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UTAH STATE
INSURANCE DEPT.

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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

<p>COMPLAINANT:</p> <p>UTAH INSURANCE DEPARTMENT</p> <p>RESPONDENT:</p> <p>TRUSTMARK LIFE INSURANCE COMPANY 400 FIELD DRIVE LAKE FOREST, IL 60045 NAIC ID # 205, Active License</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. 2011-167 LF</p> <p>Enf. Case No. 2930</p>
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STIPULATION

1. Respondent, Trustmark Life Insurance Company is a non-resident agency doing business in the State of Utah. Trustmark's ID is # 205.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

- b. Respondent admits the Findings of Fact and Conclusions made therefrom;
- c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.


3. Respondent is aware of its right to a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.


5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 12th day of August, 2011.



TRUSTMARK LIFE INSURANCE COMPANY
Lisa Sayerstead, Director of Compliance



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On or about September 30, 2010, Respondent submitted a Major Medical Rate Filing (rate manual) through SERFF. In the filing, Respondent noted that the rates were to become effective October 1, 2010.
2. The rate manual listed the following case characteristics as factors for rating insureds:
 - Gender;
 - Number of children;
 - Industry classes; and
 - Size factors
3. Included in the filing was the “Utah Accident & Health Insurance Filing Certification.” This certification was electronically signed by Ms. Sarah Cole. Ms. Cole electronically initialed that the rate filings were compliant with Utah Code Ann. § 31A-30 and Utah Administrative Code R590-167.
4. On December 20, 2010, the department sent the Respondent an Objection Letter through SERFF. The letter noted the following issues:
 - Objection 2: The Respondent was made aware that the rate manual was required to be submitted at least 30 days prior to use, therefore the earliest possible effective date for the filing was October 30, 2010. The Respondent was advised to revise the manual accordingly.
 - Objection 3: The Respondent was asked to confirm the rating period. Respondent was made aware that the rates would become non-compliant as of January 1, 2011 as the ratings factors gender, number of children, industry and group size would be prohibited.
5. On January 7, 2011, the Respondent sent the Department a Response Letter through SERFF. The response stated the following in response to the Department’s objections. As to

Department objection 2, the Respondent submitted an Actuarial Memorandum dated January 7, 2011, amending the rate manual effective date to November 1, 2010. The rate manual was resubmitted but rating factors were not changed. As to Department objection 3, the Respondent submitted a letter, dated December 30, 2010. The Respondent noted that the rate manual had a new effective rate of November 1, 2010. The Respondent also noted that they were now aware that their rates were non-compliant and they intended to file compliant rates for effective dates beginning May 1, 2011.

6. On January 26, 2011, the Department issued an Order to Prohibit Use on the Rate Manual through SERFF.

7. The Respondent filed a second time through SERFF on February 3, 2011. This filing was also issued an Order to Prohibit Use.

8. The Respondent filed a third time through SERFF on March 31, 2011. This filing was implemented May 10, 2011.

9. In the end, the Respondent identified through a spreadsheet 376 employees affected by their failure to comply with Utah rating requirements. The Respondent agreed to refund the overpaid premiums to employees.

10. On June 29, 2011, the Department market conduct examiner emailed Ms. Cole requesting an explanation to the filing issues. On July 5, 2011, the Respondent replied that the filing was done in error and has been corrected.

11. On July 6, 2011, the Department Market Conduct Examiner spoke on the telephone with Lisa Sayerstead, Respondent's Compliance Director who explained that Respondent did not intentionally submit non-compliant rates and that the problem was internal because their actuaries had not been aware of the updated statutes. She stated that as of July, 2011,

Respondent had implemented a new internal process requiring their actuaries to sign off that they have reviewed applicable statutes.

12. On July 7, 2011, Respondent agreed to an administrative forfeiture of \$25,000.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Administrative Code R 590-220-10 requires that a new and revised rate manual must be filed 30 days prior to use. By not submitting the rate manual 30 days prior to use, the Respondent violated R590-220-10.

2. Utah Code Ann. § 31A-30-106.1(6) prohibits case characteristics other than age of the employee, geographic area, and family composition. By filing rates using case characteristics of gender, industry, group size and number of children, Respondent violated Section 31A-30-106.1(6). By initialing the filing certification Ms. Cole certified that the rates were compliant, when they were not, the filed rates are non-compliant as to Section 31A-30-106.1.

3. Respondent also violated Utah Code Ann. § 31A-2-202(6) by filing an inaccurate document with the Department.

4. An administrative forfeiture in the amount of \$25,000 under the circumstances of this matter.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

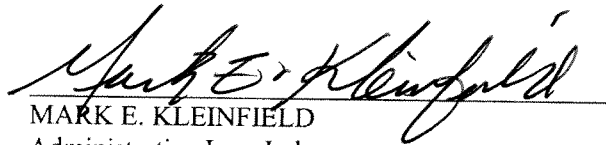
ORDER

IT IS HEREBY ORDERED:

Respondent Trustmark Life Insurance Company is assessed an administrative forfeiture in the amount of \$25,000.00 to be paid to the Department within 30 days of the issuance of this Order.

DATED this 16th day of August, 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.