

**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05

## Filing at a Glance

Company: Highmark Inc  
Product Name: Long-Term Care  
State: Pennsylvania  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Rate - Other (Not M.U. or G.I. Product)  
Date Submitted: 04/08/2016  
SERFF Tr Num: MILL-130443425  
SERFF Status: Submitted to State  
State Tr Num: MILL-130443425  
State Status:  
Co Tr Num: SIMPLICITY AFFINITY (HIGHMARK BCBS)  
Implementation: On Approval  
Date Requested:  
Author(s): Missy Gordon, Stephanie Moench, Travis Reisch, Shawn Stender, Bryan Rask, Brandon Johnson, Kelsey Schaefer, Jack Bridges  
Reviewer(s):  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:  
Proposed aggregate 77% increase on 434 of the following Highmark LTC policies: SPL-336-HMBCBSPA & FSPL-336-HMBCBSPA.

**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05

## General Information

Project Name: Simplicity Nationwide 2016 Rate Increase

Project Number: 145MAI01-60.05

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 77%

Deemer Date:

Submitted By: Travis Reisch

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: Pennsylvania is the state of domicile.

Market Type: Individual

Individual Market Type:

Filing Status Changed: 04/08/2016

State Status Changed:

Created By: Brandon Johnson

Corresponding Filing Tracking Number:

### Filing Description:

These are existing individual policy forms that provide comprehensive long-term care coverage on a cash basis. Riders that convert the coverage to either facility only or community care only may have been available at issue. Policies were issued in Pennsylvania from August 1, 2006 to April 1, 2010 and are no longer being marketed in any jurisdiction.

These products were designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner of Highmark Blue Cross Blue Shield (Highmark BCBS). These forms were issued on Highmark BCBS paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 80% of the risk on these forms via a reinsurance arrangement with Highmark BCBS.

Highmark BCBS is requesting the approval of a premium rate increase on these forms, including all associated riders. The primary reason why these forms are in need of a premium rate increase is due to emerging experience running more adverse than expected in pricing.

The company is requesting a premium rate increase that varies by issue age from 58.3% to 87.4% and averages 77%. The rate increase was determined by issue age to allow certification to rate stability in Pennsylvania, to better align the rate increase with the adverse experience, and to minimize the rate increase for older insureds.

As noted in the enclosed actuarial memorandum, three prior rate increases have been approved and implemented on these policy forms. The cumulative prior approved increase varied by issue age from 0% to 60%. The prior rate increases were approved by the Department in June 2013, September 2014, and July 2015. This current rate increase request is being sought to achieve the cumulative rate increase that the company believes is needed to alleviate the poor performance on this block of business.

Similar to the prior increases, Highmark BCBS will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. Additionally, Highmark BCBS will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial. If the cumulative requested rate increase is approved, a majority of policyholders will be eligible for a contingent benefit upon lapse. To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's approval, which demonstrates that appropriate administration and claims processing procedures are in effect.

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**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05

## Company and Contact

### Filing Contact Information

Missy Gordon, FSA, MAAA, Principal and Consulting Actuary  
 missy.gordon@milliman.com  
 8500 Normandale Lake Blvd. 952-820-2478 [Phone]  
 Suite 1850 952-897-5301 [FAX]  
 Minneapolis, MN 55437-3830

### Filing Company Information

(This filing was made by a third party - millimaninc)

Highmark Inc	CoCode: 54771	State of Domicile:
120 Fifth Avenue	Group Code: 812	Pennsylvania
Suite 924	Group Name: Highmark Grp	Company Type:
Pittsburgh, PA 15222-3024	FEIN Number: 23-1294723	State ID Number:
(412) 544-6902 ext. [Phone]		

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

<b>SERFF Tracking #:</b> MILL-130443425	<b>State Tracking #:</b> MILL-130443425	<b>Company Tracking #:</b> SIMPLICITY AFFINITY (HIGHMARK BCBS)
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<b>State:</b> Pennsylvania	<b>Filing Company:</b> Highmark Inc
<b>TOI/Sub-TOI:</b> LTC03I Individual Long Term Care/LTC03I.001 Qualified	
<b>Product Name:</b> Long-Term Care	
<b>Project Name/Number:</b> Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05	

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Review and Approval
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	7.700%
<b>Effective Date of Last Rate Revision:</b>	07/31/2015
<b>Filing Method of Last Filing:</b>	Review and Approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Highmark Inc	%	77.000%	\$597,884	434	\$664,991	87.400%	58.300%

**SERFF Tracking #:**

MILL-130443425

**State Tracking #:**

MILL-130443425

**Company Tracking #:**SIMPLICITY AFFINITY (HIGHMARK  
BCBS)**State:**

Pennsylvania

**Filing Company:**

Highmark Inc

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Long-Term Care

**Project Name/Number:**

Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Non-Franchise Rate Tables	SPL-336-HMBCBSPA	Revised	Previous State Filing Number: MILL-129975627 Percent Rate Change Request: 77	PA_Highmark BCBS_Current Simplicity Premium Rates_20160408.pdf, PA_Highmark BCBS_Proposed Simplicity Premium Rates_20160408.pdf,
2		Franchise Rate Tables	FSPL-336-HMBCBSPA	Revised	Previous State Filing Number: MILL-129975627 Percent Rate Change Request: 77	PA_Highmark BCBS_Current Franchise Simplicity Premium Rates_20160408.pdf, PA_Highmark BCBS_Proposed Franchise Simplicity Premium Rates_20160408.pdf,

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBCBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	46.00	62.00	75.00	88.00	104.00	146.00
30	50.00	66.00	80.00	91.00	109.00	152.00
31	50.00	69.00	82.00	93.00	112.00	157.00
32	51.00	69.00	85.00	94.00	115.00	160.00
33	53.00	72.00	86.00	99.00	118.00	165.00
34	54.00	74.00	88.00	102.00	122.00	173.00
35	56.00	75.00	93.00	106.00	125.00	176.00
36	58.00	78.00	94.00	109.00	130.00	181.00
37	59.00	80.00	96.00	112.00	133.00	187.00
38	61.00	82.00	101.00	115.00	138.00	190.00
39	62.00	83.00	104.00	118.00	139.00	195.00
40	62.00	86.00	105.00	119.00	140.00	197.00
41	64.00	87.00	108.00	122.00	142.00	203.00
42	66.00	90.00	111.00	125.00	147.00	207.00
43	67.00	92.00	112.00	129.00	151.00	214.00
44	70.00	95.00	117.00	131.00	156.00	220.00
45	71.00	95.00	113.00	129.00	155.00	219.00
46	72.00	98.00	117.00	134.00	159.00	225.00
47	72.00	101.00	120.00	137.00	164.00	231.00
48	75.00	101.00	123.00	141.00	168.00	237.00
49	77.00	105.00	126.00	146.00	173.00	243.00
50	76.00	104.00	126.00	145.00	172.00	242.00
51	80.00	107.00	131.00	150.00	178.00	251.00
52	80.00	110.00	134.00	153.00	183.00	258.00
53	83.00	112.00	137.00	158.00	190.00	266.00
54	85.00	115.00	142.00	161.00	194.00	272.00
55	84.00	113.00	141.00	160.00	192.00	268.00
56	86.00	116.00	141.00	160.00	192.00	272.00
57	87.00	117.00	144.00	164.00	197.00	280.00
58	90.00	121.00	149.00	170.00	203.00	287.00
59	91.00	124.00	152.00	174.00	208.00	295.00
60	92.00	124.00	151.00	174.00	208.00	295.00
61	95.00	129.00	159.00	182.00	218.00	308.00
62	99.00	135.00	165.00	191.00	228.00	323.00
63	103.00	141.00	173.00	199.00	237.00	337.00
64	107.00	147.00	179.00	205.00	248.00	351.00
65	102.00	140.00	174.00	199.00	240.00	343.00
66	107.00	146.00	180.00	206.00	250.00	359.00
67	110.00	152.00	186.00	215.00	259.00	373.00
68	114.00	156.00	193.00	222.00	270.00	388.00
69	116.00	161.00	200.00	230.00	280.00	404.00
70	113.00	156.00	193.00	224.00	272.00	396.00
71	116.00	162.00	199.00	232.00	281.00	411.00
72	119.00	165.00	205.00	238.00	292.00	426.00
73	121.00	168.00	209.00	245.00	299.00	441.00
74	122.00	172.00	215.00	250.00	308.00	455.00
75	126.00	179.00	225.00	265.00	330.00	500.00
76	127.00	180.00	227.00	268.00	336.00	513.00
77	126.00	181.00	229.00	271.00	342.00	525.00
78	126.00	181.00	230.00	273.00	346.00	538.00
79	125.00	180.00	230.00	274.00	350.00	548.00
80	124.00	181.00	233.00	280.00	N/A	N/A
81	122.00	178.00	232.00	279.00	N/A	N/A
82	118.00	174.00	228.00	275.00	N/A	N/A
83	113.00	169.00	222.00	272.00	N/A	N/A
84	107.00	161.00	215.00	264.00	N/A	N/A
85	102.00	158.00	215.00	269.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP2X-HMBCBSPA**  
**Indexing: Compound 2X**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	5.00	5.00	6.00	10.00	11.00	18.00
30	5.00	6.00	8.00	10.00	11.00	18.00
31	5.00	8.00	8.00	10.00	11.00	19.00
32	5.00	8.00	10.00	10.00	13.00	21.00
33	5.00	8.00	10.00	11.00	14.00	21.00
34	6.00	8.00	10.00	13.00	16.00	24.00
35	8.00	8.00	11.00	13.00	18.00	24.00
36	6.00	10.00	13.00	13.00	19.00	26.00
37	8.00	11.00	13.00	16.00	19.00	29.00
38	8.00	11.00	16.00	18.00	21.00	27.00
39	8.00	11.00	16.00	19.00	22.00	29.00
40	9.00	14.00	17.00	20.00	23.00	31.00
41	9.00	16.00	19.00	22.00	22.00	34.00
42	11.00	17.00	20.00	22.00	25.00	36.00
43	11.00	17.00	20.00	25.00	27.00	39.00
44	14.00	19.00	23.00	23.00	28.00	41.00
45	15.00	20.00	21.00	24.00	30.00	44.00
46	17.00	21.00	24.00	27.00	32.00	47.00
47	17.00	23.00	26.00	30.00	35.00	51.00
48	18.00	21.00	27.00	30.00	38.00	56.00
49	20.00	24.00	30.00	33.00	39.00	59.00
50	19.00	26.00	31.00	35.00	41.00	61.00
51	22.00	28.00	34.00	38.00	47.00	66.00
52	22.00	29.00	35.00	39.00	50.00	70.00
53	23.00	32.00	38.00	45.00	54.00	76.00
54	25.00	34.00	41.00	48.00	58.00	82.00
55	26.00	35.00	44.00	51.00	59.00	84.00
56	29.00	39.00	47.00	52.00	62.00	90.00
57	30.00	40.00	50.00	57.00	66.00	95.00
58	33.00	44.00	54.00	61.00	72.00	102.00
59	36.00	47.00	57.00	65.00	79.00	110.00
60	37.00	49.00	59.00	68.00	81.00	115.00
61	40.00	54.00	66.00	75.00	89.00	126.00
62	44.00	61.00	72.00	83.00	98.00	138.00
63	49.00	65.00	80.00	90.00	107.00	151.00
64	53.00	72.00	86.00	98.00	117.00	165.00
65	53.00	73.00	89.00	102.00	121.00	174.00
66	59.00	79.00	97.00	110.00	132.00	191.00
67	62.00	86.00	104.00	120.00	144.00	209.00
68	68.00	92.00	114.00	130.00	157.00	228.00
69	72.00	100.00	124.00	142.00	170.00	248.00
70	73.00	101.00	124.00	144.00	173.00	255.00
71	79.00	108.00	133.00	155.00	188.00	277.00
72	84.00	115.00	142.00	166.00	202.00	299.00
73	88.00	123.00	153.00	177.00	217.00	323.00
74	94.00	130.00	162.00	189.00	232.00	347.00
75	100.00	141.00	177.00	208.00	259.00	398.00
76	104.00	147.00	185.00	218.00	273.00	423.00
77	107.00	153.00	193.00	227.00	287.00	447.00
78	110.00	157.00	199.00	236.00	299.00	471.00
79	111.00	160.00	205.00	243.00	311.00	493.00
80	113.00	164.00	212.00	255.00	N/A	N/A
81	113.00	165.00	215.00	258.00	N/A	N/A
82	111.00	165.00	215.00	260.00	N/A	N/A
83	108.00	161.00	213.00	260.00	N/A	N/A
84	104.00	156.00	209.00	256.00	N/A	N/A
85	100.00	155.00	210.00	263.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBCBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	10.00	14.00	18.00	22.00	29.00	43.00
30	11.00	16.00	19.00	24.00	29.00	45.00
31	11.00	18.00	21.00	26.00	30.00	46.00
32	13.00	18.00	24.00	26.00	34.00	50.00
33	13.00	19.00	24.00	29.00	34.00	53.00
34	14.00	19.00	26.00	30.00	37.00	56.00
35	16.00	19.00	27.00	30.00	38.00	58.00
36	16.00	24.00	29.00	32.00	40.00	61.00
37	18.00	24.00	30.00	34.00	42.00	64.00
38	18.00	26.00	32.00	37.00	45.00	66.00
39	18.00	27.00	34.00	38.00	46.00	69.00
40	19.00	28.00	34.00	39.00	48.00	73.00
41	22.00	30.00	36.00	42.00	48.00	76.00
42	22.00	31.00	39.00	44.00	51.00	81.00
43	23.00	31.00	39.00	47.00	55.00	86.00
44	27.00	34.00	42.00	47.00	56.00	89.00
45	26.00	35.00	41.00	47.00	57.00	92.00
46	27.00	38.00	44.00	51.00	63.00	96.00
47	27.00	39.00	47.00	54.00	66.00	101.00
48	30.00	38.00	48.00	56.00	69.00	105.00
49	32.00	42.00	51.00	60.00	72.00	111.00
50	31.00	42.00	51.00	61.00	74.00	114.00
51	34.00	45.00	54.00	66.00	79.00	120.00
52	34.00	47.00	58.00	67.00	83.00	126.00
53	35.00	50.00	61.00	72.00	88.00	131.00
54	37.00	51.00	66.00	74.00	92.00	137.00
55	37.00	52.00	66.00	76.00	94.00	141.00
56	40.00	54.00	68.00	77.00	95.00	145.00
57	41.00	57.00	70.00	81.00	99.00	152.00
58	43.00	59.00	75.00	86.00	105.00	159.00
59	46.00	62.00	77.00	90.00	110.00	167.00
60	46.00	63.00	79.00	92.00	112.00	169.00
61	49.00	68.00	84.00	98.00	120.00	181.00
62	52.00	74.00	89.00	104.00	128.00	194.00
63	55.00	76.00	95.00	111.00	135.00	205.00
64	59.00	83.00	101.00	117.00	144.00	217.00
65	58.00	80.00	101.00	118.00	144.00	218.00
66	61.00	85.00	107.00	124.00	152.00	232.00
67	65.00	90.00	113.00	131.00	162.00	246.00
68	68.00	95.00	119.00	138.00	172.00	260.00
69	71.00	100.00	125.00	146.00	180.00	276.00
70	70.00	98.00	123.00	145.00	179.00	276.00
71	73.00	103.00	129.00	153.00	189.00	292.00
72	76.00	107.00	134.00	159.00	199.00	306.00
73	78.00	111.00	140.00	166.00	208.00	322.00
74	80.00	115.00	146.00	173.00	217.00	338.00
75	85.00	122.00	156.00	187.00	238.00	380.00
76	86.00	125.00	160.00	192.00	246.00	396.00
77	87.00	127.00	164.00	196.00	254.00	412.00
78	88.00	129.00	167.00	201.00	260.00	427.00
79	88.00	130.00	169.00	204.00	268.00	442.00
80	89.00	132.00	173.00	212.00	N/A	N/A
81	87.00	131.00	174.00	213.00	N/A	N/A
82	85.00	130.00	173.00	213.00	N/A	N/A
83	82.00	126.00	171.00	212.00	N/A	N/A
84	79.00	121.00	167.00	208.00	N/A	N/A
85	74.00	119.00	167.00	214.00	N/A	N/A



**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Indexing: None**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	11.00	14.00	16.00	16.00	19.00	24.00
30	11.00	14.00	16.00	18.00	21.00	26.00
31	13.00	14.00	18.00	19.00	22.00	27.00
32	13.00	16.00	18.00	21.00	22.00	29.00
33	14.00	16.00	19.00	21.00	24.00	30.00
34	14.00	18.00	21.00	22.00	26.00	32.00
35	14.00	19.00	21.00	24.00	27.00	35.00
36	16.00	19.00	22.00	26.00	29.00	37.00
37	16.00	21.00	24.00	27.00	30.00	38.00
38	18.00	22.00	26.00	29.00	32.00	43.00
39	19.00	24.00	27.00	30.00	35.00	46.00
40	19.00	23.00	28.00	31.00	36.00	47.00
41	20.00	25.00	30.00	33.00	41.00	50.00
42	22.00	27.00	31.00	36.00	42.00	53.00
43	23.00	30.00	34.00	37.00	45.00	56.00
44	23.00	31.00	36.00	42.00	48.00	61.00
45	24.00	32.00	39.00	44.00	50.00	62.00
46	26.00	33.00	41.00	45.00	53.00	66.00
47	29.00	36.00	44.00	48.00	56.00	71.00
48	30.00	41.00	47.00	53.00	60.00	75.00
49	32.00	42.00	50.00	56.00	65.00	81.00
50	34.00	44.00	53.00	58.00	67.00	85.00
51	35.00	47.00	55.00	61.00	72.00	91.00
52	39.00	51.00	60.00	67.00	76.00	96.00
53	42.00	54.00	64.00	72.00	82.00	104.00
54	45.00	58.00	69.00	77.00	88.00	112.00
55	47.00	61.00	70.00	79.00	91.00	116.00
56	48.00	63.00	75.00	84.00	97.00	121.00
57	52.00	69.00	81.00	91.00	105.00	131.00
58	57.00	75.00	87.00	98.00	113.00	142.00
59	61.00	80.00	95.00	106.00	121.00	153.00
60	63.00	84.00	99.00	111.00	128.00	160.00
61	70.00	92.00	108.00	121.00	139.00	174.00
62	76.00	99.00	119.00	132.00	152.00	190.00
63	83.00	110.00	129.00	144.00	166.00	208.00
64	90.00	119.00	142.00	159.00	182.00	227.00
65	95.00	125.00	148.00	166.00	191.00	238.00
66	103.00	137.00	162.00	182.00	210.00	260.00
67	114.00	150.00	179.00	200.00	230.00	287.00
68	125.00	166.00	197.00	221.00	253.00	316.00
69	138.00	182.00	216.00	242.00	280.00	347.00
70	142.00	189.00	225.00	252.00	290.00	359.00
71	156.00	207.00	247.00	277.00	320.00	396.00
72	172.00	228.00	272.00	305.00	351.00	436.00
73	189.00	251.00	299.00	336.00	388.00	480.00
74	207.00	275.00	329.00	370.00	426.00	528.00
75	241.00	322.00	386.00	435.00	504.00	627.00
76	263.00	352.00	423.00	477.00	553.00	688.00
77	287.00	384.00	462.00	522.00	605.00	753.00
78	312.00	419.00	505.00	570.00	662.00	822.00
79	340.00	457.00	551.00	623.00	723.00	898.00
80	380.00	513.00	619.00	700.00	N/A	N/A
81	414.00	560.00	676.00	766.00	N/A	N/A
82	451.00	610.00	738.00	837.00	N/A	N/A
83	490.00	664.00	804.00	911.00	N/A	N/A
84	530.00	721.00	873.00	991.00	N/A	N/A
85	632.00	864.00	1,053.00	1,199.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBCBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	84.00	113.00	137.00	160.00	189.00	265.00
30	90.00	119.00	146.00	166.00	198.00	276.00
31	90.00	125.00	148.00	169.00	204.00	285.00
32	93.00	125.00	154.00	172.00	210.00	291.00
33	96.00	131.00	157.00	180.00	215.00	300.00
34	99.00	134.00	160.00	186.00	221.00	314.00
35	102.00	137.00	169.00	192.00	227.00	320.00
36	105.00	143.00	172.00	198.00	236.00	329.00
37	108.00	146.00	175.00	204.00	242.00	340.00
38	111.00	148.00	183.00	210.00	250.00	346.00
39	113.00	151.00	189.00	215.00	253.00	355.00
40	116.00	160.00	195.00	221.00	262.00	367.00
41	119.00	163.00	201.00	227.00	265.00	378.00
42	122.00	169.00	207.00	233.00	274.00	387.00
43	125.00	172.00	210.00	242.00	282.00	399.00
44	131.00	178.00	218.00	244.00	291.00	410.00
45	132.00	177.00	211.00	242.00	289.00	410.00
46	132.00	179.00	215.00	246.00	293.00	414.00
47	130.00	182.00	217.00	247.00	295.00	417.00
48	133.00	178.00	218.00	250.00	298.00	420.00
49	133.00	182.00	218.00	252.00	299.00	421.00
50	135.00	184.00	223.00	256.00	306.00	430.00
51	141.00	188.00	231.00	265.00	314.00	442.00
52	140.00	191.00	235.00	268.00	319.00	451.00
53	144.00	195.00	238.00	273.00	329.00	460.00
54	146.00	198.00	243.00	276.00	334.00	467.00
55	153.00	206.00	256.00	291.00	349.00	487.00
56	153.00	207.00	252.00	287.00	343.00	487.00
57	154.00	207.00	254.00	290.00	349.00	495.00
58	156.00	211.00	259.00	295.00	353.00	499.00
59	156.00	213.00	261.00	299.00	358.00	507.00
60	168.00	228.00	277.00	320.00	382.00	543.00
61	170.00	230.00	283.00	324.00	389.00	550.00
62	172.00	235.00	287.00	332.00	396.00	560.00
63	174.00	237.00	291.00	334.00	399.00	566.00
64	175.00	241.00	293.00	335.00	405.00	574.00
65	179.00	247.00	306.00	350.00	422.00	603.00
66	183.00	251.00	309.00	354.00	428.00	616.00
67	185.00	255.00	312.00	360.00	434.00	625.00
68	185.00	254.00	314.00	361.00	439.00	630.00
69	184.00	255.00	317.00	365.00	443.00	640.00
70	187.00	258.00	320.00	370.00	451.00	655.00
71	191.00	265.00	326.00	379.00	461.00	673.00
72	192.00	267.00	331.00	386.00	472.00	690.00
73	194.00	270.00	335.00	393.00	480.00	706.00
74	193.00	272.00	340.00	396.00	489.00	721.00
75	226.00	320.00	403.00	474.00	591.00	895.00
76	222.00	315.00	397.00	469.00	588.00	898.00
77	217.00	311.00	394.00	466.00	588.00	903.00
78	213.00	306.00	389.00	461.00	585.00	909.00
79	208.00	299.00	382.00	455.00	581.00	910.00
80	202.00	295.00	380.00	456.00	N/A	N/A
81	195.00	285.00	371.00	446.00	N/A	N/A
82	184.00	271.00	356.00	429.00	N/A	N/A
83	173.00	259.00	340.00	416.00	N/A	N/A
84	161.00	242.00	323.00	396.00	N/A	N/A
85	150.00	232.00	316.00	395.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Form Number: CMP2X-HMBCBSPA  
Indexing: Compound 2X  
Individual Underwriting  
Rate Class II

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	9.00	9.00	12.00	17.00	20.00	32.00
30	9.00	12.00	15.00	17.00	20.00	32.00
31	9.00	15.00	15.00	17.00	20.00	35.00
32	9.00	15.00	17.00	17.00	23.00	38.00
33	9.00	15.00	17.00	20.00	26.00	38.00
34	12.00	15.00	17.00	23.00	29.00	44.00
35	15.00	15.00	20.00	23.00	32.00	44.00
36	12.00	17.00	23.00	23.00	35.00	47.00
37	15.00	20.00	23.00	29.00	35.00	52.00
38	15.00	20.00	29.00	32.00	38.00	49.00
39	15.00	20.00	29.00	35.00	41.00	52.00
40	17.00	26.00	32.00	38.00	44.00	58.00
41	17.00	29.00	35.00	41.00	41.00	64.00
42	20.00	32.00	38.00	41.00	47.00	67.00
43	20.00	32.00	38.00	47.00	49.00	73.00
44	26.00	35.00	44.00	44.00	52.00	76.00
45	28.00	37.00	39.00	45.00	56.00	81.00
46	30.00	39.00	44.00	50.00	58.00	86.00
47	30.00	41.00	46.00	54.00	62.00	92.00
48	32.00	37.00	48.00	53.00	67.00	98.00
49	34.00	42.00	52.00	57.00	68.00	101.00
50	34.00	47.00	54.00	62.00	73.00	109.00
51	39.00	49.00	59.00	67.00	82.00	116.00
52	38.00	51.00	61.00	69.00	87.00	122.00
53	40.00	56.00	66.00	78.00	94.00	132.00
54	43.00	58.00	70.00	83.00	100.00	141.00
55	48.00	63.00	80.00	93.00	108.00	153.00
56	52.00	69.00	84.00	94.00	111.00	161.00
57	54.00	71.00	88.00	100.00	117.00	168.00
58	58.00	77.00	94.00	106.00	125.00	178.00
59	62.00	81.00	97.00	111.00	135.00	190.00
60	69.00	90.00	109.00	126.00	149.00	211.00
61	71.00	97.00	117.00	133.00	159.00	225.00
62	76.00	105.00	125.00	143.00	170.00	240.00
63	82.00	109.00	135.00	152.00	180.00	254.00
64	87.00	118.00	141.00	160.00	192.00	270.00
65	93.00	129.00	156.00	179.00	213.00	306.00
66	101.00	136.00	167.00	190.00	227.00	328.00
67	105.00	145.00	175.00	201.00	241.00	350.00
68	111.00	150.00	185.00	211.00	255.00	371.00
69	114.00	158.00	196.00	224.00	270.00	393.00
70	122.00	166.00	206.00	237.00	286.00	423.00
71	130.00	178.00	218.00	253.00	307.00	453.00
72	135.00	187.00	231.00	269.00	328.00	485.00
73	141.00	197.00	244.00	284.00	348.00	518.00
74	149.00	206.00	256.00	299.00	367.00	550.00
75	179.00	252.00	317.00	372.00	464.00	712.00
76	182.00	257.00	324.00	382.00	478.00	740.00
77	184.00	263.00	332.00	390.00	494.00	769.00
78	186.00	265.00	336.00	399.00	505.00	796.00
79	184.00	266.00	340.00	403.00	516.00	818.00
80	184.00	267.00	346.00	416.00	N/A	N/A
81	181.00	264.00	344.00	413.00	N/A	N/A
82	173.00	257.00	335.00	406.00	N/A	N/A
83	165.00	246.00	326.00	398.00	N/A	N/A
84	156.00	234.00	314.00	384.00	N/A	N/A
85	147.00	228.00	309.00	387.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBCBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	17.00	26.00	32.00	41.00	52.00	79.00
30	20.00	29.00	35.00	44.00	52.00	81.00
31	20.00	32.00	38.00	47.00	55.00	84.00
32	23.00	32.00	44.00	47.00	61.00	90.00
33	23.00	35.00	44.00	52.00	61.00	96.00
34	26.00	35.00	47.00	55.00	67.00	102.00
35	29.00	35.00	49.00	55.00	70.00	105.00
36	29.00	44.00	52.00	58.00	73.00	111.00
37	32.00	44.00	55.00	61.00	76.00	116.00
38	32.00	47.00	58.00	67.00	81.00	119.00
39	32.00	49.00	61.00	70.00	84.00	125.00
40	35.00	52.00	64.00	73.00	90.00	137.00
41	41.00	55.00	67.00	79.00	90.00	143.00
42	41.00	58.00	73.00	81.00	96.00	151.00
43	44.00	58.00	73.00	87.00	102.00	160.00
44	49.00	64.00	79.00	87.00	105.00	166.00
45	48.00	65.00	76.00	87.00	107.00	171.00
46	50.00	69.00	80.00	94.00	116.00	177.00
47	49.00	70.00	84.00	98.00	119.00	182.00
48	53.00	67.00	85.00	98.00	122.00	186.00
49	55.00	73.00	88.00	104.00	125.00	192.00
50	54.00	75.00	91.00	109.00	132.00	202.00
51	59.00	80.00	95.00	116.00	139.00	211.00
52	59.00	82.00	102.00	117.00	145.00	219.00
53	61.00	86.00	106.00	124.00	152.00	228.00
54	63.00	88.00	113.00	128.00	158.00	236.00
55	68.00	95.00	120.00	138.00	171.00	256.00
56	72.00	96.00	121.00	138.00	170.00	259.00
57	73.00	100.00	124.00	144.00	176.00	268.00
58	74.00	103.00	130.00	149.00	182.00	276.00
59	78.00	107.00	133.00	154.00	190.00	287.00
60	85.00	116.00	145.00	168.00	206.00	310.00
61	87.00	122.00	150.00	175.00	214.00	322.00
62	90.00	128.00	155.00	181.00	222.00	336.00
63	93.00	128.00	161.00	187.00	228.00	345.00
64	97.00	135.00	165.00	192.00	236.00	354.00
65	101.00	141.00	177.00	207.00	253.00	384.00
66	105.00	146.00	183.00	212.00	262.00	398.00
67	109.00	151.00	189.00	219.00	271.00	412.00
68	111.00	154.00	193.00	224.00	279.00	423.00
69	112.00	158.00	198.00	232.00	285.00	437.00
70	116.00	163.00	204.00	239.00	295.00	456.00
71	120.00	168.00	211.00	250.00	309.00	477.00
72	123.00	174.00	218.00	258.00	322.00	496.00
73	125.00	177.00	224.00	266.00	333.00	516.00
74	127.00	183.00	231.00	274.00	344.00	535.00
75	152.00	218.00	279.00	335.00	426.00	680.00
76	151.00	219.00	280.00	336.00	431.00	693.00
77	150.00	218.00	282.00	337.00	437.00	709.00
78	149.00	218.00	282.00	340.00	439.00	722.00
79	146.00	216.00	281.00	339.00	445.00	734.00
80	145.00	215.00	282.00	346.00	N/A	N/A
81	139.00	210.00	278.00	341.00	N/A	N/A
82	133.00	203.00	270.00	332.00	N/A	N/A
83	125.00	193.00	262.00	324.00	N/A	N/A
84	119.00	182.00	251.00	312.00	N/A	N/A
85	109.00	175.00	245.00	315.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Indexing: None**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	20.00	26.00	29.00	29.00	35.00	44.00
30	20.00	26.00	29.00	32.00	38.00	47.00
31	23.00	26.00	32.00	35.00	41.00	49.00
32	23.00	29.00	32.00	38.00	41.00	52.00
33	26.00	29.00	35.00	38.00	44.00	55.00
34	26.00	32.00	38.00	41.00	47.00	58.00
35	26.00	35.00	38.00	44.00	49.00	64.00
36	29.00	35.00	41.00	47.00	52.00	67.00
37	29.00	38.00	44.00	49.00	55.00	70.00
38	32.00	41.00	47.00	52.00	58.00	79.00
39	35.00	44.00	49.00	55.00	64.00	84.00
40	35.00	44.00	52.00	58.00	67.00	87.00
41	38.00	47.00	55.00	61.00	76.00	93.00
42	41.00	49.00	58.00	67.00	79.00	99.00
43	44.00	55.00	64.00	70.00	84.00	105.00
44	44.00	58.00	67.00	79.00	90.00	113.00
45	45.00	59.00	73.00	81.00	93.00	115.00
46	47.00	61.00	75.00	83.00	97.00	121.00
47	51.00	65.00	79.00	87.00	100.00	127.00
48	53.00	72.00	82.00	93.00	106.00	133.00
49	55.00	73.00	86.00	96.00	112.00	140.00
50	60.00	78.00	93.00	104.00	119.00	150.00
51	62.00	82.00	98.00	108.00	126.00	159.00
52	69.00	89.00	105.00	117.00	133.00	168.00
53	73.00	94.00	111.00	124.00	142.00	180.00
54	78.00	100.00	118.00	133.00	151.00	193.00
55	85.00	110.00	128.00	143.00	166.00	211.00
56	86.00	114.00	133.00	151.00	173.00	217.00
57	93.00	122.00	144.00	161.00	185.00	232.00
58	98.00	130.00	151.00	170.00	197.00	247.00
59	104.00	137.00	164.00	182.00	209.00	263.00
60	116.00	154.00	182.00	204.00	235.00	294.00
61	124.00	163.00	193.00	216.00	248.00	311.00
62	132.00	172.00	206.00	228.00	264.00	329.00
63	139.00	184.00	217.00	243.00	280.00	349.00
64	148.00	194.00	232.00	260.00	298.00	371.00
65	167.00	219.00	260.00	291.00	335.00	418.00
66	177.00	235.00	278.00	313.00	361.00	447.00
67	191.00	251.00	299.00	336.00	386.00	480.00
68	203.00	269.00	320.00	359.00	411.00	513.00
69	219.00	289.00	342.00	384.00	443.00	549.00
70	236.00	312.00	372.00	417.00	481.00	595.00
71	255.00	339.00	405.00	453.00	524.00	648.00
72	278.00	370.00	441.00	494.00	569.00	706.00
73	302.00	402.00	480.00	538.00	621.00	769.00
74	328.00	435.00	521.00	585.00	675.00	836.00
75	431.00	576.00	691.00	779.00	902.00	1,122.00
76	460.00	616.00	740.00	835.00	968.00	1,204.00
77	494.00	660.00	795.00	898.00	1,041.00	1,295.00
78	527.00	708.00	853.00	963.00	1,119.00	1,389.00
79	564.00	759.00	915.00	1,034.00	1,200.00	1,491.00
80	619.00	836.00	1,009.00	1,141.00	N/A	N/A
81	662.00	896.00	1,082.00	1,226.00	N/A	N/A
82	704.00	952.00	1,151.00	1,306.00	N/A	N/A
83	750.00	1,016.00	1,230.00	1,394.00	N/A	N/A
84	795.00	1,082.00	1,310.00	1,487.00	N/A	N/A
85	929.00	1,270.00	1,548.00	1,763.00	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBCBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	41.80	56.20	67.70	79.20	93.60	131.00
30	44.60	59.00	72.00	82.10	97.90	136.80
31	44.60	61.90	73.40	83.50	100.80	141.10
32	46.10	61.90	76.30	85.00	103.70	144.00
33	47.50	64.80	77.80	89.30	106.60	148.30
34	49.00	66.20	79.20	92.20	109.40	155.50
35	50.40	67.70	83.50	95.00	112.30	158.40
36	51.80	70.60	85.00	97.90	116.60	162.70
37	53.30	72.00	86.40	100.80	119.50	168.50
38	54.70	73.40	90.70	103.70	123.80	171.40
39	56.20	74.90	93.60	106.60	125.30	175.70
40	56.20	77.20	94.10	106.70	126.40	176.90
41	57.60	78.60	96.90	109.50	127.80	182.50
42	59.00	81.40	99.70	112.30	132.00	186.70
43	60.40	82.80	101.10	116.50	136.20	192.30
44	63.20	85.60	105.30	117.90	140.40	198.00
45	63.50	85.10	101.30	116.10	139.10	197.10
46	64.80	87.80	105.30	120.20	143.10	202.50
47	64.80	90.50	108.00	122.90	147.20	207.90
48	67.50	90.50	110.70	126.90	151.20	213.30
49	68.90	94.50	113.40	131.00	155.30	218.70
50	68.30	93.30	113.00	130.10	155.10	218.10
51	72.30	95.90	118.30	135.30	160.30	226.00
52	72.30	98.60	120.90	138.00	164.30	232.60
53	74.90	101.20	123.50	141.90	170.80	239.10
54	76.20	103.80	127.50	144.50	174.80	244.40
55	75.80	101.80	126.70	144.10	172.60	240.90
56	77.00	104.30	126.70	144.10	172.60	244.70
57	78.20	105.60	129.20	147.80	177.60	252.10
58	80.70	109.30	134.10	152.80	182.60	258.30
59	82.00	111.80	136.60	156.50	187.50	265.80
60	82.40	111.50	135.80	156.70	186.90	265.90
61	85.90	116.10	142.80	163.70	196.20	277.50
62	89.40	121.90	148.60	171.80	205.50	290.30
63	92.90	126.50	155.60	178.80	213.60	303.00
64	96.40	132.40	161.40	184.60	222.90	315.80
65	91.80	126.40	156.60	179.30	216.00	308.90
66	96.10	131.80	162.00	185.80	224.60	322.90
67	99.40	137.20	167.40	193.30	233.30	335.90
68	102.60	140.40	173.90	199.80	243.00	348.80
69	104.80	144.70	180.40	207.40	251.60	364.00
70	101.70	140.30	173.90	201.40	245.10	356.00
71	104.80	145.40	179.00	208.50	253.20	370.20
72	106.80	148.50	184.10	214.60	262.40	383.40
73	108.80	151.50	188.10	220.70	269.50	396.60
74	109.80	154.60	193.20	224.80	277.60	409.90
75	113.40	161.10	202.50	238.50	297.00	450.00
76	114.30	162.00	204.30	241.20	302.40	461.70
77	113.40	162.90	206.10	243.90	307.80	472.50
78	113.40	162.90	207.00	245.70	311.40	484.20
79	112.50	162.00	207.00	246.60	315.00	493.20
80	111.60	162.90	209.70	252.00	N/A	N/A
81	109.80	160.20	208.80	251.10	N/A	N/A
82	106.20	156.60	205.20	247.50	N/A	N/A
83	101.70	152.10	199.80	244.80	N/A	N/A
84	96.30	144.90	193.50	237.60	N/A	N/A
85	91.80	142.20	193.50	242.10	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP2X-HMBCBSPA**  
**Indexing: Compound 2X**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	4.30	4.30	5.80	8.60	10.10	15.80
30	4.30	5.80	7.20	8.60	10.10	15.80
31	4.30	7.20	7.20	8.60	10.10	17.30
32	4.30	7.20	8.60	8.60	11.50	18.70
33	4.30	7.20	8.60	10.10	13.00	18.70
34	5.80	7.20	8.60	11.50	14.40	21.60
35	7.20	7.20	10.10	11.50	15.80	21.60
36	5.80	8.60	11.50	11.50	17.30	23.00
37	7.20	10.10	11.50	14.40	17.30	25.90
38	7.20	10.10	14.40	15.80	18.70	24.50
39	7.20	10.10	14.40	17.30	20.20	25.90
40	8.40	12.60	15.40	18.30	21.10	28.10
41	8.40	14.00	16.80	19.70	19.70	30.90
42	9.80	15.40	18.30	19.70	22.50	32.30
43	9.80	15.40	18.30	22.50	23.90	35.10
44	12.60	16.80	21.10	21.10	25.30	36.50
45	13.50	17.60	18.90	21.60	27.00	39.20
46	14.90	18.90	21.60	24.30	28.40	41.90
47	14.90	20.30	23.00	27.00	31.10	45.90
48	16.20	18.90	24.30	27.00	33.80	50.00
49	17.60	21.60	27.00	29.70	35.10	52.70
50	17.10	23.70	27.60	31.50	36.80	55.20
51	19.70	25.00	30.20	34.20	42.00	59.10
52	19.70	26.30	31.50	35.50	44.70	63.10
53	21.00	28.90	34.20	40.70	48.60	68.30
54	22.30	30.20	36.80	43.40	52.60	73.60
55	23.60	31.10	39.70	46.00	53.40	75.80
56	26.10	34.80	42.20	47.20	55.90	80.70
57	27.30	36.00	44.70	50.90	59.60	85.70
58	29.80	39.70	48.40	54.60	64.60	91.90
59	32.30	42.20	50.90	58.40	70.80	99.40
60	33.70	44.10	53.40	61.50	73.10	103.30
61	36.00	48.80	59.20	67.30	80.10	113.80
62	39.50	54.60	65.00	74.30	88.20	124.20
63	44.10	58.10	72.00	81.30	96.40	135.80
64	47.60	65.00	77.80	88.20	105.70	148.60
65	47.50	65.90	79.90	91.80	109.10	156.60
66	52.90	71.30	87.50	99.40	118.80	171.70
67	56.20	77.80	94.00	108.00	129.60	187.90
68	61.60	83.20	102.60	116.60	141.50	205.20
69	64.80	89.60	111.20	127.40	153.40	223.60
70	66.10	90.50	111.90	129.20	155.60	229.80
71	71.20	97.60	120.00	139.30	168.80	249.20
72	75.30	103.70	128.10	149.50	182.00	269.50
73	79.30	110.90	137.30	159.70	195.30	290.90
74	84.40	117.00	145.40	169.80	208.50	312.20
75	90.00	126.90	159.30	187.20	233.10	358.20
76	93.60	132.30	166.50	196.20	245.70	380.70
77	96.30	137.70	173.70	204.30	258.30	402.30
78	99.00	141.30	179.10	212.40	269.10	423.90
79	99.90	144.00	184.50	218.70	279.90	443.70
80	101.70	147.60	190.80	229.50	N/A	N/A
81	101.70	148.50	193.50	232.20	N/A	N/A
82	99.90	148.50	193.50	234.00	N/A	N/A
83	97.20	144.90	191.70	234.00	N/A	N/A
84	93.60	140.40	188.10	230.40	N/A	N/A
85	90.00	139.50	189.00	236.70	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBCBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	8.60	13.00	15.80	20.20	25.90	38.90
30	10.10	14.40	17.30	21.60	25.90	40.30
31	10.10	15.80	18.70	23.00	27.40	41.80
32	11.50	15.80	21.60	23.00	30.20	44.60
33	11.50	17.30	21.60	25.90	30.20	47.50
34	13.00	17.30	23.00	27.40	33.10	50.40
35	14.40	17.30	24.50	27.40	34.60	51.80
36	14.40	21.60	25.90	28.80	36.00	54.70
37	15.80	21.60	27.40	30.20	37.40	57.60
38	15.80	23.00	28.80	33.10	40.30	59.00
39	15.80	24.50	30.20	34.60	41.80	61.90
40	16.80	25.30	30.90	35.10	43.50	66.00
41	19.70	26.70	32.30	37.90	43.50	68.80
42	19.70	28.10	35.10	39.30	46.30	73.00
43	21.10	28.10	35.10	42.10	49.10	77.20
44	23.90	30.90	37.90	42.10	50.50	80.00
45	23.00	31.10	36.50	41.90	51.30	82.40
46	24.30	33.80	39.20	45.90	56.70	86.40
47	24.30	35.10	41.90	48.60	59.40	90.50
48	27.00	33.80	43.20	50.00	62.10	94.50
49	28.40	37.80	45.90	54.00	64.80	99.90
50	27.60	38.10	46.00	55.20	67.00	102.50
51	30.20	40.70	48.60	59.10	71.00	107.70
52	30.20	42.00	52.60	60.40	74.90	113.00
53	31.50	44.70	55.20	64.40	78.80	118.30
54	32.90	46.00	59.10	67.00	82.80	123.50
55	33.50	47.20	59.60	68.30	84.50	126.70
56	36.00	48.40	60.90	69.60	85.70	130.40
57	37.30	50.90	63.30	73.30	89.40	136.60
58	38.50	53.40	67.10	77.00	94.40	142.80
59	41.00	55.90	69.60	80.70	99.40	150.30
60	41.80	56.90	70.80	82.40	101.00	152.10
61	44.10	61.50	75.50	88.20	108.00	162.50
62	46.40	66.20	80.10	94.00	114.90	174.20
63	49.90	68.50	85.90	99.80	121.90	184.60
64	53.40	74.30	90.60	105.70	130.00	195.00
65	51.80	72.40	90.70	105.80	129.60	196.60
66	55.10	76.70	96.10	111.20	137.20	208.40
67	58.30	81.00	101.50	117.70	145.80	221.40
68	61.60	85.30	106.90	124.20	154.40	234.40
69	63.70	89.60	112.30	131.80	162.00	248.40
70	63.10	88.50	110.90	130.20	160.70	248.10
71	66.10	92.50	115.90	137.30	169.80	262.40
72	68.10	96.60	121.00	143.40	179.00	275.60
73	70.20	99.70	126.10	149.50	187.10	289.80
74	72.20	103.70	131.20	155.60	195.30	304.10
75	76.50	109.80	140.40	168.30	214.20	342.00
76	77.40	112.50	144.00	172.80	221.40	356.40
77	78.30	114.30	147.60	176.40	228.60	370.80
78	79.20	116.10	150.30	180.90	234.00	384.30
79	79.20	117.00	152.10	183.60	241.20	397.80
80	80.10	118.80	155.70	190.80	N/A	N/A
81	78.30	117.90	156.60	191.70	N/A	N/A
82	76.50	117.00	155.70	191.70	N/A	N/A
83	73.80	113.40	153.90	190.80	N/A	N/A
84	71.10	108.90	150.30	187.20	N/A	N/A
85	66.60	107.10	150.30	192.60	N/A	N/A



**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**CURRENT ANNUAL PREMIUM RATES**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Indexing: None**  
**Individual Underwriting**  
**Rate Class II**

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	10.10	13.00	14.40	14.40	17.30	21.60
30	10.10	13.00	14.40	15.80	18.70	23.00
31	11.50	13.00	15.80	17.30	20.20	24.50
32	11.50	14.40	15.80	18.70	20.20	25.90
33	13.00	14.40	17.30	18.70	21.60	27.40
34	13.00	15.80	18.70	20.20	23.00	28.80
35	13.00	17.30	18.70	21.60	24.50	31.70
36	14.40	17.30	20.20	23.00	25.90	33.10
37	14.40	18.70	21.60	24.50	27.40	34.60
38	15.80	20.20	23.00	25.90	28.80	38.90
39	17.30	21.60	24.50	27.40	31.70	41.80
40	16.80	21.10	25.30	28.10	32.30	42.10
41	18.30	22.50	26.70	29.50	36.50	44.90
42	19.70	23.90	28.10	32.30	37.90	47.70
43	21.10	26.70	30.90	33.70	40.70	50.50
44	21.10	28.10	32.30	37.90	43.50	54.80
45	21.60	28.40	35.10	39.20	44.60	55.40
46	23.00	29.70	36.50	40.50	47.30	59.40
47	25.70	32.40	39.20	43.20	50.00	63.50
48	27.00	36.50	41.90	47.30	54.00	67.50
49	28.40	37.80	44.60	50.00	58.10	72.90
50	30.20	39.40	47.30	52.60	60.40	76.20
51	31.50	42.00	49.90	55.20	64.40	81.50
52	35.50	46.00	53.90	60.40	68.30	86.70
53	38.10	48.60	57.80	64.40	73.60	93.30
54	40.70	52.60	61.80	69.60	78.80	101.20
55	42.20	54.60	63.30	70.80	82.00	104.30
56	43.50	57.10	67.10	75.80	86.90	109.30
57	47.20	62.10	73.30	82.00	94.40	118.00
58	50.90	67.10	78.20	88.20	101.80	127.90
59	54.60	72.00	85.70	95.60	109.30	137.90
60	56.90	75.50	89.40	99.80	114.90	144.00
61	62.70	82.40	97.50	109.10	125.40	156.70
62	68.50	89.40	106.80	118.40	137.00	170.70
63	74.30	98.70	116.10	130.00	149.80	186.90
64	81.30	106.80	127.70	142.80	163.70	204.30
65	85.30	112.30	132.80	149.00	171.70	213.80
66	92.90	123.10	145.80	164.20	189.00	234.40
67	102.60	135.00	160.90	180.40	207.40	258.10
68	112.30	149.00	177.10	198.70	227.90	284.00
69	124.20	164.20	194.40	218.20	251.60	312.10
70	128.10	169.80	202.40	226.80	261.40	323.40
71	140.30	186.10	222.70	249.20	287.80	356.00
72	154.60	205.40	245.10	274.60	316.30	392.60
73	169.80	225.80	269.50	302.00	348.80	432.20
74	186.10	247.10	295.90	332.60	383.40	474.90
75	216.90	289.80	347.40	391.50	453.60	564.30
76	236.70	316.80	380.70	429.30	497.70	619.20
77	258.30	345.60	415.80	469.80	544.50	677.70
78	280.80	377.10	454.50	513.00	595.80	739.80
79	306.00	411.30	495.90	560.70	650.70	808.20
80	342.00	461.70	557.10	630.00	N/A	N/A
81	372.60	504.00	608.40	689.40	N/A	N/A
82	405.90	549.00	664.20	753.30	N/A	N/A
83	441.00	597.60	723.60	819.90	N/A	N/A
84	477.00	648.90	785.70	891.90	N/A	N/A
85	568.80	777.60	947.70	1,079.10	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBCBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	76.00	102.10	123.10	144.00	170.20	238.30
30	81.20	107.40	131.00	149.30	178.10	248.80
31	81.20	112.60	133.60	151.90	183.30	256.70
32	83.80	112.60	138.80	154.50	188.60	261.90
33	86.40	117.90	141.40	162.40	193.80	269.80
34	89.00	120.50	144.00	167.60	199.00	282.90
35	91.70	123.10	151.90	172.90	204.30	288.10
36	94.30	128.30	154.50	178.10	212.10	295.90
37	96.90	131.00	157.10	183.30	217.40	306.40
38	99.50	133.60	165.00	188.60	225.20	311.70
39	102.10	136.20	170.20	193.80	227.90	319.50
40	104.80	144.00	175.50	199.00	235.70	330.00
41	107.40	146.70	180.70	204.30	238.30	340.50
42	110.00	151.90	185.90	209.50	246.20	348.30
43	112.60	154.50	188.60	217.40	254.00	358.80
44	117.90	159.80	196.40	220.00	261.90	369.30
45	118.90	159.30	189.70	217.50	260.50	369.20
46	119.20	161.50	193.80	221.10	263.30	372.60
47	117.10	163.40	195.10	221.90	265.90	375.60
48	119.70	160.40	196.30	225.00	268.10	378.30
49	119.30	163.80	196.60	227.00	269.10	379.10
50	121.20	165.50	200.50	230.80	275.10	386.90
51	127.20	168.80	208.20	238.20	282.20	397.80
52	126.20	172.10	211.10	241.00	286.90	406.20
53	129.80	175.30	214.00	245.90	296.00	414.40
54	131.00	178.50	219.10	248.50	300.40	420.20
55	137.80	185.20	230.40	262.00	314.00	438.20
56	137.80	186.70	226.70	257.90	309.00	437.90
57	138.30	186.70	228.40	261.30	314.00	445.80
58	140.40	190.10	233.30	265.70	317.50	449.30
59	140.80	192.00	234.60	268.80	322.10	456.50
60	151.40	204.80	249.60	288.00	343.40	488.50
61	153.20	207.00	254.60	291.90	349.80	494.70
62	155.20	211.70	258.00	298.40	356.80	504.00
63	156.20	212.90	261.70	300.80	359.40	509.70
64	157.60	216.50	264.00	301.90	364.60	516.50
65	161.40	222.20	275.40	315.20	379.80	543.10
66	165.00	226.20	278.10	318.90	385.60	554.30
67	166.40	229.70	280.40	323.80	390.70	562.60
68	166.70	228.20	282.60	324.70	394.90	566.90
69	165.90	229.10	285.60	328.30	398.40	576.30
70	168.30	232.30	287.80	333.20	405.60	589.10
71	171.50	238.10	293.00	341.30	414.60	606.10
72	172.90	240.50	298.10	347.50	424.90	620.90
73	174.30	242.70	301.40	353.50	431.70	635.30
74	174.00	244.90	306.10	356.00	439.80	649.20
75	203.00	288.40	362.50	426.90	531.60	805.50
76	200.00	283.50	357.50	422.10	529.20	808.00
77	195.00	280.20	354.50	419.50	529.40	812.70
78	191.60	275.30	349.80	415.20	526.30	818.30
79	186.80	268.90	343.60	409.40	522.90	818.70
80	181.90	265.50	341.80	410.80	N/A	N/A
81	175.70	256.30	334.10	401.80	N/A	N/A
82	165.70	244.30	320.10	386.10	N/A	N/A
83	155.60	232.70	305.70	374.50	N/A	N/A
84	144.50	217.40	290.30	356.40	N/A	N/A
85	134.90	209.00	284.40	355.90	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP2X-HMBCBSPA**  
**Indexing: Compound 2X**  
**Individual Underwriting**  
**Rate Class II**

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	7.90	7.90	10.50	15.70	18.30	28.80
30	7.90	10.50	13.10	15.70	18.30	28.80
31	7.90	13.10	13.10	15.70	18.30	31.40
32	7.90	13.10	15.70	15.70	21.00	34.00
33	7.90	13.10	15.70	18.30	23.60	34.00
34	10.50	13.10	15.70	21.00	26.20	39.30
35	13.10	13.10	18.30	21.00	28.80	39.30
36	10.50	15.70	21.00	21.00	31.40	41.90
37	13.10	18.30	21.00	26.20	31.40	47.10
38	13.10	18.30	26.20	28.80	34.00	44.50
39	13.10	18.30	26.20	31.40	36.70	47.10
40	15.70	23.60	28.80	34.00	39.30	52.40
41	15.70	26.20	31.40	36.70	36.70	57.60
42	18.30	28.80	34.00	36.70	41.90	60.20
43	18.30	28.80	34.00	41.90	44.50	65.50
44	23.60	31.40	39.30	39.30	47.10	68.10
45	25.30	32.90	35.40	40.50	50.60	73.30
46	27.30	34.80	39.70	44.70	52.20	77.00
47	26.80	36.60	41.50	48.80	56.10	82.90
48	28.70	33.50	43.10	47.90	59.90	88.60
49	30.40	37.40	46.80	51.50	60.80	91.30
50	30.30	42.00	49.00	55.90	65.30	97.90
51	34.70	43.90	53.20	60.10	74.00	104.10
52	34.40	45.90	55.10	62.00	78.00	110.20
53	36.40	50.10	59.20	70.60	84.20	118.40
54	38.40	52.00	63.30	74.50	90.40	126.50
55	42.90	56.50	72.30	83.60	97.10	137.80
56	46.70	62.20	75.60	84.50	100.00	144.50
57	48.30	63.70	79.10	90.00	105.40	151.50
58	51.80	69.10	84.20	95.00	112.30	159.80
59	55.50	72.50	87.50	100.30	121.60	170.60
60	61.90	81.10	98.10	113.00	134.40	189.80
61	64.20	86.90	105.60	120.10	142.80	202.90
62	68.50	94.80	112.90	129.00	153.20	215.70
63	74.20	97.70	121.10	136.70	162.10	228.50
64	77.90	106.30	127.20	144.30	172.80	243.10
65	83.60	115.80	140.50	161.40	191.80	275.40
66	90.80	122.40	150.20	170.60	203.90	294.80
67	94.10	130.20	157.40	180.90	217.10	314.80
68	100.00	135.10	166.70	189.50	229.90	333.50
69	102.60	141.90	176.10	201.80	242.80	354.00
70	109.40	149.80	185.10	213.70	257.50	380.40
71	116.60	159.80	196.50	228.10	276.40	407.90
72	121.90	168.00	207.50	242.10	294.80	436.50
73	127.10	177.60	219.90	255.80	312.80	465.90
74	133.70	185.30	230.40	269.00	330.30	494.60
75	161.10	227.20	285.10	335.10	417.20	641.20
76	163.80	231.50	291.40	343.40	430.00	666.20
77	165.60	236.80	298.80	351.40	444.30	692.00
78	167.30	238.80	302.70	359.00	454.80	716.40
79	165.80	239.00	306.30	363.00	464.60	736.50
80	165.80	240.60	311.00	374.10	N/A	N/A
81	162.70	237.60	309.60	371.50	N/A	N/A
82	155.80	231.70	301.90	365.00	N/A	N/A
83	148.70	221.70	293.30	358.00	N/A	N/A
84	140.40	210.60	282.20	345.60	N/A	N/A
85	132.30	205.10	277.80	347.90	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBCBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	15.70	23.60	28.80	36.70	47.10	70.70
30	18.30	26.20	31.40	39.30	47.10	73.30
31	18.30	28.80	34.00	41.90	49.80	76.00
32	21.00	28.80	39.30	41.90	55.00	81.20
33	21.00	31.40	39.30	47.10	55.00	86.40
34	23.60	31.40	41.90	49.80	60.20	91.70
35	26.20	31.40	44.50	49.80	62.90	94.30
36	26.20	39.30	47.10	52.40	65.50	99.50
37	28.80	39.30	49.80	55.00	68.10	104.80
38	28.80	41.90	52.40	60.20	73.30	107.40
39	28.80	44.50	55.00	62.90	76.00	112.60
40	31.40	47.10	57.60	65.50	81.20	123.10
41	36.70	49.80	60.20	70.70	81.20	128.30
42	36.70	52.40	65.50	73.30	86.40	136.20
43	39.30	52.40	65.50	78.60	91.70	144.00
44	44.50	57.60	70.70	78.60	94.30	149.30
45	43.00	58.20	68.30	78.40	96.10	154.30
46	44.70	62.10	72.00	84.50	104.30	159.00
47	43.90	63.40	75.60	87.80	107.30	163.40
48	47.90	59.90	76.60	88.60	110.10	167.60
49	49.10	65.50	79.60	93.60	112.30	173.20
50	49.00	67.60	81.60	97.90	118.90	181.80
51	53.20	71.70	85.60	104.10	124.90	189.70
52	52.80	73.40	91.80	105.60	130.80	197.40
53	54.60	77.40	95.60	111.60	136.60	204.90
54	56.50	79.10	101.70	115.20	142.30	212.30
55	61.00	85.80	108.40	124.20	153.60	230.40
56	64.50	86.70	108.90	124.50	153.40	233.40
57	65.90	90.00	112.00	129.60	158.10	241.60
58	67.00	92.90	116.60	133.90	164.20	248.40
59	70.40	96.00	119.40	138.60	170.60	258.10
60	76.80	104.50	130.10	151.40	185.60	279.40
61	78.70	109.70	134.60	157.30	192.50	289.80
62	80.60	114.90	139.10	163.30	199.60	302.40
63	84.00	115.20	144.50	168.00	205.10	310.50
64	87.40	121.50	148.10	172.80	212.70	319.00
65	91.20	127.20	159.50	186.10	227.90	345.60
66	94.60	131.60	165.00	191.00	235.50	357.80
67	97.70	135.70	170.00	197.20	244.20	370.80
68	100.00	138.60	173.70	201.80	251.00	380.80
69	100.90	141.90	177.80	208.60	256.50	393.30
70	104.30	146.40	183.40	215.40	265.90	410.70
71	108.20	151.50	189.80	224.80	278.10	429.60
72	110.30	156.50	196.00	232.20	289.90	446.30
73	112.40	159.60	202.00	239.50	299.70	464.30
74	114.40	164.30	207.80	246.50	309.30	481.70
75	136.90	196.50	251.30	301.30	383.40	612.20
76	135.50	196.90	252.00	302.40	387.50	623.70
77	134.70	196.60	253.90	303.40	393.20	637.80
78	133.80	196.20	254.00	305.70	395.50	649.50
79	131.50	194.20	252.50	304.80	400.40	660.30
80	130.60	193.60	253.80	311.00	N/A	N/A
81	125.30	188.60	250.60	306.70	N/A	N/A
82	119.30	182.50	242.90	299.10	N/A	N/A
83	112.90	173.50	235.50	291.90	N/A	N/A
84	106.70	163.40	225.50	280.80	N/A	N/A
85	97.90	157.40	220.90	283.10	N/A	N/A

**HIGHMARK BLUE CROSS BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBCBSPA**  
**ANNUAL PREMIUM RATES WITH THE REQUESTED RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Indexing: None**  
**Individual Underwriting**  
**Rate Class II**

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	18.30	23.60	26.20	26.20	31.40	39.30
30	18.30	23.60	26.20	28.80	34.00	41.90
31	21.00	23.60	28.80	31.40	36.70	44.50
32	21.00	26.20	28.80	34.00	36.70	47.10
33	23.60	26.20	31.40	34.00	39.30	49.80
34	23.60	28.80	34.00	36.70	41.90	52.40
35	23.60	31.40	34.00	39.30	44.50	57.60
36	26.20	31.40	36.70	41.90	47.10	60.20
37	26.20	34.00	39.30	44.50	49.80	62.90
38	28.80	36.70	41.90	47.10	52.40	70.70
39	31.40	39.30	44.50	49.80	57.60	76.00
40	31.40	39.30	47.10	52.40	60.20	78.60
41	34.00	41.90	49.80	55.00	68.10	83.80
42	36.70	44.50	52.40	60.20	70.70	89.00
43	39.30	49.80	57.60	62.90	76.00	94.30
44	39.30	52.40	60.20	70.70	81.20	102.10
45	40.50	53.10	65.80	73.30	83.50	103.70
46	42.20	54.60	67.10	74.50	86.90	109.30
47	46.30	58.50	70.70	78.00	90.20	114.60
48	47.90	64.60	74.20	83.80	95.80	119.70
49	49.10	65.50	77.20	86.60	100.60	126.40
50	53.60	69.90	83.90	93.20	107.20	135.20
51	55.50	74.00	87.90	97.10	113.30	143.40
52	62.00	80.30	94.10	105.60	119.30	151.50
53	66.00	84.20	100.20	111.60	127.50	161.70
54	70.00	90.40	106.20	119.70	135.50	173.90
55	76.80	99.40	115.20	128.80	149.10	189.80
56	77.80	102.30	120.00	135.60	155.60	195.60
57	83.40	109.80	129.60	144.90	166.90	208.60
58	88.60	116.60	136.10	153.40	177.10	222.50
59	93.90	123.70	147.20	164.20	187.70	236.80
60	104.50	138.60	164.20	183.40	211.20	264.50
61	111.80	147.00	173.90	194.60	223.60	279.50
62	118.90	155.20	185.50	205.60	237.90	296.40
63	125.00	166.00	195.30	218.70	251.90	314.40
64	132.90	174.70	208.90	233.60	267.80	334.20
65	150.00	197.50	233.60	262.10	301.90	376.00
66	159.40	211.40	250.30	281.80	324.50	402.30
67	171.90	226.10	269.50	302.10	347.30	432.40
68	182.50	242.20	287.80	322.90	370.30	461.60
69	196.70	259.90	307.80	345.40	398.40	494.20
70	212.10	281.10	334.90	375.30	432.50	535.20
71	229.80	304.70	364.60	407.90	471.20	582.80
72	250.30	332.70	396.90	444.70	512.20	635.70
73	272.00	361.60	431.70	483.80	558.70	692.30
74	294.80	391.50	468.80	526.80	607.30	752.30
75	388.30	518.70	621.80	700.80	811.90	1,010.10
76	414.20	554.40	666.20	751.30	871.00	1,083.60
77	444.30	594.40	715.20	808.10	936.50	1,165.60
78	474.60	637.30	768.10	867.00	1,006.90	1,250.30
79	508.00	682.80	823.20	930.80	1,080.20	1,341.60
80	557.50	752.60	908.10	1,026.90	N/A	N/A
81	596.20	806.40	973.40	1,103.00	N/A	N/A
82	633.20	856.40	1,036.20	1,175.10	N/A	N/A
83	674.70	914.30	1,107.10	1,254.40	N/A	N/A
84	715.50	973.40	1,178.60	1,337.90	N/A	N/A
85	836.10	1,143.10	1,393.10	1,586.30	N/A	N/A

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	Highmark Inc
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Long-Term Care		
<b>Project Name/Number:</b>	Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_CovLtr_Simplicity_RS_20160408.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_ActMemo_Simplicity_RS_20160408.pdf PA_Highmark BCBS_Supplement_Simplicity_RS_20160408.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisements (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not an advertisement filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Authorization to File (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	2016 Highmark Letter of Authorization_20160407.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Insert Page Explanation (A&H)
<b>Bypass Reason:</b>	Not applicable as there are no insert pages.
<b>Attachment(s):</b>	
<b>Item Status:</b>	

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	Highmark Inc
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Long-Term Care		
<b>Project Name/Number:</b>	Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05		

<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Rate Table (A&H)
<b>Comments:</b>	Rate tables are attached to the Rate/Rule Schedule tab.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Claims and Administration Processing Plan
<b>Comments:</b>	
<b>Attachment(s):</b>	MedAmerica Claims Procedures_20160128.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Numerical Data in Excel
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_Supplement Attachments_20160408.xlsb
<b>Item Status:</b>	
<b>Status Date:</b>	

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<b>SERFF Tracking #:</b>	MILL-130443425	<b>State Tracking #:</b>	MILL-130443425	<b>Company Tracking #:</b>	SIMPLICITY AFFINITY (HIGHMARK BCBS)
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<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	Highmark Inc
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Long-Term Care		
<b>Project Name/Number:</b>	Simplicity Nationwide 2016 Rate Increase/145MAI01-60.05		

***Attachment PA\_Highmark BCBS\_Supplement Attachments\_20160408.xlsb is not a PDF document and cannot be reproduced here.***





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April 8, 2016

Honorable Teresa D. Miller  
Commissioner of Insurance  
Pennsylvania Department of Insurance (Department)  
1326 Strawberry Square  
Harrisburg, Pennsylvania 17120

*Via SERFF*

RE: Highmark Blue Cross Blue Shield (Highmark BCBS)  
Company NAIC # 54771  
SERFF Tracking # MILL-130443425  
Tax-Qualified Long-Term Care Policy Form SPL-336-HMBCBSPA  
Tax-Qualified Franchise Long-Term Care Policy Form FSPL-336-HMBCBSPA

Dear Commissioner Miller:

The referenced rate filing is being submitted on behalf of Highmark BCBS for your review.

These are existing individual policy forms that provide comprehensive long-term care coverage on a cash basis. Riders that convert the coverage to either facility only or community care only may have been available at issue. Policies were issued in Pennsylvania from August 1, 2006 to April 1, 2010 and are no longer being marketed in any jurisdiction.

These products were designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner of Highmark BCBS. These forms were issued on Highmark BCBS paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 80% of the risk on these forms via a reinsurance arrangement with Highmark BCBS.

Highmark BCBS is requesting the approval of a premium rate increase on the above-listed forms, including all associated riders. The primary reason why these forms are in need of a premium rate increase is due to emerging experience running more adverse than expected in pricing.

The company is requesting a premium rate increase that varies by issue age as shown in Exhibit I of the enclosed actuarial memorandum. The cumulative rate increase shown in Exhibit I was determined by issue age to allow certification to rate stability in Pennsylvania, to better align the rate increase with the adverse experience, and to minimize the rate increase for older insureds. The table below provides the prior approved increase for each issue age band, as well as the requested increase and resulting cumulative premium rate increase for each central age.

Offices in Principal Cities Worldwide

This work product was prepared to provide assistance to MedAmerica. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends Recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.



<b>Issue Age Band</b>	<b>Prior Approved Increase</b>	<b>Requested Increase for Central Age</b>	<b>Cumulative Increase for Central Age</b>
<40	60%	81.9%	191%
40-44	56	86.5	191
45-49	50	80.7	171
50-54	46	74.7	155
55-59	38	76.9	144
60-64	29	73.6	124
65-69	20	67.5	101
70-74	13	61.9	83
75+ <sup>[1]</sup>	0	63.0	63

*[1] The central issue age is 80 based on an issue age range of 75 to 85 for the business in force nationwide as of December 31, 2014.*

As noted in the enclosed actuarial memorandum, three prior rate increases have been approved and implemented on the above-referenced policy forms. The cumulative prior approved increase varied by issue age from 0% to 60%. The prior rate increases were approved by the Department in June 2013, September 2014, and July 2015. This current rate increase request is being sought to achieve the cumulative rate increase that the company believes is needed to alleviate the poor performance on this block of business.

Similar to the prior increases, Highmark BCBS will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. Additionally, Highmark BCBS will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial. If the cumulative requested rate increase is approved, a majority of policyholders will be eligible for a contingent benefit upon lapse. To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's approval, which demonstrates that appropriate administration and claims processing procedures are in effect.

The following electronic items are included with this submission:

- cover letter
- letter from HM Insurance Group authorizing us to submit this filing on Highmark BCBS's behalf
- claims and administration processing plan, as provided by MedAmerica
- actuarial memorandum
- a supplement to the actuarial memorandum
- Microsoft Excel spreadsheet containing all numerical data
- current and proposed premium rate schedules

No filing fee is required for this submission.



Honorable Teresa D. Miller  
April 8, 2016

The contact person for this filing is:

Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary  
8500 Normandale Lake Blvd., Suite 1850  
Minneapolis, MN 55437  
(952) 820-2478  
missy.gordon@milliman.com

Thank you for your assistance in reviewing this filing.

Respectfully,

A handwritten signature in blue ink that reads "Missy Gordon".

Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary

MAG/btj

Enclosures

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## Simplicity Actuarial Memorandum

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### Product

Tax-Qualified Long-Term Care Policy Form  
Tax-Qualified Franchise Long-Term Care Policy Form

### Number

SPL-336-HMBCBSPA  
FSPL-336-HMBCBSPA

These policy forms were issued in Pennsylvania by Highmark Blue Cross Blue Shield (Highmark BCBS), which is an affinity partner of MedAmerica Insurance Company (MedAmerica), from August 2006 through April 2010 and are no longer being marketed in any jurisdiction.

### **1. Purpose of Filing**

This actuarial memorandum has been prepared for the purpose of demonstrating that the cumulative requested rate increase, as shown in Exhibit I, meets the minimum requirements of your jurisdiction and demonstrating compliance with its rate stability regulation. It may not be suitable for other purposes.

### **2. Description of Benefits**

These are federally tax-qualified, individually underwritten policy forms that provide comprehensive coverage on a cash basis. Riders that convert the coverage to either facility only or community care only may have been available at issue. They have benefit eligibility requirements that involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided when certain benefits are being paid. A monthly benefit, benefit period, and elimination period were selected at issue.

At issue, the insured may have had the option to choose one of three riders providing inflation protection: simple inflation, compound inflation with no maximum, or compound inflation with a maximum of two times the original benefit amount. The simple inflation option provides for benefit levels that increase on each anniversary date by 5% of the daily benefit amount chosen at issue for as long as the policy is in force. The compound inflation option with no maximum provides for benefit levels that increase on each anniversary date by 5% compounded annually for as long as the policy is in force. The compound inflation option with a maximum of two times the original benefit amount provides for benefit levels that increase on each anniversary date by 5% compounded annually while the policy is in force, but limits the increase to two times the original benefit amount. The increasing benefits apply even when the insured is in claim status.

The available choices for benefit period, elimination period, and inflation option are shown in Section 20.

At issue, the insured may have had the option of selecting additional riders that provide the following types of coverage: restoration of benefits, return of premium, shortened benefit period, shared care, shared waiver, or survivorship benefit.

The insured may have had the option to select one of the following premium payment options: lifetime, 10-year, paid up at age 65, reduced premiums at attained age 65, or reduced premiums at attained age 70.

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A contingent benefit upon lapse (CBUL) will be available to all insureds.

### 3. Renewability

These policies are guaranteed renewable for life.

### 4. Applicability

As these policy forms are no longer being sold in any jurisdiction, this filing is applicable to in-force policies only. The premium changes will apply to the base forms as well as all applicable options and riders.

### 5. Actuarial Assumptions

- a. Morbidity reflects claim costs developed using the 2014 Milliman *Long-Term Care Guidelines* with adjustments for an all-lives exposure basis. The claim costs are further adjusted based on historical claim experience by attained age, duration, and coverage-type, to the extent credible.
- b. Lapse Rates vary by duration, issue age, and premium payment option. The lifetime-pay lapse rates are shown in the table below.

Lifetime-Pay Lapse Rates

Duration	Issue Age Band			
	<40	40-49	50-59	60+
1	17.5%	9.5%	5.5%	5.5%
2	16.5	9.0	5.0	4.5
3	12.0	6.0	4.0	3.5
4	8.0	4.5	3.0	3.0
5	7.0	4.0	3.0	2.5
6	5.0	3.0	2.5	2.0
7	3.5	3.0	2.0	1.5
8	2.0	1.5	1.5	1.5
9+	1.0	1.0	1.0	1.0

The lapse rates in the above table were adjusted based on the following criteria for the limited-pay options:

- For the ten-pay option, a reduction of 65% of the above lapse rates is assumed for durations one through four, a reduction of 70% of the above lapse rates is assumed for durations five through eight, and 0% lapse thereafter.
- For the paid up at age 65 option, a reduction of 50% of the above lapse rates is assumed until age 55, a reduction of 75% of the above lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter.

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- For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the above lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the above lapse rates thereafter.
- c. Mortality Rates reflect the 1994 Group Annuitant Mortality (GAM) Static Table with unisex durational factors. The assumed durational factors are shown in the following table.

**Durational Mortality Adjustment Factors**

Duration	Factor	Duration	Factor
1	0.25	13	0.63
2	0.35	14	0.64
3	0.42	15	0.66
4	0.44	16	0.67
5	0.45	17	0.69
6	0.47	18	0.70
7	0.48	19	0.73
8	0.50	20	0.75
9	0.53	21	0.78
10	0.55	22	0.80
11	0.58	23	0.83
12	0.60	24+	0.85

- d. Policyholder Behavior Due to the Rate Increase. At the time of a rate increase, policyholders have the option to elect a CBUL or reduced benefit options (RBO). Adverse selection is assumed relative to CBUL elections.

Based on the cumulative requested rate increase level, 8% of in-force lifetime-pay policies are assumed to elect CBUL, regardless of the size of the rate increase. No CBUL elections are assumed for limited-pay policies. Policyholders who elect a CBUL are modeled as a lapse (i.e., the CBUL benefit is not modeled), which results in a slightly lower lifetime loss ratio than if the CBUL benefit had been modeled. We assume an increase in morbidity for adverse selection due to the rate increase based on the percentage of policies that elect CBUL. For lifetime-pay policies, this increase in morbidity is approximately 2%.

Based on the cumulative requested rate increase level, 20% of in-force policyholders (regardless of payment option) are assumed to elect RBO. The reduction in premiums and benefits due to the impact of RBO election varies from approximately 7% to 14% based on the level of the rate increase.

- e. Interest Rate of 5.00% is used for accumulating and discounting earned premiums and incurred claims in the calculation of cumulative loss ratios. This rate represents MedAmerica's expectation of its long-term investment earnings rate, which is supported by the average net investment earnings rate projected for MedAmerica's cash flow testing. The maximum valuation interest rate is used to demonstrate

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compliance with the 58%/85% test required by rate stability regulation, as described in Section 17 below.

- f. Improvement for the mortality and morbidity assumptions was assumed for 15 years. For mortality improvement, levels of 0.5% and 1.0% are assumed beginning in calendar year 2015 for females and males, respectively. For morbidity improvement, levels of 1.0% and 1.5% are assumed beginning in calendar year 2015 for females and males, respectively.
- g. Expenses have not been explicitly projected. Originally filed expense assumptions are assumed to remain appropriate, except that reductions are made to the renewal commission rates so that the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

The above assumptions are based on the experience of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners that issued the same products, industry experience, and judgment. These assumptions are based on the nationwide experience of the particular policy forms in this filing and other similar policy forms where appropriate. In developing the persistency assumptions, policy termination experience through March 31, 2015 was used, whereas for the morbidity assumption, claim experience through December 31, 2014 was used. The above assumptions are deemed reasonable for the particular policy forms in this filing and are considered "most likely" (without explicit margin).

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration. Appendix A to this memorandum provides a description of the development of and justification for the assumptions used in this filing.

Highmark BCBS is not currently marketing long-term care products. As a result, the requirement to reflect on any assumptions that deviate from those used for pricing other forms currently available for sale is not applicable.

#### **6. Marketing Method**

These policy forms were marketed in Pennsylvania by agents and brokers of Highmark BCBS.

#### **7. Underwriting Description**

These policies were fully underwritten with the use of various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, prescription screen, telephone interview, and/or face-to-face assessment. Employer sponsored groups were eligible for reduced underwriting for actively at work employees age 65 and less.

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### 8. Premiums

Premiums are unisex and payable for life unless the insured selected a limited premium payment option. The premiums may vary by issue age, benefit period, initial monthly benefit, community care level, elimination period, inflation option, premium payment option, underwriting rate category, marital discounts, employer sponsored/multi-life discounts, and the selection of any riders.

### 9. Issue Age Range

Issue ages are from 18 to 85.

### 10. Area Factors

Area factors are not used for these products.

### 11. Premium Modalization Rules

The following modal factors and nationwide percent distributions (based on the in-force count as of December 31, 2014 of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners) are applied to the annual premium (AP):

Premium Mode	Modal Factors	Percent Distribution
Annual	1.0000*AP	44%
Semi-Annual	0.5150*AP	6
Quarterly	0.2600*AP	22
Monthly	0.0900*AP	28

### 12. Reserves

Active life reserves and reserves for the election of a CBUL have not been used in this rate increase analysis, except as described in the supplement to the actuarial memorandum. Claim reserves as of December 31, 2014 have been discounted to the incurral date of each respective claim and included in historical incurred claims. An incurred but not reported (IBNR) reserve balance as of December 31, 2014 has been allocated to the 2014 calendar year and included in historical incurred claims.

### 13. Trend Assumptions

An explicit medical cost trend is not included in the projections.

### 14. Actual to Expected Experience

Exhibit II provides a comparison of actual and projected nationwide experience using current assumptions to expected experience using original pricing assumptions. Values in Exhibit II are shown (a) before and (b) after the requested rate increase. Included are



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calendar year earned premiums, incurred claims, annual loss ratios, cumulative loss ratios, and the ratio of actual-to-expected (A:E) loss ratios.

Exhibit III provides A:E lifetime loss ratios by issue age band derived from the same actual and expected nationwide experience underlying Exhibit II. The issue age bands shown in Exhibit III are the same as those underlying the analysis performed for the rate increase request.

Actual experience is provided from inception through 2014 and then projected on a seriatim basis for 60 years using the current assumptions described above in Section 5. The projected experience reflects the prior nationwide rate increases approved on the Simplicity forms between December 2012 and September 2015, which average 19% across all issue ages and jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increase on a seriatim basis.

Expected experience was projected on a seriatim basis from issue using the original pricing assumptions and the actual mix of policies sold.

The experience in Exhibits II and III reflects pooled nationwide experience of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners, across the above-referenced forms and similar nationwide forms. Pooling Highmark BCBS's experience with MedAmerica's, as well as MedAmerica's other affinity partners', is considered appropriate because the products issued by MedAmerica and the other affinity partners are identical to those included in this filing, the marketing and distribution employed by MedAmerica and the other affinity partners is similar to that of Highmark BCBS, and because the same company (MedAmerica) administers and manages the entire block (including underwriting and claims handling). MedAmerica has 50% to 100% of the risk of the affinity partner forms via reinsurance arrangements with each affinity partner.

Exhibit IV provides a comparison of the current and original pricing assumptions, which underlie the actual and expected experience described above.

### **15. History of Previous Rate Revisions**

In Pennsylvania, three prior rate increases have been approved and implemented on these policy forms. The cumulative prior approved increase varied by issue age from 0% to 60%. The prior rate increases were approved by the Department in June 2013, September 2014, and July 2015.

Nationwide, there has been one prior rate increase request on this block of business. Beginning in December 2012, MedAmerica requested a rate increase that varied by issue age ranging from 0% to 60%, and averaged 37% across all jurisdictions nationwide.

Currently, the prior rate increase has been submitted in 47 of the 49 jurisdictions with Simplicity business in force, 37 of which have reached a decision regarding the request. Of these 37 jurisdictions, 28 have approved the full rate increase request and nine

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approved a portion of the original request. The average amount approved to date is 34% across these 37 jurisdictions.

As a part of this rate increase process, a follow-up increase has been or is expected to be requested in most jurisdictions. Regardless of prior approvals, the same cumulative rate increase level as shown in Exhibit I will be requested in all jurisdictions except where it is not cost effective to file an increase due to the limited amount of in-force business or regulatory requirements.

#### **16. Analysis Performed to Consider a Rate Increase**

This rate increase request is a follow-up to the 2012 nationwide rate increase request. It is intended to achieve a rate increase level which the company believes is needed to alleviate the poor performance on this block of business. As a part of the prior nationwide request, the company certified that rates would remain stable under moderately adverse experience (MAE) if the rate increase was approved as requested. The certification required that experience deteriorate past the company's threshold for MAE, which was defined as a lifetime loss ratio of 85%.

Exhibit II-a demonstrates that the lifetime loss ratio of 107% before the requested rate increase using current assumptions has deteriorated beyond the 85% lifetime loss ratio threshold, and as a result additional rate increases could be considered.

A comparison of the current assumptions used in this filing and the assumptions used in the 2012 nationwide request is provided in Exhibit V.

#### **17. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

The company is requesting a rate increase that varies by issue age as shown in Exhibit I. This request is being sought to achieve the cumulative rate increase that the company believes is needed to alleviate the poor performance on this block of business. While a significantly larger rate increase is needed to restore the performance to the original pricing expectation, the company is willing to shoulder the majority of the needed rate increase from consumers.

The rate increase was determined by issue age to better align the rate increase with adverse experience and to minimize the rate increase for older insureds. MedAmerica's goal is equity across all jurisdictions, to the extent practical. The rate increase was determined in such a way that minimizes subsidization across jurisdictions due to differences in the previously approved rate increases.

Appendix B to this memorandum provides additional details on the development of and justification for the above requested rate increase.

The average requested increase across all issue ages is 77% in Pennsylvania. The table below provides the prior approved increase for each issue age band, as well as the requested increase and resulting cumulative premium rate increase for each central age.

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Issue Age Band	Prior Approved Increase	Requested Increase for Central Age	Cumulative Increase for Central Age
<40	60%	81.9%	191%
40-44	56	86.5	191
45-49	50	80.7	171
50-54	46	74.7	155
55-59	38	76.9	144
60-64	29	73.6	124
65-69	20	67.5	101
70-74	13	61.9	83
75+ <sup>[1]</sup>	0	63.0	63

*[1] The central issue age is 80 based on an issue age range of 75 to 85 for the business in force nationwide as of December 31, 2014.*

Company management has indicated that if the requested rate increase shown above is approved, no future premium rate increases are anticipated unless experience deteriorates beyond an 85% lifetime loss ratio. MAE is then defined as a 15% multiplicative increase in the future (2015+) loss ratio. This is equivalent to approximately a 10% additive increase in the lifetime loss ratio, due to any combination of deterioration in the experience from that expected using the current assumptions described in Section 5.

Corresponding rate tables reflecting the current and proposed rate schedules are enclosed with this filing. Please note that the actual rates implemented may vary from those in the enclosed rate tables slightly due to implementation rounding algorithms.

As Highmark BCBS is not currently marketing new business, the required statement that the renewal premium rate schedules are not greater than the new business premium rate schedules is not applicable.

Exhibit VI provides a demonstration that the requested rate increase meets the 58%/85% test required by rate stability regulation. This exhibit shows that the sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times 58%,
2. 85% of the accumulated value of prior premium rate schedule increases,
3. Present value of future projected initial earned premium times 58%, and
4. 85% of the present value of future projected premium in excess of the projected initial earned premium.

While the majority of policies subject to this rate increase are eligible for a CBUL, an alternative version of the 58%/85% test is not provided per rate stability regulation, as the original pricing lifetime loss ratio of 57% is not greater than 58%.

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The future projected incurred claims in Exhibit VI were increased by 15% from the current assumptions described in Section 5 to reflect assumptions that include moderately adverse conditions. A 15% increase in future incurred claims was determined as one scenario that results in a lifetime loss ratio of 85% (which is the threshold for MAE as described above). It is among many possible alternative adverse experience scenarios, but considered one of the simplest since it involves only one assumption shift.

Present and accumulated values in Exhibit VI are determined at the maximum valuation interest rate for contract reserves applicable for the year of issue, which ranges from 4.0% to 4.5% depending on the year of issue and averages 4.1%.

#### **18. Average Annual Premium in Pennsylvania (Annualized Premium Based on December 31, 2014 In-Force)**

<b>Issue Ages</b>	<b>In-Force Insured Count<sup>[1]</sup></b>	<b>With Prior Increase Premium</b>	<b>After Requested Increase Premium</b>
<40	36	\$578	\$1,052
40-44	32	1,257	2,345
45-49	72	1,752	3,151
50-54	126	1,752	3,056
55-59	102	2,090	3,696
60-64	53	2,394	4,211
65-69	8	2,037	3,376
70-74	4	3,327	5,436
75+	1	2,358	4,126
All Ages	434	1,797	3,175

*[1] Excludes policies that are assumed to be paid up at the time of the rate increase.*

#### **19. Proposed Effective Date**

This rate increase will apply to policies on their next premium payment date following at least a 60-day policyholder notification period following approval, but no sooner than 12 months after the prior rate increase was implemented.

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**20. Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners' Nationwide Distribution of Business as of December 31, 2014 (Based on In-Force Insured Count)**

<b>Issue Ages</b>	<b>Percent Distribution</b>
<40	9%
40-44	8
45-49	13
50-54	20
55-59	23
60-64	16
65-69	7
70-74	3
75+	1

<b>Elimination Period</b>	<b>Percent Distribution</b>
30-Day	22%
60-Day	13
90-Day	64
180-Day	1

<b>Benefit Period</b>	<b>Percent Distribution</b>
2-Year	10%
3-Year	31
4-Year	18
5-Year	21
7-Year	11
Lifetime	9

<b>Inflation Option</b>	<b>Percent Distribution</b>
None	24%
Simple for Life	26
Compound for Life	18
Compound with 2X Maximum	32

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Premium Payment Option	Percent Distribution
Ten-Pay	12%
Pay to Age 65	3
Reduced at Age 70	<1
Reduced at Age 65	<1
Lifetime-Pay	85

Coverage Type	Percent Distribution
Facility Only	3%
Comprehensive	95
Home Health Only	2

### 21. Number of Insureds and Annualized Premium

Based on the in-force count as of December 31, 2014 of Highmark BCBS in this jurisdiction and Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners nationwide, the number of insureds and annualized premium that will be affected by this increase are:

Jurisdiction	Number of Insureds	Annualized Premium <sup>[1]</sup>
Pennsylvania	434	\$664,991
Nationwide	18,959	\$36,921,184

*[1] Annualized premiums reflect all rate increases implemented in Pennsylvania and nationwide as of December 31, 2014.*

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#### 22. Actuarial Certification

I am a Principal and Consulting Actuary for Milliman, Inc. and retained by MedAmerica to render an opinion with regard to long-term care insurance rates. I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards to render this actuarial opinion and am familiar with the requirements for filing long-term care insurance premiums and rate increases.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8, "Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits" and 18, "Long-Term Care Insurance".

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of this jurisdiction and the rules of the department of insurance.

In my opinion, the rates are not excessive or unfairly discriminatory, and bear reasonable relationship to the benefits based on the loss ratio standards of this jurisdiction. If the requested premium rate schedule increase is implemented and the underlying assumptions, with moderately adverse conditions reflected, are realized, no further premium rate schedule increases are anticipated. Moderately adverse conditions are defined as any combination of deterioration in the experience or assumptions that results in a lifetime loss ratio in excess of 85%.

In forming my opinion, I have used actuarial assumptions and actuarial methods (which gave consideration to policy design, underwriting, and claim adjudication) and such tests of the actuarial calculations as I considered necessary. Based on these assumptions, or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this jurisdiction.

I have relied on data and information provided by MedAmerica to develop this memorandum, including but not limited to management's view of when a rate change may be considered, policy design, underwriting and claim adjudication process, seriatim in-force data, claim data, and the company's long-term earnings rate. I have not audited or independently verified the data and information provided, but have reviewed it for reasonableness.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.



Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary

Date: April 8, 2016

**Exhibit I**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Cumulative Requested Rate Increases by Issue Age**  
**Individual Simplicity Policy Forms**

Issue Age	Requested Rate Increase	Issue Age	Requested Rate Increase
< 45	191%	65	111%
45	181%	66	106%
46	176%	67	101%
47	171%	68	95%
48	166%	69	90%
49	160%	70	87%
50	159%	71	85%
51	157%	72	83%
52	155%	73	81%
53	153%	74	79%
54	151%	75	79%
55	151%	76	75%
56	147%	77	72%
57	144%	78	69%
58	140%	79	66%
59	137%	80	63%
60	137%	81	60%
61	130%	82	56%
62	124%	83	53%
63	117%	84	50%
64	111%	85	47%



**Exhibit II-a**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Combined Nationwide Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.32% Interest	Actual-to-Expected Ratio
Historical Experience	2004	1,942,565	299,291	15%	3,079	1,903,802	36,408	2%	3,052	15%	2%	8.49
	2005	11,098,140	704,251	6%	8,666	10,873,993	219,506	2%	8,484	8%	2%	4.05
	2006	21,633,477	127,091	1%	16,067	20,831,726	506,204	2%	15,530	3%	2%	1.55
	2007	32,580,387	1,314,720	4%	20,865	30,883,849	913,113	3%	20,075	4%	2%	1.48
	2008	37,102,427	2,873,196	8%	21,440	34,545,463	1,363,706	4%	20,431	5%	3%	1.72
	2009	36,651,035	1,804,026	5%	20,626	33,869,760	1,890,966	6%	19,852	5%	4%	1.43
	2010	35,893,738	3,127,792	9%	20,168	33,097,690	2,525,074	8%	19,383	6%	4%	1.35
	2011	35,558,393	4,131,089	12%	19,805	32,494,026	3,256,293	10%	19,061	7%	5%	1.31
	2012	35,555,401	4,870,535	14%	19,770	32,208,480	4,021,665	12%	18,946	7%	6%	1.27
	2013	36,438,885	5,688,002	16%	19,565	32,739,705	4,791,079	15%	19,055	8%	7%	1.24
	2014	37,265,289	7,662,242	21%	18,959	31,784,584	5,550,446	17%	18,461	9%	8%	1.24
	Projected Future Experience (60 Years)	2015	36,615,851	7,537,511	21%	18,591	29,245,684	6,327,537	22%	17,906	10%	9%
2016		34,778,198	8,606,493	25%	18,254	26,490,721	7,155,521	27%	17,370	11%	10%	1.19
2017		31,685,417	9,779,856	31%	17,919	23,566,576	8,051,478	34%	16,841	12%	11%	1.17
2018		29,584,509	11,196,971	38%	17,581	21,571,532	9,036,666	42%	16,314	14%	12%	1.16
2019		28,562,066	12,928,579	45%	17,238	20,444,438	10,095,932	49%	15,787	15%	13%	1.16
2020		27,558,620	14,961,645	54%	16,886	19,387,722	11,126,933	57%	15,258	16%	14%	1.16
2021		26,710,022	17,248,487	65%	16,525	18,440,291	12,164,144	66%	14,727	18%	15%	1.17
2022		25,807,399	19,745,164	77%	16,151	17,450,962	13,238,836	76%	14,193	20%	17%	1.18
2023		24,751,431	22,405,030	91%	15,761	16,335,689	14,443,633	88%	13,658	22%	18%	1.20
2024		23,833,079	25,248,241	106%	15,353	15,397,913	15,805,853	103%	13,121	24%	19%	1.22
2025		22,945,898	28,283,326	123%	14,927	14,525,388	17,273,401	119%	12,583	26%	21%	1.24
2026		22,041,082	31,540,307	143%	14,482	13,673,949	18,860,017	138%	12,045	28%	22%	1.26
2027		21,122,511	35,080,669	166%	14,017	12,844,487	20,566,216	160%	11,508	30%	24%	1.29
2028		20,159,806	38,838,276	193%	13,534	12,023,795	22,383,869	186%	10,973	33%	25%	1.31
2029		19,182,203	42,736,968	223%	13,036	11,219,300	24,309,389	217%	10,440	35%	27%	1.33
2030		18,214,854	47,002,621	258%	12,525	10,444,353	26,300,654	252%	9,910	38%	28%	1.35
2031		17,230,917	51,744,668	300%	12,004	9,689,122	28,324,844	292%	9,386	41%	30%	1.38
2032		16,254,863	56,728,672	349%	11,475	8,966,082	30,349,514	338%	8,869	44%	31%	1.40
2033		15,289,206	61,927,874	405%	10,940	8,274,611	32,337,121	391%	8,359	47%	33%	1.43
2034		14,317,911	67,018,723	468%	10,400	7,601,966	34,274,544	451%	7,858	50%	34%	1.45
2035		13,364,704	71,912,488	538%	9,859	6,961,833	36,102,564	519%	7,368	53%	36%	1.48
2036		12,428,482	76,530,429	616%	9,317	6,350,537	37,771,977	595%	6,890	57%	38%	1.51
2037		11,507,684	80,798,905	702%	8,777	5,769,113	39,270,432	681%	6,426	60%	39%	1.53
2038		10,607,015	84,697,409	799%	8,242	5,217,871	40,565,525	777%	5,976	63%	41%	1.56
2039		9,743,340	88,039,942	904%	7,714	4,704,364	41,621,391	885%	5,541	67%	42%	1.58
2040		8,910,171	90,678,584	1,018%	7,195	4,222,592	42,409,682	1,004%	5,123	70%	43%	1.61
2041		8,112,771	92,444,812	1,139%	6,688	3,776,762	42,894,643	1,136%	4,723	73%	45%	1.63
2042		7,351,941	93,415,066	1,271%	6,194	3,361,405	43,075,656	1,281%	4,341	76%	46%	1.66
2043		6,631,669	93,558,294	1,411%	5,716	2,980,949	42,951,684	1,441%	3,979	79%	47%	1.68
2044		5,954,208	93,004,839	1,562%	5,256	2,632,915	42,534,224	1,615%	3,635	82%	48%	1.70
2045		5,320,857	91,764,960	1,725%	4,816	2,316,278	41,845,189	1,807%	3,312	84%	49%	1.71
2046		4,732,794	89,901,609	1,900%	4,396	2,029,076	40,898,055	2,016%	3,008	87%	50%	1.73
2047		4,189,099	87,442,256	2,087%	3,998	1,770,332	39,724,185	2,244%	2,725	89%	51%	1.75
2048		3,691,199	84,539,209	2,290%	3,624	1,538,387	38,353,711	2,493%	2,461	91%	52%	1.76
2049		3,236,720	81,313,090	2,512%	3,273	1,331,424	36,822,755	2,766%	2,216	93%	52%	1.77
2050		2,826,335	77,695,592	2,749%	2,946	1,148,434	35,174,684	3,063%	1,991	95%	53%	1.79
2051	2,456,414	73,789,866	3,004%	2,643	987,216	33,442,973	3,388%	1,783	96%	54%	1.80	
2052	2,125,906	69,690,028	3,278%	2,363	845,879	31,639,235	3,740%	1,593	98%	54%	1.81	
2053	1,831,849	65,553,395	3,579%	2,106	722,597	29,802,366	4,124%	1,419	99%	55%	1.82	
2054	1,572,250	61,424,304	3,907%	1,871	615,651	27,959,218	4,541%	1,261	100%	55%	1.82	
2055-2059	4,979,392	244,527,751	4,911%	6,527	1,925,974	113,096,402	5,872%	4,412	104%	56%	1.85	
2060-2064	2,106,304	151,245,374	7,181%	3,316	812,784	73,366,771	9,027%	2,253	106%	57%	1.86	
2065-2069	830,509	80,946,946	9,747%	1,563	323,872	43,179,944	13,332%	1,052	107%	57%	1.87	
2070-2074	307,411	36,940,552	12,017%	675	118,831	22,648,227	19,059%	434	107%	57%	1.87	

**Exhibit II-b**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Combined Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.32% Interest	Actual-to-Expected Ratio
Historical Experience	2004	1,942,565	299,291	15%	3,079	1,903,802	36,408	2%	3,052	15%	2%	8.49
	2005	11,098,140	704,251	6%	8,666	10,873,993	219,506	2%	8,484	8%	2%	4.05
	2006	21,633,477	127,091	1%	16,067	20,831,726	506,204	2%	15,530	3%	2%	1.55
	2007	32,580,387	1,314,720	4%	20,865	30,883,849	913,113	3%	20,075	4%	2%	1.48
	2008	37,102,427	2,873,196	8%	21,440	34,545,463	1,363,706	4%	20,431	5%	3%	1.72
	2009	36,651,035	1,804,026	5%	20,626	33,869,760	1,890,966	6%	19,852	5%	4%	1.43
	2010	35,893,738	3,127,792	9%	20,168	33,097,690	2,525,074	8%	19,383	6%	4%	1.35
	2011	35,558,393	4,131,089	12%	19,805	32,494,026	3,256,293	10%	19,061	7%	5%	1.31
	2012	35,555,401	4,870,535	14%	19,770	32,208,480	4,021,665	12%	18,946	7%	6%	1.27
	2013	36,438,885	5,688,002	16%	19,565	32,739,705	4,791,079	15%	19,055	8%	7%	1.24
	2014	37,265,289	7,662,242	21%	18,959	31,784,584	5,550,446	17%	18,461	9%	8%	1.24
	Projected Future Experience (60 Years)	2015	36,615,851	7,537,511	21%	18,591	29,245,684	6,327,537	22%	17,906	10%	9%
2016		37,006,551	8,476,572	23%	17,733	26,490,721	7,155,521	27%	17,370	11%	10%	1.18
2017		47,720,400	8,730,695	18%	16,715	23,566,576	8,051,478	34%	16,841	12%	11%	1.11
2018		48,087,525	9,725,442	20%	16,398	21,571,532	9,036,666	42%	16,314	12%	12%	1.06
2019		46,455,521	11,212,822	24%	16,077	20,444,438	10,095,932	49%	15,787	13%	13%	1.02
2020		44,833,864	12,959,357	29%	15,752	19,387,722	11,126,933	57%	15,258	14%	14%	0.99
2021		43,465,621	14,923,580	34%	15,418	18,440,291	12,164,144	66%	14,727	15%	15%	0.97
2022		41,991,556	17,065,590	41%	15,072	17,450,962	13,238,836	76%	14,193	16%	17%	0.97
2023		40,179,399	19,344,026	48%	14,711	16,335,689	14,443,633	88%	13,658	17%	18%	0.96
2024		38,701,348	21,778,947	56%	14,333	15,397,913	15,805,853	103%	13,121	19%	19%	0.96
2025		37,297,341	24,376,776	65%	13,938	14,525,388	17,273,401	119%	12,583	20%	21%	0.96
2026		35,859,137	27,162,684	76%	13,526	13,673,949	18,860,017	138%	12,045	21%	22%	0.97
2027		34,407,095	30,190,076	88%	13,095	12,844,487	20,566,216	160%	11,508	23%	24%	0.97
2028		32,880,915	33,400,548	102%	12,647	12,023,795	22,383,869	186%	10,973	25%	25%	0.98
2029		31,325,156	36,729,409	117%	12,184	11,219,300	24,309,389	217%	10,440	26%	27%	0.99
2030		29,793,043	40,371,364	136%	11,710	10,444,353	26,300,654	252%	9,910	28%	28%	1.00
2031		28,232,299	44,421,557	157%	11,226	9,689,122	28,324,844	292%	9,386	30%	30%	1.01
2032		26,682,891	48,678,535	182%	10,734	8,966,082	30,349,514	338%	8,869	32%	31%	1.02
2033		25,148,563	53,118,380	211%	10,237	8,274,611	32,337,121	391%	8,359	34%	33%	1.04
2034		23,596,756	57,466,367	244%	9,735	7,601,966	34,274,544	451%	7,858	36%	34%	1.05
2035		22,071,841	61,645,725	279%	9,231	6,961,833	36,102,564	519%	7,368	38%	36%	1.06
2036		20,571,660	65,590,515	319%	8,726	6,350,537	37,771,977	595%	6,890	41%	38%	1.08
2037		19,089,497	69,232,055	363%	8,224	5,769,113	39,270,432	681%	6,426	43%	39%	1.09
2038		17,634,509	72,554,148	411%	7,725	5,217,871	40,565,525	777%	5,976	45%	41%	1.11
2039		16,237,976	75,399,877	464%	7,233	4,704,364	41,621,391	885%	5,541	47%	42%	1.13
2040		14,886,006	77,640,861	522%	6,749	4,222,592	42,409,682	1,004%	5,123	50%	43%	1.14
2041		13,589,626	79,134,267	582%	6,275	3,776,762	42,894,643	1,136%	4,723	52%	45%	1.16
2042		12,347,156	79,943,637	647%	5,814	3,361,405	43,075,656	1,281%	4,341	54%	46%	1.17
2043		11,167,338	80,046,308	717%	5,368	2,980,949	42,951,684	1,441%	3,979	56%	47%	1.18
2044		10,054,357	79,558,175	791%	4,937	2,632,915	42,534,224	1,615%	3,635	58%	48%	1.19
2045		9,010,737	78,486,533	871%	4,525	2,316,278	41,845,189	1,807%	3,312	59%	49%	1.21
2046		8,038,486	76,888,435	957%	4,132	2,029,076	40,898,055	2,016%	3,008	61%	50%	1.22
2047		7,136,697	74,783,088	1,048%	3,760	1,770,332	39,724,185	2,244%	2,725	62%	51%	1.23
2048		6,307,802	72,299,413	1,146%	3,409	1,538,387	38,353,711	2,493%	2,461	64%	52%	1.24
2049	5,548,325	69,543,246	1,253%	3,080	1,331,424	36,822,755	2,766%	2,216	65%	52%	1.24	
2050	4,860,146	66,454,540	1,367%	2,773	1,148,434	35,174,684	3,063%	1,991	66%	53%	1.25	
2051	4,237,576	63,121,615	1,490%	2,488	987,216	33,442,973	3,388%	1,783	67%	54%	1.26	
2052	3,679,216	59,622,401	1,621%	2,225	845,879	31,639,235	3,740%	1,593	68%	54%	1.26	
2053	3,180,521	56,093,241	1,764%	1,984	722,597	29,802,366	4,124%	1,419	69%	55%	1.27	
2054	2,738,406	52,566,466	1,920%	1,763	615,651	27,959,218	4,541%	1,261	70%	55%	1.28	
2055-2059	8,739,935	209,263,716	2,394%	6,154	1,925,974	113,096,402	5,872%	4,412	73%	56%	1.29	
2060-2064	3,737,034	129,416,545	3,463%	3,128	812,784	73,366,771	9,027%	2,253	74%	57%	1.30	
2065-2069	1,478,947	69,162,720	4,676%	1,474	323,872	43,179,944	13,332%	1,052	75%	57%	1.31	
2070-2074	546,075	31,442,804	5,758%	637	118,831	22,648,227	19,059%	434	75%	57%	1.31	

**Exhibit III**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Issue Age Band**  
**Combined Nationwide Experience**  
**Individual Simplicity Policy Forms**

<b>Before Requested Rate Increase</b>			
<b>Issue Age Band</b>	<b>Lifetime Loss Ratio with Interest as of 12/31/2014</b>		
	<b>Actual</b>	<b>Expected</b>	<b>Actual-to-Expected</b>
<45	133%	60%	2.22
45-49	125%	61%	2.04
50-54	115%	60%	1.92
55-59	106%	57%	1.86
60-64	93%	53%	1.75
65-69	89%	55%	1.61
70-74	89%	55%	1.62
75+	81%	49%	1.66

<b>After Requested Rate Increase</b>			
<b>Issue Age Band</b>	<b>Lifetime Loss Ratio with Interest as of 12/31/2014</b>		
	<b>Actual</b>	<b>Expected</b>	<b>Actual-to-Expected</b>
<45	87%	60%	1.45
45-49	83%	61%	1.35
50-54	78%	60%	1.31
55-59	73%	57%	1.29
60-64	66%	53%	1.24
65-69	67%	55%	1.21
70-74	73%	55%	1.32
75+	72%	49%	1.47

**Exhibit IV**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Original Pricing Assumptions**

**Mortality**

1994 Group Annuitant Mortality (GAM) Table adjusted using the durational factors shown in the following table. The durational adjustment factors were developed for MedAmerica Insurance Company (MAPA); MAPA's two sister companies, MedAmerica Insurance Company of Florida (MAFL) and MedAmerica Insurance Company of New York (MANY) (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners based on historical experience from inception through March 31, 2015 on all policy forms priced beginning in 1998.

1983 GAM Table without selection was assumed in all jurisdictions except for in California where the 1994 GAM Table was used.

<b>Duration</b>	<b>Durational Factor</b>
<b>1</b>	25%
<b>2</b>	35%
<b>3</b>	42%
<b>4</b>	44%
<b>5</b>	45%
<b>6</b>	47%
<b>7</b>	48%
<b>8</b>	50%
<b>9</b>	53%
<b>10</b>	55%
<b>11</b>	58%
<b>12</b>	60%

<b>Duration</b>	<b>Durational Factor</b>
<b>13</b>	63%
<b>14</b>	64%
<b>15</b>	66%
<b>16</b>	67%
<b>17</b>	69%
<b>18</b>	70%
<b>19</b>	73%
<b>20</b>	75%
<b>21</b>	78%
<b>22</b>	80%
<b>23</b>	83%
<b>24+</b>	85%

**Exhibit IV**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Original Pricing Assumptions**

**Lapse Rates**

Lapse rates vary by duration, premium payment option, and issue age, and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners from inception through March 31, 2015.

Lapse rates vary by duration, premium payment option, and issue age.

<b>Lifetime-Pay Lapse Rates</b>				
<b>Duration</b>	<b>Issue Age Band</b>			
	<b>&lt;40</b>	<b>40-49</b>	<b>50-59</b>	<b>60+</b>
<b>1</b>	17.5%	9.5%	5.5%	5.5%
<b>2</b>	16.5%	9.0%	5.0%	4.5%
<b>3</b>	12.0%	6.0%	4.0%	3.5%
<b>4</b>	8.0%	4.5%	3.0%	3.0%
<b>5</b>	7.0%	4.0%	3.0%	2.5%
<b>6</b>	5.0%	3.0%	2.5%	2.0%
<b>7</b>	3.5%	3.0%	2.0%	1.5%
<b>8</b>	2.0%	1.5%	1.5%	1.5%
<b>9+</b>	1.0%	1.0%	1.0%	1.0%

<b>Lifetime-Pay Lapse Rates</b>						
<b>Duration</b>	<b>Issue Age Band</b>					
	<b>&lt;60</b>	<b>60-64</b>	<b>65-69</b>	<b>70-74</b>	<b>75-79</b>	<b>80+</b>
<b>1</b>	10.0%	11.0%	12.0%	12.0%	12.0%	12.0%
<b>2</b>	7.0%	7.0%	7.0%	6.0%	4.0%	2.0%
<b>3</b>	5.0%	4.0%	3.0%	3.0%	3.0%	2.0%
<b>4</b>	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
<b>5</b>	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>6+</b>	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

For the 10-pay option, a reduction of 65% of these lapse rates was assumed for durations 1 to 4, a reduction of 70% of these lapse rates was assumed for durations 5 to 8, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates was assumed until age 55, a reduction of 75% of these lapse rates for ages 55 to 59, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates after the reduction of premiums.

For the 10-year payment option, a reduction of 50% of these lapse rates was assumed for durations 1 to 5, and 0% lapse thereafter. For the paid up at age 65 option, a reduction of 50% of these lapse rates was assumed until age 60, and 0% lapse thereafter. For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates was assumed after the reduction of premiums.

**Exhibit IV**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

Current Assumptions	Original Pricing Assumptions
<b>Morbidity</b>	
Expected claim costs are developed using the 2014 Milliman <i>Long-Term Care Guidelines (LTCGs)</i> with adjustments for an all-lives exposure basis. The claim costs are further adjusted based on historical claim experience by attained age, duration, and coverage-type, to the extent credible.	Original expected claim costs were developed using the 2002 <i>LTCGs</i> with best-estimate (with no explicit margin) adjustments for an all-lives exposure basis. The claim costs were further adjusted based on MedAmerica's available experience at the time.
<b>Interest Rate</b>	
5.00%	In all jurisdictions except California, 6.5% was assumed for issue ages less than 60, decreasing by 12.5 basis points for each age over 59 and less than 75. For example, at issue age 65 the assumed rate was 5.75%. For issue ages 75 and over, 4.5% was assumed. In California, 5.25% was assumed for all issue ages.
<b>Improvement</b>	
Mortality and morbidity improvement is assumed for 15 years. Mortality improvement levels of 0.5% and 1.0% are assumed beginning in calendar year 2015 for females and males, respectively. Morbidity improvement levels of 1.0% and 1.5% are assumed beginning in calendar year 2015 for females and males, respectively.	No mortality improvement was assumed. Morbidity improvement of 1.0% was assumed for 20 years for both females and males.

**Exhibit V**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Prior Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Prior Nationwide Rate Increase Assumptions**

**Mortality**

1994 Group Annuitant Mortality (GAM) Table adjusted using the durational factors shown in the following table. The durational adjustment factors were developed for MedAmerica Insurance Company (MAPA); MAPA's two sister companies, MedAmerica Insurance Company of Florida (MAFL) and MedAmerica Insurance Company of New York (MANY) (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners based on historical experience from inception through March 31, 2015 on all policy forms priced beginning in 1998.

1994 GAM Table adjusted by gender using durational factors which reflect the impact of both mortality selection and improvement. The durational adjustment factors were developed for MAPA; MAPA's two sister companies, MAFL and MANY (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners based on historical experience from inception through December 31, 2011 on all policy forms priced beginning in 1998, except the recently priced FlexCare policy form.

Duration	Durational Factor
1	25%
2	35%
3	42%
4	44%
5	45%
6	47%
7	48%
8	50%
9	53%
10	55%
11	58%
12	60%

Duration	Durational Factor
13	63%
14	64%
15	66%
16	67%
17	69%
18	70%
19	73%
20	75%
21	78%
22	80%
23	83%
24+	85%

Duration	Durational Factor	
	Male	Female
1	25%	25%
2	40%	40%
3	45%	45%
4	47%	48%
5	50%	51%
6	52%	54%
7	55%	57%
8	57%	60%
9	61%	63%
10	64%	66%
11	68%	69%

Duration	Durational Factor	
	Male	Female
12	71%	72%
13	75%	75%
14	76%	77%
15	78%	80%
16	79%	82%
17	81%	84%
18	82%	86%
19	83%	89%
20	85%	91%
21+	86%	93%

**Exhibit V**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Prior Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Prior Nationwide Rate Increase Assumptions**

**Lapse Rates**

Lapse rates vary by duration, premium payment option, and issue age, and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners from inception through March 31, 2015.

Lapse rates vary by duration, premium payment option, and issue age, and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners from inception through December 31, 2011.

<b>Lifetime-Pay Lapse Rates</b>				
<b>Duration</b>	<b>Issue Age Band</b>			
	<b>&lt;40</b>	<b>40-49</b>	<b>50-59</b>	<b>60+</b>
<b>1</b>	17.5%	9.5%	5.5%	5.5%
<b>2</b>	16.5%	9.0%	5.0%	4.5%
<b>3</b>	12.0%	6.0%	4.0%	3.5%
<b>4</b>	8.0%	4.5%	3.0%	3.0%
<b>5</b>	7.0%	4.0%	3.0%	2.5%
<b>6</b>	5.0%	3.0%	2.5%	2.0%
<b>7</b>	3.5%	3.0%	2.0%	1.5%
<b>8</b>	2.0%	1.5%	1.5%	1.5%
<b>9+</b>	1.0%	1.0%	1.0%	1.0%

<b>Lifetime-Pay Lapse Rates</b>				
<b>Duration</b>	<b>Issue Age Band</b>			
	<b>&lt;40</b>	<b>40-49</b>	<b>50-59</b>	<b>60+</b>
<b>1</b>	16.00%	9.00%	5.50%	5.75%
<b>2</b>	16.00%	9.00%	4.75%	4.75%
<b>3</b>	11.00%	5.50%	4.00%	3.50%
<b>4</b>	7.00%	4.50%	3.00%	3.00%
<b>5</b>	5.00%	3.50%	2.75%	2.25%
<b>6</b>	3.00%	2.00%	2.00%	1.75%
<b>7+</b>	1.50%	1.50%	1.50%	1.50%

For the 10-pay option, a reduction of 65% of these lapse rates was assumed for durations 1 to 4, a reduction of 70% of these lapse rates was assumed for durations 5 to 8, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates was assumed until age 55, a reduction of 75% of these lapse rates for ages 55 to 59, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates after the reduction of premiums.

For the 10-pay option, a reduction of 50% of these lapse rates is assumed for durations 1 to 5, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates is assumed until age 60, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates is assumed after the reduction of premiums.



**Exhibit V**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Comparison of Current and Prior Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Prior Nationwide Rate Increase Assumptions**

**Morbidity**

Expected claim costs are developed using the 2014 Milliman *Long-Term Care Guidelines (LTCGs)* with adjustments for an all-lives exposure basis. The claim costs are further adjusted based on historical claim experience by attained age, duration, and coverage-type, to the extent credible.

Expected claim costs are the original pricing claim costs, adjusted to an all-lives exposure base. The claim costs are further adjusted based on historical claim experience on a durational basis, to the extent credible.

**Interest Rate**

5.00%

5.25%

**Improvement**

Mortality and morbidity improvement is assumed for 15 years. Mortality improvement levels of 0.5% and 1.0% are assumed beginning in calendar year 2015 for females and males, respectively. Morbidity improvement levels of 1.0% and 1.5% are assumed beginning in calendar year 2015 for females and males, respectively.

No mortality improvement was assumed; however, the ultimate mortality level was determined by assuming mortality improvement of 1.0% for males and 0.5% for females for 15 years. Embedded in the original pricing claim costs is a morbidity improvement assumption of 1.0% per year for 20 years for both females and males.

**Exhibit VI**  
**Demonstration that the Requested Cumulative Rate Increase Passes the 58%/85% Loss Ratio Minimum**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners' Combined Nationwide Experience with Prior Approved Increases**  
**Individual Simplicity Policy Forms**

1	Accumulated value of initial earned premium	387,248,202	x	58%	=	224,603,957
2a	Accumulated value of earned premium	390,303,108				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	3,054,907	x	85%	=	2,596,671
3	Present value of future projected initial earned premium	277,362,667	x	58%	=	160,870,347
4a	Present value of future projected premium	595,753,236				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	318,390,569	x	85%	=	270,631,983
<b>5</b>	<b>Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b</b>					<b>658,702,958</b>
6a	Accumulated value of incurred claims without the inclusion of active life reserves					37,448,745
6b	Present value of future projected incurred claims without the inclusion of active life reserves					933,638,402
<b>7</b>	<b>Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b</b>					<b>971,087,147</b>
8	Test: 7 is not less than 5					Pass
<p><i>All values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue, which ranges from 4.0% to 4.5%.  Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.  The future projected incurred claims (item 6b) were increased by 15% to reflect assumptions with moderately adverse experience.</i></p>						

## **Appendix A**

### **Development and Justification of Current Assumptions**

The assumptions for mortality, voluntary lapse, and morbidity were developed by Milliman based on historical experience. Where actual experience had low credibility or did not exist, industry experience was also used. The experience used to develop these assumptions includes historical experience of Highmark Blue Cross Blue Shield (Highmark BCBS), MedAmerica Insurance Company (MAPA); MAPA's two sister companies, MedAmerica Insurance Company of Florida (MAFL) and MedAmerica Insurance Company of New York (MANY) (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's other affinity partners that issued the same products. For persistency, policy termination experience through March 31, 2015 was used, whereas for morbidity, claim experience through December 31, 2014 was used. The methodology used to develop these assumptions is provided below.

#### ***Persistency***

##### *Mortality Durational Factors*

The experience used to develop the mortality assumption includes detailed historical experience of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners from inception through March 31, 2015 for all policy forms priced beginning in 1998 (Premier and later policy forms).

Exhibit A-1 provides exposure, actual and expected mortality rates, actual-to-expected (A:E) ratios, credibility percent, and smoothed mortality durational factors on a unisex basis.

Actual deaths were assigned to the duration in which they occurred, or the preceding duration if the death was on the policy anniversary date. The number of expected deaths by duration was calculated by multiplying a mortality rate by the exposure. The exposure base reflects a full year of exposure for each death and the length of time a covered life is exposed to the risk of death during the year for each life that does not die. The mortality table for determining the expected number of deaths is 1994 Group Annuitant Mortality (94GAM) Static. (The 94GAM Static table has mortality rates that are 93% of the 94GAM Basic table.) The ratio of actual deaths to expected deaths was then calculated.

Considering the level of credibility, the A:E ratios were pegged for quinquennial durational bands and then interpolated to develop smoothed factors for the first 25 durations. The smoothed factors were determined such that the bands of quinquennial durations reproduced the actual experience, to the extent credible. An ultimate level of 85% of the gender-distinct 94GAM Static table was assumed based on actual experience, to the extent credible, and ultimate experience for other fully credible cohorts. While the durational factors do not reflect an explicit assumption for future mortality improvement, some historical improvement is captured in the experience of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners.

A description of the assumed credibility measure is described at the end of this appendix.

##### *Voluntary Lapse Rates*

The experience used to develop the lapse assumption is the combined historical experience on Simplicity and Simplicity ii individual policies issued by Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners from inception through March 31, 2015.

Exhibit A-2a provides exposure, actual total termination rates, expected mortality rates, derived lapse rates, derived lapse credibility percent, all ages lapse rates (from Exhibit A-2b), credibility-weighted lapse rates, and smoothed lapse rates for individual lifetime-pay policies by issue age band.

## Appendix A Development and Justification of Current Assumptions

Exhibit A-2b provides exposure, actual total termination rates, expected mortality rates, derived lapse rates, derived lapse credibility percent, and smoothed lapse rates for individual lifetime-pay policies for all issue ages combined. These smoothed lapse rates are used in Exhibit A-2a for credibility weighting in the development of the individual lapse assumption by issue age band.

The credibility-weighted lapse rates in Exhibit A-2a were developed as the weighted average of the derived lapse rates and the all issue ages lapse rates from Exhibit A-2b. The credibility percentage and its complement are used as weights. In general, the smoothed lapse rates were selected in such a way that the combined duration smoothed lapse rates were close to the credibility-weighted lapse rates (see the rows at the bottom of each exhibit).

The algorithm for the limited-pay options is similar to that used in original pricing. The smoothed lapse rates are a scalar of the lifetime-pay lapse rates. While only 15% of the Simplicity individual policies in-force have a limited-pay option and thus the impact of these assumptions on the projections is assumed to be immaterial, the following describes how the scalars were developed.

- For the 10-pay option, the scalars were developed from a comparison of the lifetime-pay derived lapse rates to the 10-pay derived lapse rates based on Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners' experience on all products combined. Exhibit A-2c provides similar information as Exhibit A-2b for the 10-pay option, but also shows the derived lifetime-pay lapse rates, ratio of the derived 10-pay lapse rates to the derived lifetime-pay lapse rates, and the smoothed ratios.
- For the paid up at attained age 65, reduced premiums at attained age 65, and reduced premiums at attained age 70 payment options, the scalars by attained age were selected based on those developed for the 20-pay option. The average issue age for the paid up at age 65 payment option is approximately 45, which results in an average payment term of approximately 20 durations. For the two reduced-pay options, only 12 policies were issued across all companies and so the experience is not credible. The scalars for the 20-pay option were developed from a comparison of the lifetime-pay derived lapse rates to the 20-pay derived lapse rates based on Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners' experience on all products combined. Exhibit A-2d provides the same information as Exhibit A-2c for the 20-pay option.
- The smoothed ratios were chosen primarily based on the banded durational credibility-weighted ratios at the bottom of Exhibits A-2c and A-2d.

The actual total termination rates were calculated by duration as follows:

$$\text{Annualized Total Termination Rate} = \frac{\text{Number of Lives Terminated during the Year}}{\text{Number of Lives Exposed during the Year}} .$$

A termination was assigned to the duration in which it occurred, or the preceding duration, if the termination was on the anniversary date. Each termination contributes 1.0 to the numerator and a full year to the denominator. For lives that do not terminate, the number of lives exposed to termination is based on the length of time a covered life is exposed to the risk of termination during the year. This calculation logic is identical to that used in the long-term care (LTC) Insurance Persistency Experience reports sponsored by LIMRA International and the Society of Actuaries LTC Experience Committee.

## Appendix A Development and Justification of Current Assumptions

The expected mortality rate assumes the gender-distinct 94GAM Static table with the durational factors shown in Exhibit A-1 applied by duration. The derived lapse rate is then calculated according to the following formula:

$$\text{Derived Lapse Rate} = 1 - \frac{1 - \text{Total Termination Rate}}{1 - \text{Expected Mortality Rate}} .$$

The derived lapse rate implicitly includes any decrements due to benefit expiry.

A description of the assumed credibility measure is described at the end of this appendix.

### ***Morbidity***

The claims costs were developed using the 2014 Milliman Long-Term Care Guidelines (*LTCGs*). A:E experience analyses were performed to develop most likely (with no explicit margin) morbidity experience adjustments to be applied to the 2014 *LTCGs* claim costs. The experience used includes historical experience for all products of Highmark BCBS, MedAmerica, and MedAmerica's other affinity partners as well as any acquired business from 2004 through 2014, with runout through June 2015. The claim costs were then further adjusted based on historical claim experience by policy duration, attained age, and coverage-type, to the extent credible.

A:E adjustment factors were developed using a complex and proprietary Excel-based model. Adjustments were developed by the following parameters: policy duration, attained age, coverage type, group/individual, benefit payment type, company, and product. The adjustment factors were calculated using an algorithm that simultaneously and iteratively updates the adjustment factors until the adjusted expected incurred claims match actual incurred claims, to the extent credible. The adjusted expected incurred claims equal the 2014 *LTCGs* (with adjustments for historical improvement) multiplied by the A:E adjustment factors. The iterative process normalizes the adjustments for each parameter because the adjusted expected incurred claims capture the adjustments made for the other characteristics and thus normalizes the underlying mix differences.

Exhibit A-3a provides the A:E adjustment factors that are applicable to the Simplicity block after multiplying the appropriate combination of factors for policy duration, attained age, and coverage type.

Exhibit A-3b provides an indication of the goodness of fit. Exhibit A-3b provides the credibility and ratio of actual to adjusted expected incurred claims by policy duration band and attained age band. The credibility and ratio's numerator (actual incurred claims) reflects the Simplicity and Simplicity ii individual blocks combined experience. The ratio's denominator (adjusted expected incurred claims) is equal the unadjusted expected incurred claims (2014 *LTCGs*) multiplied by the A:E adjustment factors. The actual-to-adjusted expected ratio provides an indication of the goodness of fit of the assumption relative to actual experience, where a ratio close to 1.00 is a good fit. The actual-to-adjusted expected ratio is close to 1.00 where the experience is fully credible. As can be seen from the Total row (shaded grey), the actual to adjusted expected ratio is close to 1.00. Note that the goodness of fit test by attained age band includes only experience for durations seven and later to reduce the impact of the selection period in the goodness of fit test.

### ***Improvement***

For mortality improvement, levels of 0.5% and 1.0% are assumed for 15 years beginning in calendar year 2015 for females and males, respectively. The Society of Actuaries (SOA) June 2011 study, *Global Mortality Improvement Experience and Projection Techniques*, provides best-estimate mortality improvement assumptions for the period 2011 to 2025 by gender and attained age, for

## **Appendix A**

### **Development and Justification of Current Assumptions**

individual annuitants and the general population. For individual annuitants, the average annual improvement rates for males and females are approximately 1.5% and 1.0%, respectively. These rates were about 25 basis points higher than that for the general population. Based on this study, a reasonable range for mortality improvement is 0.0% to 1.5% for males and 0.0% to 1.0% for females for 10 to 20 years.

For morbidity, levels of 1.0% and 1.5% are assumed for 15 years, consistent with mortality improvement, beginning in calendar year 2015 for females and males, respectively. This assumption is reasonable based on Eric Stallard's improvement studies that were presented at the 2004 SOA Spring Meeting (*Morbidity Improvement and Its Impact on LTC Pricing and Valuation, Record, Vol. 30, No. 1*) and the 2014 Intercompany Long-Term Care Insurance (ILTCI) Conference (these results provided an additional progress update from the previous update during 2011 ILTCI conference, and are expected to be published).

Stallard's 2004 presentation reported that population morbidity improved 1.6% per year over the period 1984 to 1999. Stallard's 2011 presentation reported population annual morbidity improvement of 1.9% for unisex, 2.3% for males, and 1.6% for females over the period 1984 to 2004. Stallard's 2014 presentation included additional refinements since the 2011 presentation, which reported population annual morbidity improvement of 2.3% for unisex, 2.5% for males, and 2.1% for females. Stallard's studies use population data, so it is uncertain how well his findings will translate to an insured population. The SOA June 2011 study suggests that an annuitant cohort has more mortality improvement over the general population, so it is possible that this could be true for morbidity as well. Based on these studies, a reasonable range for morbidity improvement is between 0.0% to 2.5% for males and 0.0% to 2.1% for females for 10 to 20 years.

#### ***Rate Increase Dependent Assumptions***

At the time of a rate increase, policyholders have options to elect a contingent benefit upon lapse (CBUL) or reduced benefit options (RBO). Adverse selection is assumed relative to CBUL elections. In determining the justified rate increase amounts, assumptions for these rate increase dependent assumptions were also developed. Very little industry data exists to help determine these assumptions, especially for the magnitude of rate increases that are requested. These policyholder behavior assumptions are provided below, and are based on assumptions used for rate increase work across the LTC industry and actuarial judgment.

#### ***Contingent Benefit Upon Lapse Election***

We assume a CBUL election rate of 8% for the Simplicity nationwide rate increase across all issue ages. While a higher CBUL election rate could be considered reasonable for a rate increase of the requested magnitude, we assume the election rate for Simplicity may be lower than that experienced by other blocks. This assumption was made because Simplicity is a cash, rather than reimbursement, product and the policyholders may be less sensitive to the rate increase as they originally opted to purchase a policy with richer coverage.

No CBUL elections are assumed for limited-pay policies.

#### ***Reduced Benefit Options***

The assumed 7% to 14% reduction to premium and benefits due to RBO elections was derived from actual RBO election rates based on the combined experience of MedAmerica and its affinity partners following a prior rate increase on this and similar blocks of business along with actuarial judgment. We assume that those electing RBO will reduce their benefits so that premiums after the increase are closer to those before the increase. We assume that the percent reduction in premium

## **Appendix A**

### **Development and Justification of Current Assumptions**

corresponds to an equivalent percent reduction in claims. Based on the nationwide average rate increase requested on the Simplicity policy forms, we assume 20% of policyholders will elect RBO. The reduction to premium and claims can then be determined as follows:

Reduction to premium and claims due to the election of RBO  
=  $1 - (\text{Average premium level after the rate increase with RBO election} / \text{Premium level after the full rate increase without any RBO election})$ , where

Average premium level after the rate increase with RBO election  
= weighted average premium level of those assumed to elect RBO with those assumed to accept the full rate increase

#### *Adverse Selection*

The 2% increase to morbidity due to adverse selection was developed from the following formula and actuarial judgment. We assume that at the time of the rate increase, policyholders that elect a CBUL will be selective in that their relative morbidity is 25% lower than that of the remaining pool.

$\text{PoolMorb} = \text{AdvSelMorb} \times (1 - \text{CBUL}) + [(1 - 25\%) \times \text{AdvSelMorb}] \times \text{CBUL}$ , where

PoolMorb = morbidity of the pool before the rate increase = 1.0  
AdvSelMorb = adverse morbidity of the remaining pool after the rate increase due to selective lapses  
CBUL = percentage of policies that elect CBUL

Solving the above for the adverse selection component results in the following formula:

Adverse Selection =  $1 / (1 - 25\% \times \text{CBUL})$   
 $1.02 \sim 1 / (1 - 25\% \times 8\%)$

#### **Credibility**

The methodology employed to develop the assumptions considers actual historical experience and its associated credibility. The credibility percentage for each assumption was determined as  $(\text{Number of Events} / \text{Credibility Threshold})^{1/2}$ , with events defined as deaths, derived voluntary lapses, or claims. A credibility standard of a 90% confidence interval for the number of events with an error of plus or minus 7.5% was chosen. Based on these parameters, 481 events is the criterion for full credibility.

**Exhibit A-1**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected (A:E) Mortality Experience from Inception through March 31, 2015**  
**Premier and Later Policy Forms**

<b>Unisex</b>						
Duration	Mortality Exposure	Actual Mortality Rate	Expected Mortality Rate	Mortality A:E	Credibility Percent	Smoothed Selection
1	97,184	0.1%	0.6%	23%	52%	25%
2	85,414	0.2%	0.6%	38%	65%	35%
3	73,678	0.3%	0.7%	43%	69%	42%
4	65,922	0.3%	0.8%	43%	69%	44%
5	60,204	0.4%	0.9%	43%	70%	45%
6	55,062	0.5%	1.0%	44%	73%	47%
7	49,036	0.6%	1.2%	49%	78%	48%
8	43,261	0.7%	1.4%	49%	78%	50%
9	36,177	0.9%	1.6%	57%	83%	53%
10	28,674	1.0%	1.8%	53%	77%	55%
11	22,076	1.3%	2.1%	61%	77%	58%
12	16,182	1.4%	2.4%	59%	69%	60%
13	9,860	1.8%	2.9%	63%	61%	63%
14	4,865	2.1%	3.6%	59%	46%	64%
15	2,748	2.7%	4.1%	65%	39%	66%
16	1,868	2.9%	4.3%	67%	34%	67%
17	493	3.2%	4.5%	72%	18%	69%
18	20	5.0%	9.0%	56%	5%	70%
19	14	13.9%	10.3%	134%	6%	73%
20	5	0.0%	10.4%	0%	0%	75%
21	3	0.0%	11.3%	0%	0%	78%
22	2	0.0%	13.0%	0%	0%	80%
23	1	0.0%	16.7%	0%	0%	83%
24	0	N/A	N/A	N/A	N/A	85%
25+	0	N/A	N/A	N/A	N/A	85%
1-5	382,403	0.3%	0.7%	38%	100%	38%
6-10	212,211	0.7%	1.4%	51%	100%	51%
11-15	55,731	1.6%	2.5%	61%	100%	61%
16-20	2,400	3.0%	4.4%	68%	39%	68%
21+	6	0.0%	12.7%	0%	0%	80%
All	652,750	0.5%	1.1%	48%	100%	48%



**Exhibit A-2a**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Derived Lifetime-Pay Lapse Experience from Inception through March 31, 2015**  
**Simplicity and Simplicity ii Policy Forms Combined**  
**Lifetime-Pay Policies**

<b>Issue Ages &lt; 40</b>								
Duration	Total Exposure	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	All Ages Assumption for Credibility Weighting	Credibility Weighted Lapse Rates	Smoothed Lapse Rates
1	7,705	17.5%	0.0%	17.4%	100%	8.5%	17.4%	17.5%
2	6,084	16.8%	0.0%	16.8%	100%	7.5%	16.8%	16.5%
3	4,425	11.8%	0.0%	11.8%	100%	5.0%	11.8%	12.0%
4	3,395	9.1%	0.0%	9.1%	80%	4.0%	8.1%	8.0%
5	2,599	8.7%	0.0%	8.7%	69%	3.5%	7.1%	7.0%
6	1,941	6.8%	0.0%	6.8%	52%	2.5%	4.7%	5.0%
7	1,494	5.5%	0.0%	5.4%	41%	2.0%	3.4%	3.5%
8	1,013	4.2%	0.0%	4.2%	30%	1.5%	2.3%	2.0%
9	594	1.5%	0.1%	1.5%	13%	1.0%	1.1%	1.0%
10	231	1.3%	0.1%	1.2%	8%	1.0%	1.0%	1.0%
11	52	0.0%	0.1%	-0.1%	0%	1.0%	1.0%	1.0%
1-3	18,214	15.9%	0.0%	15.8%	100%	7.2%	15.8%	15.8%
4-6	7,935	8.4%	0.0%	8.4%	100%	3.4%	6.9%	6.9%
7-9	3,100	4.3%	0.0%	4.3%	53%	1.6%	2.6%	2.5%
5+	7,923	6.3%	0.0%	6.2%	100%	2.3%	4.5%	4.5%
6+	5,324	5.1%	0.0%	5.0%	74%	1.8%	3.3%	3.3%
7+	3,383	4.0%	0.0%	4.0%	53%	1.5%	2.5%	2.4%
8+	1,889	2.9%	0.1%	2.9%	34%	1.2%	1.7%	1.5%
9+	877	1.4%	0.1%	1.3%	15%	1.0%	1.0%	1.0%
All	29,532	12.5%	0.0%	12.5%	100%	5.0%	11.9%	11.9%

<b>Issue Ages 40 - 49</b>								
Duration	Total Exposure	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	All Ages Assumption for Credibility Weighting	Credibility Weighted Lapse Rates	Smoothed Lapse Rates
1	9,319	9.6%	0.0%	9.6%	100%	8.5%	9.6%	9.5%
2	7,984	9.2%	0.0%	9.2%	100%	7.5%	9.2%	9.0%
3	6,335	5.9%	0.1%	5.8%	87%	5.0%	5.7%	6.0%
4	5,324	4.8%	0.1%	4.8%	73%	4.0%	4.6%	4.5%
5	4,512	4.6%	0.1%	4.5%	65%	3.5%	4.2%	4.0%
6	3,800	2.9%	0.1%	2.8%	47%	2.5%	2.6%	3.0%
7	3,228	3.8%	0.1%	3.7%	50%	2.0%	2.8%	3.0%
8	2,447	2.4%	0.1%	2.2%	34%	1.5%	1.8%	1.5%
9	1,520	1.2%	0.1%	1.1%	19%	1.0%	1.0%	1.0%
10	707	0.7%	0.2%	0.5%	9%	1.0%	1.0%	1.0%
11	178	0.0%	0.2%	-0.2%	0%	1.0%	1.0%	1.0%
1-3	23,637	8.5%	0.0%	8.4%	100%	7.2%	8.4%	8.4%
4-6	13,635	4.2%	0.1%	4.1%	100%	3.4%	3.9%	3.9%
7-9	7,195	2.8%	0.1%	2.6%	63%	1.6%	2.1%	2.1%
5+	16,392	3.2%	0.1%	3.1%	100%	2.3%	2.7%	2.8%
6+	11,881	2.6%	0.1%	2.5%	79%	1.8%	2.2%	2.3%
7+	8,081	2.5%	0.1%	2.4%	63%	1.5%	2.0%	2.0%
8+	4,853	1.7%	0.1%	1.5%	40%	1.2%	1.4%	1.3%
9+	2,406	1.0%	0.2%	0.8%	20%	1.0%	1.0%	1.0%
All	45,354	6.1%	0.1%	6.1%	100%	5.0%	5.9%	5.9%

**Exhibit A-2a**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Derived Lifetime-Pay Lapse Experience from Inception through March 31, 2015**  
**Simplicity and Simplicity ii Policy Forms Combined**  
**Lifetime-Pay Policies**

<b>Issue Ages 50 - 59</b>								
Duration	Total Exposure	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	All Ages Assumption for Credibility Weighting	Credibility Weighted Lapse Rates	Smoothed Lapse Rates
1	17,079	5.8%	0.1%	5.7%	100%	8.5%	5.7%	5.5%
2	15,256	5.0%	0.1%	4.9%	100%	7.5%	4.9%	5.0%
3	12,634	4.0%	0.2%	3.8%	100%	5.0%	3.8%	4.0%
4	10,955	3.2%	0.2%	3.0%	83%	4.0%	3.2%	3.0%
5	9,667	3.1%	0.2%	2.8%	76%	3.5%	3.0%	3.0%
6	8,483	2.6%	0.3%	2.4%	64%	2.5%	2.4%	2.5%
7	7,409	2.0%	0.3%	1.7%	50%	2.0%	1.8%	2.0%
8	5,882	1.7%	0.4%	1.3%	40%	1.5%	1.4%	1.5%
9	3,874	1.0%	0.5%	0.5%	21%	1.0%	0.9%	1.0%
10	1,918	1.4%	0.6%	0.8%	18%	1.0%	1.0%	1.0%
11	498	0.4%	0.7%	-0.3%	0%	1.0%	1.0%	1.0%
1-3	44,969	5.0%	0.1%	4.9%	100%	7.2%	4.9%	4.9%
4-6	29,104	3.0%	0.2%	2.8%	100%	3.4%	2.9%	2.9%
7-9	17,166	1.7%	0.4%	1.3%	68%	1.6%	1.5%	1.6%
5+	37,740	2.2%	0.3%	1.9%	100%	2.3%	2.0%	2.1%
6+	28,074	1.9%	0.4%	1.6%	95%	1.8%	1.7%	1.8%
7+	19,591	1.6%	0.4%	1.2%	70%	1.5%	1.4%	1.5%
8+	12,181	1.4%	0.5%	0.9%	48%	1.2%	1.2%	1.2%
9+	6,299	1.1%	0.5%	0.6%	27%	1.0%	0.9%	1.0%
All	93,664	3.7%	0.2%	3.5%	100%	5.0%	3.5%	3.6%

<b>Issue Ages 60 +</b>								
Duration	Total Exposure	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	All Ages Assumption for Credibility Weighting	Credibility Weighted Lapse Rates	Smoothed Lapse Rates
1	11,139	5.8%	0.3%	5.5%	100%	8.5%	5.5%	5.5%
2	10,004	4.5%	0.5%	4.0%	91%	7.5%	4.3%	4.5%
3	8,224	3.6%	0.6%	3.0%	71%	5.0%	3.6%	3.5%
4	7,052	3.1%	0.7%	2.4%	59%	4.0%	3.1%	3.0%
5	6,185	2.3%	0.8%	1.5%	43%	3.5%	2.6%	2.5%
6	5,564	2.1%	0.9%	1.2%	37%	2.5%	2.0%	2.0%
7	4,959	2.3%	1.1%	1.2%	35%	2.0%	1.7%	1.5%
8	4,031	2.1%	1.2%	0.9%	27%	1.5%	1.3%	1.5%
9	2,923	2.2%	1.4%	0.8%	21%	1.0%	0.9%	1.0%
10	1,756	2.0%	1.7%	0.4%	12%	1.0%	0.9%	1.0%
11	477	2.3%	2.0%	0.4%	6%	1.0%	1.0%	1.0%
1-3	29,367	4.7%	0.4%	4.3%	100%	7.2%	4.6%	4.6%
4-6	18,802	2.5%	0.8%	1.7%	82%	3.4%	2.6%	2.5%
7-9	11,913	2.2%	1.2%	1.0%	49%	1.6%	1.4%	1.4%
5+	25,900	2.2%	1.1%	1.1%	76%	2.3%	1.8%	1.7%
6+	19,715	2.2%	1.2%	1.0%	63%	1.8%	1.5%	1.5%
7+	14,151	2.2%	1.3%	0.9%	51%	1.5%	1.3%	1.3%
8+	9,192	2.1%	1.4%	0.7%	37%	1.2%	1.1%	1.2%
9+	5,161	2.2%	1.6%	0.6%	25%	1.0%	0.9%	1.0%
All	62,320	3.5%	0.8%	2.7%	100%	5.0%	3.2%	3.2%

**Exhibit A-2b**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Derived Lifetime-Pay Lapse Experience from Inception through March 31, 2015**  
**Simplicity and Simplicity ii Policy Forms Combined**  
**Lifetime-Pay Policies**

All Issue Ages						
Duration	Total Exposure	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	Smoothed Lapse Rates
1	45,242	8.6%	0.1%	8.5%	100%	8.5%
2	39,327	7.5%	0.2%	7.4%	100%	7.5%
3	31,618	5.4%	0.3%	5.1%	100%	5.0%
4	26,726	4.3%	0.3%	4.0%	100%	4.0%
5	22,963	3.8%	0.3%	3.5%	100%	3.5%
6	19,787	2.9%	0.4%	2.5%	100%	2.5%
7	17,091	2.7%	0.5%	2.2%	89%	2.0%
8	13,372	2.1%	0.6%	1.6%	66%	1.5%
9	8,912	1.5%	0.7%	0.8%	38%	1.0%
10	4,612	1.5%	0.9%	0.6%	25%	1.0%
11	1,204	1.1%	1.1%	0.0%	1%	1.0%
1-3	116,187	7.3%	0.2%	7.2%	100%	7.2%
4-6	69,476	3.7%	0.3%	3.4%	100%	3.4%
7-9	39,374	2.2%	0.6%	1.7%	100%	1.6%
5+	87,956	2.8%	0.5%	2.3%	100%	2.3%
6+	64,993	2.4%	0.6%	1.8%	100%	1.8%
7+	45,206	2.1%	0.6%	1.5%	100%	1.5%
8+	28,115	1.8%	0.7%	1.1%	80%	1.2%
9+	14,743	1.5%	0.8%	0.7%	45%	1.0%
All	230,869	5.2%	0.3%	4.9%	100%	5.0%

**Exhibit A-2c**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Derived 10-Pay Lapse Experience from Inception through March 31, 2015**  
**All Products**

Duration	Total Exposures	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	Derived Lifetime-Pay Lapse Rates	Ratio to Lifetime-Pay Lapse Rate	Smoothed Ratio to Lifetime-Pay Lapse
1	10,890	3.4%	0.1%	3.3%	86%	9.1%	36%	35%
2	10,005	2.7%	0.2%	2.5%	72%	6.4%	39%	35%
3	9,222	2.0%	0.2%	1.7%	57%	4.4%	39%	35%
4	8,795	1.3%	0.3%	1.0%	42%	3.3%	30%	35%
5	8,458	1.2%	0.3%	0.8%	38%	2.7%	31%	30%
6	8,182	1.1%	0.4%	0.8%	36%	2.1%	36%	30%
7	7,904	1.2%	0.5%	0.7%	34%	2.0%	35%	30%
8	7,263	0.9%	0.5%	0.4%	24%	1.6%	24%	30%
9	6,330	0.8%	0.7%	0.1%	14%	1.3%	12%	0%
10	5,595	0.8%	0.8%	0.1%	9%	1.2%	5%	0%
11	4,832	0.8%	0.9%	-0.2%	0%	1.4%	-11%	0%
12	4,044	0.8%	1.1%	-0.3%	0%	1.2%	-24%	0%
13	3,082	0.8%	1.4%	-0.6%	0%	1.4%	-45%	0%
14	2,094	1.0%	1.8%	-0.8%	0%	1.2%	-68%	0%
15	1,670	2.1%	2.1%	0.0%	0%	1.5%	-1%	0%
1-4	38,911	2.4%	0.2%	2.2%	100%	6.1%	36%	35%
5-8	31,807	1.1%	0.4%	0.7%	67%	2.1%	32%	30%
1-8	70,718	1.8%	0.3%	1.5%	100%	4.6%	33%	33%
9-15	27,646	0.9%	1.1%	-0.2%	0%	1.3%	-12%	0%
1-15	98,364	1.6%	0.5%	1.0%	100%	3.8%	27%	24%

**Exhibit A-2d**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Derived 20-Pay Lapse Experience from Inception through March 31, 2015**  
**All Products**

Duration	Total Exposures	Total Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Derived Lapse Credibility Percent	Derived Lifetime-Pay Lapse Rates	Ratio to Lifetime-Pay Lapse Rate	Smoothed Ratio to Lifetime-Pay Lapse
1	2,449	2.9%	0.1%	2.8%	38%	9.1%	31%	50%
2	2,308	4.0%	0.1%	3.9%	43%	6.4%	61%	50%
3	2,189	3.2%	0.1%	3.0%	37%	4.4%	70%	50%
4	2,109	3.0%	0.1%	2.9%	36%	3.3%	89%	50%
5	2,040	1.7%	0.1%	1.6%	26%	2.7%	58%	50%
6	2,004	1.8%	0.2%	1.7%	26%	2.1%	79%	50%
7	1,950	0.8%	0.2%	0.6%	15%	2.0%	29%	50%
8	1,737	1.4%	0.2%	1.2%	21%	1.6%	76%	50%
9	1,542	0.4%	0.3%	0.1%	6%	1.3%	10%	25%
10	1,460	0.7%	0.3%	0.4%	11%	1.2%	31%	25%
11	1,326	0.3%	0.4%	-0.1%	0%	1.4%	-5%	25%
12	1,007	1.0%	0.4%	0.6%	11%	1.2%	46%	25%
13	356	1.4%	0.8%	0.6%	6%	1.4%	41%	25%
14	261	3.1%	1.0%	2.1%	11%	1.2%	177%	25%
15	191	1.6%	1.2%	0.3%	4%	1.5%	22%	25%
16	163	4.3%	1.4%	2.9%	10%	1.4%	203%	0%
17	145	0.0%	1.5%	-1.5%	0%	1.9%	-82%	0%
18	139	2.9%	1.7%	1.2%	6%	2.0%	60%	0%
19	127	1.6%	1.9%	-0.3%	0%	2.2%	-13%	0%
20	118	1.7%	2.1%	-0.4%	0%	1.6%	-24%	0%
1-4	9,055	3.3%	0.1%	3.2%	77%	6.1%	52%	50%
5-8	7,731	1.4%	0.2%	1.3%	45%	2.1%	59%	50%
1-8	16,787	2.4%	0.1%	2.3%	90%	4.6%	50%	50%
9-15	6,142	0.7%	0.4%	0.3%	20%	1.3%	25%	25%
1-15	22,929	2.0%	0.2%	1.8%	92%	3.8%	46%	43%
16+	1,127	1.9%	2.1%	-0.2%	0%	1.9%	-11%	0%

**Exhibit A-3a**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Morbidity Adjustment Factors**  
**Applicable to the Simplicity Product**

Duration	Non-MANY Adjustment Factor	MANY Adjustment Factor
1	1.28	0.97
2	1.23	0.98
3	1.19	0.99
4	1.15	1.01
5	1.11	1.02
6	1.07	1.03
7	1.03	1.05
8	0.99	1.06
9	0.97	1.04
10	0.94	1.02
11	0.92	1.01
12	0.89	0.99
13	0.87	0.97
14	0.89	0.97
15	0.91	0.96
16	0.93	0.95
17	0.95	0.95
18	0.97	0.94
19	0.97	0.95
20	0.98	0.96
21	0.98	0.97
22	0.98	0.98
23	0.98	0.98
24	0.98	0.98
25	0.98	0.98
26	0.98	0.98
27	0.99	0.98
28	0.99	0.98
29	0.99	0.98
30+	0.99	0.98

Attained Age	Adjustment Factor
<65	0.84
65-69	0.97
70-74	1.00
75-79	1.03
80-84	1.05
85-89	1.21
90+	1.23

Coverage Type	Adjustment Factor
Comprehensive	0.90
Nursing Home Only	1.09
Home Care Only	1.23

**Exhibit A-3b**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual to Adjusted Expected Incurred Claims**  
**Simplicity and Simplicity ii Policy Forms Combined**

<b>Experience By Policy Duration</b>		
<b>All Durations</b>		
Duration	Credibility	Actual to Adjusted Expected
1	21%	1.36
2	26%	0.44
3	31%	1.40
4	30%	0.99
5	35%	1.03
6	32%	1.04
7	34%	1.00
8	35%	1.01
9	30%	1.15
10	16%	0.52
1-5	65%	1.02
6-10	68%	0.98
3-13	88%	1.02
<b>Total</b>	<b>94%</b>	<b>0.99</b>

<b>Experience By Attained Age</b>		
<b>Durations 7 and Later</b>		
Attained Age	Credibility	Actual to Adjusted Expected
<65	25%	0.88
65-69	26%	1.02
70-74	26%	0.87
75-79	27%	0.90
80-84	23%	0.85
85-89	14%	1.21
90+	11%	2.91
<70	36%	0.94
<75	44%	0.92
<80	52%	0.92
<85	57%	0.91
65-79	46%	0.93
70-84	44%	0.88
75-89	38%	0.92
70+	48%	0.96
75+	40%	1.01
80+	29%	1.13
85+	18%	1.68

**Appendix B**  
**Justification for and Development of the Requested Rate Increase**

The requested rate increase for the Simplicity individual policy forms is actuarially justified and was determined in such a way that the company is sharing in the cost of the rate increase with consumers. Support for varying the requested rate increase by issue age as well as for the magnitude of the request is provided below.

The requested rate increase was determined by issue age to:

- better align the rate increase with the adverse experience,
- minimize the rate increase for older insureds, and
- produce a more uniform annual dollar change in the rates since premiums increase by issue age.

The cumulative requested rate increases are shown in Exhibit I of the attached actuarial memorandum and were developed from a comparison of actual-to-expected (A:E) lifetime loss ratios and then adjusted to minimize the increase for older insureds, produce monotonically non-decreasing rates by issue age, and allow for certification to rate stability.

The A:E lifetime loss ratios by issue age band underlying the cumulative requested rate increases are shown in Table B-1. Values shown in Table B-1 were derived based on a comparison of (a) actual and projected experience using current assumptions including a 15% increase in future incurred claims for margin and (b) expected experience using original pricing assumptions.

Actual and projected nationwide experience underlying the values in Table B-1 is the same as that described in Section 14 of the actuarial memorandum, except actual experience was restated to reflect no prior rate increases to minimize subsidization across jurisdictions, due to differences in the previously approved rate increases. MedAmerica's goal is equity across all jurisdictions, to the extent practical. As such, the rate increase approved by one group does not affect another because MedAmerica anticipates filing for subsequent rate increases to reach the cumulative rate level shown in Exhibit I.

**Table B-1**  
**A:E Experience Underlying Rate Increase Development**  
**Combined Nationwide Experience Including Margin**  
**Restated to Reflect No Prior Increases**

Issue Age Band	Lifetime Loss Ratio with Interest		
	Actual	Expected	A:E
<45	170%	60%	2.85
45-49	159	61	2.58
50-54	145	60	2.43
55-59	132	57	2.32
60-64	114	53	2.13
65-69	105	55	1.91
70-74	103	55	1.86
75+	88	49	1.79

Rate increases were developed using the A:E lifetime ratios minus 1.00 from Table B-1. To minimize the increase for older insureds, reductions were then made to the rate increases for older issue ages, to the extent possible. Adjustments (generally reductions) were then made to the rate increases for each central issue age, along with adjustments by age within an issue age band, to ensure that the base rate schedules with the proposed rate increases are monotonically non-decreasing by issue age. The monotonically non-decreasing premium rate levels were then



**Appendix B**  
**Justification for and Development of the Requested Rate Increase**

uniformly increased to allow certification that the rates are expected to remain stable under moderately adverse experience on a nationwide basis.

The cumulative requested rate increases were determined by including margin to certify to rate stability regulation based on nationwide experience because the majority of Simplicity policies were issued under rate stability regulation. The same cumulative requested rate increase has been or is expected to be filed in all jurisdictions with the goal of achieving equity across the block of business. For policies issued under loss ratio regulation, the requested rate increase complies with the minimum loss ratio requirements as demonstrated in Exhibit II-b of the actuarial memorandum, which uses assumptions excluding margin.

Furthermore, the requested cumulative rate increase was determined in such a way that the company is shouldering the majority of the rate increase needed to restore the Simplicity policy forms to their original pricing expectation. Table B-2 provides the rate increase needed to restore this form to its original pricing expectation, the requested rate increase, and the portion of the rate increase that is being borne by the consumers. This table demonstrates that higher rate increases are justified for the youngest issue age cohorts, which is consistent with the rate increases requested. Additionally, the consumers are shouldering only approximately 20% to 40% of the needed rate increase, which can be seen by comparing the requested increase (i.e., consumers' share) to the rate increase needed to restore this form to its original pricing expectation.

**Table B-2**  
**Comparison of Needed Increase and Requested Increase**

<b>Issue Age Band</b>	<b>Needed Rate Increase<sup>[1]</sup></b>	<b>Requested Increase<sup>[2]</sup></b>	<b>Consumer Burden<sup>[3]</sup></b>
<45	515%	191%	37%
45-49	422	169	40
50-54	383	155	40
55-59	347	143	41
60-64	298	125	42
65-69	250	102	41
70-74	277	84	30
75+	338	68	20
All Ages	357	139	39

*[1] Rate increase needed to restore the lifetime loss ratio to that expected in original pricing. Calculated without regard to shock lapse, reduced benefit option election, adverse selection, and higher waiver claims, if any, due to the rate increase.*

*[2] Average increase based on the nationwide distribution of business in force as of December 31, 2014. Excludes policies that are assumed to be paid up at the time of the rate increase.*

*[3] The portion of the rate increase needed to restore this form to its original pricing expectation that the consumer is bearing equals (Requested Increase) / (Needed Rate Increase).*

The adverse experience driving this rate increase request is due to a combination of higher morbidity, higher persistency, and lower interest than expected in original pricing. This adverse experience is demonstrated in Exhibit B-1, which provides a comparison of actual and projected nationwide experience to that expected in pricing with respect to morbidity, mortality, lapse, and interest. The experience and projections underlying Exhibit B-1 are the same as those underlying the analysis performed for the rate increase request (i.e., current assumptions including margin).

**Exhibit B-1**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Combined Nationwide Experience Restated to No Prior Rate Increases**  
**Impact on the Lifetime Loss Ratio of Changing from Original Pricing Assumptions**  
**to Current Assumptions Including Margin**  
**Individual Simplicity Policy Forms**

The following table provides the isolated impact of each changed assumption (current versus original pricing) on the projected lifetime loss ratio when actual historical experience is reflected and only the projection assumptions vary. All the lifetime loss ratios in the table below reflect actual historical experience, except for the loss ratio calculated using the original pricing assumptions from inception.

This table also shows the rate increase needed to produce a lifetime loss ratio of 57%. This lifetime loss ratio represents the lifetime loss ratio based on a projection of original pricing assumptions from inception.

Please note that the lifetime loss ratio for each changed assumption does not reflect any synergy of the assumptions. As a result, the total impact of all current assumptions on the lifetime loss ratio (i.e., 132%) is not equal to the sum of each changed assumptions' impact on the lifetime loss ratio (i.e., 108% = 31% + 30% + 16% + 31%).

Scenario	Lifetime Loss Ratio	Impact of Each Assumption on the Lifetime Loss Ratio	Increase Needed to Produce a Lifetime Loss Ratio of 57%*
Original Pricing Assumptions	57%	N/A	N/A
Historical Experience & Projections with Original Pricing Assumptions	60%	N/A	15%
Historical Experience & Projections with Original Pricing Assumptions except for Current:			
Morbidity with Improvement	75%	31%	104%
Mortality with Improvement	74%	30%	96%
Lapse	67%	16%	52%
Interest	75%	31%	94%
Historical Experience & Projections with All Current Assumptions	133%	132%	357%

\* Calculated without regard to shock lapse, reduced benefit option and contingent benefit upon lapse election, and adverse selection assumptions due to the needed rate increase. Assumes the needed rate increase is fully implemented on July 1, 2016.

# HIGHMARK BLUE CROSS BLUE SHIELD

Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

## Supplement to the Simplicity Actuarial Memorandum

April 8, 2016

### Product

Tax-Qualified Long-Term Care Policy Form  
Tax-Qualified Franchise Long-Term Care Policy Form

### Number

SPL-336-HMBCBSPA  
FSPL-336-HMBCBSPA

### 1. Purpose of Filing

This supplement has been prepared for the purpose of demonstrating that the requested rate increase complies with Chapter 18 Section 3803(c) and (e), and Reg. 89.83 of the Insurance Regulations for the state of Pennsylvania. It may not be appropriate for other purposes.

### 2. Demonstration of Compliance with Chapter 18 Section 3803

*(c) and (e):* We believe that we comply with these subsections of the regulation by submitting these rates before they are being used.

### 3. Demonstration of Compliance with Reg. 89.83

*89.83 (a):* This subsection requires no action.

*89.83 (b):* This subsection is not applicable since this filing is not for rates for a new policy form.

*89.83 (c): Revision of Current Rates*

*(1):* This rate increase filing complies with loss ratio requirements (i.e., the 58%/85% test), as specified in Reg. 89a.118.(c)(2).

*(2):* Section 2 of the actuarial memorandum provides a description of benefits. A copy of the affected policy forms may be provided upon request.

*(2)(i):* The primary reason why these forms are in need of a premium rate increase is due to emerging experience running more adverse than expected in pricing. A rate increase is considered an effective way to reduce projected losses.

The company is requesting a premium rate increase that varies by issue age as shown in Exhibit I of the actuarial memorandum. The cumulative rate increase shown in Exhibit I was determined by issue age to allow certification to rate stability in Pennsylvania, to better align the rate increase with the adverse experience, and to minimize the rate increase for older insureds. Table 1 below provides the prior approved increase for each issue age band, as well as the requested increase and resulting cumulative premium rate increase for each central age.

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Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

## Supplement to the Simplicity Actuarial Memorandum

April 8, 2016

**Table 1**  
**Rate Increases by Issue Age Band**

Issue Age Band	Prior Approved Increase	Requested Increase for Central Age	Cumulative Increase for Central Age
<40	60%	81.9%	191%
40-44	56	86.5	191
45-49	50	80.7	171
50-54	46	74.7	155
55-59	38	76.9	144
60-64	29	73.6	124
65-69	20	67.5	101
70-74	13	61.9	83
75+ <sup>[1]</sup>	0	63.0	63

*[1] The central issue age is 80 based on an issue age range of 75 to 85 for the business in force nationwide as of December 31, 2014.*

This rate increase request is being sought to achieve the cumulative rate increase that the company believes is needed to alleviate the poor performance on this block of business.

The current rate schedules along with the proposed rate schedules are enclosed with this filing. Please note that the actual rates implemented may vary slightly from those shown due to rounding algorithms.

Attachment 1 to this supplement provides a comparison of (a) actual and projected experience using current assumptions and (b) expected experience using original pricing assumptions. Included are calendar year earned premiums, incurred claims, annual loss ratios, end of year lives, cumulative loss ratios, and the ratio of actual-to-expected (A:E) loss ratios. This attachment is identical to Exhibit II of the actuarial memorandum. Attachment 2 to this supplement provides nationwide experience showing written premium, paid claims, and cumulative loss ratios. Values in Attachments 1 and 2 are shown both before and after the requested rate increase.

Attachments 3 and 4 to this supplement provide similar information as Attachments 1 and 2, respectively, for Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is less credible than nationwide experience, but is being provided as required.

(2)(ii)(A): There have been three rate increases approved on these policy forms in Pennsylvania. On July 31, 2015 the Department approved the third and final rate increase needed to achieve the prior cumulative request that varied by issue age band from 0% to 60%, as shown in Table 1 above.

(2)(ii)(B): Table 2 shows the original pricing commission scales by issue age and duration for lifetime-pay policies. The actual commission scales will differ slightly from those that appear in Table 2 as the company adjusts renewal commission rates so that

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the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

**Table 2**  
**Commission Scales by Issue Age and Duration**  
**Policy Forms: SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA**

<b>Issue Age</b>	<b>Duration 1</b>	<b>Durations 2-10</b>	<b>Durations 11+</b>
< 65	40-90%	5-15%	0-15%
65 +	30-80%	5-15%	0-15%

Commissions for limited-pay policies are reduced to levels that are approximately equivalent to the above commissions for lifetime-pay policies, on a present value basis, based on original pricing assumptions.

(2)(ii)(C)(I): Premiums earned and written since inception for nationwide experience can be found in Attachments 1 and 2 to this supplement, respectively. Premiums earned and written since inception for Pennsylvania-specific experience can be found in Attachments 3 and 4 to this supplement, respectively. Attachment 5 to this supplement provides reserve balances and the calculation basis for both nationwide and Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is less credible than nationwide experience, but is being provided as required.

(2)(ii)(C)(II): Attachment 5 to this supplement provides a breakdown of historical incurred claims and active life reserve balance, including a description of the calculation basis, for both nationwide and Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is less credible than nationwide experience, but is being provided as required.

Attachment 6 to this supplement provides a comparison of (a) actual and projected experience on a durational basis using current assumptions and (b) expected experience using original pricing assumptions. Included are policy year earned premiums, incurred claims, durational loss ratios, cumulative loss ratios, and the ratio of A:E loss ratios. Values in Attachment 6 are shown both before and after the requested rate increase. The number of durations shown was chosen to capture the majority of the durations underlying Attachment 1.

Attachment 7 to this supplement provides similar information to Attachment 6 for Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is less credible than nationwide experience, but is being provided as required.

(2)(ii)(D): We believe that we have provided information sufficient to support the rate increase requested in this filing.

(2)(iii): We understand that data used in this rate increase filing is in agreement with those used in the annual statement filed with the Department.

89.83 (d): We believe the proposed rate tables provided with this filing comply with this subsection.

**Attachment 1**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Combined Nationwide Experience Before Requested Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.32% Interest	Actual-to-Expected Ratio
Historical Experience	2004	1,942,565	299,291	15%	3,079	1,903,802	36,408	2%	3,052	15%	2%	8.49
	2005	11,098,140	704,251	6%	8,666	10,873,993	219,506	2%	8,484	8%	2%	4.05
	2006	21,633,477	127,091	1%	16,067	20,831,726	506,204	2%	15,530	3%	2%	1.55
	2007	32,580,387	1,314,720	4%	20,865	30,883,849	913,113	3%	20,075	4%	2%	1.48
	2008	37,102,427	2,873,196	8%	21,440	34,545,463	1,363,706	4%	20,431	5%	3%	1.72
	2009	36,651,035	1,804,026	5%	20,626	33,869,760	1,890,966	6%	19,852	5%	4%	1.43
	2010	35,893,738	3,127,792	9%	20,168	33,097,690	2,525,074	8%	19,383	6%	4%	1.35
	2011	35,558,393	4,131,089	12%	19,805	32,494,026	3,256,293	10%	19,061	7%	5%	1.31
	2012	35,555,401	4,870,535	14%	19,770	32,208,480	4,021,665	12%	18,946	7%	6%	1.27
	2013	36,438,885	5,688,002	16%	19,565	32,739,705	4,791,079	15%	19,055	8%	7%	1.24
	2014	37,265,289	7,662,242	21%	18,959	31,784,584	5,550,446	17%	18,461	9%	8%	1.24
	Projected Future Experience (60 Years)	2015	36,615,851	7,537,511	21%	18,591	29,245,684	6,327,537	22%	17,906	10%	9%
2016		34,778,198	8,606,493	25%	18,254	26,490,721	7,155,521	27%	17,370	11%	10%	1.19
2017		31,685,417	9,779,856	31%	17,919	23,566,576	8,051,478	34%	16,841	12%	11%	1.17
2018		29,584,509	11,196,971	38%	17,581	21,571,532	9,036,666	42%	16,314	14%	12%	1.16
2019		28,562,066	12,928,579	45%	17,238	20,444,438	10,095,932	49%	15,787	15%	13%	1.16
2020		27,558,620	14,961,645	54%	16,886	19,387,722	11,126,933	57%	15,258	16%	14%	1.16
2021		26,710,022	17,248,487	65%	16,525	18,440,291	12,164,144	66%	14,727	18%	15%	1.17
2022		25,807,399	19,745,164	77%	16,151	17,450,962	13,238,836	76%	14,193	20%	17%	1.18
2023		24,751,431	22,405,030	91%	15,761	16,335,689	14,443,633	88%	13,658	22%	18%	1.20
2024		23,833,079	25,248,241	106%	15,353	15,397,913	15,805,853	103%	13,121	24%	19%	1.22
2025		22,945,898	28,283,326	123%	14,927	14,525,368	17,273,401	119%	12,583	26%	21%	1.24
2026		22,041,082	31,540,307	143%	14,482	13,673,949	18,860,017	138%	12,045	28%	22%	1.26
2027		21,122,511	35,080,669	166%	14,017	12,844,487	20,566,216	160%	11,508	30%	24%	1.29
2028		20,159,806	38,838,276	193%	13,534	12,023,795	22,383,869	186%	10,973	33%	25%	1.31
2029		19,182,203	42,736,968	223%	13,036	11,219,300	24,309,389	217%	10,440	35%	27%	1.33
2030		18,214,854	47,002,621	258%	12,525	10,444,353	26,300,654	252%	9,910	38%	28%	1.35
2031		17,230,917	51,744,668	300%	12,004	9,689,122	28,324,844	292%	9,386	41%	30%	1.38
2032		16,254,863	56,728,672	349%	11,475	8,966,062	30,349,514	338%	8,869	44%	31%	1.40
2033		15,289,206	61,927,874	405%	10,940	8,274,611	32,337,121	391%	8,359	47%	33%	1.43
2034		14,317,911	67,018,723	468%	10,400	7,601,966	34,274,544	451%	7,858	50%	34%	1.45
2035		13,364,704	71,912,488	538%	9,859	6,961,833	36,102,564	519%	7,368	53%	36%	1.48
2036		12,428,482	76,530,429	616%	9,317	6,350,537	37,771,977	595%	6,890	57%	38%	1.51
2037		11,507,684	80,798,905	702%	8,777	5,769,113	39,270,432	681%	6,426	60%	39%	1.53
2038		10,607,015	84,697,409	799%	8,242	5,217,871	40,565,525	777%	5,976	63%	41%	1.56
2039		9,743,340	88,039,942	904%	7,714	4,704,364	41,621,391	885%	5,541	67%	42%	1.58
2040		8,910,171	90,678,584	1,018%	7,195	4,222,592	42,409,682	1,004%	5,123	70%	43%	1.61
2041		8,112,771	92,444,812	1,139%	6,688	3,776,762	42,894,643	1,136%	4,723	73%	45%	1.63
2042		7,351,941	93,415,066	1,271%	6,194	3,361,405	43,075,656	1,281%	4,341	76%	46%	1.66
2043		6,631,669	93,558,294	1,411%	5,716	2,980,949	42,951,684	1,441%	3,979	79%	47%	1.68
2044		5,954,208	93,004,839	1,562%	5,256	2,632,915	42,534,224	1,615%	3,635	82%	48%	1.70
2045		5,320,857	91,764,960	1,725%	4,816	2,316,278	41,845,189	1,807%	3,312	84%	49%	1.71
2046		4,732,794	89,901,609	1,900%	4,396	2,029,076	40,898,055	2,016%	3,008	87%	50%	1.73
2047		4,189,099	87,442,256	2,087%	3,998	1,770,332	39,724,185	2,244%	2,725	89%	51%	1.75
2048		3,691,199	84,539,209	2,290%	3,624	1,538,387	38,353,711	2,493%	2,461	91%	52%	1.76
2049	3,236,720	81,313,090	2,512%	3,273	1,331,424	36,822,755	2,766%	2,216	93%	52%	1.77	
2050	2,826,335	77,695,592	2,749%	2,946	1,148,434	35,174,684	3,063%	1,991	95%	53%	1.79	
2051	2,456,414	73,789,866	3,004%	2,643	987,216	33,442,973	3,388%	1,783	96%	54%	1.80	
2052	2,125,906	69,690,028	3,278%	2,363	845,879	31,639,235	3,740%	1,593	98%	54%	1.81	
2053	1,831,849	65,553,395	3,579%	2,106	722,597	29,802,366	4,124%	1,419	99%	55%	1.82	
2054	1,572,250	61,424,304	3,907%	1,871	615,651	27,959,218	4,541%	1,261	100%	55%	1.82	
2055-2059	4,979,392	244,527,751	4,911%	6,527	1,925,974	113,096,402	5,872%	4,412	104%	56%	1.85	
2060-2064	2,106,304	151,245,374	7,181%	3,316	812,784	73,366,771	9,027%	2,253	106%	57%	1.86	
2065-2069	830,509	80,946,946	9,747%	1,563	323,872	43,179,944	13,332%	1,052	107%	57%	1.87	
2070-2074	307,411	36,940,552	12,017%	675	118,831	22,648,227	19,059%	434	107%	57%	1.87	

**Attachment 1**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Combined Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.32% Interest	Actual-to-Expected Ratio
Historical Experience	2004	1,942,565	299,291	15%	3,079	1,903,802	36,408	2%	3,052	15%	2%	8.49
	2005	11,098,140	704,251	6%	8,666	10,873,993	219,506	2%	8,484	8%	2%	4.05
	2006	21,633,477	127,091	1%	16,067	20,831,726	506,204	2%	15,530	3%	2%	1.55
	2007	32,580,387	1,314,720	4%	20,865	30,883,849	913,113	3%	20,075	4%	2%	1.48
	2008	37,102,427	2,873,196	8%	21,440	34,545,463	1,363,706	4%	20,431	5%	3%	1.72
	2009	36,651,035	1,804,026	5%	20,626	33,869,760	1,890,966	6%	19,852	5%	4%	1.43
	2010	35,893,738	3,127,792	9%	20,168	33,097,690	2,525,074	8%	19,383	6%	4%	1.35
	2011	35,558,393	4,131,089	12%	19,805	32,494,026	3,256,293	10%	19,061	7%	5%	1.31
	2012	35,555,401	4,870,535	14%	19,770	32,208,480	4,021,665	12%	18,946	7%	6%	1.27
	2013	36,438,885	5,688,002	16%	19,565	32,739,705	4,791,079	15%	19,055	8%	7%	1.24
	2014	37,265,289	7,662,242	21%	18,959	31,784,584	5,550,446	17%	18,461	9%	8%	1.24
	Projected Future Experience (60 Years)	2015	36,615,851	7,537,511	21%	18,591	29,245,684	6,327,537	22%	17,906	10%	9%
2016		37,006,551	8,476,572	23%	17,733	26,490,721	7,155,521	27%	17,370	11%	10%	1.18
2017		47,720,400	8,730,695	18%	16,715	23,566,576	8,051,478	34%	16,841	12%	11%	1.11
2018		48,087,525	9,725,442	20%	16,398	21,571,532	9,036,666	42%	16,314	12%	12%	1.06
2019		46,455,521	11,212,822	24%	16,077	20,444,438	10,095,932	49%	15,787	13%	13%	1.02
2020		44,833,864	12,959,357	29%	15,752	19,387,722	11,126,933	57%	15,258	14%	14%	0.99
2021		43,465,621	14,923,580	34%	15,418	18,440,291	12,164,144	66%	14,727	15%	15%	0.97
2022		41,991,556	17,065,590	41%	15,072	17,450,962	13,238,836	76%	14,193	16%	17%	0.97
2023		40,179,399	19,344,026	48%	14,711	16,335,689	14,443,633	88%	13,658	17%	18%	0.96
2024		38,701,348	21,778,947	56%	14,333	15,397,913	15,805,853	103%	13,121	19%	19%	0.96
2025		37,297,341	24,376,776	65%	13,938	14,525,388	17,273,401	119%	12,583	20%	21%	0.96
2026		35,859,137	27,162,684	76%	13,526	13,673,949	18,860,017	138%	12,045	21%	22%	0.97
2027		34,407,095	30,190,076	88%	13,095	12,844,487	20,566,216	160%	11,508	23%	24%	0.97
2028		32,880,915	33,400,548	102%	12,647	12,023,795	22,383,869	186%	10,973	25%	25%	0.98
2029		31,325,156	36,729,409	117%	12,184	11,219,300	24,309,389	217%	10,440	26%	27%	0.99
2030		29,793,043	40,371,364	136%	11,710	10,444,353	26,300,654	252%	9,910	28%	28%	1.00
2031		28,232,299	44,421,557	157%	11,226	9,689,122	28,324,844	292%	9,386	30%	30%	1.01
2032		26,682,891	48,678,535	182%	10,734	8,966,082	30,349,514	338%	8,869	32%	31%	1.02
2033		25,148,563	53,118,380	211%	10,237	8,274,611	32,337,121	391%	8,359	34%	33%	1.04
2034		23,596,756	57,466,367	244%	9,735	7,601,966	34,274,544	451%	7,858	36%	34%	1.05
2035		22,071,841	61,645,725	279%	9,231	6,961,833	36,102,564	519%	7,368	38%	36%	1.06
2036		20,571,660	65,590,515	319%	8,726	6,350,537	37,771,977	595%	6,890	41%	38%	1.08
2037		19,089,497	69,232,055	363%	8,224	5,769,113	39,270,432	681%	6,426	43%	39%	1.09
2038		17,634,509	72,554,148	411%	7,725	5,217,871	40,565,525	777%	5,976	45%	41%	1.11
2039		16,237,976	75,399,877	464%	7,233	4,704,364	41,621,391	885%	5,541	47%	42%	1.13
2040		14,886,006	77,640,861	522%	6,749	4,222,592	42,409,682	1,004%	5,123	50%	43%	1.14
2041		13,589,626	79,134,267	582%	6,275	3,776,762	42,894,643	1,136%	4,723	52%	45%	1.16
2042		12,347,156	79,943,637	647%	5,814	3,361,405	43,075,656	1,281%	4,341	54%	46%	1.17
2043		11,167,338	80,046,308	717%	5,368	2,980,949	42,951,684	1,441%	3,979	56%	47%	1.18
2044		10,054,357	79,558,175	791%	4,937	2,632,915	42,534,224	1,615%	3,635	58%	48%	1.19
2045		9,010,737	78,486,533	871%	4,525	2,316,278	41,845,189	1,807%	3,312	59%	49%	1.21
2046		8,038,486	76,888,435	957%	4,132	2,029,076	40,898,055	2,016%	3,008	61%	50%	1.22
2047	7,136,697	74,783,088	1,048%	3,760	1,770,332	39,724,185	2,244%	2,725	62%	51%	1.23	
2048	6,307,802	72,299,413	1,146%	3,409	1,538,387	38,353,711	2,493%	2,461	64%	52%	1.24	
2049	5,548,325	69,543,246	1,253%	3,080	1,331,424	36,822,755	2,766%	2,216	65%	52%	1.24	
2050	4,860,146	66,454,540	1,367%	2,773	1,148,434	35,174,684	3,063%	1,991	66%	53%	1.25	
2051	4,237,576	63,121,615	1,490%	2,488	987,216	33,442,973	3,388%	1,783	67%	54%	1.26	
2052	3,679,216	59,622,401	1,621%	2,225	845,879	31,639,235	3,740%	1,593	68%	54%	1.26	
2053	3,180,521	56,093,241	1,764%	1,984	722,597	29,802,366	4,124%	1,419	69%	55%	1.27	
2054	2,738,406	52,566,466	1,920%	1,763	615,651	27,959,218	4,541%	1,261	70%	55%	1.28	
2055-2059	8,739,935	209,263,716	2,394%	6,154	1,925,974	113,096,402	5,872%	4,412	73%	56%	1.29	
2060-2064	3,737,034	129,416,545	3,463%	3,128	812,784	73,366,771	9,027%	2,253	74%	57%	1.30	
2065-2069	1,478,947	69,162,720	4,676%	1,474	323,872	43,179,944	13,332%	1,052	75%	57%	1.31	
2070-2074	546,075	31,442,804	5,758%	637	118,831	22,648,227	19,059%	434	75%	57%	1.31	

**Attachment 2**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Combined Nationwide Written Premium and Paid Claim Experience and Projections**  
**Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Loss Ratio Demonstration				Cumulative Loss Ratio w/ Interest
		Without Interest				
		Written Premium	Paid Claims	Loss Ratio		
Historical Experience	2004	4,472,127	41,559	1%	1%	
	2005	13,879,669	142,647	1%	1%	
	2006	24,588,147	295,873	1%	1%	
	2007	34,718,217	423,473	1%	1%	
	2008	37,209,947	752,446	2%	1%	
	2009	36,478,775	1,360,620	4%	2%	
	2010	35,806,282	1,701,866	5%	2%	
	2011	35,520,461	2,852,688	8%	3%	
	2012	35,817,937	3,490,040	10%	4%	
	2013	36,788,932	4,922,362	13%	5%	
	2014	36,959,606	5,802,460	16%	6%	
Projected Future Experience (60 Years)	2015	36,183,621	5,103,895	14%	7%	
	2016	33,908,313	6,276,586	19%	7%	
	2017	30,712,068	7,376,805	24%	8%	
	2018	29,266,273	8,565,533	29%	9%	
	2019	28,231,992	9,916,185	35%	10%	
	2020	27,316,855	11,448,133	42%	11%	
	2021	26,451,278	13,186,947	50%	13%	
	2022	25,499,358	15,159,845	59%	14%	
	2023	24,461,206	17,364,228	71%	15%	
	2024	23,589,252	19,792,849	84%	17%	
	2025	22,692,198	22,435,274	99%	19%	
	2026	21,786,147	25,295,094	116%	20%	
	2027	20,860,184	28,389,537	136%	22%	
	2028	19,885,798	31,723,392	160%	24%	
	2029	18,912,381	35,280,357	187%	26%	
	2030	17,940,161	39,092,278	218%	29%	
	2031	16,958,698	43,218,403	255%	31%	
	2032	15,985,445	47,661,585	298%	34%	
	2033	15,021,445	52,403,431	349%	36%	
	2034	14,053,739	57,362,855	408%	39%	
	2035	13,105,469	62,438,932	476%	42%	
	2036	12,174,463	67,534,366	555%	45%	
	2037	11,261,083	72,553,003	644%	48%	
	2038	10,369,695	77,411,424	747%	51%	
	2039	9,515,226	82,008,133	862%	54%	
	2040	8,691,567	86,227,890	992%	57%	
	2041	7,905,519	89,940,184	1,138%	60%	
	2042	7,156,132	93,046,250	1,300%	63%	
	2043	6,447,833	95,471,613	1,481%	66%	
	2044	5,782,688	97,181,167	1,681%	69%	
	2045	5,161,857	98,161,277	1,902%	72%	
	2046	4,586,454	98,414,758	2,146%	74%	
	2047	4,055,399	97,954,206	2,415%	77%	
	2048	3,569,642	96,822,221	2,712%	79%	
2049	3,127,316	95,085,783	3,040%	81%		
2050	2,728,373	92,796,712	3,401%	83%		
2051	2,369,252	90,010,516	3,799%	85%		
2052	2,048,794	86,792,502	4,236%	87%		
2053	1,764,183	83,227,992	4,718%	89%		
2054	1,513,272	79,399,787	5,247%	90%		
2055-2059	4,786,200	334,016,048	6,979%	95%		
2060-2064	2,022,003	227,954,142	11,274%	98%		
2065-2069	797,431	137,339,128	17,223%	100%		
2070-2074	295,391	72,161,068	24,429%	100%		



**Attachment 2**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Combined Nationwide Written Premium and Paid Claim Experience and Projections**  
**After Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

	Calendar Year	Loss Ratio Demonstration				Cumulative Loss Ratio w/ Interest
		Without Interest				
		Written Premium	Paid Claims	Loss Ratio		
Historical Experience	2004	4,472,127	41,559	1%	1%	
	2005	13,879,669	142,647	1%	1%	
	2006	24,588,147	295,873	1%	1%	
	2007	34,718,217	423,473	1%	1%	
	2008	37,209,947	752,446	2%	1%	
	2009	36,478,775	1,360,620	4%	2%	
	2010	35,806,282	1,701,866	5%	2%	
	2011	35,520,461	2,852,688	8%	3%	
	2012	35,817,937	3,490,040	10%	4%	
	2013	36,788,932	4,922,362	13%	5%	
	2014	36,959,606	5,802,460	16%	6%	
Projected Future Experience (60 Years)	2015	36,183,961	5,103,895	14%	7%	
	2016	39,433,756	6,249,599	16%	7%	
	2017	48,594,569	7,129,918	15%	8%	
	2018	47,562,403	8,002,955	17%	8%	
	2019	45,939,773	9,034,924	20%	9%	
	2020	44,445,461	10,249,620	23%	10%	
	2021	43,045,599	11,662,985	27%	11%	
	2022	41,461,749	13,295,034	32%	12%	
	2023	39,698,616	15,141,036	38%	12%	
	2024	38,319,255	17,192,292	45%	14%	
	2025	36,897,549	19,435,105	53%	15%	
	2026	35,461,694	21,869,125	62%	16%	
	2027	33,995,728	24,506,875	72%	17%	
	2028	32,447,380	27,351,049	84%	18%	
	2029	30,900,394	30,386,661	98%	20%	
	2030	29,361,070	33,640,512	115%	21%	
	2031	27,802,709	37,163,324	134%	23%	
	2032	26,256,156	40,957,422	156%	25%	
	2033	24,723,711	45,006,847	182%	26%	
	2034	23,175,895	49,242,347	212%	28%	
	2035	21,658,088	53,577,654	247%	30%	
	2036	20,163,845	57,929,758	287%	32%	
	2037	18,692,597	62,215,673	333%	34%	
	2038	17,251,112	66,363,209	385%	36%	
	2039	15,868,438	70,285,524	443%	38%	
	2040	14,530,466	73,883,802	508%	40%	
	2041	13,251,114	77,046,242	581%	42%	
	2042	12,026,295	79,687,896	663%	45%	
	2043	10,864,724	81,745,436	752%	47%	
	2044	9,770,949	83,190,185	851%	49%	
	2045	8,746,881	84,011,592	960%	50%	
	2046	7,794,639	84,213,474	1,080%	52%	
	2047	6,912,922	83,806,858	1,212%	54%	
2048	6,103,441	82,828,238	1,357%	56%		
2049	5,363,535	81,335,453	1,516%	57%		
2050	4,693,900	79,372,989	1,691%	58%		
2051	4,088,948	76,988,349	1,883%	60%		
2052	3,547,074	74,236,683	2,093%	61%		
2053	3,063,934	71,190,641	2,324%	62%		
2054	2,636,225	67,919,856	2,576%	63%		
2055-2059	8,400,118	285,754,078	3,402%	67%		
2060-2064	3,584,660	195,035,901	5,441%	69%		
2065-2069	1,417,981	117,458,439	8,283%	70%		
2070-2074	523,750	61,613,317	11,764%	70%		

**Attachment 3**  
**Highmark BCBS**  
**Actual-to-Expected Experience by Calendar Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.46% Interest	Actual-to-Expected Ratio
Historical Experience	2004	0	0	0%	0	0	0	0%	0	0%	0%	0.00
	2005	0	0	0%	0	0	0	0%	0	0%	0%	0.00
	2006	79,935	0	0%	226	77,118	753	1%	223	0%	1%	0.00
	2007	305,529	0	0%	305	294,791	3,364	1%	291	0%	1%	0.00
	2008	457,469	3,584	1%	446	430,683	7,050	2%	421	0%	1%	0.30
	2009	636,352	0	0%	545	593,214	12,207	2%	513	0%	2%	0.15
	2010	675,510	0	0%	536	611,452	17,826	3%	487	0%	2%	0.09
	2011	664,611	0	0%	516	581,621	25,161	4%	466	0%	2%	0.05
	2012	650,681	0	0%	503	559,275	34,243	6%	451	0%	3%	0.04
	2013	632,394	0	0%	453	541,908	44,715	8%	438	0%	4%	0.03
2014	655,158	15,174	2%	434	526,480	55,302	11%	426	0%	4%	0.08	
Projected Future Experience (60 Years)	2015	685,769	62,907	9%	425	512,085	66,007	13%	415	1%	5%	0.25
	2016	721,800	74,208	10%	418	492,937	76,471	16%	404	2%	6%	0.37
	2017	720,924	86,133	12%	412	468,489	86,948	19%	393	3%	7%	0.45
	2018	691,142	98,857	14%	406	442,943	98,074	22%	382	4%	7%	0.51
	2019	664,905	113,668	17%	399	418,707	109,896	26%	371	5%	8%	0.56
	2020	651,470	132,073	20%	392	403,900	123,613	31%	360	5%	9%	0.60
	2021	638,395	154,934	24%	385	389,496	139,304	36%	349	6%	10%	0.64
	2022	623,317	184,333	30%	378	374,210	156,886	42%	338	7%	11%	0.67
	2023	605,566	219,670	36%	371	357,558	176,392	49%	326	8%	12%	0.71
	2024	586,258	259,684	44%	363	339,900	197,959	58%	315	10%	13%	0.75
	2025	570,877	303,880	53%	355	325,038	221,860	68%	304	11%	14%	0.78
	2026	555,155	352,974	64%	346	310,243	248,679	80%	292	12%	15%	0.82
	2027	535,265	407,998	76%	338	293,419	278,733	95%	280	14%	16%	0.85
	2028	518,733	470,143	91%	328	278,885	313,036	112%	269	16%	18%	0.89
	2029	500,795	541,037	108%	318	264,053	351,471	133%	257	17%	19%	0.92
	2030	482,566	623,502	129%	308	249,414	394,492	158%	245	19%	20%	0.96
	2031	464,053	718,794	155%	298	234,921	441,383	188%	233	22%	22%	0.99
	2032	444,890	829,209	186%	287	220,773	490,129	222%	222	24%	23%	1.03
	2033	425,229	951,262	224%	275	206,781	541,019	262%	210	27%	25%	1.06
	2034	405,017	1,084,397	268%	264	192,919	593,515	308%	198	29%	27%	1.10
	2035	384,152	1,219,762	318%	252	179,162	647,376	361%	186	32%	28%	1.14
	2036	363,529	1,356,214	373%	240	165,937	701,010	422%	175	36%	30%	1.18
	2037	342,706	1,494,014	436%	228	153,067	752,542	492%	164	39%	32%	1.22
	2038	321,768	1,636,804	509%	215	140,598	801,999	570%	153	42%	34%	1.26
	2039	300,811	1,790,363	595%	203	128,577	848,031	660%	142	46%	35%	1.30
	2040	279,941	1,925,256	688%	191	117,048	889,267	760%	132	50%	37%	1.33
	2041	259,264	2,036,717	786%	178	106,050	924,693	872%	121	53%	39%	1.37
	2042	238,894	2,123,520	889%	166	95,616	949,962	994%	112	57%	40%	1.41
	2043	218,965	2,195,137	1,003%	154	85,774	967,039	1,127%	102	61%	42%	1.44
	2044	199,592	2,251,706	1,128%	142	76,547	976,554	1,276%	93	64%	44%	1.47
2045	180,896	2,285,750	1,264%	130	67,953	978,090	1,439%	85	68%	45%	1.50	
2046	162,994	2,293,359	1,407%	119	60,000	970,838	1,618%	77	71%	46%	1.53	
2047	145,977	2,276,577	1,560%	108	52,693	951,682	1,806%	70	74%	47%	1.56	
2048	129,932	2,228,990	1,716%	98	46,026	924,894	2,009%	63	77%	49%	1.58	
2049	114,945	2,172,048	1,890%	88	39,986	891,663	2,230%	56	79%	50%	1.60	
2050	101,041	2,097,752	2,076%	79	34,556	851,812	2,465%	50	82%	50%	1.62	
2051	88,254	2,001,929	2,268%	71	29,710	808,395	2,721%	45	84%	51%	1.64	
2052	76,598	1,890,697	2,468%	63	25,418	760,113	2,990%	40	86%	52%	1.66	
2053	66,061	1,767,547	2,676%	56	21,646	708,398	3,273%	35	88%	53%	1.67	
2054	56,612	1,639,408	2,896%	49	18,351	656,601	3,578%	31	90%	53%	1.69	
2055-2059	175,923	6,227,643	3,540%	166	56,183	2,519,504	4,484%	106	95%	55%	1.73	
2060-2064	69,333	3,305,063	4,767%	81	22,394	1,466,524	6,549%	52	97%	56%	1.75	
2065-2069	24,885	1,476,520	5,933%	38	8,408	799,838	9,513%	24	98%	56%	1.75	
2070-2074	8,839	627,473	7,099%	18	2,981	409,577	13,741%	11	98%	56%	1.75	

**Attachment 3**  
**Highmark BCBS**  
**Actual-to-Expected Experience by Calendar Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA**  
**All Issue Ages Combined**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
		A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.46% Interest	Actual-to-Expected Ratio
Historical Experience	2004	0	0	0%	0	0	0	0%	0	0%	0%	0.00
	2005	0	0	0%	0	0	0	0%	0	0%	0%	0.00
	2006	79,935	0	0%	226	77,118	753	1%	223	0%	1%	0.00
	2007	305,529	0	0%	305	294,791	3,364	1%	291	0%	1%	0.00
	2008	457,469	3,584	1%	446	430,683	7,050	2%	421	0%	1%	0.30
	2009	636,352	0	0%	545	593,214	12,207	2%	513	0%	2%	0.15
	2010	675,510	0	0%	536	611,452	17,826	3%	487	0%	2%	0.09
	2011	664,611	0	0%	516	581,621	25,161	4%	466	0%	2%	0.05
	2012	650,681	0	0%	503	559,275	34,243	6%	451	0%	3%	0.04
	2013	632,394	0	0%	453	541,908	44,715	8%	438	0%	4%	0.03
	2014	655,158	15,174	2%	434	526,480	55,302	11%	426	0%	4%	0.08
Projected Future Experience (60 Years)	2015	685,769	62,907	9%	425	512,085	66,007	13%	415	1%	5%	0.25
	2016	735,547	73,100	10%	415	492,937	76,471	16%	404	2%	6%	0.36
	2017	891,160	77,506	9%	381	468,489	86,948	19%	393	3%	7%	0.42
	2018	982,828	83,630	9%	375	442,943	98,074	22%	382	3%	7%	0.45
	2019	943,797	96,048	10%	369	418,707	109,896	26%	371	4%	8%	0.47
	2020	924,657	111,498	12%	363	403,900	123,613	31%	360	4%	9%	0.49
	2021	906,120	130,680	14%	357	389,496	139,304	36%	349	5%	10%	0.51
	2022	884,545	155,339	18%	350	374,210	156,886	42%	338	6%	11%	0.53
	2023	858,954	184,967	22%	343	357,558	176,392	49%	326	6%	12%	0.55
	2024	830,987	218,460	26%	336	339,900	197,959	58%	315	7%	13%	0.57
	2025	809,190	255,423	32%	329	325,038	221,860	68%	304	8%	14%	0.59
	2026	786,848	296,435	38%	321	310,243	248,679	80%	292	9%	15%	0.61
	2027	757,863	342,340	45%	313	293,419	278,733	95%	280	10%	16%	0.63
	2028	734,507	394,151	54%	304	278,885	313,036	112%	269	11%	18%	0.65
	2029	709,031	453,198	64%	295	264,053	351,471	133%	257	13%	19%	0.67
	2030	683,244	521,842	76%	286	249,414	394,492	158%	245	14%	20%	0.69
	2031	657,153	601,090	91%	276	234,921	441,383	188%	233	16%	22%	0.71
	2032	630,141	692,883	110%	266	220,773	490,129	222%	222	17%	23%	0.73
	2033	602,421	794,279	132%	255	206,781	541,019	262%	210	19%	25%	0.76
	2034	573,889	904,831	158%	244	192,919	593,515	308%	198	21%	27%	0.78
	2035	544,372	1,017,108	187%	234	179,162	647,376	361%	186	23%	28%	0.81
	2036	515,272	1,130,089	219%	222	165,937	701,010	422%	175	25%	30%	0.83
	2037	485,883	1,243,983	256%	211	153,067	752,542	492%	164	27%	32%	0.86
	2038	456,323	1,361,868	298%	200	140,598	801,999	570%	153	30%	34%	0.88
	2039	426,727	1,488,373	349%	188	128,577	848,031	660%	142	32%	35%	0.91
	2040	397,244	1,599,257	403%	177	117,048	889,267	760%	132	35%	37%	0.93
	2041	368,025	1,690,602	459%	165	106,050	924,693	872%	121	37%	39%	0.96
	2042	339,230	1,761,379	519%	154	95,616	949,962	994%	112	40%	40%	0.98
	2043	311,052	1,819,526	585%	143	85,774	967,039	1,127%	102	42%	42%	1.00
	2044	283,651	1,865,489	658%	132	76,547	976,554	1,276%	93	45%	44%	1.02
	2045	257,201	1,892,860	736%	121	67,953	978,090	1,439%	85	47%	45%	1.04
2046	231,867	1,898,254	819%	110	60,000	970,838	1,618%	77	49%	46%	1.06	
2047	207,778	1,883,397	906%	100	52,693	951,682	1,806%	70	51%	47%	1.08	
2048	185,058	1,842,937	996%	91	46,026	924,894	2,009%	63	53%	49%	1.10	
2049	163,826	1,794,728	1,096%	82	39,986	891,663	2,230%	56	55%	50%	1.11	
2050	144,121	1,732,188	1,202%	74	34,556	851,812	2,465%	50	57%	50%	1.12	
2051	125,987	1,652,073	1,311%	66	29,710	808,395	2,721%	45	58%	51%	1.14	
2052	109,447	1,559,162	1,425%	58	25,418	760,113	2,990%	40	60%	52%	1.15	
2053	94,481	1,456,408	1,541%	52	21,646	708,398	3,273%	35	61%	53%	1.16	
2054	81,050	1,349,603	1,665%	45	18,351	656,601	3,578%	31	62%	53%	1.16	
2055-2059	252,571	5,111,596	2,024%	154	56,183	2,519,504	4,484%	106	65%	55%	1.19	
2060-2064	99,996	2,697,573	2,698%	75	22,394	1,466,524	6,549%	52	67%	56%	1.20	
2065-2069	35,955	1,197,779	3,331%	36	8,408	799,838	9,513%	24	67%	56%	1.21	
2070-2074	12,741	506,472	3,975%	17	2,981	409,577	13,741%	11	68%	56%	1.21	

**Attachment 4**  
**Highmark BCBS**  
**Pennsylvania-Specific Written Premium and Paid Claim Experience and Projections**  
**Before Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA**  
**All Issue Ages Combined**

	Calendar Year	Loss Ratio Demonstration				Cumulative Loss Ratio w/ Interest
		Without Interest				
		Written Premium	Paid Claims	Loss Ratio		
Historical Experience	2004	0	0	0%	0%	
	2005	0	0	0%	0%	
	2006	125,511	0	0%	0%	
	2007	336,323	0	0%	0%	
	2008	508,196	0	0%	0%	
	2009	656,765	3,696	1%	0%	
	2010	675,798	0	0%	0%	
	2011	662,010	0	0%	0%	
	2012	649,744	0	0%	0%	
	2013	635,915	0	0%	0%	
	2014	663,436	0	0%	0%	
Projected Future Experience (60 Years)	2015	696,165	16,724	2%	0%	
	2016	716,634	33,730	5%	1%	
	2017	712,119	48,766	7%	1%	
	2018	687,765	63,535	9%	2%	
	2019	661,942	78,502	12%	2%	
	2020	648,546	94,647	15%	3%	
	2021	635,357	112,676	18%	4%	
	2022	620,115	133,761	22%	4%	
	2023	602,197	158,856	26%	5%	
	2024	582,616	188,350	32%	6%	
	2025	567,352	222,384	39%	7%	
	2026	550,268	261,113	47%	8%	
	2027	531,129	304,853	57%	9%	
	2028	514,715	354,198	69%	11%	
	2029	496,490	410,005	83%	12%	
	2030	478,199	473,714	99%	14%	
	2031	459,524	546,799	119%	15%	
	2032	440,238	630,942	143%	17%	
	2033	420,493	726,900	173%	19%	
	2034	399,712	834,635	209%	21%	
	2035	379,301	952,461	251%	23%	
	2036	358,637	1,078,310	301%	26%	
	2037	337,794	1,210,488	358%	29%	
	2038	316,860	1,348,508	426%	31%	
	2039	295,934	1,493,108	505%	34%	
	2040	275,123	1,639,502	596%	38%	
	2041	254,528	1,781,415	700%	41%	
	2042	234,285	1,913,403	817%	44%	
	2043	214,504	2,033,253	948%	47%	
	2044	195,307	2,139,489	1,095%	51%	
2045	176,817	2,229,888	1,261%	54%		
2046	159,140	2,301,083	1,446%	57%		
2047	142,375	2,351,044	1,651%	61%		
2048	126,592	2,377,349	1,878%	64%		
2049	111,876	2,381,605	2,129%	67%		
2050	98,245	2,364,992	2,407%	69%		
2051	85,737	2,327,199	2,714%	72%		
2052	74,349	2,268,964	3,052%	74%		
2053	64,077	2,191,957	3,421%	77%		
2054	54,872	2,099,112	3,825%	79%		
2055-2059	170,335	8,751,800	5,138%	86%		
2060-2064	67,142	5,558,242	8,278%	90%		
2065-2069	24,160	2,942,296	12,178%	91%		
2070-2074	8,599	1,365,370	15,878%	92%		

**Attachment 4**  
**Highmark BCBS**  
**Pennsylvania-Specific Written Premium and Paid Claim Experience and Projections**  
**After Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA**  
**All Issue Ages Combined**

	Calendar Year	Loss Ratio Demonstration				Cumulative Loss Ratio w/ Interest
		Without Interest				
		Written Premium	Paid Claims	Loss Ratio		
Historical Experience	2004	0	0	0%	0%	
	2005	0	0	0%	0%	
	2006	125,511	0	0%	0%	
	2007	336,323	0	0%	0%	
	2008	508,196	0	0%	0%	
	2009	656,765	3,696	1%	0%	
	2010	675,798	0	0%	0%	
	2011	662,010	0	0%	0%	
	2012	649,744	0	0%	0%	
	2013	635,915	0	0%	0%	
	2014	663,436	0	0%	0%	
	Projected Future Experience (60 Years)	2015	696,167	16,724	2%	0%
2016		740,805	33,489	5%	1%	
2017		934,562	46,676	5%	1%	
2018		977,967	58,151	6%	2%	
2019		939,619	69,684	7%	2%	
2020		920,554	82,462	9%	3%	
2021		901,857	97,000	11%	3%	
2022		880,046	114,219	13%	4%	
2023		854,213	134,908	16%	4%	
2024		825,845	159,374	19%	5%	
2025		804,246	187,709	23%	5%	
2026		779,719	220,003	28%	6%	
2027		751,996	256,488	34%	7%	
2028		728,872	297,641	41%	8%	
2029		702,967	344,165	49%	9%	
2030		677,117	397,251	59%	10%	
2031		650,798	458,114	70%	11%	
2032		623,613	528,149	85%	12%	
2033		595,775	607,971	102%	14%	
2034		566,353	697,536	123%	15%	
2035		537,561	795,427	148%	17%	
2036		508,404	899,893	177%	18%	
2037		478,984	1,009,491	211%	20%	
2038		449,427	1,123,804	250%	22%	
2039		419,873	1,243,400	296%	24%	
2040		390,470	1,364,299	349%	26%	
2041		361,364	1,481,304	410%	29%	
2042		332,746	1,589,916	478%	31%	
2043		304,774	1,688,331	554%	33%	
2044		277,620	1,775,411	640%	35%	
2045		251,458	1,849,351	735%	38%	
2046		226,439	1,907,362	842%	40%	
2047	202,704	1,947,754	961%	42%		
2048	180,350	1,968,520	1,091%	44%		
2049	159,499	1,971,002	1,236%	46%		
2050	140,176	1,956,195	1,396%	48%		
2051	122,435	1,923,893	1,571%	50%		
2052	106,270	1,874,707	1,764%	52%		
2053	91,676	1,810,020	1,974%	53%		
2054	78,589	1,732,266	2,204%	54%		
2055-2059	244,641	7,207,004	2,946%	59%		
2060-2064	96,864	4,557,718	4,705%	62%		
2065-2069	34,910	2,400,863	6,877%	63%		
2070-2074	12,394	1,108,445	8,944%	63%		

**Attachment 5**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2014**  
**Individual Simplicity Policy Forms**

**Combined Nationwide Experience**

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve <sup>[3]</sup>
	Incurred Claims <sup>[1]</sup>	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve <sup>[2]</sup>	
2004	299,291	299,291	0		0	
2005	704,251	704,251	0		0	
2006	127,091	127,091	0		0	
2007	1,314,720	1,015,648	299,072		299,072	
2008	2,873,196	2,603,750	269,446		269,446	
2009	1,804,026	1,569,032	234,995		234,995	
2010	3,127,792	2,996,212	131,580		131,580	
2011	4,131,089	3,559,863	571,226		571,226	
2012	4,870,535	3,382,880	1,487,655		1,487,655	
2013	5,688,002	2,892,422	2,795,580		2,795,580	
2014	7,662,242	1,192,510	5,057,202	1,412,530	6,469,732	295,357,103

**Highmark BCBS Pennsylvania-Specific Experience**

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve <sup>[3]</sup>
	Incurred Claims <sup>[1]</sup>	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve <sup>[2]</sup>	
2004	0	0	0		0	
2005	0	0	0		0	
2006	0	0	0		0	
2007	0	0	0		0	
2008	3,584	3,584	0		0	
2009	0	0	0		0	
2010	0	0	0		0	
2011	0	0	0		0	
2012	0	0	0		0	
2013	0	0	0		0	
2014	15,174	0	0	15,174	15,174	4,155,814

[1] Incurred claims are the sum of paid claims, disabled life reserve, and incurred but not reported (IBNR) reserve.

[2] Claim reserve is the sum of disabled life reserve and IBNR reserve.

[3] Active life reserve is defined as interpolated terminal reserves plus unearned premium reserves.

**Attachment 6**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Policy Year**  
**Combined Nationwide Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

Policy Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
	A Earned Premium	B Incurred Claims	C = B / A Incurred Loss Ratio	D End of Year Lives	E Earned Premium	F Incurred Claims	G = F / E Incurred Loss Ratio	H End of Year Lives	I Actual (Column C) with 5.00% Interest	J Expected (Column G) with Average 6.32% Interest	K = I / J Actual-to-Expected Ratio
1	45,117,693	1,608,021	4%	25,220	44,510,624	700,550	2%	24,201	4%	2%	2.26
2	42,777,817	957,700	2%	23,634	40,404,119	1,095,337	3%	22,502	3%	2%	1.39
3	40,998,701	3,087,464	8%	22,505	37,871,712	1,578,675	4%	21,393	4%	3%	1.59
4	39,576,512	2,900,295	7%	21,634	36,208,895	2,102,520	6%	20,673	5%	3%	1.48
5	38,397,611	3,383,846	9%	20,875	34,977,780	2,917,868	8%	19,992	6%	4%	1.35
6	37,461,235	4,484,651	12%	20,209	33,866,875	3,807,639	11%	19,479	6%	5%	1.27
7	36,912,690	5,589,115	15%	19,486	32,954,251	4,662,726	14%	18,966	7%	6%	1.23
8	37,160,040	6,315,441	17%	18,951	32,035,752	5,363,733	17%	18,451	8%	7%	1.19
9	37,699,203	8,417,623	22%	18,563	31,111,050	6,160,495	20%	17,936	10%	8%	1.20
10	38,336,339	7,473,092	19%	18,247	30,179,664	7,000,976	23%	17,418	10%	9%	1.15
11	29,265,611	8,851,930	30%	17,975	22,020,609	7,773,585	35%	16,899	11%	10%	1.13
12	28,907,941	10,419,832	36%	17,661	21,089,742	8,698,358	41%	16,377	13%	11%	1.12
13	28,219,376	11,860,514	42%	17,332	20,134,847	9,744,812	48%	15,853	14%	12%	1.11
14	27,423,416	13,829,850	50%	16,991	19,181,478	10,925,195	57%	15,326	15%	14%	1.11
15	26,635,260	16,130,961	61%	16,635	18,263,424	12,146,518	67%	14,797	17%	15%	1.11
16	25,776,545	18,597,048	72%	16,266	17,319,871	12,805,864	74%	14,265	18%	16%	1.13
17	24,917,124	21,273,896	85%	15,881	16,391,515	14,041,040	86%	13,730	20%	18%	1.15
18	24,055,913	24,211,349	101%	15,481	15,491,375	15,389,640	99%	13,194	22%	19%	1.17
19	23,188,528	27,218,774	117%	15,061	14,624,260	16,831,222	115%	12,657	24%	20%	1.19
20	22,295,472	30,430,953	136%	14,621	13,767,302	18,351,038	133%	12,118	26%	22%	1.21
21	21,357,239	33,909,317	159%	14,160	12,913,627	19,948,563	154%	11,580	29%	23%	1.24
22	20,396,628	37,670,415	185%	13,679	12,082,817	21,807,716	180%	11,043	31%	25%	1.26
23	19,421,874	41,731,646	215%	13,177	11,278,054	23,762,732	211%	10,508	34%	26%	1.28
24	18,407,508	45,988,885	250%	12,658	10,481,629	25,778,126	246%	9,976	36%	28%	1.31
25	17,404,798	50,431,200	290%	12,130	9,714,754	27,823,123	286%	9,449	39%	29%	1.33
26	16,410,336	55,264,402	337%	11,595	8,982,873	29,932,305	333%	8,928	42%	31%	1.36
27	15,415,533	60,589,006	393%	11,055	8,273,150	31,972,009	386%	8,415	45%	33%	1.39
28	14,431,440	65,842,005	456%	10,510	7,590,686	33,986,690	448%	7,910	48%	34%	1.41
29	13,466,823	70,989,164	527%	9,963	6,943,263	35,898,592	517%	7,416	52%	36%	1.44
30	12,520,646	75,844,245	606%	9,415	6,324,380	37,647,501	595%	6,934	55%	37%	1.47
31	11,590,601	80,349,470	693%	8,870	5,740,117	39,243,913	684%	6,465	58%	39%	1.50
32	10,680,469	84,581,308	792%	8,328	5,184,993	40,613,729	783%	6,010	62%	40%	1.53
33	9,805,039	88,133,790	899%	7,793	4,668,780	41,772,866	895%	5,572	65%	42%	1.55
34	8,958,357	91,080,498	1,017%	7,267	4,183,518	42,659,078	1,020%	5,150	68%	43%	1.58
35	8,147,049	93,156,439	1,143%	6,752	3,733,294	43,218,624	1,158%	4,746	72%	45%	1.61
36	7,376,763	94,433,302	1,280%	6,251	3,318,520	43,474,781	1,310%	4,360	75%	46%	1.63
37	6,645,632	94,789,412	1,426%	5,766	2,934,732	43,415,246	1,479%	3,994	78%	47%	1.65
38	5,957,602	94,318,075	1,583%	5,298	2,586,602	43,071,401	1,665%	3,648	80%	48%	1.67
39	5,315,082	93,175,374	1,753%	4,851	2,270,008	42,415,420	1,869%	3,321	83%	49%	1.69
40	4,718,577	91,378,563	1,937%	4,425	1,983,783	41,464,502	2,090%	3,015	86%	50%	1.71
41	4,169,854	88,936,149	2,133%	4,021	1,726,812	40,296,792	2,334%	2,729	88%	51%	1.73
42	3,666,034	86,033,131	2,347%	3,641	1,496,542	38,923,806	2,601%	2,463	90%	52%	1.75
43	3,208,197	82,759,251	2,580%	3,285	1,292,603	37,382,502	2,892%	2,217	92%	52%	1.76
44	2,794,127	79,117,642	2,832%	2,953	1,111,620	35,696,611	3,211%	1,989	94%	53%	1.77
45	2,422,952	75,125,933	3,101%	2,646	952,673	33,901,331	3,559%	1,780	95%	54%	1.78
46	2,091,605	70,908,544	3,390%	2,363	814,001	32,054,088	3,938%	1,589	97%	54%	1.79
47	1,797,723	66,611,870	3,705%	2,103	693,721	30,174,323	4,350%	1,414	98%	54%	1.80
48	1,539,420	62,408,274	4,054%	1,866	589,574	28,285,257	4,798%	1,256	99%	55%	1.81
49	1,313,220	58,168,422	4,429%	1,651	500,037	26,417,084	5,283%	1,112	100%	55%	1.82
50	1,116,247	53,895,875	4,828%	1,456	423,196	24,573,892	5,807%	982	101%	55%	1.83
51-55	3,449,615	207,790,190	6,024%	4,978	1,304,712	97,228,111	7,452%	3,375	105%	56%	1.85
56-60	1,405,996	122,321,040	8,700%	2,434	538,020	60,827,880	11,306%	1,658	106%	57%	1.86
61-65	537,524	61,945,483	11,524%	1,092	207,911	34,966,573	16,818%	732	107%	57%	1.86
66-70	190,695	26,422,114	13,856%	438	71,914	17,079,088	23,749%	277	107%	57%	1.87
Total	933,254,233	2,813,142,785	301%	592,097	675,318,062	1,409,812,050	209%	508,239	107%	57%	1.87

**Attachment 6**  
**Highmark BCBS, MedAmerica, and MedAmerica's Other Affinity Partners**  
**Actual-to-Expected Experience by Policy Year**  
**Combined Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**  
**All Issue Ages Combined**

Policy Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
	A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.32% Interest	Actual-to-Expected Ratio
1	45,117,693	1,608,021	4%	25,220	44,510,624	700,550	2%	24,201	4%	2%	2.26
2	42,777,817	957,700	2%	23,634	40,404,119	1,095,337	3%	22,502	3%	2%	1.39
3	41,025,228	3,087,335	8%	22,503	37,871,712	1,578,675	4%	21,393	4%	3%	1.59
4	39,903,565	2,897,485	7%	21,608	36,208,895	2,102,520	6%	20,673	5%	3%	1.47
5	39,772,496	3,369,604	8%	20,810	34,977,780	2,917,868	8%	19,992	6%	4%	1.33
6	39,379,550	4,456,970	11%	20,127	33,866,875	3,807,639	11%	19,479	6%	5%	1.25
7	39,144,092	5,546,963	14%	19,391	32,954,251	4,662,726	14%	18,966	7%	6%	1.20
8	39,758,022	6,256,059	16%	18,838	32,035,752	5,363,733	17%	18,451	8%	7%	1.16
9	41,227,985	8,317,122	20%	18,361	31,111,050	6,160,495	20%	17,936	9%	8%	1.16
10	44,778,759	7,239,521	16%	17,802	30,179,664	7,000,976	23%	17,418	10%	9%	1.10
11	38,353,738	8,314,296	22%	17,217	22,020,609	7,773,585	35%	16,899	11%	10%	1.05
12	42,039,116	9,463,812	23%	16,649	21,089,742	8,698,358	41%	16,377	11%	11%	1.01
13	44,345,597	10,417,499	23%	16,195	20,134,847	9,744,812	48%	15,853	12%	12%	0.97
14	44,142,622	12,001,407	27%	15,851	19,181,478	10,925,195	57%	15,326	13%	14%	0.94
15	43,083,192	13,956,034	32%	15,520	18,263,424	12,146,518	67%	14,797	14%	15%	0.92
16	41,709,807	16,071,806	39%	15,178	17,319,871	12,805,864	74%	14,265	15%	16%	0.92
17	40,338,627	18,367,337	46%	14,822	16,391,515	14,041,040	86%	13,730	16%	18%	0.91
18	38,974,963	20,883,701	54%	14,452	15,491,375	15,389,640	99%	13,194	17%	19%	0.91
19	37,605,702	23,456,460	62%	14,062	14,624,260	16,831,222	115%	12,657	19%	20%	0.92
20	36,196,604	26,201,922	72%	13,655	13,767,302	18,351,038	133%	12,118	20%	22%	0.92
21	34,705,594	29,172,293	84%	13,227	12,913,627	19,948,563	154%	11,580	22%	23%	0.93
22	33,172,726	32,382,217	98%	12,781	12,082,817	21,807,716	180%	11,043	23%	25%	0.94
23	31,626,806	35,845,446	113%	12,316	11,278,054	23,762,732	211%	10,508	25%	26%	0.95
24	30,014,556	39,472,781	132%	11,834	10,481,629	25,778,126	246%	9,976	27%	28%	0.96
25	28,425,063	43,256,129	152%	11,344	9,714,754	27,823,123	286%	9,449	29%	29%	0.97
26	26,845,980	47,373,613	176%	10,847	8,982,873	29,932,305	333%	8,928	30%	31%	0.99
27	25,261,630	51,911,735	205%	10,345	8,273,150	31,972,009	386%	8,415	33%	33%	1.00
28	23,687,696	56,388,969	238%	9,838	7,590,686	33,986,690	448%	7,910	35%	34%	1.01
29	22,147,873	60,776,863	274%	9,329	6,943,263	35,898,592	517%	7,416	37%	36%	1.03
30	20,633,295	64,918,650	315%	8,820	6,324,380	37,647,501	595%	6,934	39%	37%	1.05
31	19,139,352	68,758,603	359%	8,312	5,740,117	39,243,913	684%	6,465	41%	39%	1.06
32	17,672,739	72,365,386	409%	7,807	5,184,993	40,613,729	783%	6,010	44%	40%	1.08
33	16,259,524	75,391,232	464%	7,308	4,668,780	41,772,866	895%	5,572	46%	42%	1.10
34	14,888,041	77,898,743	523%	6,818	4,183,518	42,659,078	1,020%	5,150	48%	43%	1.11
35	13,572,136	79,666,940	587%	6,337	3,733,294	43,218,624	1,158%	4,746	50%	45%	1.13
36	12,318,521	80,749,754	656%	5,869	3,318,520	43,474,781	1,310%	4,360	52%	46%	1.14
37	11,124,062	81,044,757	729%	5,416	2,934,732	43,415,246	1,479%	3,994	54%	47%	1.16
38	9,997,803	80,631,651	806%	4,979	2,586,602	43,071,401	1,665%	3,648	56%	48%	1.17
39	8,941,856	79,649,926	891%	4,560	2,270,008	42,415,420	1,869%	3,321	58%	49%	1.18
40	7,959,545	78,117,415	981%	4,161	1,983,783	41,464,502	2,090%	3,015	60%	50%	1.19
41	7,053,023	76,031,838	1,078%	3,783	1,726,812	40,296,792	2,334%	2,729	61%	51%	1.21
42	6,217,837	73,559,066	1,183%	3,427	1,496,542	38,923,806	2,601%	2,463	63%	52%	1.22
43	5,456,638	70,767,546	1,297%	3,093	1,292,603	37,382,502	2,892%	2,217	64%	52%	1.22
44	4,765,708	67,665,534	1,420%	2,782	1,111,620	35,696,611	3,211%	1,989	65%	53%	1.23
45	4,144,464	64,264,779	1,551%	2,493	952,673	33,901,331	3,559%	1,780	66%	54%	1.24
46	3,588,022	60,674,871	1,691%	2,227	814,001	32,054,088	3,938%	1,589	67%	54%	1.25
47	3,092,842	57,017,918	1,844%	1,983	693,721	30,174,323	4,350%	1,414	68%	54%	1.25
48	2,655,936	53,438,320	2,012%	1,760	589,574	28,285,257	4,798%	1,256	69%	55%	1.26
49	2,271,826	49,824,748	2,193%	1,557	500,037	26,417,084	5,283%	1,112	70%	55%	1.26
50	1,936,035	46,179,418	2,385%	1,373	423,196	24,573,892	5,807%	982	70%	55%	1.27
51-55	6,018,357	178,212,088	2,961%	4,698	1,304,712	97,228,111	7,452%	3,375	72%	56%	1.28
56-60	2,468,989	105,010,551	4,253%	2,298	538,020	60,827,880	11,306%	1,658	73%	57%	1.29
61-65	943,707	53,116,088	5,628%	1,031	207,911	34,966,573	16,818%	732	74%	57%	1.29
66-70	333,331	22,574,229	6,772%	414	71,914	17,079,088	23,749%	277	74%	57%	1.29
Total	1,279,016,689	2,416,981,150	189%	567,061	675,318,062	1,409,812,050	209%	508,239	74%	57%	1.29



**Attachment 7**  
**Highmark BCBS**  
**Actual-to-Expected Experience by Policy Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCSPA, FSPL-336-HMBCSPA**  
**All Issue Ages Combined**

Policy Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
	A Earned Premium	B Incurred Claims	C = B / A Incurred Loss Ratio	D End of Year Lives	E Earned Premium	F Incurred Claims	G = F / E Incurred Loss Ratio	H End of Year Lives	I Actual (Column C) with 5.00% Interest	J Expected (Column G) with Average 6.46% Interest	K = I / J Actual-to-Expected Ratio
1	726,760	0	0%	567	713,082	7,477	1%	544	0%	1%	0.00
2	697,281	3,584	1%	543	646,969	11,734	2%	505	0%	1%	0.17
3	677,035	0	0%	533	605,109	17,248	3%	479	0%	2%	0.09
4	670,466	14	0%	524	577,709	22,962	4%	463	0%	2%	0.06
5	664,438	1,019	0%	506	558,110	33,579	6%	448	0%	3%	0.05
6	664,416	8,101	1%	485	540,831	45,103	8%	437	0%	4%	0.08
7	677,710	24,736	4%	443	526,630	56,670	11%	426	1%	4%	0.16
8	695,409	47,003	7%	426	512,446	65,644	13%	415	1%	5%	0.27
9	710,672	70,817	10%	418	498,242	75,951	15%	404	2%	6%	0.37
10	723,591	87,093	12%	412	483,982	87,252	18%	393	3%	7%	0.45
11	683,354	99,359	15%	406	439,090	97,352	22%	382	4%	7%	0.51
12	670,985	113,114	17%	399	422,720	109,049	26%	371	5%	8%	0.56
13	652,480	130,308	20%	393	405,087	122,426	30%	360	5%	9%	0.60
14	638,221	154,771	24%	386	390,037	138,309	35%	349	6%	10%	0.63
15	625,369	184,649	30%	378	375,929	155,754	41%	338	7%	11%	0.67
16	603,282	219,910	36%	371	357,023	174,273	49%	327	8%	12%	0.71
17	585,368	260,179	44%	363	340,671	195,737	57%	315	10%	13%	0.74
18	569,820	305,431	54%	355	325,175	219,559	68%	304	11%	14%	0.78
19	554,940	353,435	64%	347	310,885	246,122	79%	292	12%	15%	0.82
20	539,364	406,750	75%	338	296,551	275,089	93%	281	14%	16%	0.85
21	517,511	468,204	90%	329	279,072	307,163	110%	269	16%	18%	0.89
22	500,449	540,207	108%	319	264,739	345,515	131%	258	17%	19%	0.92
23	481,178	623,568	130%	309	249,752	387,447	155%	246	19%	20%	0.96
24	462,536	717,188	155%	298	235,531	432,972	184%	234	22%	22%	0.99
25	443,303	822,451	186%	287	221,117	480,770	217%	222	24%	23%	1.03
26	423,647	940,431	222%	276	207,171	531,036	256%	211	27%	25%	1.06
27	403,635	1,073,285	266%	264	193,430	582,895	301%	199	29%	27%	1.10
28	383,314	1,208,935	315%	253	179,941	635,638	353%	188	32%	28%	1.14
29	362,062	1,344,454	371%	241	166,453	688,769	414%	176	35%	30%	1.18
30	341,303	1,483,792	435%	228	153,621	739,618	481%	165	39%	32%	1.22
31	320,437	1,620,560	506%	216	141,188	788,132	558%	154	42%	34%	1.26
32	299,559	1,761,579	588%	204	129,196	835,040	646%	143	46%	35%	1.30
33	278,773	1,893,081	679%	192	117,692	875,382	744%	133	49%	37%	1.33
34	258,188	2,006,469	777%	179	106,713	909,797	853%	123	53%	39%	1.37
35	237,918	2,098,835	882%	167	96,293	937,703	974%	113	57%	40%	1.41
36	218,094	2,171,719	996%	155	86,461	955,450	1,105%	104	60%	42%	1.44
37	198,830	2,226,254	1,120%	143	77,240	966,553	1,251%	95	64%	43%	1.47
38	180,240	2,255,346	1,251%	131	68,646	969,298	1,412%	86	67%	45%	1.50
39	162,432	2,267,636	1,396%	120	60,690	962,654	1,586%	78	70%	46%	1.53
40	145,516	2,257,793	1,552%	109	53,375	947,924	1,776%	71	73%	47%	1.55
41	129,563	2,225,527	1,718%	99	46,696	923,591	1,978%	64	76%	48%	1.58
42	114,654	2,167,478	1,890%	89	40,639	893,112	2,198%	57	79%	49%	1.60
43	100,825	2,093,753	2,077%	80	35,186	856,628	2,435%	51	81%	50%	1.62
44	88,104	2,004,534	2,275%	72	30,312	812,828	2,682%	46	84%	51%	1.64
45	76,505	1,896,136	2,478%	64	25,988	766,372	2,949%	40	86%	52%	1.66
46	66,011	1,779,215	2,695%	56	22,178	718,029	3,238%	36	88%	52%	1.67
47	56,594	1,652,300	2,920%	50	18,844	666,670	3,538%	32	89%	53%	1.68
48	48,227	1,521,940	3,156%	44	15,946	614,038	3,851%	28	91%	53%	1.70
49	40,851	1,388,376	3,399%	38	13,441	561,399	4,177%	24	92%	54%	1.71
50	34,392	1,256,898	3,655%	33	11,290	510,713	4,524%	21	93%	54%	1.71
51-55	102,412	4,446,038	4,341%	111	33,881	1,885,078	5,564%	71	96%	55%	1.74
56-60	37,939	2,165,832	5,709%	52	13,136	1,070,077	8,146%	34	97%	56%	1.75
61-65	13,349	947,155	7,095%	25	4,813	590,316	12,265%	15	98%	56%	1.75
66-70	4,748	400,065	8,427%	11	1,614	268,694	16,649%	6	98%	56%	1.75
<b>Total</b>	<b>20,564,057</b>	<b>58,197,307</b>	<b>283%</b>	<b>13,837</b>	<b>12,728,562</b>	<b>27,574,594</b>	<b>217%</b>	<b>11,627</b>	<b>98%</b>	<b>56%</b>	<b>1.75</b>

**Attachment 7**  
**Highmark BCBS**  
**Actual-to-Expected Experience by Policy Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Policy Forms: SPL-336-HMBCSPA, FSPL-336-HMBCSPA**  
**All Issue Ages Combined**

Policy Year	Actual or Projected Experience using Current Assumptions				Expected Experience using Pricing Assumptions				Cumulative Loss Ratios with Interest		
	A	B	C = B / A	D	E	F	G = F / E	H	I	J	K = I / J
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with 5.00% Interest	Expected (Column G) with Average 6.46% Interest	Actual-to-Expected Ratio
1	726,760	0	0%	567	713,082	7,477	1%	544	0%	1%	0.00
2	697,281	3,584	1%	543	646,969	11,734	2%	505	0%	1%	0.17
3	677,035	0	0%	533	605,109	17,248	3%	479	0%	2%	0.09
4	670,466	14	0%	524	577,709	22,962	4%	463	0%	2%	0.06
5	664,438	1,019	0%	506	558,110	33,579	6%	448	0%	3%	0.05
6	664,416	8,101	1%	485	540,831	45,103	8%	437	0%	4%	0.08
7	679,102	24,659	4%	443	526,630	56,670	11%	426	1%	4%	0.16
8	714,836	46,067	6%	422	512,446	65,644	13%	415	1%	5%	0.26
9	799,729	66,827	8%	406	498,242	75,951	15%	404	2%	6%	0.35
10	890,149	78,829	9%	393	483,982	87,252	18%	393	3%	7%	0.41
11	899,091	86,779	10%	378	439,090	97,352	22%	382	3%	7%	0.45
12	937,828	96,138	10%	370	422,720	109,049	26%	371	4%	8%	0.47
13	926,380	109,982	12%	363	405,087	122,426	30%	360	4%	9%	0.49
14	906,043	130,510	14%	357	390,037	138,309	35%	349	5%	10%	0.51
15	887,929	155,565	18%	350	375,929	155,754	41%	338	6%	11%	0.53
16	855,544	185,121	22%	344	357,023	174,273	49%	327	6%	12%	0.55
17	829,856	218,822	26%	336	340,671	195,737	57%	315	7%	13%	0.57
18	807,775	256,646	32%	329	325,175	219,559	68%	304	8%	14%	0.59
19	786,814	296,717	38%	321	310,885	246,122	79%	292	9%	15%	0.61
20	764,870	341,172	45%	313	296,551	275,089	93%	281	10%	16%	0.63
21	732,861	392,368	54%	304	279,072	307,163	110%	269	11%	18%	0.65
22	708,823	452,321	64%	296	264,739	345,515	131%	258	13%	19%	0.67
23	681,367	521,664	77%	286	249,752	387,447	155%	246	14%	20%	0.69
24	655,093	599,475	92%	276	235,531	432,972	184%	234	16%	22%	0.71
25	627,981	686,898	109%	266	221,117	480,770	217%	222	17%	23%	0.73
26	600,265	784,828	131%	256	207,171	531,036	256%	211	19%	25%	0.76
27	572,040	895,038	156%	245	193,430	582,895	301%	199	21%	27%	0.78
28	543,371	1,007,420	185%	234	179,941	635,638	353%	188	23%	28%	0.81
29	513,263	1,119,575	218%	223	166,453	688,769	414%	176	25%	30%	0.83
30	483,958	1,234,708	255%	212	153,621	739,618	481%	165	27%	32%	0.86
31	454,493	1,347,546	296%	201	141,188	788,132	558%	154	30%	34%	0.88
32	425,001	1,463,788	344%	189	129,196	835,040	646%	143	32%	35%	0.91
33	395,629	1,571,943	397%	178	117,692	875,382	744%	133	34%	37%	0.93
34	366,533	1,664,911	454%	166	106,713	909,797	853%	123	37%	39%	0.96
35	337,874	1,740,325	515%	155	96,293	937,703	974%	113	39%	40%	0.98
36	309,836	1,799,614	581%	144	86,461	955,450	1,105%	104	42%	42%	1.00
37	282,584	1,843,656	652%	133	77,240	966,553	1,251%	95	44%	43%	1.02
38	256,279	1,866,824	728%	122	68,646	969,298	1,412%	86	47%	45%	1.04
39	231,075	1,876,169	812%	112	60,690	962,654	1,586%	78	49%	46%	1.06
40	207,126	1,867,208	901%	102	53,375	947,924	1,776%	71	51%	47%	1.08
41	184,533	1,839,717	997%	92	46,696	923,591	1,978%	64	53%	48%	1.09
42	163,412	1,790,829	1,096%	83	40,639	893,112	2,198%	57	55%	49%	1.11
43	143,812	1,729,049	1,202%	75	35,186	856,628	2,435%	51	56%	50%	1.12
44	125,772	1,654,429	1,315%	67	30,312	812,828	2,682%	46	58%	51%	1.13
45	109,312	1,564,189	1,431%	59	25,988	766,372	2,949%	40	59%	52%	1.14
46	94,409	1,466,972	1,554%	52	22,178	718,029	3,238%	36	60%	52%	1.15
47	81,024	1,361,430	1,680%	46	18,844	666,670	3,538%	32	62%	53%	1.16
48	69,119	1,253,046	1,813%	41	15,946	614,038	3,851%	28	62%	53%	1.17
49	58,611	1,142,031	1,949%	35	13,441	561,399	4,177%	24	63%	54%	1.18
50	49,396	1,032,902	2,091%	31	11,290	510,713	4,524%	21	64%	54%	1.18
51-55	147,474	3,643,465	2,471%	103	33,881	1,885,078	5,564%	71	66%	55%	1.20
56-60	54,805	1,764,089	3,219%	48	13,136	1,070,077	8,146%	34	67%	56%	1.20
61-65	19,269	766,582	3,978%	23	4,813	590,316	12,265%	15	67%	56%	1.21
66-70	6,826	322,563	4,726%	10	1,614	268,694	16,649%	6	67%	56%	1.21
<b>Total</b>	<b>26,479,565</b>	<b>48,174,127</b>	<b>182%</b>	<b>13,147</b>	<b>12,728,562</b>	<b>27,574,594</b>	<b>217%</b>	<b>11,627</b>	<b>67%</b>	<b>56%</b>	<b>1.21</b>

Letter of Authorization

To: Department of Insurance

MedAmerica Insurance Company ("MedAmerica") has entered into a service agreement with Milliman, Inc. ("Milliman") effective November 1, 2007, that includes long-term care rate filing services on our behalf. The agreement provides, in part, that Milliman is responsible for preparing and filing for approval with state insurance departments MedAmerica's long-term care rate increase filings. Milliman is also authorized to receive, on MedAmerica's behalf, written and oral communication from each state department of insurance for the purpose of completing the rate increase filing process.

Please accept this letter of authorization for the purpose stated above. Should you have any questions regarding the above, please forward your comments to:

MedAmerica Insurance Company  
165 Court Street  
Rochester, NY 14647

HM Life Insurance  
Company

HM Life Insurance  
Company of New York

HM Casualty  
Insurance Company

Highmark Casualty  
Insurance Company

RBS Re

HM Benefits  
Administrators

412.544.1000  
800.328.5433

www.hmig.com

Mailing Address  
PO Box 535061  
Pittsburgh, PA 15253-5061

Overnight Deliveries  
Fifth Avenue Place  
120 Fifth Avenue  
Pittsburgh, PA 15222-3099

  
\_\_\_\_\_  
Title *SUP operations*

*4/7/2016*  
\_\_\_\_\_  
Date

## **MedAmerica Claim Administration and Processing Documentation**

As the majority of policies to which this rate increase is applicable are eligible for a contingent benefit upon lapse, the following provides a demonstration that MedAmerica Insurance Company (MedAmerica) has consistently applied appropriate policy administration and claim processing procedures. These procedures are in place to assure that policyholders' long-term care claims are paid according to the provisions of our contracts.

Personal Care Advisors (PCAs) in our Claims Intake area determine whether a claimant qualifies for initial benefit eligibility, and create a plan of care for each eligible claimant. Our Rehabilitation/Case Management team then assigns a PCA to handle all aspects of the insured's contact with the Company, including care planning, ongoing care management, and supervision of claim payment.

While the PCAs are knowledgeable about all of the long term care products administered by the Company, each one specializes in a handful of products to increase claim payment accuracy. For chronically stable patients for whom rehabilitation is unlikely and site of care changes occur infrequently, specialized PCAs are assigned whose primary task is timely adjudication of claims and annual reassessment of benefit eligibility.

All claimants are reassessed at least once per year; claimants in Assisted Living or Home Care status are reassessed more frequently. All claims are reviewed prior to payment. Monthly claims audit procedures are in place. Anti-fraud activities are carried out by the staff of the Special Investigations Unit within our parent company.

MedAmerica management believes that these claims management practices are designed to pay claims correctly and help eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases.