

State: Arkansas **Filing Company:** Trustmark Life Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: S989C

Project Name/Number: small group rate filing/12.00274

Filing at a Glance

Company: Trustmark Life Insurance Company
Product Name: S989C
State: Arkansas
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.003A Small Group Only - PPO
Filing Type: Rate
Date Submitted: 05/31/2012
SERFF Tr Num: TRST-128434163
SERFF Status: Closed-Disapproved
State Tr Num:
State Status: Disapproved-Closed
Co Tr Num: 12.00274

Implementation: 09/01/2012
Date Requested:
Author(s): Brenda Young
Reviewer(s): Rosalind Minor (primary), Donna Lambert
Disposition Date: 07/26/2012
Disposition Status: Disapproved
Implementation Date:

State Filing Description:

State:	Arkansas	Filing Company:	Trustmark Life Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	S989C		
Project Name/Number:	small group rate filing/12.00274		

General Information

Project Name: small group rate filing	Status of Filing in Domicile: Not Filed
Project Number: 12.00274	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small
Group Market Type: Employer, Trust	Overall Rate Impact: 5.7%
Filing Status Changed: 07/26/2012	
State Status Changed: 07/26/2012	Deemer Date:
Created By: Brenda Young	Submitted By: Lisa Sayerstad
Corresponding Filing Tracking Number:	

PPACA: Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms

PPACA Notes: null

Filing Description:

Please find, for your review, a rate filing pertaining to our S989C small group major medical policies.

An actuarial memorandum and supporting materials are attached to provide you with more details regarding this filing.

We are requesting a 5.7% rate increase at this time.

Thank you for your time in this matter. If you have any questions, please contact me at 1-800-666-6977, ext. 32423 or at byoung@trustmarkinsurance.com.

Company and Contact

Filing Contact Information

Brenda Young, Compliance Analyst	BY0@trustmarkins.com
400 Field Drive	847-283-2423 [Phone]
Lake Forest, IL 60045	

Filing Company Information

Trustmark Life Insurance	CoCode: 62863	State of Domicile: Illinois
Company	Group Code: 276	Company Type:
400 Field Drive	Group Name:	State ID Number:
Lake Forest, IL 60045	FEIN Number: 36-3421358	
(800) 666-6977 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50.00 - AR fee for a rate filing. IL does not charge a fee for rate filings.
Per Company:	No

SERFF Tracking #: TRST-128434163 **State Tracking #:** **Company Tracking #:** 12.00274

State: Arkansas **Filing Company:** Trustmark Life Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: S989C

Project Name/Number: small group rate filing/12.00274

Company	Amount	Date Processed	Transaction #
Trustmark Life Insurance Company	\$50.00	05/31/2012	59571587

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Rosalind Minor	07/26/2012	07/26/2012
Disapproved	Rosalind Minor	06/28/2012	06/28/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	06/05/2012	06/05/2012

Response Letters

Responded By	Created On	Date Submitted
Brenda Young	06/06/2012	06/06/2012

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	response letter 07242012	Brenda Young	07/24/2012	07/24/2012

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Disposition

Disposition Date: 07/26/2012
 Implementation Date:
 Status: Disapproved
 HHS Status: HHS Denied
 State Review: Reviewed by Actuary
 Comment:

Thank you for your letter of July 24, 2012, responding to our disapproval on the rate submission.

Our Department does not employ an actuary. Your rate submission was reviewed by our Life and Health Compliance Officer along with Mr. Dan Honey, Insurance Deputy Commissioner, of the Life and Health Compliance Division. We also discuss the rate submission with a our Health Insurance Premium Rate Review Division.

Based on the 60% loss ratio, the possibility that you will be required to issue a rebate and that there has been rate increases over the past three years, our disapproval of 6/28/12 stands.

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Trustmark Life Insurance Company	Increase	5.700%	5.700%	\$120,517	28	\$1,583,407	17.800%	-23.800%

Percent Change Approved:

Minimum: % **Maximum:** %

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Disapproved	Yes
Supporting Document (revised)	Health - Actuarial Justification	Disapproved	No
Supporting Document	Health - Actuarial Justification	Replaced	No
Supporting Document	Rate Summary Worksheet	Disapproved	No
Supporting Document	Consumer Disclosure Form	Disapproved	No
Supporting Document	response letter 07242012	Disapproved	Yes
Rate	rate manual	Disapproved	No

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Disposition

Disposition Date: 06/28/2012

Implementation Date:

Status: Disapproved

HHS Status: HHS Denied

State Review: Reviewed by Actuary

Comment:

It is the primary mission of the Arkansas Insurance Department to protect consumers.

Based on your average three years loss ratio of approximately 60% and the fact that there has been rate increases over the past three years, we are disapproving your request for a rate increase on this block of business.

We appreciate your understanding and cooperation.

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Trustmark Life Insurance Company	Increase	5.700%	5.700%	\$120,517	28	\$1,583,407	17.800%	-23.800%

Percent Change Approved:

Minimum: %

Maximum: %

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Disapproved	Yes
Supporting Document (revised)	Health - Actuarial Justification	Disapproved	No
Supporting Document	Health - Actuarial Justification	Replaced	No
Supporting Document	Rate Summary Worksheet	Disapproved	No
Supporting Document	Consumer Disclosure Form	Disapproved	No
Supporting Document	response letter 07242012	Disapproved	Yes
Rate	rate manual	Disapproved	No

State: Arkansas Filing Company: Trustmark Life Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: S989C

Project Name/Number: small group rate filing/12.00274

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/05/2012
Submitted Date	06/05/2012
Respond By Date	

Dear Brenda Young,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comments:

It is requested that you provide us with a breakdown of the policyholders and what percentage increase they will receive.

Thank you for your cooperation.

Conclusion:

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/06/2012
Submitted Date	06/06/2012

Dear Rosalind Minor,

Introduction:

thank you for your recent communication.

Response 1

Comments:

please see attached.

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comments:

It is requested that you provide us with a breakdown of the policyholders and what percentage increase they will receive.

Thank you for your cooperation.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Health - Actuarial Justification
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your time in this matter.

Sincerely,

Brenda Young

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Amendment Letter

Submitted Date: 07/24/2012

Comments:

Please see our 7/24/2012 response letter.

Thank you for your time in this matter and I look forward to hearing from you.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: response letter 07242012

Comment:

AR responses 20120724.pdf

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	informational

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Trustmark Life Insurance Company	Increase	5.700%	5.700%	\$120,517	28	\$1,583,407	17.800%	-23.800%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		258			57			
Policy Holders:		22			6			

SERFF Tracking #:	TRST-128434163	State Tracking #:		Company Tracking #:	12.00274
State:	Arkansas	Filing Company:	Trustmark Life Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	S989C				
Project Name/Number:	small group rate filing/12.00274				

Supporting Document Schedules

		Item Status:	Status Date:
Bypassed - Item:	Flesch Certification	Disapproved	06/28/2012
Bypass Reason:	not applicable		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	response letter 07242012	Disapproved	07/26/2012
Comments:			
Attachment(s):			
AR responses 20120724.pdf			

July 24, 2012

Rosalind Minor
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

RE: Trustmark Life Insurance Company – Small Group Rate Filing TRST-128434163

Ms. Minor:

This letter is in response to the disapproval received June 28, 2012 regarding the above referenced rate filing.

Trustmark Life has acknowledged the favorable Arkansas experience to the extent that it is actuarially credible. This is reflected in the area factor decreases that have been implemented over the past year. The filed Arkansas increase, including the area factor decreases, is 5.7%, which is less than half of our nationwide average increase.

As mentioned in the Actuarial Memorandum, Trustmark Life will pay rebates in the event that its calculated MLR falls below the federal MLR standard, including credibility and quality improvement cost adjustments.

To disapprove our filed increase does not allow for the fact that at the time of our rate filing, Trustmark Life Insurance provided small-group health coverage to approximately 315 people in Arkansas. This block is not credible for the purpose of setting future new business rates. The fewer lives covered in a state, the more loss ratios can vary from year to year, and a small number of unexpected large medical claims can have a substantial impact. To not take this inherent volatility into account is actuarially unsound and over the long term may prove unsustainable.

Would you kindly forward the actuarial report on this filing, including a credibility analysis. If this is not available, we request a call with your department actuary responsible for the review of this rate filing.

If you have any further questions, please do not hesitate to contact me at (847)283-2392 or Mike.Mattila@trustmarkinsurance.com.

Regards,

Michael Mattila

Michael A. Mattila, A.S.A., M.A.A.A.
Second Vice President and Actuary

 Digitally signed by Michael Mattila
DN: cn=Michael Mattila, o, ou,
email=byoung@trustmarkinsurance.com, c=US
Date: 2012.07.24 14:18:43 -05'00'

