Trustmark’s Vision of Success

The corporate philosophies section of Trustmark’s Corporate Plan outlines ten fundamental principles which exemplify the Company’s identity and mission. The fifth philosophy is Service. The nine other philosophies include: Financial Stability, Growth, Market, Product, Management, Productivity, Human Resources, Ethical Standards and Public Involvement.

Philosophy #5 - Service:

“Provide superior service in a timely, efficient and courteous manner.”

— Trustmark’s 1999 Corporate Plan

Trustmark’s Vision of Success

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Bringing Value to Your Customers

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Trustmark policyholders approved the Company’s conversion to a mutual holding company at a special meeting held on December 23, 1999. The conversion, which became effective on January 1, 2000, was approved by more than 28,000 voting policyholders and the Illinois Department of Insurance. “As a mutual holding company, Trustmark preserves its mutual heritage while gaining greater organizational flexibility for long-term growth,” said Ed Fattes, President and Chief Executive Officer.

The new structure will allow Trustmark to grow through acquisitions, mergers and other kinds of alliances not readily available under a traditional mutual structure, as well as the ability to raise additional capital, if needed. Unlike other insurers which are converting to a mutual holding company structure or to full demutualization, Trustmark has no plans to offer stock under the new structure. “As the century begins, I’m confident that this new chapter in Trustmark’s history will open many opportunities for us to increase our ongoing financial strength,” said Fattes.

After evaluating several options for the Company, Trustmark determined that converting from a mutual insurance company to a mutual holding company was the best way to enhance its competitiveness in a rapidly changing industry. Under the mutual holding company structure, an insurance company forms an umbrella, or parent holding company organization, with one or more wholly owned subsidiaries. Policyholders retain membership interest in the parent organizationand have the right to vote for its board of directors.

As a continuation of this conversion process, once Trustmark receives approval of its endorsement in other states, policyholders will be mailed an endorsement to add to their current policy. This endorsement will reflect the name change from Trustmark Insurance Company (Mutual) to Trustmark Insurance Company. Trustmark’s conversion is structured to have no affect on policies. It will not reduce the benefits, values, guarantees or other terms of customers’ policies, nor change its premiums.

Trustmark’s Managed Care unit has grown in recent years, reflecting the expansion of managed care programs and organizations throughout the country. Since 1992, the department has evolved from a one-person department to one staffed by nine managed care analysts, consultants and specialists who not only focus on network programs, but also on the research and development of cost-effective products. To further support Trustmark’s managed care endeavors, four actuaries are assigned to evaluate all managed care programs prior to implementation and routine monitoring.

“Managed care has become the norm in health coverage, rather than the alternative,” said Nancy J. Blaski, Assistant Vice President, Managed Care Contracting. The Company’s Managed Care area selects managed care programs to meet Trustmark’s PPO, POS/Primary Plan and Open-Access requirements, with a goal of offering groups and insureds the highest quality care at the best discounts.

“We’ve experienced greater visibility within Private Healthcare Systems, Inc. (PHCS) since we became a Class A shareholder in 1999,” Blaski said. Class A status gives Trustmark a greater voice in PHCS’s direction which ultimately affects insureds.
The feared millennium bug didn’t bother to show up at Trustmark, where the rollover to the year 2000 went off without a hitch. All of the Company’s major systems continued operating as expected.

About 300 employees worked during the New Year’s weekend, including five employees from Trustmark’s Lexington, Ky., branch who completed much of the Y2K preparations. Ed Fattes, Trustmark President and Chief Executive Officer, expressed his personal thanks to everyone who worked on the Y2K transitions. “I’m sure our policyholders, agents and other customers appreciate the extra effort made by employees to ensure our superior service continued uninterrupted into the new year and beyond.”

Mike Murphy, a Senior Account Executive at Trustmark, was named Salesman of the Year by Trustmark’s Group Division. Mike, who entered the Company’s Sales Hall of Fame in 1997, earned the honor by tallying up over $13.5 million in premiums in 1999.

“I was involved in two very large custom sales—an ASO quote with General Binding Corp. (GBC), which involved a massive sales presentation that included many key people from different departments,” Murphy explained. The GBC case covers 2,700 lives for dental and 1,900 for medical.

The second case involved Christian Schools International (CSI), which was a shared sale with Group colleague, Paul Verkoulen. “This account was truly spearheaded by Paul and I was lucky to be associated with it.” The CSI covers 3,200 people, Murphy added.

Murphy, who joined Trustmark six years ago, attributes his success to the support he gets to the support he gets in the Lake Forest Regional Office. “I couldn’t have done it alone. The support I get is unbelievable,” he said. Murphy added that John Rowlette, Regional Sales Director for Lake Forest, was “involved in the the GBC case from day one and was very instrumental in landing the account.”

John Rowlette said, “With over 18 years experience in the Chicagoland market, Mike has a thorough understanding of the self-funded markets. He’s very detail oriented, which both his customers and consultants appreciate. Because of his experience, he knows when to work hard on a new business prospect.”

Y2K Bug’s Bark Worse Than its Bite

Mike Murphy Named Sales Representative of the Year

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Ask For More Than You Expect

Improve your negotiating success by remembering this important tactic: Always ask the buyer for more than you expect to get. Why? Because:

- **You give yourself room to negotiate.** You can always come down, but you can never raise your original offer. Warning: Don’t consider this permission to ask for something outrageous. Be realistic. And remember to stay flexible.

- **You just might get it.** Think positively! You never know—it may happen.

- **It raises your offering’s perceived value.** This effect is usually greater with inexperienced buyers, but it always plays a part. Consider the example of aspirin. Everyone knows that aspirin is aspirin. So why do people pay more?

- **You help buyers take an active part in the negotiations.** You can talk about “win-win” negotiations all you want. But most buyers, particularly inexperienced or sensitive ones, want to feel they’re involved in the outcome. Leave some room for them to “hammer you down.”

— adapted from Roger Dawson’s Secrets of Power Negotiating for Salespeople, as seen in The Competitive Advantage
Sales Tips

How Much “Value” Do You Bring to Your Customers?

In today’s competitive marketplace, it is essential for sales and service people to position themselves as the determining factor in a customer’s purchasing decision. Bill Brooks, President of the Brooks Group, says the bottom line is to ensure your customer truly feels that you bring something to the table and aren’t just an added expense. He outlined the following tips that top salespeople use to enhance their value in a sales relationship:

• Do Your Homework. Invest the time to know as much as you can about your prospect. Don’t show up with out-of-date, erroneous information, misconceptions or dangerous preconceptions. Instead, bring valuable insights into the prospect’s business, lifestyle, challenges and structure.

• Don’t waste the prospect’s time. Get down to the issues as quickly as possible. Know why you’re there; tell the prospect why you’re there and what you’d like to accomplish.

• Ask the right questions. Ask questions related to problems, challenges, goals, objections, needs and outcomes. Record the answers—pay attention and don’t interrupt!

• Recommend the correct solution. Don’t become like a “carnival pitchman.” Instead, present solutions, answers, strategies and compelling reasons to buy that relate solely to the customer’s stated and unstated reasons for buying.

• Let the prospect buy. Don’t believe you have to pressure prospects in order for them to buy from you. Always remember that prospects buy for their own reasons, and in today’s marketplace, buyers have choices. Pressured buyers might buy from you once, but will resent you, your product, your company and the relationship forever.

— adapted from an article by Bill Brooks as seen in LIMRA’s MarketFacts

How Much “Value” Do You Bring to Your Customers?

This year, forget about that messy garage or the extra inches on your waist. Instead, make the new year your most successful ever by adopting some of these long-term resolutions:

• Give your goals a reality check. Don’t reach for the moon—without a plan for getting there. You need an objective. But you also need a series of smaller goals to help you get there. Those smaller goals should stretch you a little. As you figure out how to meet them, you’ll move a little closer to your long-term goal.

• Tune in to others. Who will assist and support you as you strive for the goal? Do they understand how their contributions affect you? When FedEx started up with the ambitious goal of overnight delivery, their system was full of bugs. One reason: Packages were loaded and sorted by wage workers who were paid to put in eight hours. Solution: A redesigned system pays workers for a set number of hours per week—even if the work is finished in half the time.

• Know what you do. Burgerville USA, a Pacific Northwest fast-food chain, started sinking when it tried to run along behind the big national burger chains—trying to do what they did, on a smaller scale. Once the company realized it couldn’t compete directly with those players, it refocused energy on its unique selling point as a local landmark.

• Review failures. The new year offers a chance to put problems behind you. But it’s more productive to put the past year’s problems and failures in the middle of the table and take a long, painful look at them. Mistakes are valuable learning tools, just as successes are.

— adapted from Dennis Rodkin writing in Entrepreneur as seen in The Competitive Advantage

Going for the Goal in 2000