

20
19



Trustmark At A Glance Enterprise View

Listening Leads to Understanding. Understanding Builds Trust.

Trustmark* is different. We listen first, then work with clients to help them keep their promise to employees. In fact, we've been helping companies do just that for more than 100 years.

Employee Benefits

We help employers provide smarter benefits that attract and retain employees, improve productivity and lower costs. We help employees achieve greater physical, emotional and financial wellbeing.

Specialized expertise in:

Voluntary Benefits¹

You care. We listen. As employers continue to navigate ongoing changes in healthcare and the overall benefits landscape, Trustmark Voluntary Benefits provides cost-effective solutions to attract and retain employees, reduce administrative burdens, simplify enrollment and effectively communicate key benefit messages. We listen to understand what employees need and value, then help them protect what they care about most with voluntary benefits that provide meaningful financial security and peace of mind.

Health Benefits²

Expect more, benefit more with Trustmark Health Benefits. For more than four decades, Trustmark has delivered integrated, flexible and tailored health benefit plan design and administration, healthcare management and consumer-engagement services to self-funded plan sponsors and insurance carriers. This involves much more than managing claims. We're a total health benefits solution, focused on building a more effective and sustainable benefit plan.

Small Business Benefits

We deliver big benefits to smaller businesses. That's been our only mission for more than three decades. Employers enjoy seamless integration of level-funded health plan administration, stop-loss insurance and claim payments. Self-funded health plan administration is provided by Star Marketing & Administration, Inc., and stop-loss insurance is provided by Trustmark Life Insurance Company.

Health + Fitness³

HealthFitness is a comprehensive wellbeing provider that delivers wellness, fitness and recreation, and injury prevention and treatment programs to companies and organizations. With 45 years of experience, our solutions are grounded in the latest behavior change science and delivered with proven engagement strategies that help organizations improve wellbeing.

Helping people increase wellbeing.

And we do it all while offering organizations of all sizes access to benefit options usually reserved for large employers, combined with the personal service you'd expect from a small firm.

The result is a flexible, personalized approach. Benefits that fit the culture of each of our clients, protect and improve the wellbeing of employees and achieve business goals.

We help people, businesses and communities thrive.

Overview of 2019 Consolidated Results and Capitalization**

On a consolidated basis, reported pretax earnings totaled \$26.5 million on operating revenue of \$803.6 million. This represents a year-over-year decline in earnings of \$6.7 million and an increase in revenue of \$5.6 million.

Including net investment income, total revenue was \$874.8 million, up \$2.3 million from \$872.5 million in 2018. Revenue rose in three of four Trustmark businesses; contributing factors included high persistency among inforce policies in Trustmark Voluntary Benefits, which helped offset a decline in sales; sales growth and partnership revenue in Trustmark Health Benefits; and improving sales in HealthFitness. Revenue fell incrementally in Trustmark Small Business Benefits, where slow sales early in the year impacted full-year revenue.

Reported earnings were negatively impacted by the one-time write-off of the value of a technology asset in Trustmark Voluntary Benefits. Without the impairment, earnings totaled \$56.6 million, an increase of \$23.4 million, due primarily to higher earnings in Health Benefits and Small Business Benefits and lower corporate expenses.

Net income decreased by \$2.8 million in 2019, from \$38.7 million to \$35.9 million, as higher federal income tax partially offset an increase in realized investment gains.

As of December 31, 2019, the company's consolidated assets totaled \$2.4 billion⁵ and consolidated capital and surplus was \$818.6 million⁶, an increase of \$74.9 million over 2018. With debt of \$79.8 million and debt plus equity of \$898.4 million, Trustmark maintains a conservative debt-to-capital ratio of 8.9 percent.

On March 26, 2020, independent rating agency A.M. Best affirmed Trustmark's A- (Excellent) financial strength rating and stable outlook, noting Trustmark's balance sheet strength, "which A.M. Best categorizes as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management."⁴

¹Insurance products underwritten by Trustmark Insurance Company and, for life products in New York, Trustmark Life Insurance Company of New York.

²Self-funded plans are administered by Trustmark Health Benefits, Inc.

³Services provided by Health Fitness, Inc.

⁴A.M. Best Financial Strength Ratings and Outlook apply to Trustmark Insurance Company, Trustmark Life Insurance Company and Trustmark Life Insurance Company of New York.

⁵Assets of Trustmark Mutual Holding Company and its insurance company subsidiaries as of December 31, 2019: Trustmark Insurance Company: assets - \$1.654 billion, liabilities - \$1.276 billion; Trustmark Life Insurance Company: assets - \$276.7 million, liabilities - \$102.1 million; Trustmark Life Insurance Company of New York: Assets - \$10.2 million; liabilities - \$3.4 million

⁶Capital and surplus of Trustmark Mutual Holding Company and its insurance company subsidiaries, including AVR, as of December 31, 2019:

- Trustmark Insurance Company: surplus - \$377.9 million, assets pledged or on deposit - \$50.3 million

- Trustmark Life Insurance Company: surplus - \$174.6 million, assets pledged or on deposit - \$3.3 million

- Trustmark Life Insurance Company of New York: surplus - \$6.8 million, assets pledged or on deposit - \$400,000

*Trustmark is the brand name used to refer to certain subsidiaries and operating divisions of Trustmark Mutual Holding Company that provide insurance and other products and services. For a list of these subsidiaries, please visit our website at trustmarkbenefits.com.

**All financials represent the consolidation of full-year Statutory Accounting (SAP) results for Trustmark's insurance companies and Generally Accepted Accounting Principles (GAAP) results for Trustmark's non-insurance companies for the calendar year ending December 31, 2019.



Trustmark Small Business Benefits® At A Glance



Star Marketing & Administration, Inc. administers self-funded health benefit plans exclusively for smaller businesses nationwide. Employers choose from extensive plan design choices to create a self-funded health plan to meet their unique needs and budget, while stop-loss insurance from Trustmark Life Insurance Company provides protection against large covered claims. We offer an array of health, wellness and cost-savings resources to help members get the most from their employer-sponsored health benefit plan.

Experience the difference:

Affordable healthcare benefit solutions from a pioneer in self-funding for small businesses.

Freedom of provider choice for plans with and without a PPO network. PPO plan designs enable access to Aetna Signature Administrators® (ASA) PPO Network, Cigna® PPO Network and other networks.

Program offerings like Healthcare Bluebook™, CareChampion 24/7®, Lifestyle Management, Grand Rounds®, Teladoc®, MaternaLink® and Oncology Management, which help employers and employees navigate the complex healthcare system with support and advisory services.

Seamless integration of plan administration, stop-loss insurance and claim payment with self-funded plans administered by Star Marketing & Administration, Inc., and stop-loss insurance coverage provided by Trustmark Life Insurance Company, rated A- (Excellent) by A.M. Best.

Exceptional personal service to ensure satisfaction. Self-service capabilities enable employers and members to access tailored healthcare benefit resources 24/7.

A smooth transition to self-funding with efficient, secure employee enrollment online or via telephone, and employer tools to simplify plan administration, including utilization reports to better manage healthcare costs.

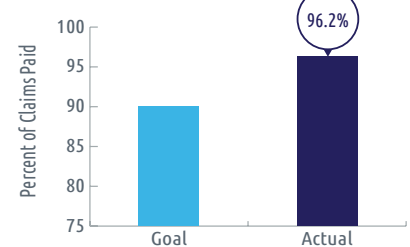
An opportunity for a refund if actual claims are lower than funded through a choice of surplus options.

A complete benefits package to help attract and retain employees, such as HRA plan designs or an HSA and Trustmark HealthyDental™ plan designs to complement a self-funded health plan design. Plus, employers can select fully insured ancillary products provided by Trustmark Life Insurance Company, including dental, guaranteed issue life/AD&D and short-term disability plans.

Health and wellness management tools for employees to help members make informed healthcare decisions.

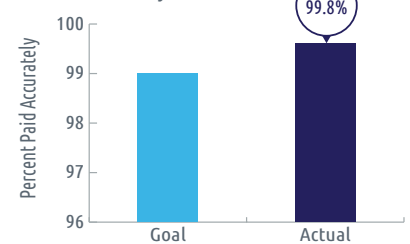
Claims are paid rapidly and accurately:

Average Claim Turnaround Time 2019



On average, 96.2 percent of claims were processed within 14 days in 2019.

Average Claim Accuracy 2019



On average, a financial accuracy rate of 99.8 percent was achieved for claims paid in 2019.

CareChampion 24/7®, Trustmark®, Trustmark HealthyDental™ and Trustmark Small Business Benefits® are trademarks of Trustmark Insurance Company. All other trademarks are the property of their respective owners, which are not affiliates of Star Marketing & Administration, Inc., and Trustmark Life Insurance Company.

Trustmark Small Business Benefits®

Plan design availability and/or coverage may vary by state. Plans are administered by Star Marketing & Administration, Inc., and stop-loss insurance and ancillary coverage are provided by Trustmark Life Insurance Company.

400 Field Drive
Lake Forest, IL 60045
TrustmarkSB.com

