

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Filing at a Glance

Company: Blue Cross of Northeastern Pennsylvania
Product Name: Long-Term Care
State: Pennsylvania
TOI: LTC03G Group Long Term Care
Sub-TOI: LTC03G.001 Qualified
Filing Type: Rate - Other (Not M.U. or G.I. Product)
Date Submitted: 03/09/2017
SERFF Tr Num: MILL-130951718
SERFF Status: Assigned
State Tr Num: MILL-130951718
State Status: Received Review in Progress
Co Tr Num: SERIES 11 GROUP (BCNEPA)

Implementation: On Approval
Date Requested:
Author(s): Missy Gordon, Travis Reisch, Shawn Stender, Michael Emmert, Bryan Rask, Brandon Johnson, Jack Bridges, Jenna Roska
Reviewer(s): Jim Laverty (primary)
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

Proposed 69.1% increase on 11 PA policyholders of group LTC form GRP11-342-PA-1100.

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

General Information

Project Name: MedAmerica Nationwide 2017 Rate Increase Status of Filing in Domicile: Pending
Project Number: 145MAI01-30.05 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Pennsylvania is the state of
 domicile.
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer Overall Rate Impact: 69.1%
Filing Status Changed: 03/10/2017
State Status Changed: 03/10/2017 Deemer Date:
Created By: Brandon Johnson Submitted By: Shawn Stender
Corresponding Filing Tracking Number:
State TOI: LTC03G Group Long Term Care State Sub-TOI: LTC03G.001 Qualified

Filing Description:

On behalf of BCNEPA, we are submitting the referenced rate filing for your review. This is an existing policy form that provides long-term care coverage. The company issued certificates on this form in Pennsylvania between August 2002 and November 2002, and it is no longer being marketed in any jurisdiction. The company is making a similar request on the Series 11 Individual policy forms in a concurrent filing (SERFF Tracking # MILL-130951717).

This product was designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner of BCNEPA. These certificates were issued on BCNEPA paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 100% of the risk on these certificates via a reinsurance arrangement with BCNEPA.

The company is requesting the approval of a premium rate increase on this form, including all associated riders. This form is in need of a premium rate increase due to emerging and projected experience running more adverse than previously expected. The company is requesting a premium rate increase that varies by benefit period. The cumulative rate increase levels were determined to allow certification to rate stability, where applicable, and vary by benefit period to better align the rate increase with the adverse experience.

There has been one prior increase that the Department filed for use in May 2010. The company is seeking this current rate increase request to achieve what it believes is needed to alleviate the poor performance on this block of business.

Similar to the prior increase, the company 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. Policyholders who prefer to offset the impact of the requested rate increase may have the option to change one or more of the following plan features to lower their premiums (subject to the minimum benefit options available on the form): (i) reduce their daily benefit; (ii) shorten their benefit period; (iii) lengthen their elimination period; (iv) reduce their inflation protection (e.g., compound inflation to no inflation); or (v) drop rider coverage. Additionally, the company will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial.

As noted above, the requested increase varies by a policyholder's current benefit period. Therefore, in lieu of inflation-based landing spot options, the company is preparing a unique notification letter that provides pre-packaged benefit reduction options

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for policyholders. The notification letter will provide distinct pre-packaged benefit reduction options that allow policyholders to easily reduce their benefits to mitigate the increase without calling customer service. The company has indicated that its customer service team is always available to discuss with policyholders their options to reduce their benefit coverage and lower their premiums at any time. At this time the company is in the process of finalizing this letter and will submit the letter for the Department’s review once complete in the following weeks.

Please note that in the future slight variations in language may occur that do not materially change the information being provided to the policyholder. It is our understanding that such variations do not need to be filed with the Department.

Company and Contact

Filing Contact Information

Shawn Stender, Assistant Actuary shawn.stender@milliman.com
 Milliman, Inc. 952-820-3104 [Phone]
 8500 Normandale Lake Blvd.
 Suite 1850
 Minneapolis, MN 55437

Filing Company Information

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

Blue Cross of Northeastern Pennsylvania	CoCode: 54747	State of Domicile: Pennsylvania
19 North Main Street	Group Code: 1270	Company Type: HMDI
Wilkes-Barre, PA 18711	Group Name: Hosp Serv Assn of NEPA Gp	State ID Number:
(570) 200-4456 ext. [Phone]	FEIN Number: 24-0615177	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

MILL-130951718

State Tracking #:

MILL-130951718

Company Tracking #:

SERIES 11 GROUP (BCNEPA)

State: Pennsylvania

Filing Company: Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name: Long-Term Care

Project Name/Number: MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Rate Information

Rate data applies to filing.

Filing Method: Review and Approval

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 39.000%

Effective Date of Last Rate Revision: 05/13/2010

Filing Method of Last Filing: 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):
Blue Cross of Northeastern Pennsylvania	%	69.100%	\$5,188	11	\$7,511	69.100%	69.100%

SERFF Tracking #:

MILL-130951718

State Tracking #:

MILL-130951718

Company Tracking #:

SERIES 11 GROUP (BCNEPA)

State:

Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI:

LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name:

Long-Term Care

Project Name/Number:

MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Series 11 Group Rate Tables	GRP11-342-PA-1100	Revised	Previous State Filing Number: MILL-126494138 Percent Rate Change Request: 69.1	PA_BCNEPA_Current Premium Rates_Series 11 Group_20170309.pdf, PA_BCNEPA_Proposed Premium Rates_Series 11 Group_20170309.pdf,

Blue Cross of Northeastern Pennsylvania
19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302

Comprehensive Tax Qualified Certificate

Group Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Current Annual Premium Rates
Rates per \$10 Daily Benefit

Certificate: GRP11-342-PA-1100
Base Certificate with No Inflation Protection

Rider: GRP11-SIP-PA-998
Simple Inflation Protection Rider

Rider: GRP11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<22	6	7	8	8	11	3	4	4	6	7	21	26	32	38	47
22	7	7	8	10	13	3	4	4	6	7	21	28	33	38	49
23	7	7	8	10	13	3	4	6	6	8	21	29	35	40	50
24	7	8	10	10	14	3	4	6	7	8	22	29	35	42	51
25	7	8	10	11	14	4	4	6	7	10	24	31	36	42	54
26	7	8	10	11	15	4	6	6	7	10	25	32	39	44	56
27	8	10	11	13	15	4	6	6	7	11	25	32	39	46	58
28	8	10	11	13	17	4	6	7	8	11	25	33	40	47	60
29	8	10	11	14	18	4	6	8	8	11	26	35	43	49	61
30	8	11	13	14	18	6	6	8	10	13	28	36	44	51	65
31	10	11	13	15	19	6	7	8	10	14	28	38	46	53	67
32	10	13	14	15	21	6	7	8	11	14	29	38	47	56	70
33	10	13	15	17	22	7	8	10	11	15	32	40	49	57	71
34	11	14	15	18	24	7	8	11	11	17	32	40	51	58	74
35	11	14	17	19	25	7	10	11	13	18	33	43	53	60	76
36	13	15	18	19	26	7	10	11	14	19	33	44	54	64	79
37	13	15	18	21	28	8	11	14	15	21	36	46	57	65	82
38	14	17	19	22	31	8	11	14	17	21	36	47	58	68	83
39	14	18	21	25	32	10	11	15	17	24	39	49	61	70	88
40	15	19	22	26	35	10	13	17	18	24	39	50	63	72	89
41	17	21	24	28	36	10	14	18	19	26	40	53	65	75	93
42	18	22	26	29	39	11	14	18	22	28	42	54	67	78	96
43	18	24	28	32	42	13	15	19	22	31	44	56	70	81	99
44	19	25	29	35	44	14	17	22	24	32	46	58	72	82	103
45	21	26	32	36	47	14	18	22	26	35	47	61	74	86	106
46	22	28	33	39	51	15	21	25	29	36	49	63	78	89	108
47	24	31	36	42	54	17	21	26	31	40	50	64	79	92	113
48	26	32	39	44	58	17	24	29	33	43	51	68	82	96	117
49	28	35	42	49	63	19	25	31	36	46	53	70	85	97	121
50	29	38	46	53	68	21	26	32	38	49	56	72	88	101	124
51	32	40	49	57	72	22	29	36	40	53	57	74	90	104	128
52	35	43	53	61	78	24	32	39	44	57	58	76	93	108	132
53	38	47	57	65	85	25	33	42	49	60	60	79	97	113	135
54	40	51	61	71	90	28	36	44	51	65	63	81	100	115	140
55	43	56	67	78	99	31	39	49	56	68	65	83	103	118	145
56	47	60	72	83	106	32	42	51	60	75	67	88	107	124	149
57	51	65	79	90	114	33	44	54	65	81	68	89	110	128	154
58	56	71	86	99	124	36	47	58	70	85	71	92	113	131	158
59	60	76	93	107	135	40	51	64	74	90	72	96	117	135	163
60	65	83	101	117	146	43	56	68	81	97	75	99	121	140	168
61	71	90	110	128	158	46	60	74	85	104	78	101	125	143	172
62	76	99	120	139	172	49	64	78	90	110	81	104	128	147	177
63	83	107	131	152	186	51	68	83	96	117	82	107	132	152	182
64	90	117	142	164	202	56	72	89	103	124	85	110	135	157	188
65	99	128	156	179	220	58	76	93	110	132	88	114	139	161	193
66	107	139	168	195	239	63	81	100	117	139	89	117	143	167	197
67	117	150	183	213	259	65	86	106	122	147	90	120	146	170	202
68	126	164	200	231	281	68	90	110	129	154	93	122	149	174	206
69	136	178	217	252	304	72	95	117	135	161	96	124	153	177	210
70	149	193	236	274	329	75	99	122	142	170	97	128	156	181	215
71	161	210	256	297	357	79	103	128	147	178	99	129	160	183	218
72	174	227	278	322	388	82	108	133	154	183	100	132	161	186	220
73	188	246	302	349	420	85	111	138	160	189	101	132	163	189	221
74	203	265	325	378	452	88	115	142	164	196	101	133	164	189	224
75	222	291	356	413	493	90	120	147	171	202	103	135	165	192	224
76	242	317	388	450	537	93	122	152	175	207	103	135	167	192	225
77	263	343	423	491	582	95	126	154	179	213	103	135	167	192	225
78	285	374	459	534	632	97	128	158	183	217	103	135	167	192	225
79	309	406	499	580	687	97	128	158	183	217	103	135	167	192	225
80	336	442	546	635	751	97	128	158	183	217	103	135	167	192	225
81	364	480	592	689	813	97	128	158	183	217	103	135	167	192	225
82	393	520	641	748	880	97	128	158	183	217	103	135	167	192	225
83	425	560	694	808	949	97	128	158	183	217	103	135	167	192	225
84	459	605	749	873	1,024	97	128	158	183	217	103	135	167	192	225
85	495	652	808	942	1,104	97	128	158	183	217	103	135	167	192	225

**Blue Cross of Northeastern Pennsylvania
19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302**

Comprehensive Tax Qualified Certificate

**Group Rates for 20-Year Premium Payment Option
0 Day Elimination Period
Current Annual Premium Rates
Rates per \$10 Daily Benefit**

Issue Age	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<22	10	11	14	15	19	6	7	8	11	15	58	76	93	108	133
22	10	11	14	15	21	6	8	10	13	15	60	78	95	111	136
23	10	13	14	17	22	7	8	11	13	15	61	79	97	113	138
24	11	13	15	17	22	7	10	11	14	18	61	81	99	115	142
25	11	14	17	18	24	7	10	11	14	18	63	82	100	117	145
26	11	14	17	19	25	8	10	13	14	19	65	83	103	118	146
27	13	15	18	21	26	8	10	13	14	21	65	85	104	120	149
28	13	15	18	21	28	8	11	14	17	22	67	88	107	124	152
29	14	17	19	22	29	8	11	15	17	24	67	88	108	125	154
30	14	17	21	24	31	10	14	15	18	25	70	90	110	126	157
31	15	18	22	25	32	10	14	17	19	26	70	92	111	129	160
32	15	19	22	26	35	11	14	18	21	26	72	93	114	132	161
33	17	21	24	28	36	11	14	19	22	29	72	95	117	133	165
34	17	21	25	29	39	13	17	21	24	29	74	97	118	136	167
35	18	22	26	31	40	13	17	22	25	32	75	99	120	139	170
36	19	24	29	33	43	14	18	22	25	33	76	100	121	140	172
37	19	25	31	35	46	15	19	24	28	35	78	101	124	143	175
38	21	26	32	36	47	17	21	25	29	39	79	103	125	146	179
39	22	28	33	39	50	17	22	26	31	40	81	104	128	147	181
40	24	29	36	42	54	18	24	28	32	42	81	107	129	149	182
41	25	32	38	43	57	18	24	31	36	44	82	107	132	153	186
42	26	33	40	46	60	19	26	32	38	47	83	108	133	154	189
43	28	35	43	49	64	21	28	33	40	50	85	111	135	157	190
44	29	38	44	51	67	22	29	36	43	54	86	113	138	160	195
45	31	39	47	56	71	25	32	39	44	57	88	114	140	161	197
46	33	42	50	58	75	25	33	42	47	60	89	115	142	164	199
47	35	44	54	63	79	26	35	43	50	64	90	117	143	165	202
48	38	47	57	65	85	28	38	46	54	67	90	118	146	168	204
49	39	50	61	70	90	31	39	47	57	70	93	121	147	171	206
50	42	53	64	75	96	32	42	51	60	74	93	122	150	172	209
51	44	57	68	79	101	33	44	56	64	79	95	124	152	175	211
52	47	60	74	85	107	36	47	57	67	85	96	126	153	178	215
53	50	64	78	90	114	39	50	61	71	89	97	128	156	179	217
54	53	68	83	96	122	42	53	65	76	93	99	129	157	182	218
55	57	74	89	103	131	43	56	70	81	97	100	129	160	185	221
56	61	78	96	110	139	46	60	72	85	103	100	132	160	186	224
57	65	83	101	118	147	47	63	78	89	110	101	133	163	188	227
58	70	90	110	126	158	51	65	81	95	115	103	133	164	190	228
59	75	96	117	136	168	53	70	86	99	122	103	136	167	192	231
60	81	103	126	146	181	56	74	90	104	128	104	138	168	195	234
61	86	111	135	156	193	58	76	96	111	135	106	139	171	197	236
62	92	118	145	168	207	63	82	100	115	140	107	140	172	199	238
63	99	128	156	179	221	65	85	104	122	147	108	142	174	202	240
64	106	136	167	193	238	68	90	110	128	154	110	143	175	203	240
65	114	147	179	209	254	71	95	115	133	161	110	145	178	204	245
66	122	158	193	224	272	75	97	121	140	170	111	146	179	207	246
67	131	170	209	240	293	78	103	125	146	175	113	147	179	209	247
68	140	183	224	260	314	82	106	131	152	182	114	147	182	210	250
69	152	197	240	279	338	83	110	136	158	189	114	149	183	211	252
70	163	213	260	302	364	88	114	140	164	195	115	150	183	213	252
71	175	228	281	325	392	90	120	145	170	200	115	152	185	214	252
72	188	246	302	350	421	93	122	150	174	207	115	152	186	214	253
73	202	264	325	377	452	96	125	154	179	214	115	152	186	215	253
74	217	284	349	406	485	97	129	158	183	218	115	152	186	215	253
75	236	309	378	439	524	99	131	163	189	222	115	152	186	215	253
76	254	334	410	477	567	103	135	165	192	228	115	152	186	215	253
77	275	361	445	517	614	104	136	168	196	231	115	152	186	215	253
78	297	391	481	560	664	106	139	172	199	235	115	152	186	215	253
79	321	423	521	606	717	106	139	172	199	235	115	152	186	215	253
80	348	459	566	659	778	106	139	172	199	235	115	152	186	215	253
81	375	495	612	712	841	106	139	172	199	235	115	152	186	215	253
82	404	534	660	770	906	106	139	172	199	235	115	152	186	215	253
83	435	575	712	830	976	106	139	172	199	235	115	152	186	215	253
84	468	619	766	895	1,049	106	139	172	199	235	115	152	186	215	253
85	503	666	824	962	1,127	106	139	172	199	235	115	152	186	215	253

**Blue Cross of Northeastern Pennsylvania
19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302**

Comprehensive Tax Qualified Certificate

**Group Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with the Requested Rate Increase
Rates per \$10 Daily Benefit**

Issue Age	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<22	9	12	14	14	32	5	7	7	9	20	35	45	54	63	136
22	12	12	14	16	36	5	7	7	9	20	35	47	56	63	140
23	12	12	14	16	36	5	7	9	9	24	35	49	59	68	144
24	12	14	16	16	40	5	7	9	12	24	38	49	59	71	148
25	12	14	16	19	40	7	7	9	12	28	40	52	61	71	156
26	12	14	16	19	44	7	9	9	12	28	42	54	66	75	160
27	14	16	19	21	44	7	9	9	12	32	42	54	66	78	168
28	14	16	19	21	48	7	9	12	14	32	42	56	68	80	172
29	14	16	19	24	52	7	9	14	14	32	45	59	73	82	176
30	14	19	21	24	52	9	9	14	16	36	47	61	75	87	188
31	16	19	21	26	56	9	12	14	16	40	47	63	78	89	192
32	16	21	24	26	60	9	12	14	19	40	49	63	80	94	200
33	16	21	26	28	64	12	14	16	19	44	54	68	82	96	203
34	19	24	26	31	68	12	14	19	19	48	54	68	87	99	211
35	19	24	28	33	72	12	16	19	21	52	56	73	89	101	219
36	21	26	31	33	76	12	16	19	24	56	56	75	92	108	227
37	21	26	31	35	80	14	19	24	26	60	61	78	96	110	235
38	24	28	33	38	88	14	19	24	28	60	61	80	99	115	239
39	24	31	35	42	92	16	19	26	28	68	66	82	103	118	251
40	26	33	38	45	100	16	21	28	31	68	66	85	106	122	255
41	28	35	40	47	104	16	24	31	33	76	68	89	110	127	267
42	31	38	45	49	112	19	24	31	38	80	71	92	113	132	275
43	31	40	47	54	120	21	26	33	38	88	75	94	118	136	283
44	33	42	49	59	128	24	28	38	40	92	78	99	122	139	295
45	35	45	54	61	136	24	31	38	45	100	80	103	125	146	303
46	38	47	56	66	148	26	35	42	49	104	82	106	132	150	311
47	40	52	61	71	156	28	35	45	52	116	85	108	134	155	323
48	45	54	66	75	168	28	40	49	56	124	87	115	139	162	335
49	47	59	71	82	180	33	42	52	61	132	89	118	143	165	347
50	49	63	78	89	196	35	45	54	63	140	94	122	148	172	355
51	54	68	82	96	207	38	49	61	68	152	96	125	153	176	367
52	59	73	89	103	223	40	54	66	75	164	99	129	157	183	379
53	63	80	96	110	243	42	56	71	82	172	101	134	165	190	387
54	68	87	103	120	259	47	61	75	87	188	106	136	169	195	403
55	73	94	113	132	283	52	66	82	94	196	110	141	174	200	415
56	80	101	122	141	303	54	71	87	101	215	113	148	181	209	427
57	87	110	134	153	327	56	75	92	110	231	115	150	186	216	443
58	94	120	146	167	355	61	80	99	118	243	120	155	190	221	455
59	101	129	157	181	387	68	87	108	125	259	122	162	197	228	467
60	110	141	172	197	419	73	94	115	136	279	127	167	204	237	483
61	120	153	186	216	455	78	101	125	143	299	132	172	212	242	495
62	129	167	202	235	495	82	108	132	153	315	136	176	216	249	507
63	141	181	221	256	535	87	115	141	162	335	139	181	223	256	523
64	153	197	240	277	579	94	122	150	174	355	143	186	228	266	539
65	167	216	263	303	630	99	129	157	186	379	148	193	235	273	555
66	181	235	284	329	686	106	136	169	197	399	150	197	242	282	567
67	197	254	310	360	742	110	146	179	207	423	153	202	247	287	579
68	214	277	338	390	806	115	153	186	219	443	157	207	251	294	591
69	230	301	367	425	874	122	160	197	228	463	162	209	259	298	602
70	251	327	400	463	946	127	167	207	240	487	165	216	263	306	618
71	273	355	432	503	1,025	134	174	216	249	511	167	219	270	310	626
72	294	383	470	545	1,113	139	183	226	261	527	169	223	273	315	630
73	317	416	510	590	1,205	143	188	233	270	543	172	223	275	320	634
74	343	449	550	639	1,297	148	195	240	277	563	172	226	277	320	642
75	376	491	602	698	1,416	153	202	249	288	579	174	228	280	324	646
76	409	536	656	761	1,540	157	207	256	296	595	174	228	282	324	646
77	444	580	714	830	1,672	160	214	261	303	610	174	228	282	324	646
78	482	632	776	902	1,815	165	216	268	310	622	174	228	282	324	646
79	522	686	844	980	1,971	165	216	268	310	622	174	228	282	324	646
80	569	747	924	1,074	2,155	165	216	268	310	622	174	228	282	324	646
81	616	811	1,001	1,166	2,334	165	216	268	310	622	174	228	282	324	646
82	665	879	1,083	1,264	2,526	165	216	268	310	622	174	228	282	324	646
83	719	947	1,173	1,365	2,725	165	216	268	310	622	174	228	282	324	646
84	776	1,022	1,267	1,476	2,941	165	216	268	310	622	174	228	282	324	646
85	837	1,102	1,365	1,593	3,168	165	216	268	310	622	174	228	282	324	646

**Blue Cross of Northeastern Pennsylvania
19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302**

Comprehensive Tax Qualified Certificate

**Group Rates for 20-Year Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with the Requested Rate Increase
Rates per \$10 Daily Benefit**

Issue Age	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<22	16	19	24	26	56	9	12	14	19	44	99	129	157	183	383
22	16	19	24	26	60	9	14	16	21	44	101	132	160	188	391
23	16	21	24	28	64	12	14	19	21	44	103	134	165	190	395
24	19	21	26	28	64	12	16	19	24	52	103	136	167	195	407
25	19	24	28	31	68	12	16	19	24	52	106	139	169	197	415
26	19	24	28	33	72	14	16	21	24	56	110	141	174	200	419
27	21	26	31	35	76	14	16	21	24	60	110	143	176	202	427
28	21	26	31	35	80	14	19	24	28	64	113	148	181	209	435
29	24	28	33	38	84	14	19	26	28	68	113	148	183	212	443
30	24	28	35	40	88	16	24	26	31	72	118	153	186	214	451
31	26	31	38	42	92	16	24	28	33	76	118	155	188	219	459
32	26	33	38	45	100	19	24	31	35	76	122	157	193	223	463
33	28	35	40	47	104	19	24	33	38	84	122	160	197	226	475
34	28	35	42	49	112	21	28	35	40	84	125	165	200	230	479
35	31	38	45	52	116	21	28	38	42	92	127	167	202	235	487
36	33	40	49	56	124	24	31	38	42	96	129	169	204	237	495
37	33	42	52	59	132	26	33	40	47	100	132	172	209	242	503
38	35	45	54	61	136	28	35	42	49	112	134	174	212	247	515
39	38	47	56	65	144	28	38	45	52	116	136	176	215	249	519
40	40	49	61	71	156	31	40	47	54	120	136	181	219	251	523
41	42	54	63	73	164	31	40	52	61	128	139	181	223	259	535
42	45	56	68	78	172	33	45	54	63	136	141	183	226	261	543
43	47	59	73	82	184	35	47	56	68	144	143	188	228	266	547
44	49	63	75	87	192	38	49	61	73	156	146	190	233	270	559
45	52	66	80	94	203	42	54	66	75	164	148	193	237	273	567
46	56	71	85	99	215	42	56	71	80	172	150	195	240	277	571
47	59	75	92	106	227	45	59	73	85	184	153	197	242	280	579
48	63	80	96	110	243	47	63	78	92	192	153	200	247	284	587
49	66	85	103	118	259	52	66	80	96	200	157	204	249	289	591
50	71	89	108	127	275	54	71	87	101	211	157	207	254	291	599
51	75	96	115	134	291	56	75	94	108	227	160	209	256	296	606
52	80	101	125	143	307	61	80	96	113	243	162	214	259	301	618
53	85	108	132	153	327	66	85	103	120	255	165	216	263	303	622
54	89	115	141	162	351	71	89	110	129	267	167	219	266	308	626
55	96	125	150	174	375	73	94	118	136	279	169	219	270	313	634
56	103	132	162	186	399	78	101	122	143	295	169	223	270	315	642
57	110	141	172	200	423	80	106	132	150	315	172	226	275	317	650
58	118	153	186	214	455	87	110	136	160	331	174	226	277	322	654
59	127	162	197	230	483	89	118	146	167	351	174	230	282	324	662
60	136	174	214	247	519	94	125	153	176	367	176	233	284	329	670
61	146	188	228	263	555	99	129	162	188	387	179	235	289	334	678
62	155	200	244	284	595	106	139	169	195	403	181	237	291	336	682
63	167	216	263	303	634	110	143	176	207	423	183	240	294	341	690
64	179	230	282	327	682	115	153	186	216	443	186	242	296	343	690
65	193	249	303	353	730	120	160	195	226	463	186	244	301	345	702
66	207	268	327	378	782	127	165	204	237	487	188	247	303	350	706
67	221	287	353	407	842	132	174	212	247	503	190	249	303	353	710
68	237	310	378	439	902	139	179	221	256	523	193	249	308	355	718
69	256	334	407	472	970	141	186	230	268	543	193	251	310	357	722
70	275	360	439	510	1,045	148	193	237	277	559	195	254	310	360	722
71	296	385	475	550	1,125	153	202	244	287	575	195	256	313	362	722
72	317	416	510	592	1,209	157	207	254	294	595	195	256	315	362	726
73	341	447	550	637	1,297	162	212	261	303	614	195	256	315	364	726
74	367	479	590	686	1,393	165	219	268	310	626	195	256	315	364	726
75	400	522	639	743	1,504	167	221	275	320	638	195	256	315	364	726
76	430	564	693	806	1,628	174	228	280	324	654	195	256	315	364	726
77	465	611	752	874	1,764	176	230	284	331	662	195	256	315	364	726
78	503	660	813	947	1,907	179	235	291	336	674	195	256	315	364	726
79	543	714	881	1,025	2,059	179	235	291	336	674	195	256	315	364	726
80	588	776	956	1,114	2,234	179	235	291	336	674	195	256	315	364	726
81	635	837	1,034	1,203	2,414	179	235	291	336	674	195	256	315	364	726
82	684	902	1,116	1,302	2,601	179	235	291	336	674	195	256	315	364	726
83	736	973	1,203	1,403	2,801	179	235	291	336	674	195	256	315	364	726
84	792	1,046	1,295	1,513	3,012	179	235	291	336	674	195	256	315	364	726
85	851	1,126	1,394	1,626	3,236	179	235	291	336	674	195	256	315	364	726

State: Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name: Long-Term Care

Project Name/Number: MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA_BCNEPA_Cover Letter_Group_LRRS_20170309.pdf
Item Status:	
Status Date:	

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

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	PA_BCNEPA_ActMemo_Group_LRRS_20170307.pdf PA_BCNEPA_Supplement_Group_LRRS_20170307.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Authorization to File (A&H)
Comments:	MedAmerica is actively working with BCNEPA to provide an updated letter of authorization for this filing. We will provide the updated letter once available.
Attachment(s):	Authorization to file for BCNEPA_20100111.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	

SERFF Tracking #:

MILL-130951718

State Tracking #:

MILL-130951718

Company Tracking #:

SERIES 11 GROUP (BCNEPA)

State: Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name: Long-Term Care

Project Name/Number: MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Item Status:	
Status Date:	

Satisfied - Item:	Rate Table (A&H)
Comments:	Rate tables are attached on the Rate/Rule Schedule tab.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Numerical Data in Excel
Comments:	
Attachment(s):	PA_Supplement Attachments_20170307.xlsb
Item Status:	
Status Date:	

SERFF Tracking #:

MILL-130951718

State Tracking #:

MILL-130951718

Company Tracking #:

SERIES 11 GROUP (BCNEPA)

State:

Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI:

LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name:

Long-Term Care

Project Name/Number:

MedAmerica Nationwide 2017 Rate Increase/145MAI01-30.05

Attachment PA_Supplement Attachments_20170307.xlsb is not a PDF document and cannot be reproduced here.



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March 9, 2017

Honorable Teresa Miller
Commissioner of Insurance
Pennsylvania Department of Insurance (Department)

1326 Strawberry Square
Harrisburg, Pennsylvania 17120

Via SERFF

**Re: Blue Cross of Northeastern Pennsylvania (BCNEPA)
Company NAIC # 54747
SERFF Tracking # MILL-130951718
Comprehensive Form
Comprehensive Certificate**

**GRP11-341-PA-200
GRP11-342-PA-1100**

Dear Commissioner Miller:

On behalf of BCNEPA, we are submitting the referenced rate filing for your review. This is an existing policy form that provides long-term care coverage. The company issued certificates on this form in Pennsylvania between August 2002 and November 2002, and it is no longer being marketed in any jurisdiction. The company is making a similar request on the Series 11 Individual policy forms in a concurrent filing (SERFF Tracking # MILL-130951717).

This product was designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner of BCNEPA. These certificates were issued on BCNEPA paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 100% of the risk on these certificates via a reinsurance arrangement with BCNEPA.

The company is requesting the approval of a premium rate increase on the above-listed form, including all associated riders. This form is in need of a premium rate increase due to emerging and projected experience running more adverse than previously expected. The company is requesting a premium rate increase that varies by benefit period as shown in the following table. The cumulative rate increase levels were determined to allow certification to rate stability, where applicable, and vary by benefit period to better align the rate increase with the adverse experience.

Benefit Period	Cumulative Requested Increase	Cumulative Prior Increase	Current Requested Increase
Non-Lifetime	135%	39%	69.1%
Lifetime	299	39	187.1

The cumulative prior increase reflects the prior increase that the Department filed for use in May 2010. The company is seeking this current rate increase request to achieve what it believes is needed to alleviate the poor performance on this block of business.

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.

Similar to the prior increase, the company 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. Policyholders who prefer to offset the impact of the requested rate increase may have the option to change one or more of the following plan features to lower their premiums (subject to the minimum benefit options available on the form): (i) reduce their daily benefit; (ii) shorten their benefit period; (iii) lengthen their elimination period; (iv) reduce their inflation protection (e.g., compound inflation to no inflation); or (v) drop rider coverage. Additionally, the company will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial.

As noted above, the requested increase varies by a policyholder's current benefit period. Therefore, in lieu of inflation-based landing spot options, the company is preparing a unique notification letter that provides pre-packaged benefit reduction options for policyholders. The notification letter will provide distinct pre-packaged benefit reduction options that allow policyholders to easily reduce their benefits to mitigate the increase without calling customer service. The company has indicated that its customer service team is always available to discuss with policyholders their options to reduce their benefit coverage and lower their premiums at any time. At this time the company is in the process of finalizing this letter and will submit the letter for the Department's review once complete in the following weeks.

Please note that in the future slight variations in language may occur that do not materially change the information being provided to the policyholder. It is our understanding that such variations do not need to be filed with the Department.

The following electronic items are included with this submission:

- cover letter
- letter from BCNEPA authorizing us to submit this filing on their behalf
- actuarial memorandum
- a supplement to the actuarial memorandum
- Microsoft Excel spreadsheet containing all numerical data
- current and proposed premium rate schedules

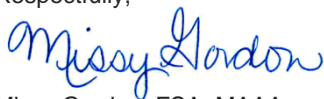
No filing fee is required for this submission.

The contact person for this filing is:

Shawn Stender
Assistant Actuary
Milliman, Inc.
8500 Normandale Lake Blvd., Suite 1850
Minneapolis, MN 55437
(952) 820-3104
shawn.stender@milliman.com

Thank you for your assistance in reviewing this filing.

Respectfully,



Missy Gordon, FSA, MAAA
Principal and Consulting Actuary

MAG/btj

Enclosures

BLUE CROSS OF NORTHEASTERN PENNSYLVANIA

Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 Group Actuarial Memorandum

March 7, 2017

Product
Comprehensive Form
Comprehensive Certificate

Number
GRP11-341-PA-200
GRP11-342-PA-1100

This is a group policy form that provides tax-qualified long-term care coverage. Blue Cross of Northeastern Pennsylvania (BCNEPA) issued these forms in Pennsylvania from August 2002 through November 2002, and it is no longer being marketed in any jurisdiction.

The experience provided in this actuarial memorandum reflects the combined experience of the policy forms listed above as well as similar nationwide individual and group policy forms of the same product series. The company is making a similar request on the Series 11 Individual policy forms in a concurrent filing (SERFF tracking # MILL-130951717). Additionally, the company's affinity partner MedAmerica Insurance Company (MedAmerica) is making a similar request on its individual and group business in the concurrent filings (SERFF tracking # MILL-130925276 and MILL-130951675). Section 14 provides a description as to the appropriateness of pooling the experience of these policy forms.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase meets the minimum requirements of your jurisdiction and demonstrating compliance with its pre- and post-rate stability regulation, where applicable. It may not be suitable for other purposes.

2. Description of Benefits

These policy forms provide long-term care coverage. Each form has 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 daily benefit, benefit period, and elimination period were selected at issue.

At issue, the insured may have had the option to choose one of the following inflation options, the availability of which varied by policy form: simple inflation for life, simple inflation for 20 years, or compound inflation. The two simple inflation options provide for benefit levels that increase on each anniversary date by 5% of the daily benefit amount chosen at issue for either the life of the insured or 20 years depending on the option chosen. The compound inflation option provides for benefit levels that increase on each anniversary date by 5% compounded annually for the life of the insured. These automatic increasing benefits apply even when the insured is in claim status. For Series 11 Group forms, the insured may have also had the option of a guaranteed purchase option. Under this option, the insured can purchase additional coverage amounts of 5% per year without additional underwriting.

The available choices for benefit period, elimination period, and inflation option are shown in Section 21.

At issue the insured may have had the option of selecting riders that provide the following types of coverage: nonforfeiture, restoration of benefits, return of premium, shortened benefit period, spousal benefit transfer, survivorship benefit, or monthly home health care benefit. The insured may have had the option to select a lifetime, ten-year, or twenty-year premium payment option.

A contingent benefit upon lapse (CBUL) will be available to all insureds at the time of the rate increase.

3. Renewability

These policies are guaranteed renewable for life.

BLUE CROSS OF NORTHEASTERN PENNSYLVANIA

Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 Group Actuarial Memorandum

March 7, 2017

4. Applicability

This rate increase applies to all policies issued on these forms in this state. The rate changes will apply to the premium of the base form and all applicable options and riders associated with the base form.

5. Actuarial Assumptions

The following assumptions are used to project the experience shown in this filing.

- a. Morbidity reflects claim costs developed using the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments for the level of individual vs. group underwriting selection and an all-lives exposure basis. The claim costs were further adjusted based on historical claim experience by policy form cohort, attained age, duration, and coverage type, to the extent credible. One year of retrospective improvement was applied to bring these assumptions forward to 2015 using scalars of 0.990 for females and 0.985 for males.
- b. Mortality Rates reflect the 1994 Group Annuitant Mortality (GAM) Static gender-distinct table with 21 years of retrospective improvement applied to bring this table forward to 2015 using scalars of 0.900 for females and 0.810 for males. These mortality rates are further adjusted based on historical mortality experience by individual/group, issue age band, and duration as shown in the following tables.

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Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 Group Actuarial Memorandum

March 7, 2017

Mortality Durational Adjustment Factors for Individual Business												
Duration*	Issue Age											
	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	20%
2	35	35	35	35	35	35	35	35	35	35	35	30
3	40	40	40	40	40	40	40	40	40	40	40	45
4	43	43	43	43	43	43	43	43	44	45	45	50
5	46	46	46	46	46	46	46	46	48	50	50	55
6	49	49	49	49	49	49	49	49	52	55	55	60
7	52	52	52	52	52	52	52	52	56	60	60	65
8	55	55	55	55	55	55	55	55	60	65	65	70
9	56	56	56	56	56	56	56	56	61	68	69	76
10	57	57	57	57	57	57	57	57	62	71	73	82
11	58	58	58	58	58	58	58	58	63	74	77	88
12	59	59	59	59	59	59	59	59	64	77	81	94
13	60	60	60	60	60	60	60	60	65	80	85	100
14	62	62	62	62	62	62	62	62	69	82	88	101
15	64	64	64	64	64	64	64	64	73	84	91	102
16	66	66	66	66	66	66	66	66	77	86	94	103
17	68	68	68	68	68	68	68	68	81	88	97	104
18	70	70	70	70	70	70	70	70	85	90	100	105
23	70	70	70	70	70	70	70	85	90	100	105	105
28	70	70	70	70	70	70	85	90	100	105	105	105
33	70	70	70	70	70	85	90	100	105	105	105	105
38	70	70	70	70	85	90	100	105	105	105	105	105
43	70	70	70	85	90	100	105	105	105	105	105	105
48	70	70	85	90	100	105	105	105	105	105	105	105
53	70	85	90	100	105	105	105	105	105	105	105	105
58	85	90	100	105	105	105	105	105	105	105	105	105
63	90	100	105	105	105	105	105	105	105	105	105	105
68	100	105	105	105	105	105	105	105	105	105	105	105
73+	105	105	105	105	105	105	105	105	105	105	105	105

* The assumption varies by duration for 18+, but is shown every five years for display purposes.

BLUE CROSS OF NORTHEASTERN PENNSYLVANIA

Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 Group Actuarial Memorandum

March 7, 2017

Duration*	Mortality Durational Adjustment Factors for Group Business											
	Issue Age											
	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	40%
2	70	70	70	70	70	70	70	70	70	70	70	60
3	80	80	80	80	80	80	80	80	80	80	80	90
4	86	86	86	86	86	86	86	86	88	90	90	100
5	92	92	92	92	92	92	92	92	96	100	100	105
6	83	83	83	83	83	83	83	83	88	94	94	102
7	83	83	83	83	83	83	83	83	90	96	96	104
8	83	83	83	83	83	83	83	83	90	98	98	105
9	81	81	81	81	81	81	81	81	88	98	99	105
10	79	79	79	79	79	79	79	79	86	98	101	105
11	77	77	77	77	77	77	77	77	83	98	102	105
12	74	74	74	74	74	74	74	74	81	97	102	105
13	72	72	72	72	72	72	72	72	78	96	102	105
14	74	74	74	74	74	74	74	74	82	98	105	105
15	76	76	76	76	76	76	76	76	86	99	105	105
16	77	77	77	77	77	77	77	77	90	101	105	105
17	79	79	79	79	79	79	79	79	94	102	105	105
18	81	81	81	81	81	81	81	81	98	104	105	105
23	77	77	77	77	77	77	77	94	99	105	105	105
28	74	74	74	74	74	74	89	95	105	105	105	105
33	70	70	70	70	70	85	90	100	105	105	105	105
38	70	70	70	70	85	90	100	105	105	105	105	105
43	70	70	70	85	90	100	105	105	105	105	105	105
48	70	70	85	90	100	105	105	105	105	105	105	105
53	70	85	90	100	105	105	105	105	105	105	105	105
58	85	90	100	105	105	105	105	105	105	105	105	105
63	90	100	105	105	105	105	105	105	105	105	105	105
68	100	105	105	105	105	105	105	105	105	105	105	105
73+	105	105	105	105	105	105	105	105	105	105	105	105

* The assumption varies by duration for 18+, but is shown every five years for display purposes.

c. Voluntary Lapse Rates vary by policy duration and policy form group.

Duration	Prior to Series 11	Series 11 Individual	Series 11 Group
1	16.50%	8.50%	6.50%
2	8.50	4.00	6.00
3	5.00	2.75	4.00
4	3.50	2.00	3.50
5	2.00	1.50	3.00
6	1.50	1.25	2.50
7	1.50	1.25	2.00
8	1.50	1.00	1.50
9	1.50	0.75	1.30
10+	1.00	0.60	1.30

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.

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- For the twenty-pay option, a reduction of 50% of the above lapse rates is assumed for durations one through eight, a reduction of 75% of the above lapse rates is assumed for durations nine through fifteen, and 0% lapse thereafter.
- d. Benefit Expiry Rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the *Guidelines* with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age as shown in the following table.

Gender	Benefit Period in Years	Attained Age*										
		<65	65	70	75	80	85	90	95	100	105	110+
Female	1	0.0%	0.1%	0.1%	0.3%	0.7%	2.5%	6.1%	10.7%	13.4%	16.7%	33.0%
	2	0.0	0.0	0.1	0.2	0.5	1.6	4.5	8.7	11.7	16.3	33.0
	3	0.0	0.0	0.1	0.1	0.4	1.2	3.4	6.9	9.7	15.0	33.0
	4	0.0	0.0	0.0	0.1	0.3	1.0	2.5	5.0	7.8	13.2	33.0
	5	0.0	0.0	0.0	0.1	0.2	0.7	1.7	3.8	6.3	11.2	33.0
	Unlimited	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	1	0.0	0.0	0.1	0.2	0.5	1.5	3.9	6.3	7.8	9.4	33.0
	2	0.0	0.0	0.1	0.1	0.3	1.0	2.5	4.3	5.4	7.3	33.0
	3	0.0	0.0	0.1	0.1	0.2	0.7	1.7	3.0	4.0	5.8	33.0
	4	0.0	0.0	0.0	0.1	0.1	0.4	1.1	2.0	2.8	4.6	33.0
	5	0.0	0.0	0.0	0.0	0.1	0.3	0.8	1.5	2.3	3.6	33.0
	Unlimited	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

* The assumption varies by attained age, but is shown every five years for display purposes.

- e. Policyholder Behavior Due to the Rate Increase. At the time of a rate increase, insureds have the option to elect a CBUL or reduced benefit options (RBO). An increase in morbidity for adverse selection due to the rate increase based on the percentage of policies that elect CBUL and RBO is assumed.

Insureds 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. The following table provides the CBUL and RBO election rates, reduction to premiums and benefits due to the impact of RBO elections, and increase in morbidity. These assumptions are shown for each of the requested rate increase cohorts.

Benefit Period	CBUL Election Rate	RBO Election Rate	Approximate Reduction for RBO ^[1]	Morbidity Increase for Adverse Selection
Non-Lifetime	8%	15%	7.5%	2%
Lifetime	12	25	19.0	3

[1] The reduction in premiums and benefits due to the impact of RBO election varies based on the level of the rate increase.

- f. 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 compliance with the 58%/85% test required by rate stability regulation, as described in Section 18 below.
- g. Annual Improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2016. Annual mortality improvement is assumed to be 0.5% and 1.0% for females and males,

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respectively. Annual morbidity improvement is assumed to be 1.0% and 1.5% for females and males, respectively.

- h. 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 MedAmerica and its affinity partners that issued the same products, industry experience, and judgment. These assumptions are based on the 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 December 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.

The company 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 by agents and brokers of the company.

7. Underwriting Description

Policies on the individual forms were fully underwritten.

On the group forms, actively at work employees were subject to short form underwriting. All others were subject to full underwriting.

Groups of at least 500 employees were eligible to elect modified guaranteed issue underwriting for those actively at work. If the employer agreed to contribute 100% of premium for a base plan for a minimum of three years, no underwriting was required for those actively at work.

For both individual and group business, the company used various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interview, and/or face-to-face assessment.

8. Premiums

Premiums are unisex and payable for life unless the insured selected a ten-year or twenty-year premium payment option. The premiums may vary by policy form, issue age, elimination period, benefit period, initial daily benefit, inflation option, premium payment option, underwriting class, joint/group discounts, home care percentage, copayment option, marital status at issue, and the selection of any riders.

9. Issue Age Range

Issue ages are from 18 to 85.

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10. Area Factors

Area factors are not used for these products.

11. Premium Modalization Rules

The following modal factors and percent distributions (based on the nationwide combined individual and group forms in-force count as of December 31, 2015) are applied to the annual premium (AP):

Premium Mode	Modal Factors	Percent Distribution
Annual	1.00*AP	45%
Semi-Annual	0.52*AP	4
Quarterly	0.26*AP	22
Monthly	0.09*AP	29

12. Reserves

Active life reserves and reserves for the election of a CBUL have not been used in this rate increase analysis. Claim reserves as of December 31, 2015 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, 2015 has been allocated to the 2015 calendar year and included in historical incurred claims.

13. Trend Assumptions

As this is not medical insurance, an explicit medical cost trend is not included in the projections.

14. Actual to Expected Experience

This filing uses nationwide experience of MedAmerica and its affinity partners that issued the above-listed forms and similar individual and group nationwide policy forms. Pooling this experience is appropriate to increase credibility and allow for a uniform rate increase request across similar business. Applying a uniform rate increase to the pool of forms maintains the original pricing relationships of the product design and differences between individual and group business.

Further, pooling MedAmerica's experience with its affinity partners' is considered appropriate because the products issued by each affinity partner are identical to those included in this filing, the marketing and distribution employed by each affinity partner is similar to that of MedAmerica, 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 I provides a comparison of actual and projected experience using current assumptions to that expected using original pricing assumptions. Values in Exhibit I are shown (a) before and (b) after the requested rate increase. Included are calendar year earned premiums, incurred claims, end of year lives, annual loss ratios, cumulative loss ratios, and the ratio of actual-to-expected (A:E) loss ratios.

Exhibit II provides A:E lifetime loss ratios by policy form cohort and benefit period (non-lifetime versus lifetime), which are subsets of the actual and expected nationwide experience underlying Exhibit I.

Actual experience is provided from inception through 2015 and then projected on a seriatim basis for 60 years using the current assumptions described above in Section 5. The actual and projected experience is based on nationwide premiums that reflect prior rate increases filed for use between 2010 and 2015, which average 30% across all jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increase on a seriatim basis.

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

Exhibit III 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 this jurisdiction, a cumulative increase of 39% has been filed for use on the individual and group policy forms. The department of insurance filed these increases for use in May 2010.

Nationwide, there has been one prior rate increase request on this block of business, which began in December 2009. On average, a cumulative increase of 30% has been filed for use on the above-listed forms and similar individual and group nationwide forms. Departments of insurance filed these increases for use between 2010 and 2015.

Regardless of the prior increase implemented in a particular jurisdiction, the company anticipates requesting an actuarially equivalent cumulative rate increase level 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

Exhibit I demonstrates that experience has been more adverse from that expected in original pricing as the A:E loss ratio exceeds 1.0. The adverse experience is due to a combination of higher persistency and lower interest.

Exhibit IV provides a comparison of actual and projected nationwide experience to that expected in pricing with respect to morbidity, mortality, lapse, interest, and improvement. Please note that to isolate the impact of each changed assumption from pricing, the experience in Exhibit IV has been restated to reflect no prior rate increases.

For the business subject to rate stability regulation, an analysis of the projected loss ratio compared to that assumed at the time of original pricing revealed that experience has unfolded more than moderately adverse and crossed the original pricing threshold for which the company could consider a rate increase. At the time the product was priced, MedAmerica management determined the threshold for future increases would be defined as experience exhibiting deterioration of more than 10% of premium compared to that assumed in pricing. The lifetime loss ratio based on the current assumptions described above in Section 5 is over 100% and well in excess of this original pricing threshold.

17. Requested Rate Increase

The company is requesting a rate increase that varies by benefit period as shown in the following table. The company is seeking this current rate increase request to achieve what it 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 a portion of the needed rate increase for consumers.

The cumulative rate increase levels were determined to allow certification to rate stability, where applicable, and vary by benefit period to better align the rate increase with the adverse experience. 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 filed rate increases.

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The table below provides the cumulative requested increase for each benefit period cohort, as well as the average cumulative prior increase and resulting current requested premium rate increase based on the nationwide distribution of combined individual and group business as of December 31, 2015.

Benefit Period	Cumulative Requested Increase	Cumulative Prior Increase	Current Requested Increase
Non-Lifetime	135%	28.5%	82.9%
Lifetime	299	33.5	198.8

For policies with a non-lifetime benefit period, the cumulative rate increase was determined such that the business would break even going forward under moderately adverse conditions for the subset of policies with a lifetime-pay option (i.e., 0% profit margin going forward).

Using a similar approach for policies with a lifetime benefit period, a significantly higher increase is needed (400%+ cumulative increase). Therefore, to reduce the impact of the rate increase on policyholders to the extent possible, the company capped the cumulative rate increase at 299%.

For policies with a non-lifetime benefit period, company management has indicated that if the requested rate increase described above is filed for use, no future premium rate increases are anticipated on policies with a non-lifetime benefit period unless the non-lifetime benefit period experience deteriorates beyond an 85% lifetime loss ratio. Moderately adverse experience (MAE) for the purposes of certification to rate stability is then defined as an approximate 10% multiplicative increase in the lifetime loss ratio for experience of non-lifetime benefit period policies, as shown in Exhibit II (i.e., 85% \approx 1.10 x 78% after increase lifetime loss ratio). This 10% multiplicative increase may be due to any combination of deterioration in the experience from that expected using the current assumptions described in Section 5.

Because policies with a lifetime benefit period have a voluntarily capped requested rate increase, it may not be sufficient to alleviate poor performance and the company may request future increases.

Corresponding rate tables reflecting the proposed rate increases for policy forms affected by this rate increase 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 the company 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.

18. Demonstration of Satisfaction of Loss Ratio Requirements

Projected experience assuming the requested increase is implemented is shown in Exhibit I. As shown in Exhibit I, the anticipated lifetime loss ratio without and with the requested rate increase exceeds that expected in original pricing. The projected lifetime loss ratio after the requested increase using the maximum valuation interest rate for contract reserves applicable for the year of issue (ranges from 3.5% to 5.5% and averages 4.3%) is 94%, which is well in excess of the minimum loss ratio required by loss ratio regulation.

Exhibit V 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 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 projected initial earned premium times 58%, and
4. 85% of the present value of projected premium in excess of the projected initial earned premium.

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The projected incurred claims in Exhibit V were increased by 14% from the current assumptions described in Section 5 to reflect assumptions that include moderately adverse conditions. A 14% increase in projected 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 V are determined at the maximum valuation interest rate for contract reserves applicable for the year of issue, which as described above, averages 4.3%.

19. Average Annual Premium in Pennsylvania (Based on December 31, 2015 In-Force^[1])

The number of insureds and the corresponding average annual premium that will be affected by this and the identical, concurrent rate increase filings are:

Benefit Period & Cumulative Increase^[2]	Number of Insureds	Before Increase Premium	After Increase Premium
Pennsylvania - MedAmerica			
<u>Series 11 and Prior Individual</u>	<u>290</u>	<u>\$2,026</u>	<u>\$3,989</u>
Non-Lifetime Benefit Periods & 135%	242	1,855	3,136
Lifetime Benefit Period & 299%	48	2,888	8,291
<u>Series 11 Group</u>	<u>68</u>	<u>\$1,361</u>	<u>\$2,302</u>
Non-Lifetime Benefit Periods & 135%	68	1,361	2,302
Lifetime Benefit Period & 299%	0	0	0
Pennsylvania - BCNEPA			
<u>Series 11 Individual</u>	<u>108</u>	<u>\$1,709</u>	<u>\$2,957</u>
Non-Lifetime Benefit Periods & 135%	105	1,700	2,874
Lifetime Benefit Period & 299%	3	2,036	5,845
<u>Series 11 Group</u>	<u>11</u>	<u>\$683</u>	<u>\$1,154</u>
Non-Lifetime Benefit Periods & 135%	11	683	1,154
Lifetime Benefit Period & 299%	0	0	0

[1] Excludes policies assumed to be paid up prior to implementation of the requested rate increase. Annualized premium reflects all rate increases filed for use as of December 31, 2016.

[2] Cumulative increase reflects any prior implemented increases and the requested increase.

20. 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 being filed for use by the department of insurance.

21. Distribution of Business as of December 31, 2015 (Based on Nationwide In-Force Insured Count of Combined Individual and Group Forms)

Issue Ages	Percent Distribution
<40	8%
40-44	6
45-49	11
50-54	16
55-59	20
60-64	18
65-69	12
70-74	7
75+	2

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Elimination Period	Percent Distribution
0-Day	5%
20-Day	22
30-Day	<1
60-Day	6
90-Day	52
100-Day	5
180-Day	10
365-Day	<1

Benefit Period	Percent Distribution
1-Year	<1%
2-Year	17
3-Year	38
4-Year	8
5-Year	18
Lifetime	19

Inflation Option	Percent Distribution
None	41%
Simple for Life	3
Compound for Life	37
Simple for 20 Years	19
GPO	<1

Premium Payment Option	Percent Distribution
Ten-Pay	14%
Twenty-Pay	9
Lifetime-Pay	77

Coverage Type	Percent Distribution
Facility Only	12%
Comprehensive	87
Home Health Only	1

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22. Number of Insureds and Annualized Premium (Based on December 31, 2015 In-Force^[1])

The number of insureds and annualized premium that will be affected by this and the identical, concurrent rate increase filings are:

Policy Forms	Number of Insureds	Annualized Premium
Pennsylvania - MedAmerica		
Series 11 and Prior Individual	290	\$587,524
Series 11 Group	68	92,571
Total	358	680,095
Pennsylvania - BCNEPA		
Series 11 Individual	108	\$184,614
Series 11 Group	11	7,511
Total	119	192,125
Nationwide - MedAmerica and Affinity Partners		
Series 11 and Prior Individual	9,001	\$16,082,991
Series 11 Group	5,171	5,851,060
Total	14,172	21,934,051

[1] Excludes policies assumed to be paid up prior to implementation of the requested rate increase. Annualized premium reflects all rate increases filed for use nationwide as of December 31, 2016.

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23. 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.

For policies with a non-lifetime benefit period, 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 on such policies. Moderately adverse conditions are defined as any combination of deterioration in the experience or assumptions that results in a lifetime loss ratio for non-lifetime benefit period policies in excess of 85%.

For policies with a lifetime benefit period, this filing will enhance premium adequacy, but may not be sufficient to prevent future rate action. Therefore, rate stability under moderately adverse conditions cannot be certified to, as required by regulation, for the lifetime benefit period policies.

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: March 7, 2017

Exhibit I-a
MedAmerica and Affinity Partners
Actual-to-Expected Experience by Calendar Year
Nationwide Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	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 7.24% Interest	Actual-to-Expected Ratio
Historical Experience	1992	17,324	0	0%	111	16,565	3,460	21%	110	0%	21%	0.00
	1993	557,528	112,935	20%	634	556,576	127,290	23%	664	20%	23%	0.86
	1994	1,501,263	28,746	2%	1,377	1,556,224	431,321	28%	1,446	7%	26%	0.27
	1995	2,485,725	109,652	4%	1,944	2,626,940	825,928	31%	2,090	6%	29%	0.19
	1996	3,463,885	134,262	4%	2,689	3,655,699	1,213,762	33%	2,838	5%	31%	0.16
	1997	4,394,237	264,541	6%	3,003	4,557,379	1,550,641	34%	3,068	5%	32%	0.17
	1998	5,341,744	631,867	12%	3,666	5,238,873	1,842,618	35%	3,506	7%	32%	0.22
	1999	6,829,900	1,469,714	22%	4,764	6,315,324	2,175,807	34%	4,387	11%	33%	0.33
	2000	8,941,708	1,172,992	13%	6,200	7,989,544	2,546,851	32%	5,580	11%	32%	0.35
	2001	11,912,872	2,210,887	19%	8,456	10,492,015	2,959,250	28%	7,606	13%	31%	0.41
	2002	16,102,548	4,131,980	26%	11,472	14,152,917	3,467,804	25%	10,303	16%	30%	0.53
	2003	21,498,563	3,506,680	16%	17,713	18,850,587	4,189,633	22%	16,163	16%	28%	0.57
	2004	27,112,675	6,602,535	24%	19,114	23,841,586	5,075,261	21%	17,327	18%	27%	0.66
	2005	28,577,291	6,824,784	24%	20,242	24,495,154	5,782,321	24%	18,002	19%	26%	0.71
	2006	28,838,021	7,359,318	26%	20,095	24,112,407	6,452,826	27%	17,519	20%	26%	0.75
2007	28,383,240	10,552,392	37%	20,146	23,121,105	7,118,474	31%	17,282	22%	27%	0.81	
2008	27,837,724	8,394,073	30%	19,941	22,245,491	7,783,650	35%	16,837	23%	28%	0.82	
2009	26,881,835	11,313,758	42%	19,482	21,096,208	8,413,116	40%	16,173	24%	28%	0.86	
2010	25,544,191	15,723,015	62%	18,494	19,836,480	9,005,281	45%	15,500	27%	29%	0.92	
2011	24,603,117	13,541,344	55%	17,664	18,515,528	9,540,277	52%	14,878	29%	30%	0.95	
2012	25,248,567	17,141,023	68%	17,596	17,260,679	10,108,733	59%	14,699	31%	32%	0.98	
2013	24,384,255	14,626,127	60%	17,264	15,689,414	10,688,938	68%	14,145	32%	33%	0.99	
2014	22,506,450	22,967,435	102%	16,809	14,048,401	11,280,560	80%	13,595	35%	34%	1.04	
2015	21,584,067	20,806,755	96%	16,292	12,930,951	11,880,612	92%	13,054	38%	35%	1.07	
Projected Future Experience (60 Years)	2016	21,357,049	19,334,171	91%	15,800	11,987,427	12,477,661	104%	12,419	39%	36%	1.08
	2017	20,472,802	21,088,277	103%	15,305	11,103,840	13,071,513	118%	11,811	41%	38%	1.09
	2018	19,369,621	22,918,883	118%	14,806	10,227,054	13,665,357	134%	11,225	43%	39%	1.11
	2019	18,406,508	24,740,141	134%	14,304	9,482,088	14,256,157	150%	10,658	45%	40%	1.13
	2020	17,470,951	26,500,160	152%	13,798	8,784,402	14,832,531	169%	10,108	47%	41%	1.14
	2021	16,538,030	28,210,705	171%	13,291	8,115,800	15,406,878	190%	9,577	50%	43%	1.16
	2022	15,596,044	29,815,323	191%	12,781	7,468,255	15,975,430	214%	9,063	52%	44%	1.18
	2023	14,489,872	31,375,747	217%	12,273	6,733,253	16,534,812	246%	8,565	54%	45%	1.20
	2024	13,397,604	32,971,001	246%	11,765	6,043,030	17,067,285	282%	8,083	57%	46%	1.22
	2025	12,476,171	34,561,357	277%	11,259	5,475,192	17,573,477	321%	7,617	59%	47%	1.24
	2026	11,620,802	36,172,635	311%	10,756	4,968,176	18,057,192	363%	7,167	61%	48%	1.26
	2027	10,822,954	37,816,276	349%	10,257	4,514,355	18,522,411	410%	6,733	64%	49%	1.29
	2028	10,000,914	39,512,240	395%	9,763	4,060,850	18,956,201	467%	6,314	66%	50%	1.31
	2029	9,271,931	41,185,438	444%	9,275	3,672,763	19,351,676	527%	5,911	68%	51%	1.33
	2030	8,576,548	42,755,298	499%	8,794	3,315,943	19,702,876	594%	5,524	71%	52%	1.35
	2031	7,910,616	44,446,472	562%	8,319	2,985,585	19,993,572	670%	5,152	73%	53%	1.37
	2032	7,271,681	46,240,732	636%	7,851	2,679,836	20,211,586	754%	4,796	75%	54%	1.39
	2033	6,661,754	47,792,004	717%	7,390	2,398,298	20,342,430	848%	4,455	78%	55%	1.41
	2034	6,080,987	49,155,738	808%	6,939	2,139,370	20,391,336	953%	4,130	80%	56%	1.44
	2035	5,529,732	50,362,279	911%	6,498	1,902,009	20,339,645	1,069%	3,821	82%	56%	1.46
	2036	5,008,443	51,278,195	1,024%	6,067	1,685,080	20,170,560	1,197%	3,527	85%	57%	1.48
	2037	4,517,582	51,873,842	1,148%	5,648	1,487,391	19,884,616	1,337%	3,249	87%	58%	1.50
	2038	4,057,385	52,130,147	1,285%	5,243	1,308,096	19,493,671	1,490%	2,986	89%	58%	1.52
	2039	3,627,888	52,101,378	1,436%	4,851	1,146,276	19,007,851	1,658%	2,738	91%	59%	1.54
	2040	3,228,952	51,679,979	1,601%	4,475	1,000,696	18,430,215	1,842%	2,506	93%	59%	1.56
	2041	2,860,493	50,967,588	1,782%	4,116	870,303	17,768,381	2,042%	2,289	94%	60%	1.58
	2042	2,522,341	49,872,848	1,977%	3,775	753,998	17,026,548	2,258%	2,086	96%	60%	1.60
	2043	2,213,884	48,483,371	2,190%	3,452	650,748	16,213,604	2,492%	1,897	98%	60%	1.62
	2044	1,934,179	46,882,208	2,424%	3,148	559,501	15,348,616	2,743%	1,722	99%	61%	1.63
	2045	1,681,891	45,060,682	2,679%	2,863	479,283	14,446,595	3,014%	1,561	100%	61%	1.64
2046-2050	5,488,041	190,766,034	3,476%	10,711	1,509,875	58,130,778	3,850%	5,799	105%	62%	1.70	
2051-2055	2,424,067	128,724,395	5,310%	6,298	634,353	36,722,123	5,789%	3,381	108%	62%	1.73	
2056-2060	992,438	76,404,751	7,699%	3,589	250,171	21,163,743	8,460%	1,880	109%	62%	1.74	
2061-2065	383,592	41,684,985	10,867%	1,948	93,253	11,560,061	12,396%	966	109%	62%	1.75	
2066-2070	138,711	20,516,091	14,791%	951	32,089	5,999,597	18,697%	429	110%	63%	1.75	
2071-2075	45,729	8,673,354	18,967%	386	9,810	2,666,351	27,181%	150	110%	63%	1.75	

Exhibit I-b
MedAmerica and Affinity Partners
Actual-to-Expected Experience by Calendar Year
Nationwide Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	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 7.24% Interest	Actual-to-Expected Ratio
Historical Experience	1992	17,324	0	0%	111	16,565	3,460	21%	110	0%	21%	0.00
	1993	557,528	112,935	20%	634	556,576	127,290	23%	664	20%	23%	0.86
	1994	1,501,263	28,746	2%	1,377	1,556,224	431,321	28%	1,446	7%	26%	0.27
	1995	2,485,725	109,652	4%	1,944	2,626,940	825,928	31%	2,090	6%	29%	0.19
	1996	3,463,885	134,262	4%	2,689	3,655,699	1,213,762	33%	2,838	5%	31%	0.16
	1997	4,394,237	264,541	6%	3,003	4,557,379	1,550,641	34%	3,068	5%	32%	0.17
	1998	5,341,744	631,867	12%	3,666	5,238,873	1,842,618	35%	3,506	7%	32%	0.22
	1999	6,829,900	1,469,714	22%	4,764	6,315,324	2,175,807	34%	4,387	11%	33%	0.33
	2000	8,941,708	1,172,992	13%	6,200	7,989,544	2,546,851	32%	5,580	11%	32%	0.35
	2001	11,912,872	2,210,887	19%	8,456	10,492,015	2,959,250	28%	7,606	13%	31%	0.41
	2002	16,102,548	4,131,980	26%	11,472	14,152,917	3,467,804	25%	10,303	16%	30%	0.53
	2003	21,498,563	3,506,680	16%	17,713	18,850,587	4,189,633	22%	16,163	16%	28%	0.57
	2004	27,112,675	6,602,535	24%	19,114	23,841,586	5,075,261	21%	17,327	18%	27%	0.66
	2005	28,577,291	6,824,784	24%	20,242	24,495,154	5,782,321	24%	18,002	19%	26%	0.71
	2006	28,838,021	7,359,318	26%	20,095	24,112,407	6,452,826	27%	17,519	20%	26%	0.75
2007	28,383,240	10,552,392	37%	20,146	23,121,105	7,118,474	31%	17,282	22%	27%	0.81	
2008	27,837,724	8,394,073	30%	19,941	22,245,491	7,783,650	35%	16,837	23%	28%	0.82	
2009	26,881,835	11,313,758	42%	19,482	21,096,208	8,413,116	40%	16,173	24%	28%	0.86	
2010	25,544,191	15,723,015	62%	18,494	19,836,480	9,005,281	45%	15,500	27%	29%	0.92	
2011	24,603,117	13,541,344	55%	17,664	18,515,528	9,540,277	52%	14,878	29%	30%	0.95	
2012	25,248,567	17,141,023	68%	17,596	17,260,679	10,108,733	59%	14,699	31%	32%	0.98	
2013	24,384,255	14,626,127	60%	17,264	15,689,414	10,688,938	68%	14,145	32%	33%	0.99	
2014	22,506,450	22,967,435	102%	16,809	14,048,401	11,280,560	80%	13,595	35%	34%	1.04	
2015	21,584,067	20,806,755	96%	16,292	12,930,951	11,880,612	92%	13,054	38%	35%	1.07	
Projected Future Experience (60 Years)	2016	21,357,049	19,334,171	91%	15,800	11,987,427	12,477,661	104%	12,419	39%	36%	1.08
	2017	22,583,348	20,688,725	92%	14,753	11,103,840	13,071,513	118%	11,811	41%	38%	1.09
	2018	31,032,913	20,353,300	66%	13,841	10,227,054	13,665,357	134%	11,225	42%	39%	1.08
	2019	30,913,659	21,517,495	70%	13,368	9,482,088	14,256,157	150%	10,658	43%	40%	1.07
	2020	29,403,820	22,963,832	78%	12,902	8,784,402	14,832,531	169%	10,108	44%	41%	1.07
	2021	27,844,194	24,394,151	88%	12,434	8,115,800	15,406,878	190%	9,577	45%	43%	1.06
	2022	26,258,749	25,736,673	98%	11,964	7,468,255	15,975,430	214%	9,063	47%	44%	1.07
	2023	24,378,350	27,045,226	111%	11,495	6,733,253	16,534,812	246%	8,565	48%	45%	1.07
	2024	22,514,244	28,386,826	126%	11,026	6,043,030	17,067,285	282%	8,083	50%	46%	1.07
	2025	20,961,536	29,732,623	142%	10,558	5,475,192	17,573,477	321%	7,617	51%	47%	1.08
	2026	19,521,016	31,110,143	159%	10,093	4,968,176	18,057,192	363%	7,167	53%	48%	1.09
	2027	18,184,397	32,524,059	179%	9,631	4,514,355	18,522,411	410%	6,733	54%	49%	1.10
	2028	16,805,411	33,989,625	202%	9,174	4,060,850	18,956,201	467%	6,314	56%	50%	1.11
	2029	15,582,294	35,449,678	227%	8,722	3,672,763	19,351,676	527%	5,911	57%	51%	1.12
	2030	14,414,799	36,828,290	255%	8,275	3,315,943	19,702,876	594%	5,524	59%	52%	1.13
	2031	13,296,068	38,320,299	288%	7,835	2,985,585	19,993,572	670%	5,152	61%	53%	1.14
	2032	12,222,121	39,906,539	327%	7,400	2,679,836	20,211,586	754%	4,796	62%	54%	1.15
	2033	11,196,397	41,294,287	369%	6,971	2,398,298	20,342,430	848%	4,455	64%	55%	1.17
	2034	10,219,348	42,528,304	416%	6,551	2,139,370	20,391,336	953%	4,130	66%	56%	1.18
	2035	9,291,779	43,632,182	470%	6,139	1,902,009	20,339,645	1,069%	3,821	67%	56%	1.20
	2036	8,414,582	44,489,420	529%	5,737	1,685,080	20,170,560	1,197%	3,527	69%	57%	1.21
	2037	7,588,607	45,072,217	594%	5,346	1,487,391	19,884,616	1,337%	3,249	71%	58%	1.22
	2038	6,814,260	45,359,929	666%	4,967	1,308,096	19,493,671	1,490%	2,986	72%	58%	1.24
	2039	6,091,626	45,399,463	745%	4,600	1,146,276	19,007,851	1,658%	2,738	74%	59%	1.25
	2040	5,420,469	45,089,432	832%	4,248	1,000,696	18,430,215	1,842%	2,506	75%	59%	1.27
	2041	4,800,652	44,530,891	928%	3,910	870,303	17,768,381	2,042%	2,289	76%	60%	1.28
	2042	4,231,786	43,632,878	1,031%	3,590	753,998	17,026,548	2,258%	2,086	78%	60%	1.29
2043	3,712,865	42,483,318	1,144%	3,286	650,748	16,213,604	2,492%	1,897	79%	60%	1.30	
2044	3,242,305	41,140,419	1,269%	2,999	559,501	15,348,616	2,743%	1,722	80%	61%	1.32	
2045	2,817,854	39,597,301	1,405%	2,730	479,283	14,446,595	3,014%	1,561	81%	61%	1.33	
2046-2050	9,173,643	168,070,583	1,832%	10,243	1,509,875	58,130,778	3,850%	5,799	85%	62%	1.37	
2051-2055	4,021,162	113,671,834	2,827%	6,054	634,353	36,722,123	5,789%	3,381	87%	62%	1.39	
2056-2060	1,624,306	67,465,499	4,153%	3,467	250,171	21,163,743	8,460%	1,880	87%	62%	1.40	
2061-2065	617,110	36,830,659	5,968%	1,890	93,253	11,560,061	12,396%	966	88%	62%	1.41	
2066-2070	219,541	18,132,511	8,259%	925	32,089	5,999,597	18,697%	429	88%	63%	1.41	
2071-2075	71,513	7,646,541	10,692%	376	9,810	2,666,351	27,181%	150	88%	63%	1.41	

Exhibit II
MedAmerica and Affinity Partners
Actual-to-Expected Experience by Policy Form Cohort and Benefit Period
Nationwide Experience

Policy Form Cohort	Benefit Period	Lifetime Loss Ratio with Interest			Actual-to-Expected	
		Before Increase	After Increase	Expected	Before Increase	After Increase
Prior to Series 11	All	97%	88%	66%	1.47	1.34
Series 11 Individual	All	117%	90%	58%	2.02	1.56
Series 11 Group	All	108%	82%	70%	1.56	1.18
All	Non-Lifetime	93%	78%	64%	1.46	1.22
All	Lifetime	153%	113%	59%	2.57	1.90
All	All	110%	88%	63%	1.75	1.41

**Exhibit III
MedAmerica and Affinity Partners
Comparison of Current and Original Pricing Assumptions**

		Morbidity
Current Assumptions	Series 11 and Prior	Expected claim costs are developed using the 2014 Milliman <i>Long-Term Care Guidelines (Guidelines)</i> with adjustments for individual vs. group underwriting selection and an all-lives exposure basis. The claim costs are further adjusted based on historical claim experience by policy form group, attained age, duration, and coverage type, to the extent credible. One year of retrospective improvement was applied to bring these assumptions forward to 2015 using scalars of 0.990 for females and 0.985 for males.
Original Assumptions	Prior to Series 11	For Series 5, the original pricing expected nursing home incidence rates and continuance tables were developed from a number of sources, but primarily using data published by the Connecticut Department of Health Services. The 1985 National Nursing Home Survey was also used. Selected frequencies were adjusted up for up to the first 12 years following issue to reflect the favorable morbidity expected as a result of the underwriting process. Frequency and length of treatment of the home care and adult day care benefit were based on the 1982 National Long-Term Care Survey. They are adjusted to reflect the effects of elimination periods, policy maximums, and eligibility standards. For Series 8 and 9, the Institutional Benefit rates were developed using source data from the 1977 and 1985 National Nursing Home Surveys. The Home and Community Benefits were developed using source data from the 1989 National Long-Term Care Survey. Adjustments were made to the source data to reflect the selection effect of underwriting and the non-duplication of benefits with other payment sources.
	Series 11	The original pricing expected nursing home and home care incidence rates and continuance tables were taken from the 1997 <i>Guidelines</i> and adjusted for MedAmerica's experience available at the time this rate schedule was developed relative to the <i>Guidelines</i> . All values were adjusted to reflect the effects of product types, elimination periods, policy maximums, and the eligibility standards.
		Mortality
Current Assumptions	Series 11 and Prior	1994 Group Annuitant Mortality (GAM) Static gender-distinct table with 21 years of retrospective improvement applied to bring this table forward to 2015 using scalars of 0.900 for females and 0.810 for males. These mortality rates are further adjusted based on historical mortality experience by individual/group, issue age band, and duration. Tables providing these adjustment factors are provided in Section 5 of the actuarial memorandum.
Original Assumptions	Prior to Series 11	Series 5 policy forms used the 1965-70 US Society of Actuaries Basic Mortality Table without selection. Series 8 and Series 9 policy forms used the 1980 Commissioners Standard Ordinary Basic Mortality Tables assuming a gender mix of 60% female and 40% male and without selection.
	Series 11 Individual	1980 Commissioners Standard Ordinary Basic Mortality Table.
	Series 11 Group	Premier Group policy forms use the 1980 Commissioners Standard Ordinary Basic Mortality Table. TNSE policy forms use the 1983 GAM Static table.

**Exhibit III
MedAmerica and Affinity Partners
Comparison of Current and Original Pricing Assumptions**

		Lapse Rates			
		Voluntary lapse rates (excludes benefit expiry) vary by policy duration and policy form group.			
Current Assumptions	Series 11 and Prior	Lifetime-Pay Lapse Rates			
		Duration	Prior to Series 11	Series 11 Individual	Series 11 Group
		1	16.50%	8.50%	6.50%
		2	8.50%	4.00%	6.00%
		3	5.00%	2.75%	4.00%
		4	3.50%	2.00%	3.50%
		5	2.00%	1.50%	3.00%
		6	1.50%	1.25%	2.50%
		7	1.50%	1.25%	2.00%
		8	1.50%	1.00%	1.50%
		9	1.50%	0.75%	1.30%
10+	1.00%	0.60%	1.30%		
<p>For the 10-pay option, a reduction of 65% of these lapse rates is assumed for durations 1 to 4, a reduction of 70% of these lapse rates is assumed for durations 5 to 8, and 0% lapse thereafter. For the 20-pay option, a reduction of 50% of these lapse rates is assumed for durations 1 to 8, a reduction of 75% of these lapse rates is assumed for durations 9 to 15, and 0% lapse thereafter.</p>					

**Exhibit III
MedAmerica and Affinity Partners
Comparison of Current and Original Pricing Assumptions**

Original Assumptions

Prior to Series 11

Lapse Rates

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

Series 5 Lapse Rates											
Duration	Issue Age										
	<61	61	62	63	64	65	66	67	68	69	70+
1	20.00%	19.00%	18.00%	17.00%	16.00%	15.00%	14.00%	13.00%	12.00%	11.00%	10.00%
2	15.00%	14.00%	13.00%	12.00%	11.00%	10.00%	9.00%	8.00%	7.00%	6.00%	5.00%
3	10.00%	9.40%	8.80%	8.20%	7.60%	7.00%	6.40%	5.80%	5.20%	4.60%	4.00%
4	8.00%	7.60%	7.20%	6.80%	6.40%	6.00%	5.60%	5.20%	4.80%	4.40%	4.00%
5	6.00%	5.70%	5.40%	5.10%	4.80%	4.50%	4.20%	3.90%	3.60%	3.30%	3.00%
6	5.00%	4.80%	4.60%	4.40%	4.20%	4.00%	3.80%	3.60%	3.40%	3.20%	3.00%
7	5.00%	4.80%	4.60%	4.40%	4.20%	4.00%	3.80%	3.60%	3.40%	3.20%	3.00%
8	5.00%	4.80%	4.60%	4.40%	4.20%	4.00%	3.80%	3.60%	3.40%	3.20%	3.00%
9+	5.00%	4.70%	4.40%	4.10%	3.80%	3.50%	3.20%	2.90%	2.60%	2.30%	2.00%

Series 8 Lapse Rates		
Duration	Issue Age	
	<85	85+
1	15.00%	12.00%
2	10.00%	8.00%
3	8.00%	6.40%
4	6.00%	4.80%
5+	5.00%	4.00%

Series 9 Lapse Rates											
Duration	Issue Age										
	<76	76	77	78	79	80	81	82	83	84	85+
1	15.00%	14.70%	14.40%	14.10%	13.80%	13.50%	13.20%	12.90%	12.60%	12.30%	12.00%
2	10.00%	9.80%	9.60%	9.40%	9.20%	9.00%	8.80%	8.60%	8.40%	8.20%	8.00%
3	8.00%	7.84%	7.68%	7.52%	7.36%	7.20%	7.04%	6.88%	6.72%	6.56%	6.40%
4	6.00%	5.88%	5.76%	5.64%	5.52%	5.40%	5.28%	5.16%	5.04%	4.92%	4.80%
5+	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%

Policy Form Series 8 and 9 issued business under a group trust in a small number of jurisdictions. The original pricing assumptions for claim costs, mortality, and interest did not vary between individual and group trust business but the original pricing voluntary termination rates did. The Series 8 and 9 group trust original pricing voluntary termination rates are shown in the following table:

Series 8 and 9 Group Trust										
Duration	Issue Age									
	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
1	16.00%	15.00%	13.50%	12.00%	11.00%	10.00%	8.00%	6.00%	4.00%	3.00%
2	11.00%	10.00%	8.50%	7.00%	7.00%	7.00%	5.50%	4.50%	3.50%	3.00%
3	7.00%	6.00%	6.00%	6.00%	6.00%	6.00%	5.00%	4.50%	3.00%	2.00%
4	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.50%	3.00%	2.00%
5	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.50%	3.00%	2.00%
6	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.50%	3.00%	2.00%
7+	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The original pricing voluntary lapse rates were expected to be 0.0% for durations 10 and later for policyholders who selected the 10-pay option.

**Exhibit III
MedAmerica and Affinity Partners
Comparison of Current and Original Pricing Assumptions**

		Lapse Rates						
		Lapse rates vary by duration, premium payment option, and issue age. Lapse rates for the lifetime payment option are provided in the tables below for Series 11 Individual, Premier Group, and TNSE policy forms.						
Original Assumptions	Series 11	Series 11 Individual						
			Lapse Rates by Issue Age					
		Duration	<60	60-64	65-69	70-74	75-79	80+
		1	10.00%	11.00%	12.00%	12.00%	12.00%	12.00%
		2	7.00%	7.00%	7.00%	6.00%	4.00%	2.00%
		3	5.00%	4.00%	3.00%	3.00%	3.00%	2.00%
		4	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%
		5	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
		6+	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
		Premier Group						
			Lapse Rates by Issue Age					
		Duration	<60	60-64	65-69	70-74	75-79	80+
		1	10.00%	11.00%	12.00%	12.00%	12.00%	12.00%
		2	7.00%	7.00%	7.00%	6.00%	4.00%	2.00%
		3	5.00%	4.00%	3.00%	3.00%	3.00%	2.00%
		4	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%
		5	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
		6+	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
		TNSE						
	Lapse Rates by Issue Age							
Duration	<60	60-64	65-69	70-79	80+			
1	5.00%	5.00%	5.00%	4.00%	3.00%			
2	5.00%	5.00%	5.00%	4.00%	3.00%			
3	5.00%	4.00%	3.00%	3.00%	3.00%			
4	4.00%	4.00%	3.00%	3.00%	3.00%			
5	4.00%	3.00%	3.00%	3.00%	3.00%			
6+	3.00%	3.00%	3.00%	3.00%	3.00%			
For the 10-pay option, a reduction of 50% of these lapse rates is assumed for durations 1 to 6, and 0% lapse thereafter. For the 20-pay option, a reduction of 50% of these lapse rates is assumed for durations 1 to 13, and 0% lapse thereafter.								

**Exhibit III
MedAmerica and Affinity Partners
Comparison of Current and Original Pricing Assumptions**

		Benefit Expiry Rates
Current Assumptions	Series 11 and Prior	Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the <i>Guidelines</i> with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 5 of the actuarial memorandum.
Original Assumptions	Series 11 and Prior	Benefit expiry was not separated from the lapse assumption.
		Interest Rate
Current Assumptions	Series 11 and Prior	5.00%
Original Assumptions	Prior to Series 11	Series 5 policy forms used 7.10% and Series 8 and 9 policy forms used 7.50%.
	Series 11 Individual	7.50%
	Series 11 Group	Premier Group policy forms used 7.50% and TNSE policy forms used 6.00%.
		Improvement
Current Assumptions	Series 11 and Prior	Annual improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2016. Annual mortality improvement is assumed to be 0.5% and 1.0% for females and males, respectively. Annual morbidity improvement is assumed to be 1.0% and 1.5% for females and males, respectively.
Original Assumptions	Series 11 and Prior	No mortality or morbidity improvement was assumed.

Exhibit IV
MedAmerica and Affinity Partners
Nationwide Experience Restated to No Prior Rate Increases
Impact of Changing from Pricing to Current Assumptions
Series 11 and Prior Policy Forms

Scenario	Lifetime Loss Ratio	Impact of Each Assumption on the Lifetime Loss Ratio ^[1]	Increase Needed to Produce Lifetime Loss Ratio Expected in Pricing ^{[1][2]}
Original Pricing Assumptions	63%	N/A	N/A
Historical Experience through 2015 & Projections with Original Pricing Assumptions	69%	10%	103%
Historical Experience through 2015 & Projections with Prior Assumptions except for Current:			
Morbidity	69%	0%	4%
Mortality	83%	21%	192%
Voluntary Lapse and Benefit Expiry	72%	5%	47%
Interest	88%	29%	223%
Improvement ^[3]	64%	-7%	-41%
Historical Experience through 2015 & Projections with All Current Most Likely Assumptions ^[4]	118%	89%	528%

[1] Isolates the impact on the lifetime loss ratio/needed increase due to changes in each projection assumption. To isolate these changes, these rows show the increase impact/needed increase relative to a lifetime loss ratio of 69% (i.e., actual historical experience with projections using pricing assumptions). However, the "Historical Experience through 2015 & Projections with Original Pricing Assumptions" row is calculated with regard to 63% to show the isolated impact of historical deviations from that expected based on original pricing from inception.

[2] Calculated without regard to CBUL, RBO, adverse selection, and higher waiver claims due to the needed rate increase.

[3] As a modeling simplification, the isolated impact of improvement on the lifetime loss ratio was approximated by removing the improvement assumption from a projection based on all current assumptions.

[4] The lifetime loss ratios for each change in the rows above do not reflect any synergy of the changes. As a result, compositing across rows will not equal the value in the last row, which is calculated relative to 63% and captures all changes in unison.

Exhibit V
Demonstration that the Requested Cumulative Rate Increase Passes the 58%/85% Loss Ratio Minimum
MedAmerica and Affinity Partners' Nationwide Experience with Prior Approved Increases
Series 11 and Prior Policy Forms

1	Accumulated value of initial earned premium	561,186,775	x	58%	=	325,488,330
2a	Accumulated value of earned premium	579,746,867				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	18,560,092	x	85%	=	15,776,078
3	Present value of future projected initial earned premium	130,305,350	x	58%	=	75,577,103
4a	Present value of future projected premium	309,359,645				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	179,054,295	x	85%	=	152,196,151
5	Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b					569,037,662
6a	Accumulated value of incurred claims without the inclusion of active life reserves					220,537,499
6b	Present value of future projected incurred claims without the inclusion of active life reserves					706,064,111
7	Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b					926,601,610
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 3.5% to 5.5%.</i></p> <p><i>Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.</i></p> <p><i>The future projected incurred claims (item 6b) were increased by 14% to reflect assumptions with moderately adverse experience.</i></p>						

Appendix A Development and Justification of Current Assumptions

The assumptions for mortality, voluntary lapse, benefit expiry, 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 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 that issued the same products. For persistency, policy termination experience through December 31, 2015 was used, except to develop the limited-pay voluntary lapse assumption, which used experience through March 31, 2015. For morbidity, claim experience through December 31, 2014 was used. The methodology used to develop these assumptions is provided below.

Persistency

The assumptions for mortality and lifetime-pay voluntary lapse were developed based on detailed historical experience through December 31, 2015 for MedAmerica's organic (including affinity partners) and acquired business. For the acquired business, experience prior to acquisition was excluded as it predates MedAmerica's administration of the block.

The benefit expiry assumption was developed using the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments based on MedAmerica's actual benefit expiry experience through December 31, 2015 on its organic business.

Mortality Durational Factors for Individual Policies

Exhibit A-1a supports the individual business mortality assumption and provides the following information for all companies and products (both individual and group) combined, but separately for issue age bands (i) 75 and older, (ii) 70 to 74, (iii) 65 to 69, and (iv) 60 to 64:

- Exposure that 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.
- Mortality rates for actual, expected, and an additional standard table for comparison. All of these rates were brought forward to 2015 for consistency with the basis of the expected table by applying mortality improvement factors that reflect annual improvement of 0.5% for females and 1.0% for males.

Actual mortality rates equal the number of deaths divided by exposure. The number of deaths includes a scalar to capture improvement between the year of death and 2015. For example, if 10 males died in 2010, then the number of deaths (10) would be multiplied by 5 years of improvement (0.951).

2015GAM mortality rates equal 94GAM with 21 years of improvement, which results in scalars of 0.900 for females and 0.810 for males. These are the expected mortality rates to which the factors in Section 5 of the actuarial memorandum are applied.

2015IAM is equal to 2012 Individual Annuity Mortality Period (2012IAM) standard table mortality rates with 3 years of improvement (scalars of 0.985 for females and 0.970 for males).

- Ratios of actual and standard table mortality rates to the 2015GAM expected (A:E) mortality rates.
- Credibility percentage based on the number of deaths (with improvement scalars described above) and the credibility measure described at the end of this appendix.
- A:E ratio that is credibility weighted with the two standard table options for a complement.
- Smoothed durational factors that correspond to that shown in Section 5 of the actuarial memorandum.

We developed the smoothed factors by issue age band and duration. We started with the older issue ages to develop an ultimate factor and then worked backward to younger issue age bands, making experience adjustments for the first 20 durations. In developing these experience adjustments, we considered the A:E ratios, level of credibility, whether in the select or ultimate period, and A:E credibility-weighted ratios.

An ultimate level of 105% of 2015GAM was assumed based on the combined experience of issue ages 70 and older for attained ages older than 95 to the extent credible. For the first 20 durations, the factors were pegged for the mid-point of a quinquennial durational band and then interpolated in between to develop smoothed factors. The smoothed factors were determined such that the bands of quinquennial durations reproduced the actual experience, to the extent credible.

Appendix A Development and Justification of Current Assumptions

Theoretical adjustments are made, following the diagonal, according to the adjustments made for older issue age bands to maintain mortality relationships across attained ages. For example, we assume an 85% factor for attained age 80, which appears in duration 18 for issue age 62 and duration 23 for issue age 57 as shown in Section 5 of the actuarial memorandum; following along this diagonal the assumption is consistent.

Exhibit A-1b provides similar information as Exhibit A-1a for individual business only with issue ages under 60. For issue ages under 60, the experience was split between individual and group because there is a material amount of group experience under 60. Mortality can differ between individual and group business because of adverse selection associated with group underwriting.

Mortality Durational Factors for Group Certificates

Exhibit A-1c supports the group business mortality assumption and provides exposure, actual and expected mortality rates, mortality A:E ratios, credibility percent, and smoothed scalars. The expected mortality rates include the individual durational mortality factors described above. The smoothed scalars were developed based on group products for issue ages under 60 only because it captures most of the group experience. We did not analyze group experience for other issue ages. These scalars are applied to the individual mortality durational factors, but capped at 105%, to produce the group mortality durational factors shown in Section 5 of the actuarial memorandum.

Lifetime-Pay Voluntary Lapse Rates

Exhibit A-2a provides total exposure, composite termination rates, expected mortality rates, derived voluntary lapse rates, credibility percent, and smoothed voluntary lapse rates for Prior to Series 11 policies by duration. Exhibit A-2b and Exhibit A-2c provide similar information for Series 11 Individual and Series 11 Group policies, respectively.

In general, the smoothed voluntary lapse rates were set in such a way that the combined duration smoothed rates were close to the derived voluntary lapse rates (see the rows at the bottom of the exhibits). The smoothed voluntary lapse rates in the early durations were chosen to reproduce actual history, to the extent possible, so that the transition from historical to projected policy persistency was smooth. In developing the ultimate voluntary lapse rate, the level of credibility of the actual voluntary lapse experience and the experience of other form groups were considered, as applicable. The degree of closeness of the smoothed voluntary lapse rate compared to actual experience depends on the level of credibility.

The actual composite (mortality and voluntary lapse) termination rates were calculated by duration as follows:

$$\text{Annualized Composite Termination Rate} = \frac{\text{Number of Deaths and Voluntary Lapses during the Year}}{\text{Number of Lives Exposed during the Year}}$$

A death or voluntary lapse (excluding benefit expiry) was assigned to the duration in which it occurred, or the preceding duration, if the termination was on the anniversary date. Each death or voluntary lapse contributes 1.0 to the numerator and a full year to the denominator. For lives whose benefits expire or 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 due to death or voluntary lapse during the year. This calculation logic is consistent with that used in the LTC Insurance Persistency Experience reports sponsored by LIMRA International and the SOA LTC Experience Committee.

The expected mortality rate assumes the gender-distinct 2015GAM table with the durational factors shown in Section 5 of the actuarial memorandum applied by duration.

The derived voluntary lapse rate is then calculated according to the following formula:

$$\text{Derived Voluntary Lapse Rate} = 1 - \frac{1 - \text{Composite Termination Rate}}{1 - \text{Expected Mortality Rate}}$$

Limited-Pay Voluntary Lapse Rates

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. Only 23% of the in-force policies on these forms have a limited-pay option and thus the impact of these assumptions on the projections is assumed to be immaterial.

For the 10-pay and 20-pay options, the scalars were developed from a comparison of the lifetime-pay derived lapse rates to the limited-pay option's derived lapse rates based on MedAmerica and its affinity partners' experience on all

Appendix A

Development and Justification of Current Assumptions

products combined. The relationships derived from this analysis were used to develop the smoothed lapse assumptions for the 10- and 20-pay options shown in Section 5 of the actuarial memorandum.

Benefit Expiry

Benefit expiry rates reflect assumed policy lapses due to exhaustion of benefits based on the 2014 *Guidelines* with adjustments for historical benefit expiry experience and vary by attained age, gender, and benefit period. Policies with lifetime benefits do not have an expiry assumption (i.e., rate of 0%).

We compared MedAmerica's actual benefit expiry experience through December 31, 2015 to that expected by the 2014 *Guidelines*. We developed adjustment factors by attained age based on the experience of a subset of MedAmerica's organic business, which included the Series 11 and Prior business. Factors were developed by quinquennial attained age band and then interpolated to produce scalars for each attained age. These scalars were then applied to the benefit expiry rates developed by the 2014 *Guidelines* in order to produce the final benefit expiry assumptions shown in Section 5 of the actuarial memorandum.

Exhibit A-3 provides exposure, actual and expected benefit expiry rates, A:E ratios, credibility percent, credibility-weighted A:E ratios, and smoothed adjustment factors. The exposure used reflects a full year of exposure for each benefit expiry and the length of time a covered life is exposed to the risk of benefit expiry during the year for each life that does not expire benefits.

Morbidity

The claims costs were developed using the 2014 *Guidelines*. A:E experience analyses were performed to develop most likely (with no explicit margin) morbidity experience adjustments to be applied to the 2014 *Guidelines* claim costs. The experience used includes historical experience for all products of MedAmerica, its affinity partners, and 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 *Guidelines* (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-4a provides separate A:E adjustment factors for the Prior to Series 11, Series 11 Individual, and Series 11 Group blocks after multiplying the appropriate combination of factors for policy duration, attained age, and coverage type.

Exhibit A-4b provides an indication of the goodness of fit for each product. Exhibit A-4b 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) is shown for the Prior to Series 11, Series 11 Individual, and Series 11 Group blocks' separate experience. The ratio's denominator (adjusted expected incurred claims) is equal to the unadjusted expected incurred claims (2014 *Guidelines*) 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. 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.

Improvement

For projected mortality improvement, levels of 0.5% and 1.0% are assumed for 15 years beginning in calendar year 2016 for females and males, respectively. The Society of Actuaries (SOA) June 2011 study, *Global Mortality Improvement Experience and Projection Techniques*, provides most-likely mortality improvement assumptions for the period 2011 to 2025 by gender and attained age, for 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

Appendix A Development and Justification of Current Assumptions

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 projected morbidity improvement, levels of 1.0% and 1.5% are assumed for 15 years beginning in calendar year 2016 for females and males, respectively. This assumption is reasonable based on the SOA July 2016 study, *Long Term Care Morbidity Improvement Study: Estimates for the Non-Insured U.S. Elderly Population Based on the National Long Term Care Survey 1984-2004*. This study reported population annual morbidity improvement of 2.3% for unisex, 2.5% for males, and 2.1% for females. The SOA July 2016 study uses population data, so it is uncertain how well these 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, insureds 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, 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 insured behavior assumptions are provided below, and are based on MedAmerica's actual CBUL/RBO election experience to the extent applicable, assumptions for rate increase filings of other carriers in the LTC industry, and actuarial judgment.

Contingent Benefit Upon Lapse Election

Based on the average rate increase requests nationwide, we assume a CBUL election rate of 8% for the rate increase for non-lifetime benefit periods and 12% for lifetime benefit periods. No CBUL elections are assumed for limited-pay policies.

Reduced Benefit Options

It is assumed that there will be an approximate 7.5% reduction to premium and benefits due to RBO elections for non-lifetime benefit period policies and an approximate 19% reduction to premium and benefits due to RBO elections for lifetime benefit period policies. These assumed reductions to premium and benefits due to RBO elections were 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 corresponds to an equivalent percent reduction in claims. Based on the nationwide average rate increase requested on these policy forms, we assume 15% of non-lifetime benefit period policies and 25% of lifetime benefit period policies 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% to 3% 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, insureds 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

Appendix A
Development and Justification of Current Assumptions

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

$$\begin{aligned} \text{Adverse Selection} &= 1 / (1 - 25\% \times \text{CBUL}) \\ 1.02 &\sim 1 / (1 - 25\% \times 8\%) \text{ for non-lifetime benefit period policies} \\ 1.03 &\sim 1 / (1 - 25\% \times 12\%) \text{ for lifetime benefit period policies} \end{aligned}$$

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, voluntary lapses, benefit expiries, 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-1a
Actual-to-Expected (A:E) Mortality Experience through December 31, 2015
All Products

Duration	Exposure	Mortality Rate			Ratios to 2015GAM		Credibility Percent	A:E Credibility-Weighted with:		Smoothed Durational Factors
		Actual (A)	2015GAM (E)	2015IAM (X)	Actual (A:E)	2015IAM (X:E)		2015GAM (E:E=1.00)	2015IAM (X:E)	
Issue Age 75+										
1-5	24,998	1.8%	4.4%	3.1%	0.40	0.70	95%	0.43	0.41	0.41
6-10	20,553	5.0%	7.0%	5.5%	0.71	0.78	100%	0.71	0.71	0.71
11-15	11,268	10.1%	10.5%	8.8%	0.96	0.84	100%	0.96	0.96	0.96
16-20	3,330	16.3%	16.1%	14.2%	1.02	0.88	100%	1.02	1.02	1.04
21-25	415	25.3%	22.2%	20.6%	1.14	0.93	47%	1.07	1.03	1.05
26+	25	7.8%	32.1%	30.8%	0.24	0.96	6%	0.95	0.91	1.05
21+	440	24.3%	22.8%	21.2%	1.07	0.93	47%	1.03	0.99	1.05
All	60,589	5.4%	7.2%	5.7%	0.75	0.79	100%	0.75	0.75	0.75
Issue Ages 70 - 74										
1-5	39,706	0.9%	2.2%	1.4%	0.41	0.64	87%	0.49	0.45	0.40
6-10	38,186	2.4%	3.7%	2.5%	0.66	0.67	100%	0.66	0.66	0.65
11-15	27,286	4.9%	6.0%	4.4%	0.83	0.74	100%	0.83	0.83	0.84
16-20	10,157	9.1%	9.4%	7.7%	0.98	0.82	100%	0.98	0.98	0.98
21-25	2,029	14.6%	14.3%	12.3%	1.02	0.86	78%	1.02	0.99	1.04
26+	138	25.8%	20.4%	18.6%	1.27	0.91	27%	1.07	1.01	1.05
21+	2,167	15.3%	14.7%	12.7%	1.04	0.87	83%	1.03	1.01	1.04
All	117,501	3.3%	4.4%	3.2%	0.75	0.73	100%	0.75	0.75	0.75
Issue Ages 65 - 69										
1-5	67,094	0.6%	1.4%	0.9%	0.42	0.65	90%	0.48	0.44	0.40
6-10	65,409	1.4%	2.2%	1.4%	0.64	0.64	100%	0.64	0.64	0.65
11-15	50,103	2.9%	3.7%	2.4%	0.78	0.66	100%	0.78	0.78	0.79
16-20	23,101	5.3%	5.9%	4.3%	0.90	0.74	100%	0.90	0.90	0.90
21-25	6,829	9.5%	9.3%	7.6%	1.03	0.82	100%	1.03	1.03	0.99
26+	533	13.8%	13.6%	11.6%	1.01	0.86	39%	1.01	0.92	1.04
21+	7,362	9.8%	9.6%	7.9%	1.03	0.82	100%	1.03	1.03	0.99
All	213,069	2.2%	3.0%	2.0%	0.75	0.69	100%	0.75	0.75	0.74
Issue Ages 60 - 64										
1-5	93,335	0.3%	0.9%	0.6%	0.41	0.72	82%	0.51	0.46	0.39
6-10	85,284	0.8%	1.4%	0.9%	0.57	0.65	100%	0.57	0.57	0.59
11-15	58,636	1.5%	2.3%	1.5%	0.68	0.65	100%	0.68	0.68	0.67
16-20	27,386	3.2%	3.8%	2.5%	0.85	0.67	100%	0.85	0.85	0.83
21-25	9,435	5.5%	6.1%	4.5%	0.90	0.75	100%	0.90	0.90	0.90
26+	782	9.5%	9.1%	7.5%	1.05	0.82	39%	1.02	0.91	0.97
21+	10,217	5.8%	6.3%	4.8%	0.92	0.76	100%	0.92	0.92	0.91
All	274,857	1.2%	1.8%	1.2%	0.68	0.68	100%	0.68	0.68	0.67

Exhibit A-1b
Actual-to-Expected (A:E) Mortality Experience through December 31, 2015
Individual Products

Duration	Exposure	Mortality Rate			Ratios to 2015GAM		Credibility Percent	A:E Credibility-Weighted with:		Smoothed Durational Factors
		Actual (A)	2015GAM (E)	2015IAM (X)	Actual (A:E)	2015IAM (X:E)		2015GAM (E:E=1.00)	2015IAM (X:E)	
Issue Age <60										
1-5	213,822	0.1%	0.3%	0.2%	0.39	0.86	66%	0.59	0.55	0.38
6-10	134,800	0.3%	0.5%	0.4%	0.54	0.77	88%	0.59	0.56	0.54
11-15	57,646	0.6%	0.9%	0.7%	0.61	0.69	83%	0.67	0.62	0.60
16-20	24,577	1.1%	1.5%	1.0%	0.70	0.67	74%	0.78	0.69	0.70
21-25	9,193	1.7%	2.4%	1.6%	0.70	0.67	57%	0.83	0.68	0.79
26+	759	2.9%	4.4%	3.1%	0.65	0.72	21%	0.93	0.70	0.87
21+	9,952	1.8%	2.6%	1.7%	0.69	0.68	61%	0.81	0.68	0.80
All	440,797	0.3%	0.6%	0.4%	0.56	0.75	100%	0.56	0.56	0.57

Exhibit A-1c
Actual-to-Expected (A:E) Mortality Experience through December 31, 2015
Group Products

Duration	Exposure	Actual Mortality Rate	Expected Mortality Rate ^[1]	Mortality A:E	Credibility Percent	Smoothed Scalars
Issue Age <60						
1-5	120,598	0.2%	0.1%	2.00	65%	2.00
6-10	109,681	0.3%	0.2%	1.48	85%	1.50
11-15	71,689	0.5%	0.4%	1.20	83%	1.20
16-20	25,556	0.7%	0.6%	1.15	59%	1.15
21-25	11,926	0.8%	0.9%	0.93	45%	1.10
26-30	305	1.3%	1.2%	1.06	9%	1.05
31+	0	N/A	N/A	N/A	0%	1.00

[1] Includes the durational adjustment factors developed for individual business.

Exhibit A-2a
Derived Lifetime-Pay Voluntary Lapse Experience through December 31, 2015
Prior to Series 11 Policy Forms

Duration	Exposure	Composite Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Credibility Percent	Smoothed Lapse Rates
1	5,409	16.9%	0.6%	16.4%	100%	16.50%
2	4,493	9.3%	0.9%	8.4%	89%	8.50%
3	4,076	6.5%	1.3%	5.2%	68%	5.00%
4	3,810	5.3%	1.5%	3.6%	55%	3.50%
5	3,607	4.0%	1.9%	2.0%	41%	2.00%
6	3,457	3.1%	2.0%	0.9%	34%	1.50%
7	3,345	3.7%	2.3%	1.2%	29%	1.50%
8	3,209	4.6%	2.5%	1.8%	33%	1.50%
9	3,047	4.0%	2.8%	1.0%	30%	1.50%
10	2,913	4.5%	3.1%	1.2%	31%	1.00%
11	2,765	5.4%	3.4%	1.8%	27%	1.00%
12	2,604	5.2%	3.7%	1.3%	25%	1.00%
13	2,447	5.5%	3.9%	1.4%	22%	1.00%
14	2,289	5.6%	4.2%	1.2%	20%	1.00%
15	2,087	4.9%	4.6%	0.2%	16%	1.00%
16	1,858	5.7%	5.0%	0.6%	18%	1.00%
17	1,504	6.8%	5.5%	1.3%	18%	1.00%
18	1,104	6.6%	6.0%	0.5%	9%	1.00%
19	710	7.2%	6.6%	0.5%	8%	1.00%
20	422	8.8%	7.1%	1.7%	6%	1.00%
21	224	8.9%	7.5%	1.4%	6%	1.00%
22	99	12.1%	8.9%	3.5%	6%	1.00%
23	28	7.2%	10.6%	-3.8%	5%	1.00%
24	1	0.0%	12.6%	-14.4%	0%	1.00%
1-3	13,978	11.4%	0.9%	10.5%	100%	10.6%
4-6	10,875	4.1%	1.8%	2.2%	77%	2.4%
7-9	9,601	4.1%	2.5%	1.4%	53%	1.5%
5+	37,720	4.8%	3.4%	1.3%	100%	1.3%
6+	34,113	4.9%	3.6%	1.2%	92%	1.2%
7+	30,656	5.1%	3.8%	1.2%	85%	1.2%
8+	27,311	5.3%	4.0%	1.2%	80%	1.1%
9+	24,103	5.4%	4.2%	1.1%	73%	1.1%
10+	21,056	5.6%	4.3%	1.1%	66%	1.0%
All	55,509	6.5%	2.7%	3.8%	100%	3.8%

Exhibit A-2b
Derived Lifetime-Pay Voluntary Lapse Experience through December 31, 2015
Series 11 Individual Policy Forms

Duration	Exposure	Composite Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Credibility Percent	Smoothed Lapse Rates
1	12,157	8.6%	0.2%	8.3%	100%	8.50%
2	11,116	4.4%	0.4%	4.0%	96%	4.00%
3	10,632	3.4%	0.5%	2.8%	79%	2.75%
4	10,244	2.6%	0.6%	2.0%	65%	2.00%
5	9,933	2.1%	0.8%	1.3%	54%	1.50%
6	9,696	2.3%	0.9%	1.4%	54%	1.25%
7	9,432	2.4%	1.1%	1.3%	52%	1.25%
8	9,116	2.1%	1.3%	0.8%	41%	1.00%
9	8,825	2.4%	1.5%	0.9%	38%	0.75%
10	8,499	2.5%	1.7%	0.8%	36%	0.60%
11	8,129	2.5%	1.9%	0.6%	34%	0.60%
12	7,460	2.7%	2.1%	0.5%	31%	0.60%
13	5,806	3.0%	2.4%	0.5%	25%	0.60%
14	4,305	3.2%	2.8%	0.4%	23%	0.60%
15	2,813	3.4%	3.2%	0.2%	12%	0.60%
16	1,878	3.6%	3.4%	0.2%	8%	0.60%
17	1,351	5.0%	3.5%	1.6%	8%	0.60%
18	108	2.8%	3.7%	-1.0%	0%	0.60%
1-3	33,905	5.6%	0.4%	5.2%	100%	5.2%
4-6	29,874	2.4%	0.8%	1.6%	100%	1.6%
7-9	27,373	2.3%	1.3%	1.0%	76%	1.0%
5+	87,352	2.6%	1.6%	0.9%	100%	0.9%
6+	77,419	2.6%	1.8%	0.8%	100%	0.8%
7+	67,722	2.7%	1.9%	0.8%	100%	0.8%
8+	58,290	2.7%	2.0%	0.7%	89%	0.7%
9+	49,175	2.8%	2.1%	0.6%	80%	0.6%
10+	40,349	2.9%	2.3%	0.6%	70%	0.6%
All	131,501	3.3%	1.2%	2.1%	100%	2.1%

Exhibit A-2c
Derived Lifetime-Pay Voluntary Lapse Experience through December 31, 2015
Series 11 Group Policy Forms

Duration	Exposure	Composite Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Credibility Percent	Smoothed Lapse Rates
1	7,058	6.4%	0.1%	6.3%	95%	6.50%
2	6,497	6.4%	0.2%	6.2%	91%	6.00%
3	5,951	4.4%	0.2%	4.2%	71%	4.00%
4	5,489	4.0%	0.3%	3.7%	63%	3.50%
5	5,008	3.3%	0.3%	3.0%	56%	3.00%
6	4,811	2.7%	0.4%	2.3%	46%	2.50%
7	4,644	2.2%	0.4%	1.8%	40%	2.00%
8	4,498	2.3%	0.5%	1.8%	40%	1.50%
9	4,297	1.7%	0.6%	1.1%	32%	1.30%
10	4,093	2.0%	0.6%	1.4%	36%	1.30%
11	3,468	2.4%	0.7%	1.7%	32%	1.30%
12	2,846	1.8%	0.8%	1.0%	26%	1.30%
13	1,498	1.3%	0.8%	0.5%	12%	1.30%
14	346	3.2%	0.7%	2.5%	10%	1.30%
15	74	1.4%	0.9%	0.5%	5%	1.30%
16	31	3.2%	1.0%	2.2%	5%	1.30%
17	3	0.0%	1.5%	-1.5%	0%	1.30%
1-3	19,506	5.8%	0.2%	5.6%	100%	5.6%
4-6	15,308	3.4%	0.3%	3.0%	96%	3.0%
7-9	13,439	2.1%	0.5%	1.6%	65%	1.6%
5+	35,618	2.3%	0.5%	1.8%	100%	1.8%
6+	30,609	2.2%	0.6%	1.6%	98%	1.6%
7+	25,799	2.1%	0.6%	1.5%	87%	1.5%
8+	21,154	2.0%	0.6%	1.4%	77%	1.3%
9+	16,656	1.9%	0.7%	1.3%	66%	1.3%
10+	12,359	2.0%	0.7%	1.3%	57%	1.3%
All	60,612	3.6%	0.4%	3.2%	100%	3.2%

Exhibit A-3
Actual-to-Expected (A:E) Benefit Expiration Experience through December 31, 2015
Subset of MedAmerica Organic Business

Attained Age Band	Exposure	Actual Expiry Rate	Expected Expiry Rate	Expiry A:E	Credibility Percent	Credibility-Weighted A:E	Smoothed Adjustment Factors
<80	528,089	0.03%	0.04%	0.70	56%	0.83	0.85
80-84	50,683	0.52%	0.41%	1.27	74%	1.20	1.25
85-89	22,568	1.52%	1.04%	1.46	85%	1.39	1.45
90+	6,638	4.43%	2.47%	1.79	78%	1.62	1.65
All	607,979	0.17%	0.14%	1.28	100%	1.28	1.28

Exhibit A-4a
MedAmerica and Affinity Partners
Actual-to-Expected Morbidity Adjustment Factors
Series 11 and Prior Policy Forms

Duration	Prior to Series 11 Adjustment Factor	Series 11 Individual Adjustment Factor	Series 11 Group Adjustment Factor
1	1.05	0.84	0.51
2	1.02	0.85	0.55
3	1.00	0.86	0.59
4	0.97	0.88	0.64
5	0.95	0.89	0.69
6	0.93	0.90	0.74
7	0.90	0.91	0.79
8	0.88	0.92	0.85
9	0.86	0.91	0.87
10	0.84	0.90	0.89
11	0.83	0.89	0.91
12	0.81	0.87	0.93
13	0.79	0.86	0.95
14	0.80	0.89	0.94
15	0.81	0.92	0.92
16	0.83	0.95	0.91
17	0.84	0.98	0.90
18	0.85	1.01	0.89
19	0.84	1.00	0.89
20	0.84	0.99	0.88
21	0.83	0.99	0.88
22	0.83	0.98	0.88
23	0.82	0.97	0.87
24	0.83	0.97	0.88
25	0.84	0.97	0.89
26	0.85	0.98	0.90
27	0.86	0.98	0.91
28	0.86	0.98	0.92
29	0.86	0.98	0.92
30+	0.86	0.98	0.92

Attained Age	Prior to Series 11 Adjustment Factor	Series 11 Individual Adjustment Factor	Series 11 Group Adjustment Factor
<65	0.91	0.90	0.88
65-69	1.08	1.10	1.01
70-74	0.99	1.18	1.04
75-79	0.94	1.10	1.07
80-84	1.06	1.49	1.08
85-89	1.15	1.29	1.20
90+	1.09	1.24	1.22

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

Exhibit A-4b
MedAmerica and Affinity Partners
Actual to Adjusted Expected Incurred Claims
Series 11 and Prior Policy Forms

Experience By Policy Duration						
All Durations						
Duration	Prior to Series 11		Series 11 Individual		Series 11 Group	
	Credibility	Actual to Adjusted Expected	Credibility	Actual to Adjusted Expected	Credibility	Actual to Adjusted Expected
1	0%	1.00	8%	0.62	9%	0.95
2	0%	1.00	18%	1.31	6%	0.09
3	5%	1.00	21%	0.46	18%	1.23
4	10%	3.50	31%	1.56	16%	1.02
5	11%	0.50	31%	0.80	13%	1.11
6	15%	0.93	38%	0.87	16%	1.14
7	23%	0.80	40%	1.04	14%	0.62
8	28%	1.58	46%	1.20	17%	0.63
9	34%	1.32	53%	0.97	16%	0.84
10	37%	0.74	50%	0.89	18%	1.37
11	40%	0.80	54%	0.95	18%	1.56
12	39%	0.92	49%	0.93	5%	0.44
13	41%	1.03	49%	1.24	9%	3.42
14	46%	1.20	37%	0.95	0%	0.32
15	39%	0.92	37%	0.97	0%	0.16
16	37%	0.87	28%	1.06	0%	0.98
17	34%	1.10	0%	1.10	0%	1.00
18	32%	0.99	0%	1.00	0%	1.00
19	27%	1.03	0%	0.08	0%	1.00
20	20%	1.01	0%	1.00	0%	1.00
21	16%	0.99	0%	1.00	0%	1.00
22	6%	0.31	0%	1.00	0%	1.00
23	0%	1.00	0%	1.00	0%	1.00
1-5	16%	1.28	53%	1.00	29%	0.89
6-10	64%	1.09	100%	0.99	36%	0.93
11-15	92%	0.98	100%	1.00	21%	1.28
16-20	69%	0.99	28%	1.05	0%	0.98
21-25	17%	0.85	0%	1.00	0%	1.00
Total	100%	1.01	100%	1.00	51%	0.99

Experience By Attained Age						
Durations 7 and Later						
Attained Age	Prior to Series 11		Series 11 Individual		Series 11 Group	
	Credibility	Actual to Adjusted Expected	Credibility	Actual to Adjusted Expected	Credibility	Actual to Adjusted Expected
<65	14%	1.32	19%	0.86	21%	1.26
65-69	22%	1.97	33%	1.15	16%	0.94
70-74	33%	0.85	50%	1.12	18%	0.91
75-79	51%	0.92	65%	0.93	16%	0.87
80-84	68%	1.01	83%	1.04	11%	0.70
85-89	72%	0.99	61%	0.95	10%	1.85
90+	56%	0.95	38%	0.99	-	0.00
<70	27%	1.75	38%	1.05	27%	1.12
<75	43%	1.19	63%	1.09	32%	1.05
<80	66%	1.04	91%	1.01	36%	1.02
<85	95%	1.03	100%	1.03	38%	0.98
65-79	65%	1.02	89%	1.03	29%	0.91
70-84	91%	0.96	100%	1.02	27%	0.85
75-89	100%	0.98	100%	0.99	22%	0.97
70+	100%	0.97	100%	1.01	28%	0.94
75+	100%	0.98	100%	0.99	22%	0.96
80+	100%	1.00	100%	1.01	15%	1.04
85+	91%	0.98	72%	0.96	10%	1.72

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Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Supplement to the Series 11 Group Actuarial Memorandum

March 7, 2017

Product
Comprehensive Form
Comprehensive Certificate

Number
GRP11-341-PA-200
GRP11-342- PA-1100

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.

The experience provided in this supplement reflects the combined experience of the policy form listed above as well as similar nationwide individual and group policy forms of the same product series. The company is making a similar request on the Series 11 Individual policy forms in a concurrent filing (SERFF tracking # MILL-130951717). Additionally, the company's affinity partner MedAmerica Insurance Company (MedAmerica) is making a similar request on its individual and group business in the concurrent filings (SERFF tracking # MILL-130925276 and MILL-130951675).

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): For policies issued prior to September 16, 2002, the effective date of rate stability in Pennsylvania, the minimum loss ratio requirement is 60%, as specified in Reg. 89a.117.(b). For policies issued on or after September 16, 2002, the loss ratio requirements are specified in Reg. 89a.118.(c)(2), (i.e., the 58%/85% test). Demonstration of satisfaction of these requirements is discussed in Section 18 of the enclosed actuarial memorandum.

As of December 31, 2015, 161 of the 477 policies that are in force and subject to the requested rate increase in Pennsylvania were issued on or after September 16, 2002 (approximately 34%). However, because the company manages this block of business as a whole, this rate increase filing complies with both sets of requirements for all of the policies, regardless of issue date.

(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 benefit period as described in Section 17 of the enclosed actuarial memorandum. The cumulative rate increase shown in a table in Section 17 was determined to allow certification to rate stability, where applicable, and varies by benefit period to better align the rate increase with the adverse experience. The table provides the cumulative requested increase for each benefit period cohort, as well as the average cumulative prior increase and resulting current requested premium rate increase based on the nationwide distribution of combined individual and group business as of December 31, 2015. For policies with a non-lifetime benefit period, the cumulative rate increase was determined such that the business would break even going forward under moderately adverse conditions for the subset of policies with a lifetime-pay option (i.e., 0% profit margin going forward).

The current rate schedules along with the proposed rate schedules are enclosed with this filing. Please

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Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Supplement to the Series 11 Group Actuarial Memorandum

March 7, 2017

note that the actual rates implemented may vary slightly from those shown due to rounding algorithms.

Attachment 1 to this supplement provides actual and projected nationwide experience using current assumptions, as described in Section 5 of the actuarial memorandum. Included are calendar year earned premiums, incurred claims, annual loss ratios, end of year lives, and cumulative loss ratios with interest. The without interest experience underlying Attachment 1 is identical to Exhibit I 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. The interest rate used in Attachments 1 and 2 to accumulate and discount values is the maximum valuation interest rate for contract reserves applicable for the year of issue (which ranges from 3.5% to 5.5%).

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 not considered fully credible, but is being provided as required.

Additionally, it is worth noting that calculating the lifetime loss ratio using written premium and paid claims for Pennsylvania-specific experience results in a loss ratio that falls below the 60% minimum required by loss ratio regulation in Pennsylvania. However, as Pennsylvania Code Section 89.a.117 requires the expected loss ratio to be calculated using "incurred claim experience and earned premiums", we understand that a revision to the requested rate increase is not necessary.

(2)(ii)(A): In Pennsylvania, a cumulative increase of 39% has been implemented on the individual and group policy forms. The department of insurance filed these increases for use on May 13, 2010.

(2)(ii)(B): Table 1a shows the original pricing commission scales by issue age and duration for lifetime-pay individual policies.

**Table 1a
Commission Percentages by Issue Age and Duration^[1]**

Individual Policy Form	Issue Ages	Commissions by Duration		
		1	2-10	11+
LTC-LBP-2PA	<71	45-78	10-21	0-5
LTC-LBP8-MA-PA	71-79	40-68	8-18	0-5
LTC-CD5-2PA	80+	35-58	5-15	0-5
LTC-CD8-MA-PA				
LTC-CD9-MA-PA	All Ages	30-50	5-10	5-10
LTQ11-336-PA-998				
NTQ11-337-PA-998				
HTQ11-338-PA-998				
LTQ11-336-MA-PA-998	<75	30-50	5-10	0-10
NTQ11-337-MA-PA-998	75+	20-40	5-10	0-10
HTQ11-338-MA-PA-998				
LTQ11-336-MA-PA-601				
HTQ11-338-MA-PA-601				
NTQ11-337-MA-PA-601				
FLQ11-336-PA-998	<75	25-45	0-5	0-5
FLQ11-336-MA-PA-601	75+	15-35	0-5	0-5

^[1] The maximum writing agent commissions are 50% in the first policy year and 10% for policy years two through ten.

Table 1b provides similar information for lifetime-pay group certificates by duration and whether the group was sold by a commissioned agent. The commission scale, without other sales and marketing

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Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Supplement to the Series 11 Group Actuarial Memorandum

March 7, 2017

expenses, was not readily available.

**Table 1b
Commission Percentages by Duration and Agent Type
Group Policy Forms: GRP11-341-MA-PA-601 and GRP11-341-PA-200**

Duration	Commissioned	Non-Commissioned
1	30%	40%
2+	7%	0%

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

The actual commission scales will differ slightly from those that appear in Table 1 as the company adjusts 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).

(2)(ii)(C)(I): Premiums earned and written since inception for nationwide experience can be found in Attachments 1 and 2, respectively. Premiums earned and written since inception for Pennsylvania-specific experience can be found in Attachments 3 and 4, respectively. Attachment 5 supplement provides reserve balances and the calculation basis for both nationwide and Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is not considered fully credible, 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 not considered fully credible, but is being provided as required.

Attachment 6 to this supplement provides actual and projected experience on a durational basis using current assumptions. Included are policy year earned premiums, incurred claims, durational loss ratios, end of year lives, and cumulative loss ratios with interest. 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. Similar to Attachments 1 through 4, the values used to calculate the cumulative loss ratios are accumulated and discounted at the maximum valuation interest rate.

Attachment 7 to this supplement provides similar information to Attachment 6 for Pennsylvania-specific experience. Please note that Pennsylvania-specific experience is not considered fully credible, 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-a
MedAmerica and Affinity Partners
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Nationwide Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions				
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
Historical Experience	1992	17,324	0	0%	111	0%
	1993	557,528	112,935	20%	634	19%
	1994	1,501,263	28,746	2%	1,377	7%
	1995	2,485,725	109,652	4%	1,944	6%
	1996	3,463,885	134,262	4%	2,689	5%
	1997	4,394,237	264,541	6%	3,003	5%
	1998	5,341,744	631,867	12%	3,666	7%
	1999	6,829,900	1,469,714	22%	4,764	11%
	2000	8,941,708	1,172,992	13%	6,200	11%
	2001	11,912,872	2,210,887	19%	8,456	13%
	2002	16,102,548	4,131,980	26%	11,472	16%
	2003	21,498,563	3,506,680	16%	17,713	16%
	2004	27,112,675	6,602,535	24%	19,114	18%
	2005	28,577,291	6,824,784	24%	20,242	19%
	2006	28,838,021	7,359,318	26%	20,095	20%
	2007	28,383,240	10,552,392	37%	20,146	22%
	2008	27,837,724	8,394,073	30%	19,941	23%
2009	26,881,835	11,313,758	42%	19,482	25%	
2010	25,544,191	15,723,015	62%	18,494	27%	
2011	24,603,117	13,541,344	55%	17,664	29%	
2012	25,248,567	17,141,023	68%	17,596	31%	
2013	24,384,255	14,626,127	60%	17,264	33%	
2014	22,506,450	22,967,435	102%	16,809	36%	
2015	21,584,067	20,806,755	96%	16,292	38%	
Projected Future Experience (60 Years)	2016	21,357,049	19,334,171	91%	15,800	40%
	2017	20,472,802	21,088,277	103%	15,305	42%
	2018	19,369,621	22,918,883	118%	14,806	44%
	2019	18,406,508	24,740,141	134%	14,304	46%
	2020	17,470,951	26,500,160	152%	13,798	48%
	2021	16,538,030	28,210,705	171%	13,291	51%
	2022	15,596,044	29,815,323	191%	12,781	53%
	2023	14,489,872	31,375,747	217%	12,273	55%
	2024	13,397,604	32,971,001	246%	11,765	58%
	2025	12,476,171	34,561,357	277%	11,259	60%
	2026	11,620,802	36,172,635	311%	10,756	63%
	2027	10,822,954	37,816,276	349%	10,257	66%
	2028	10,000,914	39,512,240	395%	9,763	68%
	2029	9,271,931	41,185,438	444%	9,275	71%
	2030	8,576,548	42,755,298	499%	8,794	73%
	2031	7,910,616	44,446,472	562%	8,319	76%
	2032	7,271,681	46,240,732	636%	7,851	78%
	2033	6,661,754	47,792,004	717%	7,390	81%
	2034	6,080,987	49,155,738	808%	6,939	84%
	2035	5,529,732	50,362,279	911%	6,498	86%
	2036	5,008,443	51,278,195	1,024%	6,067	89%
	2037	4,517,582	51,873,842	1,148%	5,648	91%
	2038	4,057,385	52,130,147	1,285%	5,243	94%
	2039	3,627,888	52,101,378	1,436%	4,851	96%
	2040	3,228,952	51,679,979	1,601%	4,475	98%
	2041	2,860,493	50,967,588	1,782%	4,116	100%
	2042	2,522,341	49,872,848	1,977%	3,775	102%
2043	2,213,884	48,483,371	2,190%	3,452	104%	
2044	1,934,179	46,882,208	2,424%	3,148	106%	
2045	1,681,891	45,060,682	2,679%	2,863	107%	
2046-2050	5,488,041	190,766,034	3,476%	10,711	113%	
2051-2055	2,424,067	128,724,395	5,310%	6,298	116%	
2056-2060	992,438	76,404,751	7,699%	3,589	118%	
2061-2065	383,592	41,684,985	10,867%	1,948	119%	
2066-2070	138,711	20,516,091	14,791%	951	119%	
2071-2075	45,729	8,673,354	18,967%	386	119%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 1-b
MedAmerica and Affinity Partners
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Nationwide Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions				
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
Historical Experience	1992	17,324	0	0%	111	0%
	1993	557,528	112,935	20%	634	19%
	1994	1,501,263	28,746	2%	1,377	7%
	1995	2,485,725	109,652	4%	1,944	6%
	1996	3,463,885	134,262	4%	2,689	5%
	1997	4,394,237	264,541	6%	3,003	5%
	1998	5,341,744	631,867	12%	3,666	7%
	1999	6,829,900	1,469,714	22%	4,764	11%
	2000	8,941,708	1,172,992	13%	6,200	11%
	2001	11,912,872	2,210,887	19%	8,456	13%
	2002	16,102,548	4,131,980	26%	11,472	16%
	2003	21,498,563	3,506,680	16%	17,713	16%
	2004	27,112,675	6,602,535	24%	19,114	18%
	2005	28,577,291	6,824,784	24%	20,242	19%
	2006	28,838,021	7,359,318	26%	20,095	20%
	2007	28,383,240	10,552,392	37%	20,146	22%
	2008	27,837,724	8,394,073	30%	19,941	23%
	2009	26,881,835	11,313,758	42%	19,482	25%
	2010	25,544,191	15,723,015	62%	18,494	27%
	2011	24,603,117	13,541,344	55%	17,664	29%
2012	25,248,567	17,141,023	68%	17,596	31%	
2013	24,384,255	14,626,127	60%	17,264	33%	
2014	22,506,450	22,967,435	102%	16,809	36%	
2015	21,584,067	20,806,755	96%	16,292	38%	
Projected Future Experience (60 Years)	2016	21,357,049	19,334,171	91%	15,800	40%
	2017	22,583,348	20,688,725	92%	14,753	42%
	2018	31,032,913	20,353,300	66%	13,841	43%
	2019	30,913,659	21,517,495	70%	13,368	44%
	2020	29,403,820	22,963,832	78%	12,902	45%
	2021	27,844,194	24,394,151	88%	12,434	46%
	2022	26,258,749	25,736,673	98%	11,964	48%
	2023	24,378,350	27,045,226	111%	11,495	49%
	2024	22,514,244	28,386,826	126%	11,026	51%
	2025	20,961,536	29,732,623	142%	10,558	52%
	2026	19,521,016	31,110,143	159%	10,093	54%
	2027	18,184,397	32,524,059	179%	9,631	55%
	2028	16,805,411	33,989,625	202%	9,174	57%
	2029	15,582,294	35,449,678	227%	8,722	59%
	2030	14,414,799	36,828,290	255%	8,275	61%
	2031	13,296,068	38,320,299	288%	7,835	63%
	2032	12,222,121	39,906,539	327%	7,400	64%
	2033	11,196,397	41,294,287	369%	6,971	66%
	2034	10,219,348	42,528,304	416%	6,551	68%
	2035	9,291,779	43,632,182	470%	6,139	70%
	2036	8,414,582	44,489,420	529%	5,737	72%
	2037	7,588,607	45,072,217	594%	5,346	74%
	2038	6,814,260	45,359,929	666%	4,967	75%
	2039	6,091,626	45,399,463	745%	4,600	77%
	2040	5,420,469	45,089,432	832%	4,248	79%
	2041	4,800,652	44,530,891	928%	3,910	80%
	2042	4,231,786	43,632,878	1,031%	3,590	82%
	2043	3,712,865	42,483,318	1,144%	3,286	83%
	2044	3,242,305	41,140,419	1,269%	2,999	84%
	2045	2,817,854	39,597,301	1,405%	2,730	85%
2046-2050	9,173,643	168,070,583	1,832%	10,243	90%	
2051-2055	4,021,162	113,671,834	2,827%	6,054	92%	
2056-2060	1,624,306	67,465,499	4,153%	3,467	94%	
2061-2065	617,110	36,830,659	5,968%	1,890	94%	
2066-2070	219,541	18,132,511	8,259%	925	94%	
2071-2075	71,513	7,646,541	10,692%	376	94%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 2-a
MedAmerica and Affinity Partners
Written Premium and Paid Claim Experience and Projections by Calendar year
Nationwide Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest ^[1]
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	820,223	435	0%	0%
	1994	1,860,836	45,498	2%	2%
	1995	2,807,659	63,694	2%	2%
	1996	3,906,748	75,596	2%	2%
	1997	4,554,590	67,538	1%	2%
	1998	5,682,429	125,276	2%	2%
	1999	7,358,841	465,964	6%	3%
	2000	9,566,086	970,921	10%	5%
	2001	12,773,231	1,121,497	9%	6%
	2002	17,229,046	1,445,750	8%	6%
	2003	23,330,280	2,546,158	11%	7%
	2004	27,584,148	3,105,399	11%	8%
	2005	28,676,089	4,315,104	15%	9%
	Projected Future Experience (60 Years)	2006	28,690,868	5,258,176	18%
2007		28,300,085	6,694,088	24%	12%
2008		27,582,944	8,446,221	31%	14%
2009		26,641,442	8,314,848	31%	15%
2010		25,163,440	9,151,070	36%	17%
2011		24,652,291	11,323,437	46%	19%
2012		25,256,514	13,322,263	53%	21%
2013		23,690,009	15,681,015	66%	23%
2014		22,141,756	17,656,283	80%	25%
2015		21,495,073	20,902,456	97%	28%
2016		21,155,201	20,292,780	96%	30%
2017		20,147,875	19,708,269	98%	32%
2018		19,098,209	21,910,247	115%	34%
2019		18,154,047	21,547,060	119%	36%
2020		17,220,976	23,470,838	136%	38%
2021		16,293,480	25,278,372	155%	41%
2022		15,340,594	27,005,339	176%	43%
2023		14,148,829	28,731,403	203%	45%
2024		13,158,370	30,480,671	232%	47%
2025		12,248,632	32,253,769	263%	50%
2026	11,420,361	34,015,481	298%	52%	
2027	10,587,452	35,779,326	338%	55%	
2028	9,816,134	37,556,642	383%	57%	
2029	9,097,277	39,344,164	432%	60%	
2030	8,411,694	41,120,033	489%	62%	
2031	7,754,022	42,907,016	553%	65%	
2032	7,123,450	44,730,701	628%	67%	
2033	6,521,907	46,542,563	714%	70%	
2034	5,949,504	48,291,258	812%	72%	
2035	5,406,552	49,947,090	924%	75%	
2036	4,893,659	51,463,649	1,052%	77%	
2037	4,411,092	52,791,481	1,197%	80%	
2038	3,959,161	53,886,336	1,361%	82%	
2039	3,537,720	54,724,361	1,547%	85%	
2040	3,146,558	55,268,479	1,756%	87%	
2041	2,785,834	55,501,979	1,992%	89%	
2042	2,455,027	55,402,386	2,257%	91%	
2043	2,153,667	54,966,298	2,552%	93%	
2044	1,880,574	54,210,818	2,883%	95%	
2045	1,634,492	53,154,529	3,252%	97%	
2046-2050	5,327,580	240,332,585	4,511%	105%	
2051-2055	2,350,461	181,836,188	7,736%	109%	
2056-2060	962,321	120,035,154	12,474%	112%	
2061-2065	372,427	71,164,750	19,108%	113%	
2066-2070	135,019	38,470,201	28,492%	113%	
2071-2075	44,693	18,632,214	41,689%	114%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 2-b
MedAmerica and Affinity Partners
Written Premium and Paid Claim Experience and Projections by Calendar year
Nationwide Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest ^[1]
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	820,223	435	0%	0%
	1994	1,860,836	45,498	2%	2%
	1995	2,807,659	63,694	2%	2%
	1996	3,906,748	75,596	2%	2%
	1997	4,554,590	67,538	1%	2%
	1998	5,682,429	125,276	2%	2%
	1999	7,358,841	465,964	6%	3%
	2000	9,566,086	970,921	10%	5%
	2001	12,773,231	1,121,497	9%	6%
	2002	17,229,046	1,445,750	8%	6%
	2003	23,330,280	2,546,158	11%	7%
	2004	27,584,148	3,105,399	11%	8%
	2005	28,676,089	4,315,104	15%	9%
	2006	28,690,868	5,258,176	18%	11%
2007	28,300,085	6,694,088	24%	12%	
2008	27,582,944	8,446,221	31%	14%	
2009	26,641,442	8,314,848	31%	15%	
2010	25,163,440	9,151,070	36%	17%	
2011	24,652,291	11,323,437	46%	19%	
2012	25,256,514	13,322,263	53%	21%	
2013	23,690,009	15,681,015	66%	23%	
2014	22,141,756	17,656,283	80%	25%	
2015	21,495,073	20,902,456	97%	28%	
Projected Future Experience (60 Years)	2016	21,156,701	20,292,780	96%	30%
	2017	24,740,035	19,622,430	79%	32%
	2018	31,488,422	21,268,076	68%	33%
	2019	30,525,496	20,321,716	67%	35%
	2020	28,984,782	21,632,029	75%	36%
	2021	27,432,861	22,883,767	83%	37%
	2022	25,826,226	24,107,665	93%	39%
	2023	23,791,197	25,377,947	107%	40%
	2024	22,106,766	26,714,353	121%	42%
	2025	20,575,367	28,112,907	137%	43%
	2026	19,180,114	29,531,748	154%	45%
	2027	17,783,719	30,976,449	174%	47%
	2028	16,489,904	32,451,643	197%	49%
	2029	15,283,416	33,953,327	222%	50%
	2030	14,132,123	35,461,051	251%	52%
	2031	13,027,070	36,993,132	284%	54%
	2032	11,967,034	38,569,868	322%	56%
	2033	10,955,305	40,148,414	366%	57%
	2034	9,992,355	41,683,795	417%	59%
	2035	9,078,837	43,149,083	475%	61%
2036	8,215,928	44,502,720	542%	63%	
2037	7,404,071	45,700,606	617%	65%	
2038	6,643,857	46,702,672	703%	67%	
2039	5,935,037	47,486,356	800%	68%	
2040	5,277,180	48,016,648	910%	70%	
2041	4,670,640	48,278,774	1,034%	72%	
2042	4,114,379	48,251,567	1,173%	73%	
2043	3,607,682	47,932,217	1,329%	75%	
2044	3,148,498	47,334,046	1,503%	76%	
2045	2,734,764	46,471,442	1,699%	78%	
2046-2050	8,890,808	210,810,359	2,371%	83%	
2051-2055	3,890,192	160,125,390	4,116%	87%	
2056-2060	1,570,310	105,876,761	6,742%	89%	
2061-2065	597,008	62,813,531	10,521%	90%	
2066-2070	212,916	33,982,244	15,960%	90%	
2071-2075	69,681	16,457,690	23,619%	90%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 3-a
MedAmerica and BCNEPA
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

		Actual or Projected Experience using Current Assumptions				
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
Historical Experience	1992	17,324	0	0%	111	0%
	1993	547,119	112,935	21%	580	19%
	1994	1,334,319	28,746	2%	1,191	8%
	1995	1,802,510	55,039	3%	1,165	5%
	1996	1,608,559	5,871	0%	1,055	4%
	1997	1,439,721	114,890	8%	953	5%
	1998	1,346,982	235,553	17%	912	7%
	1999	1,286,588	377,829	29%	872	9%
	2000	1,267,352	481,212	38%	859	12%
	2001	1,235,656	713,556	58%	897	16%
	2002	1,431,991	745,816	52%	1,036	19%
	2003	1,554,702	464,534	30%	1,078	20%
	2004	1,651,973	958,964	58%	1,139	23%
	2005	1,597,640	656,165	41%	1,089	24%
	2006	1,498,556	747,377	50%	1,021	26%
	2007	1,403,185	934,486	67%	983	28%
	2008	1,324,328	889,567	67%	906	29%
	2009	1,241,706	771,521	62%	858	30%
	2010	1,132,398	811,757	72%	720	32%
	2011	1,041,534	1,402,724	135%	664	34%
2012	1,071,361	1,323,126	123%	605	36%	
2013	1,063,818	996,135	94%	553	38%	
2014	996,939	1,300,809	130%	516	40%	
2015	912,184	1,856,480	204%	477	42%	
Projected Future Experience (60 Years)	2016	843,833	837,699	99%	450	43%
	2017	788,770	850,533	108%	424	44%
	2018	736,159	864,544	117%	399	45%
	2019	686,181	878,491	128%	376	46%
	2020	639,007	890,011	139%	353	47%
	2021	592,749	901,156	152%	331	47%
	2022	546,478	909,792	166%	311	48%
	2023	498,059	922,086	185%	292	49%
	2024	432,332	936,016	217%	274	50%
	2025	363,366	952,921	262%	256	51%
	2026	332,696	990,320	298%	240	51%
	2027	302,378	1,030,977	341%	225	52%
	2028	275,106	1,071,505	389%	210	53%
	2029	251,097	1,114,342	444%	197	54%
	2030	228,674	1,150,960	503%	183	55%
	2031	207,708	1,180,902	569%	171	56%
	2032	188,034	1,214,780	646%	159	57%
	2033	169,541	1,250,699	738%	147	58%
	2034	152,197	1,274,288	837%	136	58%
	2035	135,994	1,295,074	952%	126	59%
	2036	120,911	1,300,176	1,075%	116	60%
	2037	106,918	1,293,790	1,210%	106	61%
	2038	93,988	1,271,015	1,352%	97	62%
	2039	82,122	1,243,402	1,514%	89	62%
	2040	71,315	1,207,867	1,694%	81	63%
	2041	61,553	1,159,643	1,884%	73	64%
	2042	52,802	1,104,790	2,092%	66	64%
2043	45,007	1,046,361	2,325%	59	65%	
2044	38,123	997,272	2,616%	53	65%	
2045	32,084	942,188	2,937%	47	65%	
2046-2050	94,964	3,819,166	4,022%	165	67%	
2051-2055	33,298	2,308,154	6,932%	79	68%	
2056-2060	9,534	1,046,818	10,980%	32	68%	
2061-2065	2,057	333,843	16,230%	10	68%	
2066-2070	281	67,763	24,089%	2	68%	
2071-2075	17	8,017	47,975%	0	68%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 3-b
MedAmerica and BCNEPA
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Pennsylvania-Specific Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions				
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
Historical Experience	1992	17,324	0	0%	111	0%
	1993	547,119	112,935	21%	580	19%
	1994	1,334,319	28,746	2%	1,191	8%
	1995	1,802,510	55,039	3%	1,165	5%
	1996	1,608,559	5,871	0%	1,055	4%
	1997	1,439,721	114,890	8%	953	5%
	1998	1,346,982	235,553	17%	912	7%
	1999	1,286,588	377,829	29%	872	9%
	2000	1,267,352	481,212	38%	859	12%
	2001	1,235,656	713,556	58%	897	16%
	2002	1,431,991	745,816	52%	1,036	19%
	2003	1,554,702	464,534	30%	1,078	20%
	2004	1,651,973	958,964	58%	1,139	23%
	2005	1,597,640	656,165	41%	1,089	24%
	2006	1,498,556	747,377	50%	1,021	26%
	2007	1,403,185	934,486	67%	983	28%
	2008	1,324,328	889,567	67%	906	29%
	2009	1,241,706	771,521	62%	858	30%
	2010	1,132,398	811,757	72%	720	32%
	2011	1,041,534	1,402,724	135%	664	34%
2012	1,071,361	1,323,126	123%	605	36%	
2013	1,063,818	996,135	94%	553	38%	
2014	996,939	1,300,809	130%	516	40%	
2015	912,184	1,856,480	204%	477	42%	
Projected Future Experience (60 Years)	2016	843,833	837,699	99%	450	43%
	2017	869,698	833,018	96%	407	44%
	2018	1,109,557	761,527	69%	371	44%
	2019	1,068,173	759,576	71%	349	45%
	2020	998,318	767,931	77%	328	45%
	2021	927,688	775,663	84%	308	46%
	2022	857,314	781,076	91%	289	46%
	2023	783,109	789,247	101%	272	47%
	2024	678,956	798,497	118%	255	47%
	2025	568,694	809,963	142%	239	48%
	2026	522,590	838,574	160%	224	48%
	2027	476,533	869,774	183%	210	49%
	2028	435,125	900,532	207%	197	50%
	2029	398,776	932,806	234%	184	50%
	2030	364,677	959,831	263%	172	51%
	2031	332,637	981,879	295%	160	51%
	2032	302,406	1,007,049	333%	149	52%
	2033	273,820	1,033,142	377%	139	53%
	2034	246,845	1,050,230	425%	128	53%
	2035	221,477	1,065,621	481%	119	54%
	2036	197,701	1,069,300	541%	109	55%
	2037	175,478	1,064,680	607%	101	55%
	2038	154,793	1,047,628	677%	92	56%
	2039	135,669	1,026,941	757%	84	56%
	2040	118,129	1,000,389	847%	77	57%
	2041	102,179	963,833	943%	69	57%
	2042	87,791	922,794	1,051%	63	58%
2043	74,899	879,251	1,174%	57	58%	
2044	63,458	843,263	1,329%	51	58%	
2045	53,379	802,005	1,502%	45	59%	
2046-2050	157,120	3,308,978	2,106%	159	60%	
2051-2055	53,980	2,035,401	3,771%	77	61%	
2056-2060	15,049	933,557	6,203%	31	61%	
2061-2065	3,178	302,393	9,516%	10	61%	
2066-2070	429	62,755	14,645%	2	61%	
2071-2075	24	7,800	33,109%	0	61%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 4-a
MedAmerica and BCNEPA
Written Premium and Paid Claim Experience and Projections by Calendar year
Pennsylvania-Specific Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest ^[1]
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	771,602	435	0%	0%
	1994	1,647,609	45,498	3%	2%
	1995	1,721,848	63,694	4%	3%
	1996	1,554,555	57,268	4%	3%
	1997	1,395,031	34,233	2%	3%
	1998	1,334,225	1,801	0%	2%
	1999	1,284,381	169,733	13%	4%
	2000	1,267,453	413,900	33%	6%
	2001	1,241,128	488,498	39%	9%
	2002	1,491,230	609,346	41%	12%
	2003	1,584,510	748,375	47%	15%
	2004	1,622,474	647,095	40%	17%
	2005	1,563,379	660,435	42%	18%
	2006	1,461,251	842,743	58%	20%
2007	1,384,005	909,721	66%	22%	
2008	1,305,641	953,070	73%	24%	
2009	1,225,623	769,442	63%	26%	
2010	1,088,659	781,353	72%	27%	
2011	1,044,006	922,011	88%	28%	
2012	1,065,668	1,110,217	104%	30%	
2013	1,051,905	1,452,492	138%	33%	
2014	970,770	1,354,569	140%	35%	
2015	884,570	1,342,599	152%	36%	
Projected Future Experience (60 Years)	2016	823,673	953,861	116%	38%
	2017	769,615	897,485	117%	39%
	2018	718,093	958,472	133%	40%
	2019	669,243	899,585	134%	41%
	2020	623,220	930,825	149%	41%
	2021	576,596	950,145	165%	42%
	2022	526,381	961,898	183%	43%
	2023	484,398	972,646	201%	44%
	2024	413,849	984,943	238%	45%
	2025	352,191	999,547	284%	46%
	2026	323,193	1,017,856	315%	47%
	2027	292,762	1,041,224	356%	48%
	2028	266,991	1,068,974	400%	49%
	2029	243,557	1,100,597	452%	49%
	2030	221,674	1,134,530	512%	50%
	2031	201,166	1,169,002	581%	51%
	2032	181,888	1,204,108	662%	52%
	2033	163,785	1,240,034	757%	53%
	2034	146,810	1,274,484	868%	54%
	2035	130,980	1,306,592	998%	55%
	2036	116,260	1,333,988	1,147%	55%
2037	102,606	1,354,874	1,320%	56%	
2038	90,025	1,366,798	1,518%	57%	
2039	78,501	1,369,351	1,744%	58%	
2040	68,032	1,362,562	2,003%	58%	
2041	58,609	1,345,800	2,296%	59%	
2042	50,170	1,319,150	2,629%	60%	
2043	42,682	1,283,625	3,007%	60%	
2044	36,083	1,242,698	3,444%	61%	
2045	30,305	1,196,986	3,950%	61%	
2046-2050	89,211	5,159,449	5,783%	63%	
2051-2055	30,964	3,573,337	11,540%	65%	
2056-2060	8,806	2,027,424	23,024%	65%	
2061-2065	1,887	896,357	47,489%	65%	
2066-2070	255	300,033	117,822%	65%	
2071-2075	16	74,645	458,399%	65%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 4-b
MedAmerica and BCNEPA
Written Premium and Paid Claim Experience and Projections by Calendar year
Pennsylvania-Specific Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest ^[1]
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	771,602	435	0%	0%
	1994	1,647,609	45,498	3%	2%
	1995	1,721,848	63,694	4%	3%
	1996	1,554,555	57,268	4%	3%
	1997	1,395,031	34,233	2%	3%
	1998	1,334,225	1,801	0%	2%
	1999	1,284,381	169,733	13%	4%
	2000	1,267,453	413,900	33%	6%
	2001	1,241,128	488,498	39%	9%
	2002	1,491,230	609,346	41%	12%
	2003	1,584,510	748,375	47%	15%
	2004	1,622,474	647,095	40%	17%
	2005	1,563,379	660,435	42%	18%
	Projected Future Experience (60 Years)	2006	1,461,251	842,743	58%
2007		1,384,005	909,721	66%	22%
2008		1,305,641	953,070	73%	24%
2009		1,225,623	769,442	63%	26%
2010		1,088,659	781,353	72%	27%
2011		1,044,006	922,011	88%	28%
2012		1,065,668	1,110,217	104%	30%
2013		1,051,905	1,452,492	138%	33%
2014		970,770	1,354,569	140%	35%
2015		884,570	1,342,599	152%	36%
2016		823,791	953,861	116%	38%
2017		958,775	893,767	93%	38%
2018		1,108,669	932,027	84%	39%
2019		1,043,105	851,499	82%	40%
2020		974,900	862,004	88%	40%
2021	903,335	864,314	96%	41%	
2022	826,010	862,095	104%	42%	
2023	762,416	861,126	113%	42%	
2024	649,864	863,432	133%	43%	
2025	551,731	869,311	158%	44%	
2026	508,243	879,225	173%	44%	
2027	461,803	894,006	194%	45%	
2028	422,758	912,812	216%	46%	
2029	387,221	935,055	241%	46%	
2030	353,881	959,334	271%	47%	
2031	322,477	984,244	305%	47%	
2032	292,785	1,009,836	345%	48%	
2033	264,747	1,036,080	391%	49%	
2034	238,278	1,061,242	445%	49%	
2035	213,439	1,084,739	508%	50%	
2036	190,174	1,104,810	581%	51%	
2037	168,435	1,120,172	665%	51%	
2038	148,262	1,128,934	761%	52%	
2039	129,648	1,130,686	872%	52%	
2040	112,620	1,125,469	999%	53%	
2041	97,193	1,112,737	1,145%	54%	
2042	83,295	1,092,583	1,312%	54%	
2043	70,895	1,065,806	1,503%	54%	
2044	59,914	1,035,156	1,728%	55%	
2045	50,267	1,000,936	1,991%	55%	
2046-2050	146,908	4,373,833	2,977%	57%	
2051-2055	49,779	3,094,328	6,216%	58%	
2056-2060	13,733	1,780,149	12,963%	58%	
2061-2065	2,869	795,450	27,726%	58%	
2066-2070	379	268,913	70,921%	58%	
2071-2075	23	67,617	294,541%	58%	

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 5
MedAmerica and Affinity Partners
Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2015
Series 11 and Prior Policy Forms

Nationwide Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
1992	0	0	0		0	
1993	112,935	112,935	0		0	
1994	28,746	28,746	0		0	
1995	109,652	109,652	0		0	
1996	134,262	134,262	0		0	
1997	264,541	264,541	0		0	
1998	631,867	631,867	0		0	
1999	1,469,714	1,469,714	0		0	
2000	1,172,992	1,172,992	0		0	
2001	2,210,887	2,210,887	0		0	
2002	4,131,980	3,969,608	162,373		162,373	
2003	3,506,680	3,410,832	95,848		95,848	
2004	6,602,535	6,338,845	263,690		263,690	
2005	6,824,784	6,608,736	216,048		216,048	
2006	7,359,318	7,123,498	235,820		235,820	
2007	10,552,392	10,302,510	249,882		249,882	
2008	8,394,073	7,853,745	540,328		540,328	
2009	11,313,758	10,270,931	1,042,827		1,042,827	
2010	15,723,015	13,340,663	2,382,352		2,382,352	
2011	13,541,344	11,693,315	1,848,029		1,848,029	
2012	17,141,023	11,983,432	5,157,592		5,157,592	
2013	14,626,127	9,305,173	5,320,953		5,320,953	
2014	22,967,435	8,862,880	14,104,555		14,104,555	
2015	20,806,755	2,005,949	14,959,761	3,841,045	18,800,806	329,207,078

Pennsylvania-Specific Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
1992	0	0	0		0	
1993	112,935	112,935	0		0	
1994	28,746	28,746	0		0	
1995	55,039	55,039	0		0	
1996	5,871	5,871	0		0	
1997	114,890	114,890	0		0	
1998	235,553	235,553	0		0	
1999	377,829	377,829	0		0	
2000	481,212	481,212	0		0	
2001	713,556	713,556	0		0	
2002	745,816	745,816	0		0	
2003	464,534	464,534	0		0	
2004	958,964	958,964	0		0	
2005	656,165	656,165	0		0	
2006	747,377	747,377	0		0	
2007	934,486	934,486	0		0	
2008	889,567	784,542	105,025		105,025	
2009	771,521	771,521	0		0	
2010	811,757	811,757	0		0	
2011	1,402,724	1,331,010	71,715		71,715	
2012	1,323,126	1,261,051	62,075		62,075	
2013	996,135	936,730	59,406		59,406	
2014	1,300,809	655,297	645,511		645,511	
2015	1,856,480	240,980	1,445,243	170,257	1,615,500	7,525,018

[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-a
MedAmerica and Affinity Partners
Nationwide Experience and Projections by Policy Year - Before Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
1	39,714,300	1,873,040	5%	26,100	5%
2	36,465,689	1,674,359	5%	24,605	5%
3	34,723,527	3,372,217	10%	23,556	6%
4	33,359,938	7,843,770	24%	22,604	10%
5	32,386,798	6,097,120	19%	21,977	11%
6	31,503,775	9,122,213	29%	21,378	14%
7	30,769,063	9,449,497	31%	20,774	16%
8	30,167,988	14,389,062	48%	20,095	19%
9	29,723,101	15,220,149	51%	19,437	21%
10	29,979,620	14,218,055	47%	18,866	23%
11	23,047,474	15,433,463	67%	18,273	26%
12	22,606,311	17,595,144	78%	17,732	28%
13	22,107,261	19,781,631	89%	17,179	31%
14	21,584,367	20,138,316	93%	16,583	33%
15	20,912,331	21,475,369	103%	16,023	35%
16	20,130,535	22,729,779	113%	15,445	38%
17	19,220,178	25,824,388	134%	14,882	40%
18	18,306,177	28,794,038	157%	14,317	43%
19	17,363,971	29,700,038	171%	13,741	46%
20	16,431,983	31,878,537	194%	13,208	49%
21	14,682,745	33,511,685	228%	12,649	51%
22	13,724,956	35,061,524	255%	12,091	54%
23	12,794,911	37,049,001	290%	11,534	57%
24	11,888,585	39,248,931	330%	10,979	60%
25	11,007,873	41,514,685	377%	10,426	63%
26	10,155,885	43,723,582	431%	9,876	66%
27	9,335,676	45,923,757	492%	9,333	69%
28	8,549,020	48,038,657	562%	8,796	73%
29	7,797,993	49,925,122	640%	8,268	76%
30	7,084,480	51,545,113	728%	7,751	79%
31	6,409,719	52,962,096	826%	7,246	82%
32	5,773,638	54,136,549	938%	6,754	85%
33	5,175,768	55,024,261	1,063%	6,275	88%
34	4,617,361	55,661,679	1,205%	5,812	91%
35	4,099,209	55,854,923	1,363%	5,367	94%
36	3,621,082	55,603,493	1,536%	4,939	97%
37	3,182,209	54,956,704	1,727%	4,531	99%
38	2,781,809	53,960,002	1,940%	4,144	102%
39	2,419,447	52,654,011	2,176%	3,778	104%
40	2,093,945	51,047,843	2,438%	3,435	106%
41	1,803,259	49,107,016	2,723%	3,114	108%
42	1,545,289	46,935,557	3,037%	2,815	110%
43	1,317,766	44,606,890	3,385%	2,538	112%
44	1,118,575	42,086,232	3,762%	2,283	113%
45	945,434	39,427,780	4,170%	2,050	114%
46	795,765	36,668,409	4,608%	1,836	116%
47	667,097	33,902,782	5,082%	1,642	117%
48	557,217	31,206,626	5,600%	1,465	118%
49	463,914	28,601,955	6,165%	1,305	119%
50	385,063	26,096,744	6,777%	1,161	119%
51-55	1,120,518	95,817,456	8,551%	4,102	122%
56-60	406,922	51,617,565	12,685%	2,162	123%
61-65	135,121	24,302,728	17,986%	1,034	123%
66-70	39,677	9,625,261	24,259%	409	123%
Total	689,002,314	1,844,016,804	268%	558,674	123%

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 6-b
MedAmerica and Affinity Partners
Nationwide Experience and Projections by Policy Year - After Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
1	39,714,300	1,873,040	5%	26,100	5%
2	36,470,673	1,674,279	5%	24,603	5%
3	34,757,162	3,371,725	10%	23,550	6%
4	33,465,352	7,842,011	23%	22,589	10%
5	32,597,337	6,093,094	19%	21,950	11%
6	31,878,403	9,114,060	29%	21,337	14%
7	31,331,755	9,435,122	30%	20,716	16%
8	30,847,431	14,368,421	47%	20,033	19%
9	30,529,442	15,191,748	50%	19,370	21%
10	30,976,543	14,177,633	46%	18,790	23%
11	24,289,123	15,373,636	63%	18,183	25%
12	24,190,936	17,501,980	72%	17,606	28%
13	24,359,889	19,618,550	81%	16,994	30%
14	25,092,036	19,794,062	79%	16,212	32%
15	26,868,023	20,694,703	77%	15,468	34%
16	28,040,458	21,429,413	76%	14,777	36%
17	28,567,289	23,880,379	84%	14,124	37%
18	28,414,382	26,181,891	92%	13,528	39%
19	27,645,661	26,519,377	96%	12,949	41%
20	26,619,543	28,171,144	106%	12,424	43%
21	23,992,098	29,265,056	122%	11,880	45%
22	22,640,893	30,375,671	134%	11,352	47%
23	21,207,093	31,994,453	151%	10,828	49%
24	19,817,038	33,793,660	171%	10,305	51%
25	18,425,618	35,678,374	194%	9,788	53%
26	17,034,109	37,554,281	220%	9,278	55%
27	15,669,320	39,451,165	252%	8,774	57%
28	14,356,637	41,285,229	288%	8,277	59%
29	13,101,970	42,932,829	328%	7,787	61%
30	11,908,669	44,366,953	373%	7,306	64%
31	10,778,907	45,639,678	423%	6,837	66%
32	9,712,892	46,714,483	481%	6,379	68%
33	8,710,117	47,548,592	546%	5,932	70%
34	7,772,923	48,170,839	620%	5,501	72%
35	6,902,722	48,408,027	701%	5,084	74%
36	6,099,279	48,268,157	791%	4,684	76%
37	5,361,365	47,785,313	891%	4,302	78%
38	4,687,672	47,002,885	1,003%	3,938	80%
39	4,077,571	45,949,670	1,127%	3,595	82%
40	3,529,190	44,633,478	1,265%	3,272	83%
41	3,039,088	43,019,463	1,416%	2,969	85%
42	2,603,882	41,194,485	1,582%	2,688	86%
43	2,219,792	39,223,043	1,767%	2,426	87%
44	1,883,295	37,074,523	1,969%	2,185	88%
45	1,590,661	34,789,740	2,187%	1,964	89%
46	1,337,586	32,408,692	2,423%	1,761	90%
47	1,119,989	30,008,983	2,679%	1,576	91%
48	934,205	27,657,474	2,961%	1,408	92%
49	776,527	25,373,562	3,268%	1,256	93%
50	643,343	23,169,907	3,601%	1,118	93%
51-55	1,860,872	85,178,753	4,577%	3,963	95%
56-60	667,032	45,867,231	6,876%	2,100	96%
61-65	218,766	21,599,460	9,873%	1,009	96%
66-70	63,635	8,548,660	13,434%	400	96%
Total	861,400,493	1,634,239,042	190%	543,227	96%

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 7-a
MedAmerica and BCNEPA
Pennsylvania-Specific Experience and Projections by Policy Year - Before Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
1	3,432,705	141,681	4%	1,862	4%
2	2,690,018	35,491	1%	1,638	3%
3	2,388,162	71,375	3%	1,512	3%
4	2,220,471	148,292	7%	1,423	4%
5	2,098,827	295,852	14%	1,347	5%
6	2,002,461	849,104	42%	1,293	10%
7	1,895,506	1,003,609	53%	1,228	14%
8	1,785,397	1,024,653	57%	1,159	17%
9	1,694,438	814,667	48%	1,084	19%
10	1,602,874	895,913	56%	1,015	22%
11	1,491,744	778,479	52%	947	23%
12	1,406,779	1,700,582	121%	878	27%
13	1,315,969	1,142,603	87%	832	29%
14	1,249,918	991,183	79%	782	31%
15	1,179,099	1,540,711	131%	734	34%
16	1,092,508	1,202,064	110%	672	36%
17	1,003,139	1,016,090	101%	604	37%
18	926,994	1,894,934	204%	539	40%
19	871,598	1,507,254	173%	498	42%
20	820,540	1,557,366	190%	461	44%
21	667,908	1,419,467	213%	420	46%
22	595,462	1,111,861	187%	385	47%
23	535,737	1,178,621	220%	355	49%
24	482,464	1,206,347	250%	328	50%
25	434,046	1,235,527	285%	303	51%
26	389,171	1,260,609	324%	278	53%
27	347,932	1,284,785	369%	256	54%
28	310,249	1,299,604	419%	234	55%
29	275,993	1,317,005	477%	214	57%
30	244,963	1,332,990	544%	196	58%
31	216,869	1,340,935	618%	178	59%
32	191,454	1,345,868	703%	162	60%
33	168,520	1,364,575	810%	147	62%
34	147,874	1,374,668	930%	133	63%
35	129,334	1,369,786	1,059%	121	64%
36	112,694	1,359,853	1,207%	109	65%
37	97,767	1,342,547	1,373%	98	66%
38	84,401	1,308,465	1,550%	88	67%
39	72,484	1,273,639	1,757%	78	67%
40	61,900	1,227,113	1,982%	70	68%
41	52,552	1,181,189	2,248%	62	69%
42	44,325	1,125,080	2,538%	55	70%
43	37,121	1,057,611	2,849%	48	70%
44	30,850	983,537	3,188%	42	71%
45	25,447	916,493	3,602%	36	71%
46	20,823	834,348	4,007%	31	72%
47	16,893	756,303	4,477%	27	72%
48	13,584	678,587	4,996%	23	72%
49	10,826	599,523	5,538%	19	73%
50	8,548	527,344	6,169%	16	73%
51-55	20,995	1,673,969	7,973%	48	73%
56-60	4,690	591,077	12,604%	16	74%
61-65	702	140,460	19,997%	4	74%
66-70	52	19,774	37,876%	1	74%
Total	39,023,776	55,651,461	143%	25,086	74%

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.

Attachment 7-b
MedAmerica and BCNEPA
Pennsylvania-Specific Experience and Projections by Policy Year - After Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Interest ^[1]
1	3,432,705	141,681	4%	1,862	4%
2	2,690,018	35,491	1%	1,638	3%
3	2,388,162	71,375	3%	1,512	3%
4	2,220,471	148,292	7%	1,423	4%
5	2,098,827	295,852	14%	1,347	5%
6	2,002,461	849,104	42%	1,293	10%
7	1,895,506	1,003,609	53%	1,228	14%
8	1,785,397	1,024,653	57%	1,159	17%
9	1,694,438	814,667	48%	1,084	19%
10	1,603,000	895,913	56%	1,015	22%
11	1,492,715	778,481	52%	947	23%
12	1,410,128	1,700,553	121%	878	27%
13	1,333,985	1,142,503	86%	831	29%
14	1,305,424	989,491	76%	779	31%
15	1,299,004	1,530,122	118%	726	34%
16	1,275,793	1,176,975	92%	658	35%
17	1,272,141	965,814	76%	585	36%
18	1,215,509	1,830,064	151%	521	39%
19	1,164,146	1,427,498	123%	480	41%
20	1,108,822	1,464,814	132%	443	42%
21	882,985	1,316,675	149%	403	44%
22	801,363	1,000,139	125%	368	45%
23	738,360	1,053,590	143%	337	46%
24	693,385	1,059,758	153%	309	47%
25	652,211	1,065,159	163%	282	48%
26	602,335	1,072,074	178%	259	49%
27	543,231	1,086,815	200%	238	50%
28	487,007	1,095,534	225%	218	51%
29	435,646	1,105,821	254%	200	52%
30	388,866	1,115,067	287%	183	53%
31	346,253	1,118,433	323%	167	53%
32	307,441	1,119,628	364%	152	54%
33	272,161	1,131,925	416%	138	55%
34	240,147	1,138,189	474%	125	56%
35	211,158	1,133,535	537%	113	57%
36	184,921	1,125,395	609%	102	58%
37	161,186	1,111,526	690%	92	58%
38	139,751	1,084,718	776%	83	59%
39	120,482	1,058,148	878%	74	60%
40	103,230	1,022,291	990%	66	60%
41	87,887	987,741	1,124%	59	61%
42	74,292	945,108	1,272%	52	61%
43	62,319	893,114	1,433%	46	62%
44	51,848	834,226	1,609%	40	62%
45	42,786	780,437	1,824%	35	63%
46	35,002	713,822	2,039%	30	63%
47	28,369	650,089	2,292%	26	63%
48	22,778	585,750	2,572%	22	63%
49	18,116	519,257	2,866%	19	64%
50	14,268	457,968	3,210%	16	64%
51-55	34,731	1,466,184	4,222%	46	64%
56-60	7,577	526,748	6,952%	16	64%
61-65	1,103	128,120	11,612%	4	64%
66-70	78	18,773	24,108%	1	64%
Total	43,481,925	49,808,708	115%	24,726	64%

[1] With interest values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue.



BlueCross of Northeastern Pennsylvania

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19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302

Letter of Authorization

To: Department of Insurance

MedAmerica Insurance Company (“MedAmerica”) has entered into a service agreement with Milliman, Inc. (“Milliman”) effective January 2, 2003, 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 and filings made by MedAmerica on behalf of insurers which are reinsured by MedAmerica. 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

John J. Wlose - Director, Financial Services

1/11/10
Date



BlueCare®

Traditional • PPO • Comprehensive • Senior
Security • Cooperative • Major Medical • Student
Plans from Blue Cross of Northeastern Pennsylvania
Highmark Blue Shield
Independent Licensees of the Blue Cross and Blue Shield Association
®Registered Marks of the Blue Cross and Blue Shield Association



BlueCare®

Traditional • PPO • Qualified High Deductible PPO
Comprehensive • PPO Individual Conversion • Direct
Plans from First Priority Life Insurance Company
Independent Licensees of the Blue Cross and Blue Shield Association
®Registered Marks of the Blue Cross and Blue Shield Association



BlueCare®

HMO • POS • HMO Individual Conversion
Plans from First Priority Health
Independent Licensees of the Blue Cross and Blue Shield Association
®Registered Marks of the Blue Cross and Blue Shield Association