

CMS RATE INCREASE REVIEW - WYOMING

Trustmark Life Insurance is providing a brief description of the reasoning supporting the rate increase in Wyoming. This is in response to statements by the U.S. Department of Health & Human Services of January 12, 2012 calling the small-group rate increase in Wyoming “unreasonable.”

First and foremost, we want our customers, business partners and other constituents to know that Trustmark has been and will continue to be in compliance with all aspects of the Affordable Care Act, including requirements related to the Federal Medical Loss Ratio Rule.

We respectfully disagree with the assumptions and conclusions drawn by HHS. Trustmark Life Insurance set rates in Wyoming based on projected increases in the cost and utilization of medical services. We expect those cost increases to be greater than HHS accounted for in its methodology.

In addition, at the time of our rate filing, Trustmark Life Insurance provided small-group health coverage to approximately 1,395 people in Wyoming. 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 when pricing would be irresponsible and, over the long term, unsustainable.

Trustmark has decades of experience providing small-group health coverage to businesses and their employees. Our primary long-term objective is to remain a reliable source of financial protection for our customers, and we strive to provide value through flexible product design, personal service and tools to help small businesses manage the cost of healthcare.