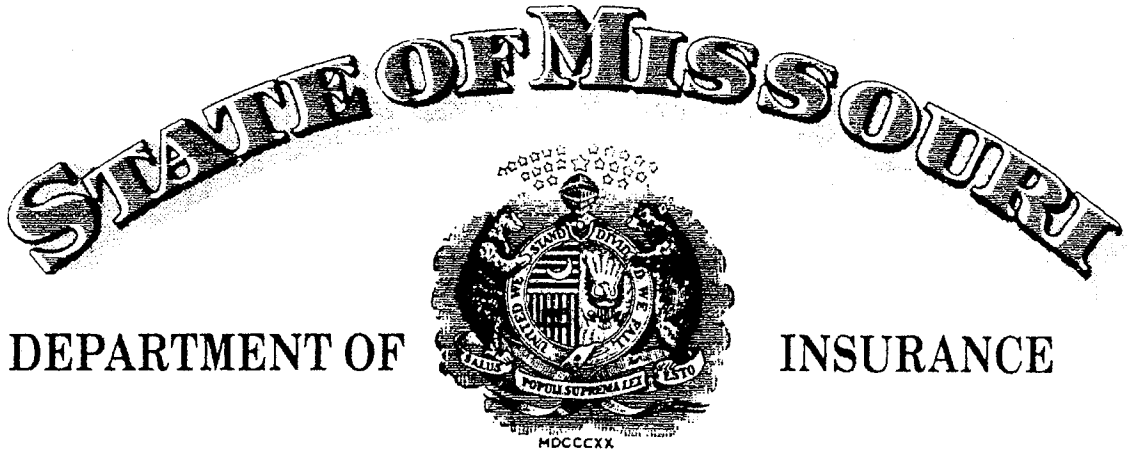
STATE OF MISSOURI

DEPARTMENT OF INSURANCE

MDCCCXX

P.O. Box 690, Jefferson City, Mo. 65102-0690



TO: Trustmark Insurance Co.
Office of the President
400 Field Drive
Lake Forest, IL 60045

RE: Missouri Market Conduct Examination # 0409-63-PPE

STIPULATION OF SETTLEMENT
VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by W. Dale Finke, Director of the Missouri Department of Insurance, hereinafter referred to as "Director," and Trustmark Insurance Company, hereinafter referred to as "Trustmark," as follows:

WHEREAS, W. Dale Finke is the Director of the Department of Insurance, an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, Trustmark has been granted certificate(s) of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of 0409-63-PPE and prepared report number Trustmark; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, Trustmark failed to acknowledge receipt in writing and/or send notice of the status of the claim that includes a request for additional information within ten (10) working days after receipt of the claims, failed to pay claims within 45 days, and failed to pay interest on claims that were paid after 45 days. These actions thereby violated §§376.383.2(1), (2), 376.383.5, and 376.384, RSMo.

2. In some instances, Trustmark failed to maintain its books, records, documents and other business records in a manner so that the claims handling practices of the insurer may be readily ascertained during market conduct examinations, thereby violating §374.205.2(2), RSMo, and Missouri Regulations 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B).

3. In some instances, Trustmark failed to provide the examiners with sufficient documentation for them to verify that standardized information required by law was contained on documents sent to health care providers as well as documentation regarding the denial of claims and the reasons for those denials, as required by §§376.383.9, and 376.1400, RSMo, and Missouri Regulations 20 CSR 300.2.100 and 20 CSR 300-2.200(3)(B)1.

4. In some instances, Trustmark failed to pay certain claims or any undisputed portion of those claims or send a notice of receipt and status of the claims with in 15 days of receipt of additional information received from the health carrier or third-party contractor, as required by §376.383.3, RSMo.

5 In some instances, Fiserv Health-Kansas (hereafter referred to as "Fiserv"), one of Trustmark's third-party contractors, failed to acknowledge receipt in writing and/or send notice of the status of the claim that includes a request for additional information within ten (10) working days after receipt of the claims, failed to pay or send a notice of the receipt and status of claims within 15 days after receiving additional information, failed to pay claims within 45 days, and failed to pay interest on claims that were paid after 45 days. These actions thereby violated §§376.383.2(1), (2), .3 and .5, and 376.384, RSMo.

6. In some instances, Fiserv failed to maintain its books, records, documents and other business records in a manner so that the claims handling practices of the insurer may be readily ascertained during market conduct examinations, thereby violating §374.205.2(2), RSMo, and Missouri Regulations 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B).

7. In some instances, Marsh, one of Trustmark's third-party contractors, failed to acknowledge receipt in writing and/or send notice of the status of the claim that includes a request for additional information within ten (10) working days after receipt of the claims, failed to pay or send a notice of the receipt and status of claims within 15 days after receiving additional information, failed to pay claims within 45 days, and failed to pay interest on claims that were paid after 45 days. These actions thereby violated §§376.383.2(1), (2), .3 and .5, and 376.384, RSMo.

8. In some instances. Marsh incorrectly adjudicated the Medicare allowed amount on some claims, thereby violating §§375.1007(3), (4), and (6), and 376.383.5, RSMo, and Missouri Regulation 20 CSR 400-2.030(5)(A) and (B).

9. In some instances Marsh failed to maintain its books, records, documents and other business records in a manner so that the claims handling practices of the insurer may be readily ascertained during market conduct examinations, thereby violating §374.205.2(2), RSMo, and Missouri Regulations 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B).

WHEREAS, Trustmark hereby agrees to take remedial action bringing Trustmark into compliance with the statutes and regulations of the State of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, the following;

1. Trustmark agrees to take corrective action to assure that the errors noted in the market conduct examination report do not recur; and

2. Trustmark agrees to review all claims filed after January 1, 2002, that were paid after 45 days of receipt and send interest payment to the claimants with a letter stating that the interest payments are being paid "as a result of findings from a market conduct examination performed by the Missouri Department of Insurance." Additionally evidence should be provided to the Department, within 90 days of the execution of this Stipulation of Settlement, that such interest payments have been made.

WHEREAS, Trustmark, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination.

WHEREAS, Trustmark hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0409-63-PPE further agrees, voluntarily and knowingly to surrender and forfeit the sum of $115,425.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Trustmark to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Trustmark does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of $115,425, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: MAY 9, 2006

President
Trustmark Insurance Company