or 12 percent, over 2009. While the HealthFitness acquisition added \$71 million in revenue, Trustmark's existing businesses accounted for organic growth of \$29 million in 2010.

Through a combination of solid operating performance and the continued recovery of the financial markets, Trustmark was able to grow capital and surplus, a key measure of financial strength, by more than 7 percent, from \$499.2 million to \$536.3 million. Independent rating agency A.M. Best affirmed Trustmark's A- (Excellent) financial strength rating and stable outlook on December 22, 2010.

2010 Growth Initiatives

The acquisition of HealthFitness, which closed on February 26, 2010, accelerates Trustmark's CHA strategy and provides a platform for an integrated population health management solution. At the time of the acquisition, HealthFitness had two main components: wellness and health management programs, including coaching, health screenings, tracking and incentive programs; and management and staffing of on-site corporate fitness centers.

The one key piece missing from HealthFitness was a condition management program to help people with chronic medical conditions. Earlier this year, Trustmark filled that gap. In February 2011, HealthFitness acquired the assets of leading condition management company Focused Health Solutions. This has an immediate, positive impact for HealthFitness and will generate new sales and revenue for both HealthFitness and Focused Health.

In May of 2010, Trustmark Voluntary Benefit Solutions began selling its flagship voluntary universal life products in New York through a subsidiary company, Trustmark Life Insurance Company of New York. Voluntary Benefit Solutions now offers universal life in all 50 states, enabling the division to better serve large national companies with multiple locations.

In early 2011, CoreSource, Trustmark's TPA subsidiary, won a contract to administer claims for a 23,000-employee-life block of business for Nippon Life Benefits, a subsidiary of Japan-based Nippon Life Insurance Company, one of the world's largest mutual life and health insurance companies. The transition of business has begun and will continue for several years. In addition, Employer Medical launched enhancements to its Healthy Incentives small-group self-funded plans in January 2010. For the year, Healthy Incentives sales reached \$47 million, more than double the \$23 million in 2009.

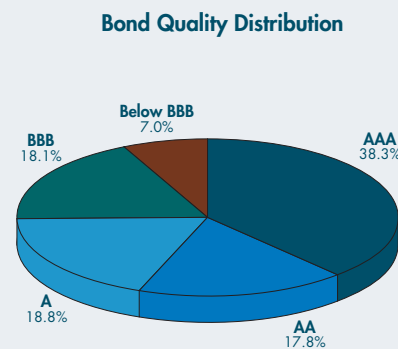
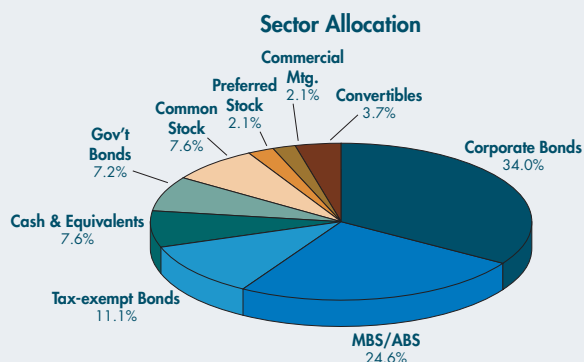
Heading into 2011, growth plans include integrating and developing the new CHA business to respond to increasing interest in programs that can improve health, increase employee productivity, and reduce medical costs. At the same time, Trustmark is investing in continuing the organic growth achieved in its existing businesses in 2010. Those investments include technology upgrades to, for example, enable even greater levels of reporting to clients and further simplify benefit enrollment and administration.

**Represents the consolidated financial results of Trustmark Mutual Holding Company for the 2010 calendar year.*

Investment Portfolio Analysis

Trustmark had relatively strong performance for the year as core fixed income and stock portfolios benefited from an improving economy. The total return of the portfolio was 9.7 percent, led by returns in the mid-teens on common stock and high single-digits on bonds.

At year-end, more than 92 percent of Trustmark's \$1.5 billion investment portfolio was in fixed income and preferred securities. Trustmark's conservative strategy and well-diversified portfolio should help to protect the company's assets as the economy continues to strengthen and interest rates begin to rise.



PERSONAL. FLEXIBLE. TRUSTED.

The Trustmark Companies and operating divisions include Trustmark Life Insurance Company, Trustmark Life Insurance Company of New York, Trustmark Insurance Company, CoreSource, HealthFitness, Starmark and Trustmark Voluntary Benefit Solutions.

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