

2021 ANNUAL REPORT

Advancing through change





Trustmark

The company people trust to enhance wellbeing through simple, engaging and valuable solutions – delivered with care.



FOUNDED:

1913

MEMBERS AND PLAN PARTICIPANTS:

2+ million

ASSETS:

\$2.6 billion

A.M. BEST® RATING:

A- (Excellent)

Outlook: Positive

MISSION:

Protect and improve individuals' health and overall wellbeing.

*A.M. Best Financial Strength Rating and Outlook apply to Trustmark Insurance Company, Trustmark Life Insurance Company and Trustmark Life Insurance Company of New York.
Most recent rating review: March 8, 2022



Trustmark*

Protection, Engagement, Connection

Trustmark is a national employee benefits provider with specialized expertise in voluntary benefits, self-funded health benefit administration, and on-site and virtual fitness program management.

Meeting the Changing Needs of Employers and Individuals

The past two years have changed the way people – and companies – work. In a highly competitive, post-pandemic labor market, employees are looking for greater flexibility, benefits that provide a sense of security, and creative ways to connect with coworkers. Employers are looking for cost-effective, easy-to-administer benefits that help them stand out from the competition. They also want benefits that increase employee satisfaction with the employment experience and help them engage and connect with an often distributed workforce.

Trustmark delivers. Voluntary benefits, available on both an individual or group basis, offer peace of mind with valuable coverage that can be tailored to life stage or financial priorities. We offer expansive health benefit administration that goes well beyond claim processing, with engagement tools, advocacy services, and cost and quality resources that help your employees become educated, savvy healthcare consumers. And, with a combination of on-site and virtual options – and a strategy designed specifically for each client’s employee population – our fitness management and programming drives greater participation and fosters a sense of belonging and community among employees.

Our commitment to building resilient, healthy communities goes beyond the work we do on behalf of our clients and their employees. Together with our associates, Trustmark supports organizations and causes that advance health, wellbeing, and social justice.

At Trustmark, we help people, businesses and communities thrive.

“In order to bridge gaps and provide children with equitable opportunities to thrive, we need support from caring companies like Trustmark. Working with Trustmark colleagues has been a highlight of these pandemic times.”

– Brittany Costa

Senior Manager of Volunteer Recruitment & Stewardship, North Chicago Community Partners

*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 complete list of these subsidiaries and operating divisions, please visit our website at trustmarkbenefits.com. All products may not be available in all states.



Letter from our CEO

Kevin Slawin
President & Chief Executive Officer

Advancing through Change

The past two years have been unprecedented. While for some, day-to-day activities have begun to resemble life as it was prior to March 2020, for others the impact of Covid-19 has been both far-reaching and deeply personal. Our thoughts are with those who have faced the often devastating effects of the pandemic. We recognize the solemn importance of our role to provide financial stability and security for our policyholders and their families. That is why Trustmark exists. As important is how we fulfill our role. In times of uncertainty, trust is especially important. Trustmark associates worked diligently throughout 2021 to not just further our mission, but to do so with care, with empathy, and with an ear to how we can continue to better serve you, our policyholders.

I would summarize 2021 as a year during which Trustmark advanced through change and adapted, working on behalf of our customers to help them adapt and excel

“We recognize the solemn importance of our role to provide financial stability and security for our policyholders and their families. That is why Trustmark exists.”

as well. The pandemic changed how people work, with many employees now on “hybrid” schedules, splitting time between an office and working from home. The pandemic also changed expectations. With in-person interactions limited, automation and self-service further accelerated from an already rapid pace. Activities like depositing checks through a banking app, meal delivery services, and telehealth visits went from interesting to essential in a matter of weeks. Mental health also came to the forefront, as people dealt with the stresses of isolation and uncertainty.

Some of what changed will, of course, swing back toward what we would consider “normal” as the pandemic subsides. People are back, eating at restaurants, attending events, and

working out at gyms. But the expectation of a richer palette of options remains. Consumers want the choice to visit a doctor in person or virtually. They expect to be able to go to a gym and stream fitness classes from home. Employees don’t want to be taken for granted and expect greater flexibility in where and when they work. They also seek a greater level of support from their employer across all aspects of wellbeing, including physical, mental and financial wellness. In the face of these changes, companies are searching for ways to provide that support and flexibility – and, perhaps most challenging of all, replicate and maintain their distinct corporate cultures. Trustmark continues to advance products and capabilities to meet these ever-changing needs.

Trustmark is also helping employers adapt. We launched new products in each of our four businesses, forged new strategic partnerships, and made a timely acquisition. At the same time, we continued to invest in key areas such as cybersecurity and customer service. We’ve completed this

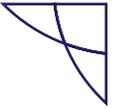
work with three goals in mind: First, to help individuals protect and improve their health and overall wellbeing by designing products around features our customers say they value most. Second, continue to help employers offer affordable, comprehensive employee benefits, including valuable financial protection. And, third, at a time when more employees than ever

work remotely, enable companies to increase engagement, connect with their employees, and foster a sense of community through innovative wellness programming.

2021 Financial Results¹

Trustmark’s strong financial foundation grew even stronger in 2021. Capital and surplus, including asset valuation reserve, increased by \$37.7 million, from \$831.5 million at the end of 2020 to a record high of \$869.2 million, as of December 31, 2021. On March 8, 2022, independent rating agency AM Best affirmed Trustmark’s A- (Excellent) financial strength rating and revised its outlook from Stable to Positive.

¹All financials represent the consolidation of full-year Statutory Accounting (SAP) results for Trustmark’s insurance companies and Generally Accepted Accounting (GAAP) results for Trustmark’s non-insurance companies for the calendar year ending December 31, 2021.



In its summary, AM Best noted that Trustmark's "positive outlook reflects Trustmark Group maintaining the strongest level of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio."

Trustmark has a long history, as a company our customers trust and rely upon, of financial stability. Since 2007 – for the past 15 years – Trustmark has been rated A- (Excellent) with a Stable outlook. The revision of the outlook to Positive is outside confirmation that Trustmark's financial foundation, supported by our customer-focused strategies, continues to grow even stronger.

The company generated \$784.0 million in consolidated revenue, down slightly from \$784.7 million in 2020. Revenue was up in our Voluntary Benefits business in 2021 compared to 2020, as sales of life policies with long-term care benefits were particularly strong. Revenue fell in HealthFitness as the Delta Covid-19 variant further delayed fitness center re-openings. In Health Benefits and Small Business Benefits, sales slowed, also due to the pandemic, impacting revenue in those businesses. Persistency among existing groups, however, remained high.

Earnings, net of tax, in 2021 totaled \$64.3 million, an increase of \$35.5 million, largely due to a goodwill impairment charge taken in 2020 related to HealthFitness. Operating earnings fell in 2021, due primarily to an increase in Covid-19-related claim payments in Voluntary Benefits and lower sales, combined with higher claims, in Small Business Benefits.

Looking ahead, we are starting to see market activity return to pre-pandemic levels. More employers are looking to Trustmark for cost-effective health plan administration services, on-site fitness centers continue to reopen (more than 80 percent of client sites have reopened so far), and, in Trustmark Voluntary Benefits, we expect to build on a record-setting sales year in 2021.

Delivering on Our Customer-focused Growth Strategies

To help employers meet evolving employee expectations, Trustmark added a number of new products and services in 2021. These included establishing partnerships with industry leaders, such as Teladoc™ Health, one of the largest and most respected providers of whole-person virtual care, to offer a virtual-first health plan design that enables employers to offer a plan that meets the needs of today's consumers, who seek convenient access to cost-efficient care.

We also launched a suite of group-based voluntary products that we're offering alongside our traditional, individually

underwritten worksite coverage. These new products offer essential customization features so employers can create coverage options that work best for their employees. In addition, these products work on any benefit administration platform for ease of integration with the overall benefit plan and offer employees an affordable financial safety net.

"To help employers meet evolving employee expectations, Trustmark added a number of new products and services in 2021."

And, in HealthFitness, we launched HealthFitness360SM, complementing our highly rated on-site, in-person fitness management and programming with live-stream and on-demand content ranging from fitness classes to nutrition, mindfulness, mobility, coaching, personal and small group training and more. Now, no matter where employees are located, we can help employers create connections, get people moving, and provide health and wellbeing services to support physical, social, and emotional health.

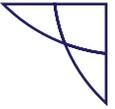
These are just a few examples of how Trustmark stepped forward in 2021 to meet the changing expectations of employers and their employees.

Highlights by Business Unit

Trustmark Voluntary Benefits

Trustmark Voluntary Benefits generated record revenue of \$389.3 million in 2021, up \$25.2 million from \$364.1 million in 2020. Growth was driven primarily by substantial sales in the state of Washington due to a requirement that employees in the state participate in a public long-term care program or acquire qualifying private coverage. Trustmark's unique, Universal Life with Long-Term Care product, Universal LifeEvents®, fulfills that requirement. We look forward to serving these new customers.

In addition, as noted above, we launched a suite of group voluntary financial protection products, including critical illness, accident and hospital indemnity coverage. We offer these alongside our traditional individual worksite products, and they combine cost-effective coverage with consumer-focused innovation and ease of administration.



“Other client- and member-focused achievements in 2021 include expedited client onboarding to get new clients smoothly up and running with their new plan in under a month.”

Trustmark Health Benefits

Revenue in Trustmark Health Benefits was relatively flat 2021, despite the ongoing impact of the pandemic, during which employers demonstrated reluctance to change benefit administrators. Year-over-year, revenue fell slightly, from \$153.0 million to \$147.2 million. Market conditions that helped offset the sales slowdown included income from claim savings passed along to members as claim volume returned to historical levels and high persistency among existing clients.

In addition to the partnership with Teladoc Health and leading professional services firm, Aon, to offer the virtual-first health plan design, Trustmark Health Benefits also partnered with integrated virtual care company, Included Health, Inc., to help our self-funded clients and their employees navigate the complexities of the healthcare system with personalized healthcare support to optimize health outcomes.

Other client- and member-focused achievements in 2021 include an enhanced reference-based pricing product to help keep healthcare affordable, and expedited client onboarding to get new clients smoothly up and running with their new plan in under a month.

Trustmark Small Business Benefits

Revenue in Small Business Benefits fell by \$12.8 million in 2021, from \$181.6 million to \$168.8 million, due to the impact the pandemic had on sales. However, as in Trustmark Health Benefits, persistency among existing clients remained very high throughout 2021.

In Small Business Benefits, we launched two new self-funded health plan designs to help smaller companies continue to afford to offer coverage. One is a hybrid plan design that combines a PPO provider network for practitioner services with reference-based pricing for ancillary and facility services. The other is a high-deductible reference-based pricing plan. Both new designs meet market demand for lower-cost options.

HealthFitness

The pandemic also had an ongoing impact on HealthFitness, as the Delta variant surge, in particular, delayed on-site corporate and community fitness center openings. At \$73.3 million, revenue declined by \$7.2 million compared to 2020. Our midyear acquisition of Midtown Health, a subsidiary of Tennis Corporation of

America, positions us well for further growth in additional markets as the pandemic subsides and fitness sites continue to reopen. All Midtown Health clients transitioned to HealthFitness and included hospital wellness centers, community fitness centers, and corporate fitness clubs.

And, as I previously mentioned, the launch of HealthFitness360 enables us to offer a comprehensive blend of virtual and on-site programming, helping us better serve employers that are increasingly offering remote or hybrid work options. The in-person and virtual communities we build through shared health goals enable employers to maintain a connected and close-knit culture, despite the challenges of a dispersed workforce.

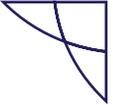
Elections to the Trustmark Board of Directors

Trustmark board members re-elected at the Annual Policyholders' Meeting in March 2021 were: Peter Drake, Ph.D., retired Managing Director, Mayflower Partners, and a Trustmark director since 1997; Steven English, Senior Vice President and Chief Financial Officer, State Auto Insurance Companies, and a board member since 2019; and Carlos Minetti, President of Consumer Banking, Discover Financial Services, and a board member since 2017.

Current directors who were re-elected at the Annual Policyholders' Meeting on February 28, 2022 were: Debora Boyda, retired Chief Executive Officer, Isobar US, and a Trustmark director since 2021; Judith Greffin, retired Executive Vice President and Chief Investment Officer, The Allstate Insurance Company, and a board member since 2018; Kevin Slawin, President and Chief Executive Officer, Trustmark Mutual Holding Company, and a director since 2016; and Lynn Shapiro Snyder, Senior Member and Director, Epstein Becker & Green, P.C., and a Trustmark director since 2007.

Helping People, Businesses and Communities Thrive

Trustmark has emerged from the Covid-19 pandemic an even stronger, more resilient company. It has been our goal



On behalf of all our associates, thank you for putting your trust in us over the course of 2021. Despite the challenges, it was a successful year as measured by our ability to assist our policyholders in difficult times, help employers adapt to and address changing expectations, further strengthen our company, make ongoing investments for the future, and increase the number of people we serve in pursuit of our mission to protect and improve health and wellbeing.

Sincerely,

Kevin R. Slawin

President & Chief Executive Officer

during that time to help our clients, their employees, and the people of our communities advance and adapt through change as well.

With that in mind, we continued to increase community support through the Trustmark Foundation. In 2021, foundation gifts totaled more than \$1.3 million.

Finally, I want to highlight Trustmark being named a Chicago Tribune Top Workplace for a second consecutive year. I'm very proud of our associates and the dedication and commitment they continue to demonstrate. They care about their work. They care about our company. And they care about you, our policyholders, members and plan participants.

"I'm very proud of our associates and the dedication and commitment they continue to demonstrate. They care about their work. They care about our company. And they care about you, our policyholders, members and plan participants."



A Culture of Caring

Trustmark Associates and the Trustmark Foundation Build Stronger Communities

A Mutual Organization Committed to Mutual Success

Trustmark was founded as a fraternal organization in 1913, enabling railroad workers to aid their fellow employees who were injured on the job. Employees helping employees. Neighbors helping neighbors.

Since that modest beginning, Trustmark has been uniquely connected to the communities we serve. As a mutual organization, we take the long view, serving our clients, not shareholders. And as a company committed to the communities in which our associates and clients live and work, we set aside a percentage of pretax earnings to support the underserved in those local communities.

In 2021, for a third consecutive year, associates pledged a record amount to the annual United Way campaign

And that commitment extends beyond the corporate level. Associates work as individuals and as teams to give back as well through giving and volunteerism. Our belief is that we have a responsibility to help open the doors to opportunity and improve the quality of life for all.

The Trustmark Foundation

The Trustmark Foundation was established in 1984 to formalize and further enable Trustmark's community commitment. In 2021, the Foundation distributed a total of more than \$1.3 million in cash and gifts in kind. Of this, nearly \$150,000 was provided to charitable organizations disproportionately impacted by the Covid-19 pandemic. This included rapid-response funds to get aid quickly to those most in need.

Foundation grants directly support the United Way, community health, safety, education, and urban and cultural enrichment. Contributions in 2021 included \$125,000 to the



United Way and \$425,000 to support health and safety programs, including grants to organizations helping those with opioid and other substance abuse disorders.

Each year, a portion of Foundation funds is earmarked to support local

charitable organizations that have a meaningful impact on the communities near the company's larger branch offices. Recipient organizations are selected by the associates in those offices. In 2021, the Foundation contributed \$390,000 to 65 charities that support communities in which employees live and work through this branch office giving program.



In addition, the Foundation funds a number of renewable undergraduate scholarships each year for eligible children of Trustmark associates in honor of retired CEO Ralph Eckert.

Trustmark Associate Giving

Trustmark encourages and supports associate giving and volunteerism. In 2021, despite the impact of the ongoing pandemic, associates pledged a record amount to the United Way, with overall pledges up from the previous record in 2020. In addition, associate Volunteer Grants encourage individual social responsibility by providing grants to qualified organizations to which associates devote significant time.

Trustmark also provides paid time off to all benefit-eligible, fulltime associates to be used to volunteer in the community, and Trustmark teams and offices regularly work together to support organizations ranging from local food pantries to family crisis centers. In 2021, with support from Trustmark Cares, which seeks out volunteer opportunities and sponsors giving and volunteering events, associates learned about vital issues, including food and housing insecurity, social determinants of health, and strategies for connecting families with basic needs to appropriate services.



Associates then followed up by contributing thousands of volunteer hours and completing countless acts of kindness, including helping to construct homes, assembling care packages for families in need, donating blood, building beds for children, donating cash and food and volunteering time at animal shelters and food pantries.



A Culture of Caring

Trustmark Associates Use Volunteer Time for Local Charitable Organizations



▲ Trustmark's Tressa Harris (left), Jenn Rickel and Tressa's daughter, Mia, prepared and delivered Italian baked pasta, a salad and dinner rolls to the Lake County Haven's Hope House. The Hope House is a shelter for women and children in Libertyville, near Trustmark's Lake Forest headquarters.



▲ For an Eagle Scout project, Tim Peters' son, Luke, recruited 30 volunteers and collectively they built 14 beds for children in need. He partnered with Sleep in Heavenly Peace, a nonprofit that is dedicated to building, assembling, and delivering beds.

▶ The Boardman office in Ohio donated to the Adaptive Sports Program of Ohio, which provides community-based and interscholastic sports for individuals with physical disabilities.



◀ The Worcester office donated to Arts Worcester, which helps bring contemporary art to the public, including this exhibition, Chelsea Bradway: Be a Lady They Said, which captures images of female empowerment in a challenging age.

▶ Members of a Trustmark affiliated basketball team helped lead a recent practice for the Warren Special Recreation Red Rockets players. One of the players described it as, "the best night ever." Here, Red Rockets players show their team spirit by linking arms while running the court.



A Culture of Caring

- Trustmark's Fiona Clayton isn't fond of needles, but she made an exception and donated blood to celebrate Random Acts of Kindness Day.



It's a delight to work with the Trustmark team on the campaign. Trustmark employees are incredibly engaged and present in the process. Everyone comes to the table and is present, owns a piece of what we're trying to accomplish and works their hardest.

– **Quinton Snodgrass**, Vice President, Resource Development, United Way of Lake County



- Monica Harr and her daughter (pictured) wrapped 1,700 diapers and other essentials for Keeping Families Covered, a nonprofit that helps families with basic needs.



- Trustmark's investment team of Jannie Pearson, Dan Busiel and Monica Harr (right), along with Karen Torcia (middle), volunteered at the Northern Illinois Food Bank.

- During the week, Maggie Footit and her daughter dote on their cats. Each Friday afternoon, they start the week by walking and socializing dogs at the Ozaukee campus of the Wisconsin Humane Society.



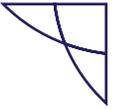
- Danielle Nicholson and Teresa Michael volunteer at the Colorado Pet Pantry during Trustmark's Community Week.



- Andrew Parr volunteered at the L.A. County Food Bank, packing more than 800 pounds of food.

Trustmark Voluntary Benefits

Working with our partners, revenue totaled more than \$389 million in 2021.



Trustmark Voluntary Benefits listens to what employers care about most and then delivers innovative insurance solutions backed by exemplary service. With more than a century of building trusted relationships, Trustmark helps employers reduce administrative burdens, simplify enrollment and effectively communicate key company messages to educate and inform employees about health, wellness and other important business initiatives.

Trustmark offers its insurance products and services on a voluntary, individual and group basis at the worksite through national and regional brokers and professional benefit communication firms.

Trustmark's Innovative Solutions

As brokers and employers continue to navigate ongoing changes in healthcare and the overall benefits landscape, Trustmark provides cost-effective yet robust solutions to attract and retain employees. Trustmark's voluntary solutions help working consumers and their families achieve peace of mind with coverage designed to fit changing needs based on life stage or financial priorities. This includes coverage that offsets the increasing financial risk and out-of-pocket costs associated with many of today's medical benefit plans.

To meet growing demand, in 2021 we launched a new line of group products that are easy to administer and cost-effective, while still providing the innovative coverage policyholders and business partners have come to expect from Trustmark.

A comprehensive, customer-focused approach to product innovation has resulted in unique products and a continual push for new and better financial protection. Delivering what customers say they want and need has driven the development of all Trustmark products:

- One-of-a-kind Universal LifeEvents®, a top-selling⁷ universal life product in the U.S., tailored to the varying protection needs employees face throughout their lives, including long-term care options.
- Trustmark Hospital StayPay® is a fresh take on hospital insurance. It blends superior protection for employees with unmatched flexibility for employers when selecting a plan. Hospital StayPay is available on both a group and individual basis.
- Disability insurance "re-defined" with Trustmark Paycheck Protect®, a product that covers you so you can live life

the way you want to and know we're there for you when you can't.

- A critical illness product that offers a lifetime of benefits, Trustmark Critical HealthEvents® includes benefits for early identification of illness, a healthy living benefit and more. Critical HealthEvents is available on both a group and individual basis.
- An enhanced accident benefit plan that is uniquely designed to provide protection wherever employees need it most. Available on both a group and individual basis.

Providing Exemplary Service

We provide the resources to engage with employees one-on-one to help make sure they understand the value of their benefits while also communicating any important company initiatives – all at no charge to the employer.

The end result: higher levels of employee participation and satisfaction with benefits, better informed consumers, greater financial security and customers who continue to choose Trustmark year after year. Research confirms an 18-percent increase in employee satisfaction with their employer when voluntary benefits are offered.⁸ On top of that, we've also developed new online tools that make it easier for policyholders to manage their coverage and file claims.

Held as the standard in the industry, Trustmark's exceptional personal service makes benefit administration easy. We've taken our commitment to service a step further with Trustmark Simplink®, an embeddable API that allows Trustmark products to be offered on any system. Along with our new group products, we're making it easier than ever for brokers and employers to offer our products.

"Trustmark is a unique partner for us. They just do an incredible job of really taking their culture, which is a different culture and is all about people and all about service, and really translating that to how they deliver their products for us and our clients."

- Bart Yancey, CEO, DirectPath

Your Trusted Partner

Our relationships with our clients are based on listening. As a proven industry leader in the voluntary benefits space, the foundation of our success hinges on understanding what our partners need and earning their trust by providing the solutions that match those needs.

You care. We listen.

⁷2019 U.S. Worksite Sales Survey, LIMRA. ⁸Trustmark research conducted with The Connell Group, 2015. *LifeEvents®, Trustmark Hospital StayPay®, Trustmark Paycheck Protect® and Trustmark Critical HealthEvents® are trademarks of Trustmark Insurance Company. Insurance products underwritten by Trustmark Insurance Company and Trustmark Life Insurance Company of New York.

Trustmark Health Benefits

In 2021, revenue totaled more than \$147 million.

For almost a half century, Trustmark Health Benefits has crafted integrated, flexible, and tailored health benefit plan designs that seamlessly meet the specific needs of large and mid-sized self-funded employers, trusts, hospitals and health systems, and insurance carriers – all without sacrificing the quality of member care.

We pride ourselves on being more than an administrator; we're a total health benefits solution. Our goal is to reduce cost and complexity while driving member engagement to create informed, confident, and healthy healthcare consumers.

With a number of locally-managed service and support offices, as well as additional regional sales teams located throughout the country, we're both national and local. We have the resources and scale of Trustmark, a large national company, but with

"I really appreciated how much effort [my customer service representative] put into helping me today to figure out a way to have a test done in the most affordable way possible. I know that often people only report negative experiences to companies, so I wanted to share my positive experience."

- Trustmark Health Benefits member

a nimble regional structure for ultimate responsiveness to our individual client's needs.

Integration and flexibility are at the heart of our business. Here are just some of the solutions we offer:

Administration Solutions

- Employer sponsored benefits administration for medical, dental, vision, HSA/HRA, flexible spending accounts, COBRA, short-term disability, and retiree benefits
- Choice of tier-1 networks such as Aetna Signature Administrators® (ASA) PPO Network, Cigna® PPO

Network, numerous regional and local networks, and ancillary transplant, dental, lab, oncology, and dialysis networks

- Integration with pharmacy benefit managers, including specialty pharmacy programs
- Consumer-directed and other flexible plan designs and administration
- Simplified billing and automated funding to ease benefit administration
- Expedited onboarding model for eligible clients who need to be onboarded in 30 days or less
- Virtual-first health plan design

Cost Containment Solutions

- Reference-based pricing solutions, including full replacement, hybrid, out-of-network, and dual option models

- High-cost services and diagnoses review to look for billing errors, waste and abuse, and negotiated savings opportunities
- Eligibility management
- Specialty drug management, including prior authorization, retrospective drug utilization review, site-of-care management
- Integration with preferred stop-loss carriers

Care Navigation and Advocacy Solutions

- In-house healthcare management team with expertise in over 70

medical sub-specialties

- URAC-accredited utilization management
- Individual case management
- 24/7 member advocacy solutions
- Integrated behavioral management
- Cancer management and support
- Maternal and neonatal health
- Remote diabetes management and support
- Health and wellness programs
- Cost and quality transparency
- Telemedicine solutions

Back-Office Administration

- Flexible configuration and integration
- Expert sales support
- In-house underwriting
- Full white-labeling

Reporting, Analytics, and Insights

- Detailed reporting and insights on plan performance and clinical analytics
- 9+ Interactive dashboards, including financial, utilization, COVID-19, and pandemic trend
- Report library with 122+ standard and custom reports
- Industry-specific reporting, including hospital utilization, provider network performance, and on-site clinics
- Reinsurance reporting

Member Digital Tools

- Online self-service member portal and mobile app
- Text messaging with myTrustmarkBenefits Wire

Expect more. Benefit more.

*Self-funded health plan administration provided by Trustmark Health Benefits, Inc. Cigna® is a registered trademark of Cigna Intellectual Property, Inc.

HealthFitness®

HealthFitness generated revenue of more than \$73 million in 2021.

HealthFitness builds and manages comprehensive fitness solutions for leading companies and organizations. With a nationwide team of more than 2,700 professionals, we focus on building trusted relationships, meaningful connections, and active communities of health and fitness within our client's populations. We engage and connect people both on-site and online, creating a strong community and sense of belonging. Here's how we do it:

Get People Moving

We create experiences where participants find friendly and familiar faces – and create trusted relationships.

Services include:

- Group fitness
- Personal and small group training
- Recreational sports and activities
- Outdoor fitness
- Challenges

Keep People Moving

As movement experts, we focus on helping people move smarter and healthier.

- Injury prevention with Movement Efficiency Screenings and work conditioning
- Early intervention, including ergonomics and line-side coaching
- Treatment with physical, occupational and massage therapy



"HealthFitness has helped me move more, increase my strength and enjoy my life."

- Fitness center member



Care for the Whole Person

Our health and wellbeing services support physical, social and emotional health. They include:

- Health coaching
- Screenings and vaccinations
- Education
- Wellness platform (Vitality®)

Support Remote and Hybrid Workforce

Our programming is available to participants wherever they are, whenever works best for them, with our HealthFitness360 digital space, including:

- Live-streamed fitness and wellbeing classes
- On-demand classes and educational videos
- Training and consultations with real-time 1:1 or small group interactions

Dedicated to improving the health and wellbeing of those we serve.

* Services provided by Health Fitness Corporation.

Trustmark Small Business Benefits®

In 2021, revenue totaled nearly \$169 million.

We deliver big benefits to small and mid-size businesses. That's been our only mission for nearly four decades. Employers enjoy seamless integration of level-funded health benefit plan administration, stop-loss insurance and claim payments. Self-funded health plan administration is provided by Star Marketing and Administration, Inc., and stop-loss insurance coverage is provided by Trustmark Life Insurance Company.

Employers nationwide choose from our extensive offering to create a self-funded plan design to meet their unique needs. Our level-funded solutions provide set monthly payments to employers looking for greater budget control and peace of mind. If there's a surplus in the group's prefunded account at the end of the agreement, there is an opportunity for the employer to receive a refund.

Our innovative, customizable plan designs help brokers provide a broad range of health benefit solutions to their clients. Additionally, our unparalleled personal service takes care of their clients, and their clients' employees and families, every step of the way.

Key Products and Services:

- A broad portfolio of self-funded plan designs, including comprehensive medical, preventive only and dental coverage.
- Industry-leading reference-based pricing plan designs help control plan costs while enabling employers to offer more freedom of provider choice.
- Plan designs with a PPO network enable access through Aetna Signature Administrators® (ASA) PPO Network, Cigna® PPO Network, PHCS and other regional networks.
- Seamless integration of stop-loss insurance from Trustmark Life Insurance Company provides employers protection against large covered claims.
- Simplified, niche underwriting to make self-funding easier for employers outside the traditional small-group space.
- Convenient, secure, paperless health plan enrollment online and via telephone.
- Exceptional, personal service to ensure satisfaction, with outreach to new employers to ensure they understand their health plan benefits, and use of enhanced analytics to improve support across the customer experience.

Big benefits for small businesses.

*2020 Broker Survey administered by Stonegate Advisors, LLC.

Cigna® is a registered trademark of Cigna Intellectual Property, Inc.

Trustmark Small Business Benefits® is a trademark of Trustmark Life Insurance Company. All other trademarks are the property of their respective owners, which are not affiliates of Star Marketing and Administration, Inc., and Trustmark Life Insurance Company.

"We are highly rated by brokers for ease of doing business and their likelihood to recommend us."

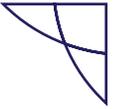
"Very helpful support staff. Innovative products to suit many clients' needs."

"The products are a valuable alternative to traditional plans."

- Employee benefits brokers*

- Cost-saving resources such as a healthcare quality and cost comparison tool, medical second opinion service, telemedicine, health advocacy service, health improvement program with online tools and resources, maternity wellness program, oncology management program, and educational information.
- A complete package by pairing a health benefit plan with a health reimbursement arrangement (HRA) and adding ancillary products.
- Online tools for convenient self-service, which includes plan administration, a tailored administration kit, utilization reports to better manage healthcare costs and secure online bill payment.
- Employee health and wellness education, a tailored online resource kit and healthcare management tools to help covered employees make informed decisions.
- Secure online access to important documents, benefits, and claim information.

Results from Operations*



On a consolidated basis, reported pretax earnings totaled \$35.1 million on operating revenue of \$784.0 million. This represents a year-over-year decrease in earnings of \$16.0 million from \$51.1 million in 2020, largely due to higher Covid-19-related claim payments in Voluntary Benefits and lower sales, combined with higher claims, in Small Business Benefits. Operating revenue remained flat (down \$700,000 from 2020), as high persistency among existing clients offset lower sales in Health Benefits and Small Business Benefits.

Including net investment income, total revenue was \$855.8 million, up slightly from \$853.0 million the prior year. Revenue grew in Trustmark Voluntary Benefits due to record sales but fell in Health Benefits, Small Business Benefits, and HealthFitness as the impact of the pandemic lingered longer than expected.

Net earnings increased in 2021, to \$64.3 million from \$28.8 million in 2020, due primarily to realized investment gains and a goodwill impairment charge taken in relation to HealthFitness in 2020.

Consolidated Income Statement	2020	2021
Revenue		
Premiums		
Life and Annuity	233,270,180	263,293,841
Disability	54,027,001	53,635,668
Health	224,427,061	206,744,646
Net Investment Income	68,338,880	71,816,081
Other	272,978,933	260,323,758
Total Revenue	853,042,055	855,813,994
Expenses		
Policy Reserve and Incurred Claim Increases	317,908,202	333,259,794
Agent Commissions	83,166,295	85,677,298
Operating and Other Expenses	399,140,911	400,241,672
Interest Expense	1,767,574	1,553,241
Total Expenses	801,982,982	820,732,005
Net Gain from Operations before Federal Income Taxes (FIT)	51,059,073	35,081,989
FIT (benefit)	9,422,659	10,129,438
Net Gain from Operations before Realized Investment Gains/Losses	41,636,414	24,952,551
Realized Investment Gains (losses)	(10,019,874)	41,597,594
Change in Benefit Plan Liabilities	(2,779,837)	(2,259,365)
Net Income	28,836,703	64,290,780

*All financials represent the consolidation of full-year Statutory Accounting (SAP) results for Trustmark's insurance companies and Generally Accepted Accounting (GAAP) results for Trustmark's non-insurance companies for the calendar year ending December 31, 2021.

Consolidated Balance Sheet Invested Assets*:

(Continued on page 17)

	2020			2021		
	TIC	TML	TLICNY	TIC	TML	TLICNY
(\$ Million)						
Assets	1,742.3	269.9	10.9	1,807.8	249.3	11.7
Liabilities (less AVR)	1,382.0	100.8	4.1	1,448.0	94.5	5.3
Capital Stock & Surplus	314.4	166.9	6.8	320.4	152.3	6.4
Asset valuation reserve	45.9	2.2	0.0	39.4	2.5	-
Capital Stock & Surplus, including AVR	360.3	169.1	6.8	359.8	154.9	6.3
Assets on deposit	67.7	3.3	0.4	52.9	3.3	0.4

*Represents Trustmark Insurance, Trustmark Life Insurance, Trustmark Life Insurance of New York, and Trustmark Group.

Consolidated Balance Sheet Invested Assets*

Consolidated Balance Sheet	2020	2021
Assets		
Bonds	1,781,379,121	1,815,865,765
Equities	153,710,035	127,897,457
Mortgage Loans	141,586,628	149,433,694
Real Estate	19,780,215	18,953,451
Policy Loans	21,509,839	21,848,985
Cash and Cash Equivalents	257,783,405	293,020,636
Investment Receivables	129,485	548
Total Invested Assets	2,375,878,728	2,427,020,536
Liabilities		
Electronic Data Processing Equipment	8,094,848	9,501,261
Intangible Assets	39,828,156	43,757,731
Investment Income Due and Accrued	13,725,307	13,749,944
Premium Due and Deferred, Net	11,438,534	11,989,744
Reinsurance and Other Receivables	30,078,877	33,775,498
Federal Income Taxes	17,694,963	19,965,448
Total Assets	2,496,739,413	2,559,760,162
Liabilities		
Policy, Premium, and Claim Reserves		
Life	968,961,063	1,041,786,906
Health	334,202,741	322,002,699
Dividend Accumulations & Premium Deposit Funds	29,532,086	44,716,098
Reinsurance Payable	422,595	459,523
Commissions, Taxes, and Other Accrued Expenses	110,239,843	102,528,585
Amounts Retained by Company as Trustee	78,753,917	43,910,025
Remittances and Items Not Allocated	20,024,700	30,744,289
Interest Maintenance Reserve	38,865,217	35,763,753
Debt	83,833,133	60,379,278
Other Liabilities	373,018	8,284,249
Total Liabilities	1,665,208,313	1,690,575,405
Surplus		
Asset Valuation Reserve	48,105,795	41,932,981
Unassigned Surplus	783,425,305	827,251,776
Total Surplus	831,531,100	869,184,757
Total Liabilities and Surplus	2,496,739,413	2,559,760,162

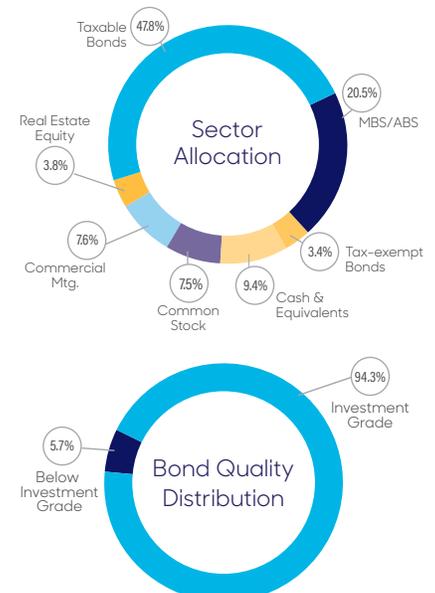
As of December 31, 2021, Trustmark's consolidated assets totaled \$2.6 billion, and consolidated capital and surplus was \$869.2 million, an increase of \$37.7 million over 2020.

With debt of \$60.4 million and debt plus equity of \$929.6 million, Trustmark maintains a conservative debt-to-capital ratio of 6.5 percent.

Investment Portfolio Analysis

Trustmark's portfolio had a total return for the year ended December 31, 2021 of 2.0 percent. Portfolio performance was supported by double-digit equity and real estate returns, but higher interest rates, which hurt fixed income performance, negatively impacted returns for the year.

At year-end, approximately 81 percent of Trustmark's \$2.4 billion investment portfolio was in fixed income securities. Trustmark's well-diversified portfolio should help to protect the company's assets in an environment of increased market volatility and geopolitical uncertainty.



*Represents Trustmark Insurance, Trustmark Life Insurance, Trustmark Life Insurance of New York, and Trustmark Group.

The Trustmark Leadership Team



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President and Chief Executive Officer



John Anderson
Executive Vice President
Insurance Businesses



Phil Goss
Executive Vice President
Chief Financial Officer and Treasurer



Bradley Bodell
Senior Vice President
Chief Information Officer



Dan Busiel
Senior Vice President
Chief Investment Officer



Nancy Eckrich
Senior Vice President
President, Health Benefits



Steve Horvath
Senior Vice President
Small Business Benefits



Paul Lotharius
Senior Vice President
Corporate Development



Sean McManamy
Senior Vice President
President, HealthFitness



Kathleen Sweitzer
Senior Vice President
General Counsel and
Corporate Secretary



Kristin Zerkowitz
Senior Vice President
Chief Human Resources Officer

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