



**PC24** Trustmark  
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**ACCELERATE**

Trustmark 

# Your partner in “yes”: Trustmark underwriting & actuarial



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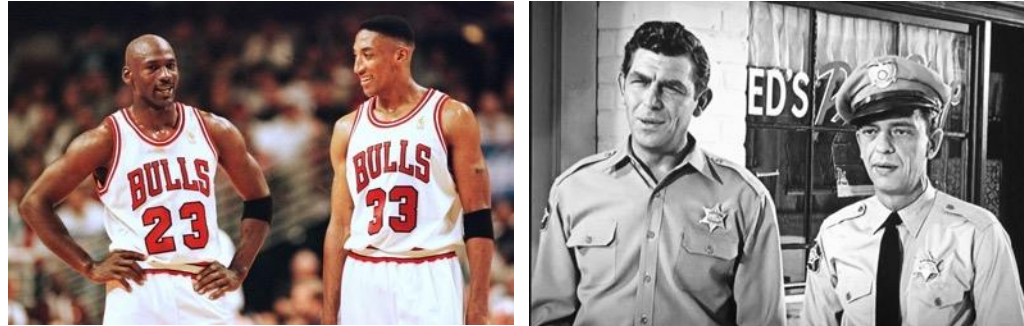
Vice President  
Actuarial and Underwriting



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Regional Sales Director  
Mountain Region

# Recognize these famous partners?



# Approaching our partnership with YOU

Everyone plays a part

## Actuary's role

- Make sure Trustmark stays financially strong so we can fulfill our promises to policyholders when they need us

## Case underwriters

- Assigned by region to establish relationships and understand the needs of stakeholders in that area

## Your role

- We need your help to give you the best possible offer
- We want to say “yes”!

# Agenda

- Understanding the partnership between you and Trustmark
- Important factors when we write a case
- Trustmark's underwriting process
- How to help us give you the best offer possible
- The non-negotiables and where can we deviate
- Common case challenges and how we can address them

# The underwriting process

## The case

- Industry
- Demographics

## Enrollment

- Access
- Technology
- History

## The producer

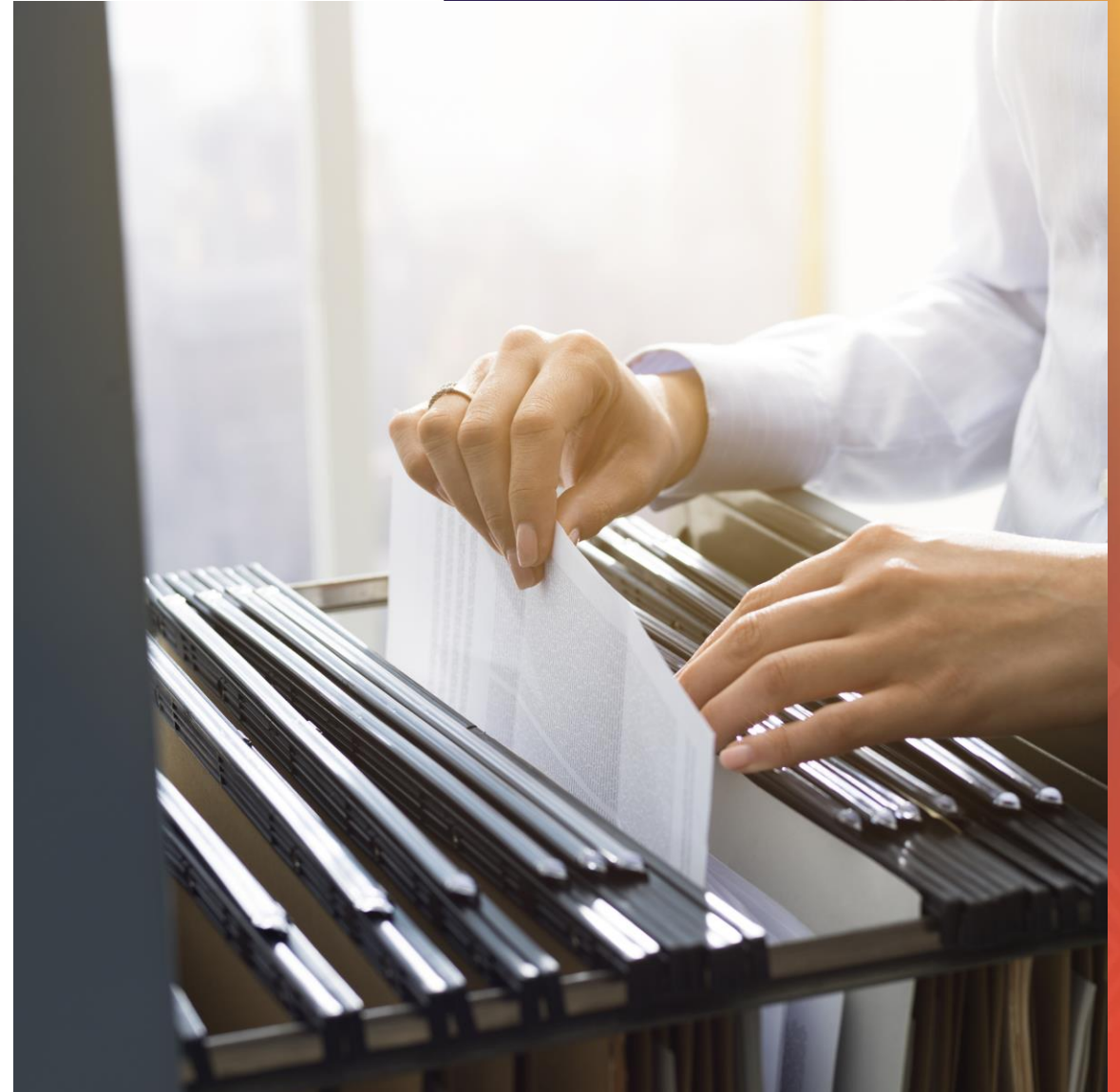
- Track record
- Relationship
- Other intangibles



# Trustmark's underwriting team

## What sets us apart?

- Trained with a mentality of “how do we get to yes?”
- Assigned to specific regions for better relationships
- Long tenures



# Key factors Trustmark considers when underwriting a case



# Important factor #1

## Participation

- Good spread of risk
  - Some good, some bad
- Good = at least 15-20% of eligible employees to enroll



# Important factor #2

## Persistency

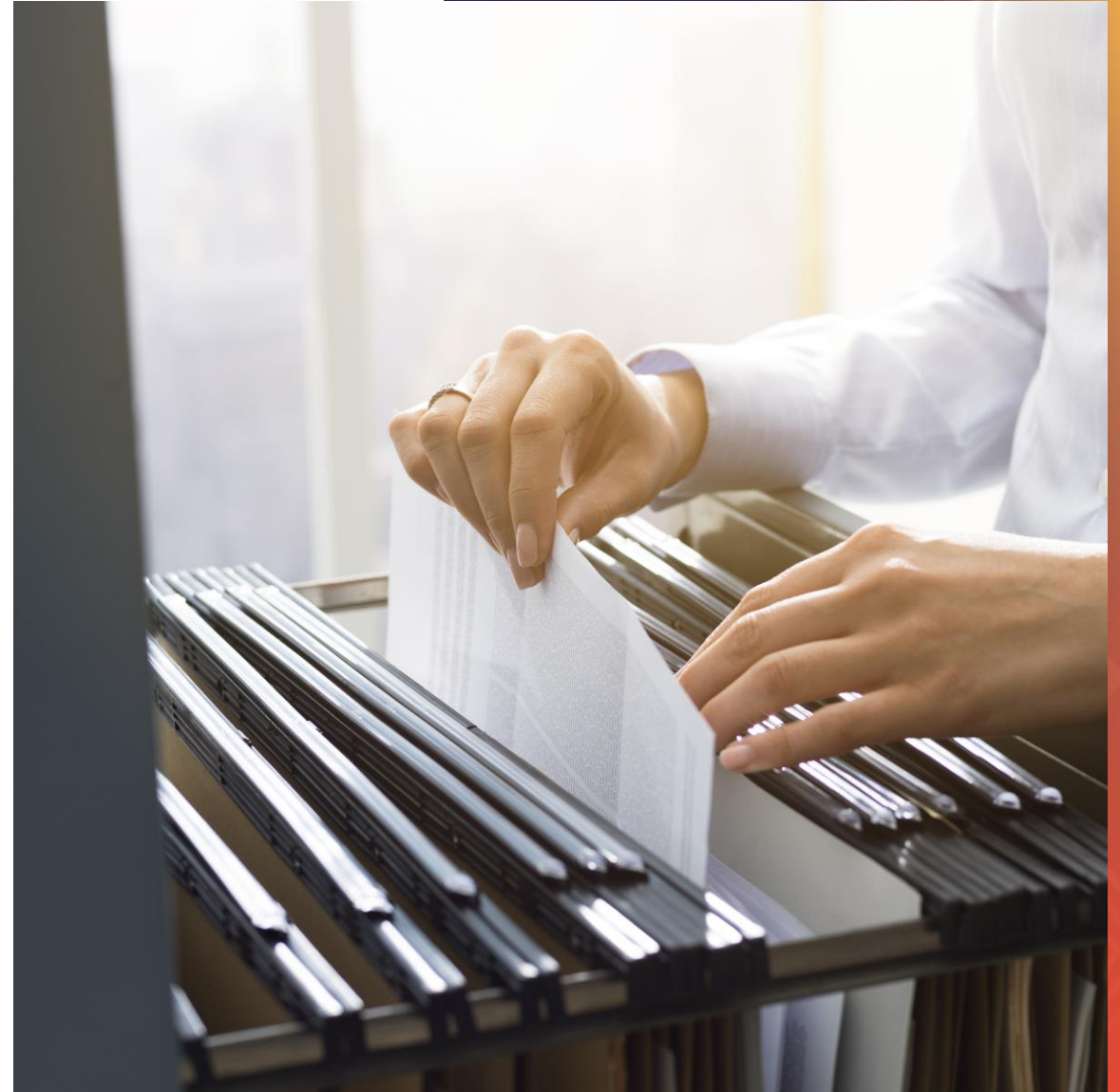
- We pay high first-year expenses and heaped commissions
- Need time to earn our investment back



# Important factor #3

## Policy size

- We have certain fixed costs to administer our policies
- Need a mix of larger and smaller policy sizes to help pay for expenses



# What we need from YOU to give you the best offer

**Why do we need to know  
this info?**

**It's simple:**

**More data = better-tailored offer**



# Need #1

## The RFP

Your RFP should:

- Give data
- Communicate a story

# Need #2

## Case demographics

- Number of eligible lives
- Industry
- Locations
- History
- Growing vs. shrinking
- Census data (DOH, gender, age, occupation, salary, etc.)
  - (If census not available, can work with average age, gender blend, etc...)

# Need #3

## Products requested

- Which products are we quoting?
- What is in-force?
  - Current carrier
  - Current participation
  - Claims data (if available when credible)



# Need #4

## Case summary

- What's unique?
- History
- What's important to you and the client?
- Any must-haves?

# Trustmark's challenges when underwriting a case

# Common industry challenges

## Exclusion of certain industries

- Groups in bankruptcy
- Professional Employer Organizations (PEO)
- Cannabis-related
- Offshore drilling
- Water-based operations
- Non-W2 employees

# Other potential underwriting

## Other parameters

- Association
- Retirees
- Cannot currently do employer-paid unless through salary gross-up

# Sample case scenarios - Turning a “no” into a “yes”

# Scenario #1

## The challenge

- Not a target industry
- Very high turnover

## Turning “no” into “yes”

- Instead of declining to quote, we can quote with level commission
- Could exclude part-time if they are the source of the turnover (or low salary)

# Scenario #2

## The challenge

- Proposed enrollment method is passive and has produced little participation in the past

## Turning “no” into “yes”

- Could bring in a new/better enrollment company
- Also, can increase broker commission

## Example of enroller vs. no enroller

**Fact pattern: 5,000 life group enrolling ULE with average policy size of \$600**

### SCENARIO #1 - NO ENROLLER

Participation	2%
Employees	100
Dependents	18
<b>TOTAL</b>	<b>118</b>
Premium	70,800
1 <sup>st</sup> Year Comm	63,720
<b>BROKER – 100%</b>	<b>63,720</b>
Enroller – none	-

### SCENARIO #2 - TRUSTED ENROLLER

Participation	18%
Employees	900
Dependents	159
<b>TOTAL</b>	<b>1,059</b>
Premium	635,400
1 <sup>st</sup> Year Comm	571,860
<b>BROKER – 30%</b>	<b>171,558</b>
Enroller – 70%	400,302



# Scenario #3

## The case

- Comes in with a request for “better benefits, lower rates”

## Turning “no” into “yes”

- Need more to go on (we can't do that every time)
- Helpful to know what's most important and where they can bend

# Wrapping up

# Key takeaways

- Understanding and communicating one another's goals results in:
  - Better underwriting offers for profitability and stability at the case level
  - Quotes that reflect the risk of the case
  - A smoother process for creating the offer
  - A more positive carrier/broker relationship
  - Long-term, consistent products for our clients
- Trustmark is **more flexible** in our challenging industries
  - Many other carriers say “no” immediately to clients in challenging industries
  - We'll take a deeper look before giving an answer – we want to be your partner in “YES”

**Thank you!**

“

How'd  
we do?

”

