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**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

## Filing at a Glance

Company: Highmark Inc  
Product Name: Long-Term Care  
State: Pennsylvania  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Rate - Other (Not M.U. or G.I. Product)  
Date Submitted: 03/09/2017  
SERFF Tr Num: MILL-130951721  
SERFF Status: Assigned  
State Tr Num: MILL-130951721  
State Status: Received Review in Progress  
Co Tr Num: SIMPLICITY (HIGHMARK BCBS)

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

State Filing Description:  
Proposed 82.2% increase on 413 PA policyholders of LTC forms SPL-336-HMBCBSPA and FSPL-336-HMBCBSPA.

**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

## General Information

Project Name: MedAmerica Nationwide 2017 Rate Increase      Status of Filing in Domicile: Pending  
Project Number: 145MAI01-60.06      Date Approved in Domicile:  
Requested Filing Mode: Review & Approval      Domicile Status Comments: Pennsylvania is the state of  
Explanation for Combination/Other:      Market Type: Individual  
Submission Type: New Submission      Individual Market Type:  
Overall Rate Impact: 82.2%      Filing Status Changed: 03/10/2017  
Deemer Date:      State Status Changed: 03/10/2017  
Submitted By: Travis Reisch      Created By: Brandon Johnson  
Corresponding Filing Tracking Number:  
State TOI: LTC03I Individual Long Term Care

### Filing Description:

On behalf of Highmark BCBS, we are submitting the referenced rate filing for your review. These are existing individual policy forms that provide long-term care coverage. The company issued these forms in Pennsylvania from August 1, 2006 to April 1, 2010. The forms are no longer being marketed in any jurisdiction. The company's affinity partners, MedAmerica Insurance Company (MedAmerica) and Highmark Blue Shield, are making similar requests on their Simplicity forms in concurrent filings (SERFF Tracking # MILL-130946990 and SERFF Tracking # MILL-130951723).

The company is requesting a premium rate increase be filed for use on these forms, including all associated riders. These forms are 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 issue age and inflation option as shown in Exhibit I of the enclosed actuarial memorandum. The cumulative rate increase shown in Exhibit I was determined to allow certification to rate stability, where applicable, and varies by issue age and inflation option to better align the rate increase with the adverse experience.

There have been four prior increases that the Department filed for use in June 2013, September 2014, July 2015, and September 2016. 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 increases, 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. 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 monthly benefit; (ii) shorten their benefit period; (iii) lengthen their elimination period; (iv) reduce their inflation protection (e.g., compound inflation to simple or no inflation); or (v) drop rider coverage. Additionally, where available, tailored benefit reductions (a.k.a., "landing spots") will be offered on policies with lifetime inflation protection in addition to standard rate increase mitigation options. Enclosed with this submission is a letter describing these tailored benefit reduction options, which includes detail regarding the development and justification for the options.

The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. Additionally, the company will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is

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not considered substantial. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's approval, which demonstrates that appropriate administration and claims processing procedures are in effect.

## 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)

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

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**State:** Pennsylvania      **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

## Rate Information

Rate data applies to filing.

**Filing Method:** Review and Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 20.000%  
**Effective Date of Last Rate Revision:** 09/22/2016  
**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):
Highmark Inc	%	82.200%	\$717,865	413	\$677,354	95.000%	35.000%

**SERFF Tracking #:**

MILL-130951721

**State Tracking #:**

MILL-130951721

**Company Tracking #:**

SIMPLICITY (HIGHMARK BCBS)

**State:**

Pennsylvania

**Filing Company:**

Highmark Inc

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Long-Term Care

**Project Name/Number:**

MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Tables	SPL-336-HMBCBSPA, FSPL-336-HMBCBSPA	Revised	Previous State Filing Number: MILL-130443425 Percent Rate Change Request: 82.2	PA_Highmark Blue Cross Blue Shield_Current Simplicity Premium Rates_20170309.pdf, PA_Highmark Blue Cross Blue Shield_Proposed Simplicity Premium Rates_20170309.pdf,

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	56.00	75.00	90.00	106.00	125.00	175.00
30	60.00	79.00	96.00	109.00	131.00	182.00
31	60.00	83.00	98.00	111.00	134.00	188.00
32	61.00	83.00	102.00	113.00	138.00	192.00
33	63.00	86.00	104.00	119.00	142.00	198.00
34	65.00	88.00	106.00	123.00	146.00	207.00
35	67.00	90.00	111.00	127.00	150.00	211.00
36	69.00	94.00	113.00	131.00	156.00	217.00
37	71.00	96.00	115.00	134.00	159.00	225.00
38	73.00	98.00	121.00	138.00	165.00	228.00
39	75.00	100.00	125.00	142.00	167.00	234.00
40	75.00	103.00	125.00	142.00	168.00	236.00
41	77.00	105.00	129.00	146.00	170.00	243.00
42	79.00	108.00	133.00	150.00	176.00	249.00
43	80.00	110.00	135.00	155.00	181.00	256.00
44	84.00	114.00	140.00	157.00	187.00	264.00
45	85.00	113.00	135.00	155.00	185.00	263.00
46	86.00	117.00	140.00	160.00	191.00	270.00
47	86.00	121.00	144.00	164.00	196.00	277.00
48	90.00	121.00	148.00	169.00	202.00	284.00
49	92.00	126.00	151.00	175.00	207.00	292.00
50	91.00	124.00	151.00	173.00	207.00	291.00
51	96.00	128.00	158.00	180.00	214.00	301.00
52	96.00	131.00	161.00	184.00	219.00	310.00
53	100.00	135.00	165.00	189.00	228.00	319.00
54	102.00	138.00	170.00	193.00	233.00	326.00
55	101.00	136.00	169.00	193.00	231.00	322.00
56	103.00	139.00	169.00	193.00	231.00	327.00
57	105.00	141.00	173.00	198.00	237.00	337.00
58	108.00	146.00	179.00	204.00	244.00	345.00
59	110.00	149.00	183.00	209.00	251.00	355.00
60	110.00	149.00	181.00	209.00	250.00	355.00
61	115.00	155.00	191.00	219.00	262.00	370.00
62	119.00	163.00	198.00	229.00	274.00	388.00
63	124.00	169.00	208.00	239.00	285.00	405.00
64	129.00	177.00	215.00	246.00	298.00	422.00
65	122.00	168.00	209.00	239.00	288.00	412.00
66	128.00	176.00	216.00	248.00	300.00	431.00
67	132.00	183.00	223.00	258.00	311.00	448.00
68	137.00	187.00	232.00	266.00	324.00	465.00
69	140.00	193.00	240.00	276.00	336.00	485.00
70	136.00	188.00	233.00	269.00	328.00	476.00
71	140.00	194.00	239.00	279.00	339.00	495.00
72	143.00	199.00	246.00	287.00	351.00	513.00
73	146.00	203.00	252.00	295.00	360.00	530.00
74	147.00	207.00	258.00	301.00	371.00	548.00
75	151.00	215.00	270.00	318.00	396.00	600.00
76	152.00	216.00	272.00	322.00	403.00	616.00
77	151.00	217.00	275.00	325.00	410.00	630.00
78	151.00	217.00	276.00	328.00	415.00	646.00
79	150.00	216.00	276.00	329.00	420.00	658.00
80	149.00	217.00	280.00	336.00	N/A	N/A
81	146.00	214.00	278.00	335.00	N/A	N/A
82	142.00	209.00	274.00	330.00	N/A	N/A
83	136.00	203.00	266.00	326.00	N/A	N/A
84	128.00	193.00	258.00	317.00	N/A	N/A
85	122.00	190.00	258.00	323.00	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	6.00	6.00	8.00	12.00	13.00	21.00
30	6.00	8.00	10.00	12.00	13.00	21.00
31	6.00	10.00	10.00	12.00	13.00	23.00
32	6.00	10.00	12.00	12.00	15.00	25.00
33	6.00	10.00	12.00	13.00	17.00	25.00
34	8.00	10.00	12.00	15.00	19.00	29.00
35	10.00	10.00	13.00	15.00	21.00	29.00
36	8.00	12.00	15.00	15.00	23.00	31.00
37	10.00	13.00	15.00	19.00	23.00	35.00
38	10.00	13.00	19.00	21.00	25.00	33.00
39	10.00	13.00	19.00	23.00	27.00	35.00
40	11.00	17.00	21.00	24.00	28.00	37.00
41	11.00	19.00	22.00	26.00	26.00	41.00
42	13.00	21.00	24.00	26.00	30.00	43.00
43	13.00	21.00	24.00	30.00	32.00	47.00
44	17.00	22.00	28.00	28.00	34.00	49.00
45	18.00	23.00	25.00	29.00	36.00	52.00
46	20.00	25.00	29.00	32.00	38.00	56.00
47	20.00	27.00	31.00	36.00	41.00	61.00
48	22.00	25.00	32.00	36.00	45.00	67.00
49	23.00	29.00	36.00	40.00	47.00	70.00
50	23.00	32.00	37.00	42.00	49.00	74.00
51	26.00	33.00	40.00	46.00	56.00	79.00
52	26.00	35.00	42.00	47.00	60.00	84.00
53	28.00	39.00	46.00	54.00	65.00	91.00
54	30.00	40.00	49.00	58.00	70.00	98.00
55	32.00	42.00	53.00	61.00	71.00	101.00
56	35.00	46.00	56.00	63.00	75.00	108.00
57	37.00	48.00	60.00	68.00	80.00	115.00
58	40.00	53.00	65.00	73.00	86.00	123.00
59	43.00	56.00	68.00	78.00	95.00	133.00
60	45.00	59.00	71.00	82.00	98.00	138.00
61	48.00	65.00	79.00	90.00	107.00	152.00
62	53.00	73.00	87.00	99.00	118.00	166.00
63	59.00	78.00	96.00	109.00	129.00	181.00
64	64.00	87.00	104.00	118.00	141.00	198.00
65	63.00	88.00	107.00	122.00	145.00	209.00
66	71.00	95.00	117.00	132.00	158.00	229.00
67	75.00	104.00	125.00	144.00	173.00	251.00
68	82.00	111.00	137.00	156.00	189.00	274.00
69	86.00	120.00	148.00	170.00	204.00	298.00
70	88.00	121.00	150.00	173.00	208.00	307.00
71	95.00	131.00	160.00	186.00	226.00	333.00
72	101.00	139.00	171.00	200.00	243.00	360.00
73	106.00	148.00	184.00	214.00	261.00	389.00
74	113.00	156.00	194.00	227.00	279.00	418.00
75	120.00	169.00	212.00	250.00	311.00	478.00
76	125.00	176.00	222.00	262.00	328.00	508.00
77	128.00	184.00	232.00	272.00	344.00	536.00
78	132.00	188.00	239.00	283.00	359.00	565.00
79	133.00	192.00	246.00	292.00	373.00	592.00
80	136.00	197.00	254.00	306.00	N/A	N/A
81	136.00	198.00	258.00	310.00	N/A	N/A
82	133.00	198.00	258.00	312.00	N/A	N/A
83	130.00	193.00	256.00	312.00	N/A	N/A
84	125.00	187.00	251.00	307.00	N/A	N/A
85	120.00	186.00	252.00	316.00	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	12.00	17.00	21.00	27.00	35.00	52.00
30	13.00	19.00	23.00	29.00	35.00	54.00
31	13.00	21.00	25.00	31.00	36.00	56.00
32	15.00	21.00	29.00	31.00	40.00	60.00
33	15.00	23.00	29.00	35.00	40.00	63.00
34	17.00	23.00	31.00	36.00	44.00	67.00
35	19.00	23.00	33.00	36.00	46.00	69.00
36	19.00	29.00	35.00	38.00	48.00	73.00
37	21.00	29.00	36.00	40.00	50.00	77.00
38	21.00	31.00	38.00	44.00	54.00	79.00
39	21.00	33.00	40.00	46.00	56.00	83.00
40	22.00	34.00	41.00	47.00	58.00	88.00
41	26.00	36.00	43.00	50.00	58.00	92.00
42	26.00	37.00	47.00	52.00	62.00	97.00
43	28.00	37.00	47.00	56.00	65.00	103.00
44	32.00	41.00	50.00	56.00	67.00	107.00
45	31.00	41.00	49.00	56.00	68.00	110.00
46	32.00	45.00	52.00	61.00	76.00	115.00
47	32.00	47.00	56.00	65.00	79.00	121.00
48	36.00	45.00	58.00	67.00	83.00	126.00
49	38.00	50.00	61.00	72.00	86.00	133.00
50	37.00	51.00	61.00	74.00	89.00	137.00
51	40.00	54.00	65.00	79.00	95.00	144.00
52	40.00	56.00	70.00	81.00	100.00	151.00
53	42.00	60.00	74.00	86.00	105.00	158.00
54	44.00	61.00	79.00	89.00	110.00	165.00
55	45.00	63.00	80.00	91.00	113.00	169.00
56	48.00	65.00	81.00	93.00	115.00	174.00
57	50.00	68.00	85.00	98.00	120.00	183.00
58	51.00	71.00	90.00	103.00	126.00	191.00
59	55.00	75.00	93.00	108.00	133.00	201.00
60	56.00	76.00	95.00	110.00	135.00	203.00
61	59.00	82.00	101.00	118.00	144.00	217.00
62	62.00	88.00	107.00	126.00	153.00	233.00
63	67.00	91.00	115.00	133.00	163.00	246.00
64	71.00	99.00	121.00	141.00	174.00	260.00
65	69.00	96.00	121.00	141.00	173.00	262.00
66	73.00	102.00	128.00	148.00	183.00	278.00
67	78.00	108.00	135.00	157.00	194.00	295.00
68	82.00	114.00	143.00	166.00	206.00	312.00
69	85.00	120.00	150.00	176.00	216.00	331.00
70	84.00	118.00	148.00	174.00	215.00	332.00
71	88.00	124.00	155.00	184.00	227.00	351.00
72	91.00	129.00	162.00	192.00	239.00	369.00
73	94.00	133.00	169.00	200.00	250.00	388.00
74	97.00	139.00	175.00	208.00	261.00	407.00
75	102.00	146.00	187.00	224.00	286.00	456.00
76	103.00	150.00	192.00	230.00	295.00	475.00
77	104.00	152.00	197.00	235.00	305.00	494.00
78	106.00	155.00	200.00	241.00	312.00	512.00
79	106.00	156.00	203.00	245.00	322.00	530.00
80	107.00	158.00	208.00	254.00	N/A	N/A
81	104.00	157.00	209.00	256.00	N/A	N/A
82	102.00	156.00	208.00	256.00	N/A	N/A
83	98.00	151.00	205.00	254.00	N/A	N/A
84	95.00	145.00	200.00	250.00	N/A	N/A
85	89.00	143.00	200.00	257.00	N/A	N/A



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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	13.00	17.00	19.00	19.00	23.00	29.00
30	13.00	17.00	19.00	21.00	25.00	31.00
31	15.00	17.00	21.00	23.00	27.00	33.00
32	15.00	19.00	21.00	25.00	27.00	35.00
33	17.00	19.00	23.00	25.00	29.00	36.00
34	17.00	21.00	25.00	27.00	31.00	38.00
35	17.00	23.00	25.00	29.00	33.00	42.00
36	19.00	23.00	27.00	31.00	35.00	44.00
37	19.00	25.00	29.00	33.00	36.00	46.00
38	21.00	27.00	31.00	35.00	38.00	52.00
39	23.00	29.00	33.00	36.00	42.00	56.00
40	22.00	28.00	34.00	37.00	43.00	56.00
41	24.00	30.00	36.00	39.00	49.00	60.00
42	26.00	32.00	37.00	43.00	50.00	64.00
43	28.00	36.00	41.00	45.00	54.00	67.00
44	28.00	37.00	43.00	50.00	58.00	73.00
45	29.00	38.00	47.00	52.00	59.00	74.00
46	31.00	40.00	49.00	54.00	63.00	79.00
47	34.00	43.00	52.00	58.00	67.00	85.00
48	36.00	49.00	56.00	63.00	72.00	90.00
49	38.00	50.00	59.00	67.00	77.00	97.00
50	40.00	53.00	63.00	70.00	81.00	102.00
51	42.00	56.00	67.00	74.00	86.00	109.00
52	47.00	61.00	72.00	81.00	91.00	116.00
53	51.00	65.00	77.00	86.00	98.00	124.00
54	54.00	70.00	82.00	93.00	105.00	135.00
55	56.00	73.00	85.00	95.00	110.00	139.00
56	58.00	76.00	90.00	101.00	116.00	146.00
57	63.00	83.00	98.00	110.00	126.00	158.00
58	68.00	90.00	105.00	118.00	136.00	171.00
59	73.00	96.00	115.00	128.00	146.00	184.00
60	76.00	101.00	119.00	133.00	153.00	192.00
61	84.00	110.00	130.00	146.00	167.00	209.00
62	91.00	119.00	143.00	158.00	183.00	228.00
63	99.00	132.00	155.00	174.00	200.00	250.00
64	109.00	143.00	171.00	191.00	219.00	273.00
65	114.00	150.00	177.00	199.00	229.00	285.00
66	124.00	164.00	194.00	219.00	252.00	312.00
67	137.00	180.00	215.00	240.00	276.00	344.00
68	150.00	199.00	236.00	265.00	304.00	379.00
69	166.00	219.00	259.00	291.00	336.00	416.00
70	171.00	227.00	271.00	303.00	350.00	432.00
71	188.00	249.00	298.00	333.00	385.00	476.00
72	207.00	275.00	328.00	367.00	423.00	525.00
73	227.00	302.00	360.00	404.00	466.00	578.00
74	249.00	330.00	396.00	445.00	513.00	635.00
75	289.00	386.00	463.00	522.00	605.00	752.00
76	316.00	422.00	508.00	572.00	664.00	826.00
77	344.00	461.00	554.00	626.00	726.00	904.00
78	374.00	503.00	606.00	684.00	794.00	986.00
79	408.00	548.00	661.00	748.00	868.00	1,078.00
80	456.00	616.00	743.00	840.00	N/A	N/A
81	497.00	672.00	811.00	919.00	N/A	N/A
82	541.00	732.00	886.00	1,004.00	N/A	N/A
83	588.00	797.00	965.00	1,093.00	N/A	N/A
84	636.00	865.00	1,048.00	1,189.00	N/A	N/A
85	758.00	1,037.00	1,264.00	1,439.00	N/A	N/A

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

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

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

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	50.10	67.40	81.20	95.00	112.30	157.20
30	53.60	70.80	86.40	98.50	117.50	164.20
31	53.60	74.30	88.10	100.20	121.00	169.30
32	55.30	74.30	91.60	102.00	124.40	172.80
33	57.00	77.80	93.30	107.10	127.90	178.00
34	58.80	79.50	95.00	110.60	131.30	186.60
35	60.50	81.20	100.20	114.00	134.80	190.10
36	62.20	84.70	102.00	117.50	140.00	195.30
37	63.90	86.40	103.70	121.00	143.40	202.20
38	65.70	88.10	108.90	124.40	148.60	205.60
39	67.40	89.90	112.30	127.90	150.30	210.80
40	67.30	92.60	112.80	127.90	151.50	212.10
41	69.00	94.20	116.10	131.30	153.20	218.80
42	70.70	97.60	119.50	134.60	158.20	223.80
43	72.40	99.30	121.20	139.70	163.30	230.60
44	75.70	102.70	126.20	141.40	168.30	237.30
45	76.10	102.10	121.50	139.30	166.90	236.50
46	77.80	105.30	126.40	144.20	171.70	243.00
47	77.80	108.50	129.60	147.40	176.60	249.50
48	81.00	108.50	132.80	152.30	181.40	256.00
49	82.60	113.40	136.10	157.10	186.30	262.40
50	81.90	111.80	135.50	155.90	185.90	261.50
51	86.60	115.00	141.80	162.20	192.20	270.90
52	86.60	118.10	144.90	165.40	196.90	278.80
53	89.80	121.30	148.10	170.10	204.80	286.70
54	91.40	124.40	152.80	173.30	209.50	293.00
55	91.10	122.50	152.40	173.30	207.70	289.80
56	92.60	125.50	152.40	173.30	207.70	294.30
57	94.10	127.00	155.40	177.80	213.60	303.30
58	97.10	131.50	161.40	183.80	219.60	310.80
59	98.60	134.50	164.30	188.20	225.60	319.70
60	99.00	133.90	163.20	188.30	224.60	319.50
61	103.20	139.50	171.60	196.70	235.80	333.40
62	107.40	146.50	178.60	206.50	246.90	348.80
63	111.60	152.10	186.90	214.80	256.70	364.10
64	115.80	159.00	193.90	221.80	267.80	379.40
65	110.20	151.60	187.90	215.10	259.20	370.70
66	115.30	158.10	194.40	222.90	269.60	387.50
67	119.20	164.60	200.90	232.00	279.90	403.10
68	123.10	168.50	208.70	239.80	291.60	418.60
69	125.70	173.70	216.40	248.80	302.00	436.80
70	122.40	168.90	209.30	242.40	295.00	428.40
71	126.10	175.00	215.40	250.90	304.80	445.50
72	128.50	178.70	221.50	258.30	315.80	461.40
73	131.00	182.40	226.40	265.60	324.40	477.40
74	132.20	186.00	232.60	270.50	334.20	493.30
75	136.10	193.30	243.00	286.20	356.40	540.00
76	137.20	194.40	245.20	289.40	362.90	554.00
77	136.10	195.50	247.30	292.70	369.40	567.00
78	136.10	195.50	248.40	294.80	373.70	581.00
79	135.00	194.40	248.40	295.90	378.00	591.80
80	133.90	195.50	251.60	302.40	N/A	N/A
81	131.80	192.20	250.60	301.30	N/A	N/A
82	127.40	187.90	246.20	297.00	N/A	N/A
83	122.00	182.50	239.80	293.80	N/A	N/A
84	115.60	173.90	232.20	285.10	N/A	N/A
85	110.20	170.60	232.20	290.50	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	5.20	5.20	6.90	10.40	12.10	19.00
30	5.20	6.90	8.60	10.40	12.10	19.00
31	5.20	8.60	8.60	10.40	12.10	20.70
32	5.20	8.60	10.40	10.40	13.80	22.50
33	5.20	8.60	10.40	12.10	15.60	22.50
34	6.90	8.60	10.40	13.80	17.30	25.90
35	8.60	8.60	12.10	13.80	19.00	25.90
36	6.90	10.40	13.80	13.80	20.70	27.60
37	8.60	12.10	13.80	17.30	20.70	31.10
38	8.60	12.10	17.30	19.00	22.50	29.40
39	8.60	12.10	17.30	20.70	24.20	31.10
40	10.10	15.10	18.50	21.90	25.20	33.70
41	10.10	16.80	20.20	23.60	23.60	37.00
42	11.80	18.50	21.90	23.60	26.90	38.70
43	11.80	18.50	21.90	26.90	28.60	42.10
44	15.10	20.20	25.20	25.20	30.30	43.80
45	16.20	21.10	22.70	25.90	32.40	47.00
46	17.80	22.70	25.90	29.20	34.00	50.20
47	17.80	24.30	27.50	32.40	37.30	55.10
48	19.40	22.70	29.20	32.40	40.50	59.90
49	21.10	25.90	32.40	35.60	42.10	63.20
50	20.50	28.40	33.10	37.80	44.10	66.20
51	23.60	29.90	36.20	41.00	50.40	70.90
52	23.60	31.50	37.80	42.50	53.60	75.60
53	25.20	34.70	41.00	48.80	58.30	81.90
54	26.80	36.20	44.10	52.00	63.00	88.20
55	28.40	37.40	47.80	55.30	64.20	91.10
56	31.40	41.80	50.80	56.80	67.20	97.10
57	32.90	43.30	53.80	61.30	71.70	103.10
58	35.90	47.80	58.30	65.70	77.70	110.60
59	38.80	50.80	61.30	70.20	85.20	119.50
60	40.50	53.00	64.20	73.90	87.90	124.20
61	43.20	58.60	71.10	80.90	96.30	136.70
62	47.40	65.60	78.10	89.30	106.00	149.30
63	53.00	69.80	86.50	97.70	115.80	163.20
64	57.20	78.10	93.50	106.00	126.90	178.60
65	57.00	79.10	95.90	110.20	130.90	187.90
66	63.50	85.50	105.00	119.20	142.60	206.10
67	67.40	93.30	112.80	129.60	155.50	225.50
68	73.90	99.80	123.10	140.00	169.80	246.20
69	77.80	107.60	133.50	152.90	184.00	268.30
70	79.60	108.90	134.60	155.40	187.30	276.60
71	85.70	117.50	144.40	167.70	203.20	299.90
72	90.60	124.80	154.20	179.90	219.10	324.40
73	95.50	133.40	165.20	192.20	235.00	350.10
74	101.60	140.80	175.00	204.40	250.90	375.80
75	108.00	152.30	191.20	224.60	279.70	429.80
76	112.30	158.80	199.80	235.40	294.80	456.80
77	115.60	165.20	208.40	245.20	310.00	482.80
78	118.80	169.60	214.90	254.90	322.90	508.70
79	119.90	172.80	221.40	262.40	335.90	532.40
80	122.00	177.10	229.00	275.40	N/A	N/A
81	122.00	178.20	232.20	278.60	N/A	N/A
82	119.90	178.20	232.20	280.80	N/A	N/A
83	116.60	173.90	230.00	280.80	N/A	N/A
84	112.30	168.50	225.70	276.50	N/A	N/A
85	108.00	167.40	226.80	284.00	N/A	N/A

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

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

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

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	10.40	15.60	19.00	24.20	31.10	46.70
30	12.10	17.30	20.70	25.90	31.10	48.40
31	12.10	19.00	22.50	27.60	32.80	50.10
32	13.80	19.00	25.90	27.60	36.30	53.60
33	13.80	20.70	25.90	31.10	36.30	57.00
34	15.60	20.70	27.60	32.80	39.70	60.50
35	17.30	20.70	29.40	32.80	41.50	62.20
36	17.30	25.90	31.10	34.60	43.20	65.70
37	19.00	25.90	32.80	36.30	44.90	69.10
38	19.00	27.60	34.60	39.70	48.40	70.80
39	19.00	29.40	36.30	41.50	50.10	74.30
40	20.20	30.30	37.00	42.10	52.20	79.10
41	23.60	32.00	38.70	45.40	52.20	82.50
42	23.60	33.70	42.10	47.10	55.50	87.50
43	25.20	33.70	42.10	50.50	58.90	92.60
44	28.60	37.00	45.40	50.50	60.60	95.90
45	27.50	37.30	43.70	50.20	61.60	98.80
46	29.20	40.50	47.00	55.10	68.00	103.70
47	29.20	42.10	50.20	58.30	71.30	108.50
48	32.40	40.50	51.80	59.90	74.50	113.40
49	34.00	45.40	55.10	64.80	77.80	119.90
50	33.10	45.70	55.10	66.20	80.30	122.90
51	36.20	48.80	58.30	70.90	85.10	129.20
52	36.20	50.40	63.00	72.50	89.80	135.50
53	37.80	53.60	66.20	77.20	94.50	141.80
54	39.40	55.10	70.90	80.30	99.20	148.10
55	40.30	56.80	71.70	82.20	101.60	152.40
56	43.30	58.30	73.20	83.70	103.10	156.90
57	44.80	61.30	76.20	88.10	107.60	164.30
58	46.30	64.20	80.70	92.60	113.50	171.80
59	49.30	67.20	83.70	97.10	119.50	180.80
60	50.20	68.40	85.10	99.00	121.40	182.70
61	53.00	73.90	90.70	106.00	129.70	195.30
62	55.80	79.50	96.30	113.00	138.10	209.30
63	60.00	82.30	103.20	120.00	146.50	221.80
64	64.20	89.30	108.80	126.90	156.20	234.40
65	62.20	86.80	108.90	127.00	155.50	235.90
66	66.10	92.00	115.30	133.50	164.60	250.10
67	70.00	97.20	121.80	141.30	175.00	265.70
68	73.90	102.40	128.30	149.00	185.30	281.20
69	76.50	107.60	134.80	158.10	194.40	298.10
70	75.90	106.50	133.40	156.70	193.40	298.70
71	79.60	111.40	139.50	165.20	204.40	315.80
72	82.00	116.30	145.70	172.60	215.40	331.70
73	84.50	120.00	151.80	179.90	225.20	348.80
74	86.90	124.80	157.90	187.30	235.00	366.00
75	91.80	131.80	168.50	202.00	257.00	410.40
76	92.90	135.00	172.80	207.40	265.70	427.70
77	94.00	137.20	177.10	211.70	274.30	445.00
78	95.00	139.30	180.40	217.10	280.80	461.20
79	95.00	140.40	182.50	220.30	289.40	477.40
80	96.10	142.60	186.80	229.00	N/A	N/A
81	94.00	141.50	187.90	230.00	N/A	N/A
82	91.80	140.40	186.80	230.00	N/A	N/A
83	88.60	136.10	184.70	229.00	N/A	N/A
84	85.30	130.70	180.40	224.60	N/A	N/A
85	79.90	128.50	180.40	231.10	N/A	N/A

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

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

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

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	12.10	15.60	17.30	17.30	20.70	25.90
30	12.10	15.60	17.30	19.00	22.50	27.60
31	13.80	15.60	19.00	20.70	24.20	29.40
32	13.80	17.30	19.00	22.50	24.20	31.10
33	15.60	17.30	20.70	22.50	25.90	32.80
34	15.60	19.00	22.50	24.20	27.60	34.60
35	15.60	20.70	22.50	25.90	29.40	38.00
36	17.30	20.70	24.20	27.60	31.10	39.70
37	17.30	22.50	25.90	29.40	32.80	41.50
38	19.00	24.20	27.60	31.10	34.60	46.70
39	20.70	25.90	29.40	32.80	38.00	50.10
40	20.20	25.20	30.30	33.70	38.70	50.50
41	21.90	26.90	32.00	35.30	43.80	53.90
42	23.60	28.60	33.70	38.70	45.40	57.20
43	25.20	32.00	37.00	40.40	48.80	60.60
44	25.20	33.70	38.70	45.40	52.20	65.60
45	25.90	34.00	42.10	47.00	53.50	66.40
46	27.50	35.60	43.70	48.60	56.70	71.30
47	30.80	38.90	47.00	51.80	59.90	76.10
48	32.40	43.70	50.20	56.70	64.80	81.00
49	34.00	45.40	53.50	59.90	69.70	87.50
50	36.20	47.30	56.70	63.00	72.50	91.40
51	37.80	50.40	59.90	66.20	77.20	97.70
52	42.50	55.10	64.60	72.50	81.90	104.00
53	45.70	58.30	69.30	77.20	88.20	111.80
54	48.80	63.00	74.00	83.50	94.50	121.30
55	50.80	65.70	76.20	85.20	98.60	125.50
56	52.30	68.70	80.70	91.10	104.60	131.50
57	56.80	74.70	88.10	98.60	113.50	141.90
58	61.30	80.70	94.10	106.10	122.50	153.90
59	65.70	86.70	103.10	115.00	131.50	165.80
60	68.40	90.70	107.40	120.00	138.10	173.00
61	75.30	99.00	117.20	131.10	150.70	188.30
62	82.30	107.40	128.30	142.30	164.60	205.10
63	89.30	118.60	139.50	156.20	180.00	224.60
64	97.70	128.30	153.50	171.60	196.70	245.50
65	102.40	134.80	159.40	178.80	206.10	256.60
66	111.50	147.70	175.00	197.00	226.80	281.20
67	123.10	162.00	193.10	216.40	248.80	309.70
68	134.80	178.80	212.50	238.50	273.50	340.80
69	149.00	197.00	233.30	261.80	302.00	374.50
70	154.20	204.40	243.60	273.00	314.60	389.20
71	168.90	224.00	268.10	299.90	346.40	428.40
72	186.00	247.20	295.00	330.50	380.70	472.50
73	204.40	271.70	324.40	363.50	419.80	520.20
74	224.00	297.40	356.20	400.20	461.40	571.60
75	260.30	347.80	416.90	469.80	544.30	677.20
76	284.00	380.20	456.80	515.20	597.20	743.00
77	310.00	414.70	499.00	563.80	653.40	813.20
78	337.00	452.50	545.40	615.60	715.00	887.80
79	367.20	493.60	595.10	672.80	780.80	969.80
80	410.40	554.00	668.50	756.00	N/A	N/A
81	447.10	604.80	730.10	827.30	N/A	N/A
82	487.10	658.80	797.00	904.00	N/A	N/A
83	529.20	717.10	868.30	983.90	N/A	N/A
84	572.40	778.70	942.80	1,070.30	N/A	N/A
85	682.60	933.10	1,137.20	1,294.90	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	105.00	142.00	171.00	200.00	236.00	331.00
30	113.00	149.00	182.00	207.00	247.00	346.00
31	113.00	156.00	186.00	211.00	255.00	356.00
32	116.00	156.00	193.00	215.00	262.00	364.00
33	120.00	164.00	196.00	226.00	269.00	375.00
34	124.00	167.00	200.00	233.00	276.00	393.00
35	127.00	171.00	211.00	240.00	284.00	400.00
36	131.00	178.00	215.00	247.00	295.00	411.00
37	135.00	182.00	218.00	255.00	302.00	426.00
38	138.00	186.00	229.00	262.00	313.00	433.00
39	142.00	189.00	236.00	269.00	316.00	444.00
40	146.00	200.00	244.00	276.00	327.00	458.00
41	149.00	204.00	251.00	284.00	331.00	473.00
42	153.00	211.00	258.00	291.00	342.00	484.00
43	156.00	215.00	262.00	302.00	353.00	498.00
44	164.00	222.00	273.00	306.00	364.00	513.00
45	165.00	221.00	263.00	302.00	362.00	513.00
46	166.00	224.00	269.00	307.00	366.00	518.00
47	163.00	227.00	271.00	308.00	369.00	522.00
48	166.00	223.00	273.00	313.00	372.00	525.00
49	166.00	228.00	273.00	315.00	374.00	527.00
50	168.00	230.00	278.00	321.00	382.00	537.00
51	177.00	235.00	289.00	331.00	392.00	553.00
52	175.00	239.00	293.00	335.00	398.00	564.00
53	180.00	244.00	297.00	342.00	411.00	576.00
54	182.00	248.00	304.00	345.00	417.00	584.00
55	191.00	257.00	320.00	364.00	436.00	609.00
56	191.00	259.00	315.00	358.00	429.00	608.00
57	192.00	259.00	317.00	363.00	436.00	619.00
58	195.00	264.00	324.00	369.00	441.00	624.00
59	196.00	267.00	326.00	373.00	447.00	634.00
60	210.00	284.00	347.00	400.00	477.00	678.00
61	213.00	288.00	354.00	405.00	486.00	687.00
62	216.00	294.00	358.00	414.00	496.00	700.00
63	217.00	296.00	363.00	418.00	499.00	708.00
64	219.00	301.00	367.00	419.00	506.00	717.00
65	224.00	309.00	382.00	438.00	528.00	754.00
66	229.00	314.00	386.00	443.00	536.00	770.00
67	231.00	319.00	389.00	450.00	543.00	781.00
68	232.00	317.00	392.00	451.00	548.00	787.00
69	230.00	318.00	397.00	456.00	553.00	800.00
70	234.00	323.00	400.00	463.00	563.00	818.00
71	238.00	331.00	407.00	474.00	576.00	842.00
72	240.00	334.00	414.00	483.00	590.00	862.00
73	242.00	337.00	419.00	491.00	600.00	882.00
74	242.00	340.00	425.00	494.00	611.00	902.00
75	282.00	401.00	503.00	593.00	738.00	1,119.00
76	278.00	394.00	497.00	586.00	735.00	1,122.00
77	271.00	389.00	492.00	583.00	735.00	1,129.00
78	266.00	382.00	486.00	577.00	731.00	1,137.00
79	259.00	374.00	477.00	569.00	726.00	1,137.00
80	253.00	369.00	475.00	571.00	N/A	N/A
81	244.00	356.00	464.00	558.00	N/A	N/A
82	230.00	339.00	445.00	536.00	N/A	N/A
83	216.00	323.00	425.00	520.00	N/A	N/A
84	201.00	302.00	403.00	495.00	N/A	N/A
85	187.00	290.00	395.00	494.00	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	11.00	11.00	15.00	22.00	25.00	40.00
30	11.00	15.00	18.00	22.00	25.00	40.00
31	11.00	18.00	18.00	22.00	25.00	44.00
32	11.00	18.00	22.00	22.00	29.00	47.00
33	11.00	18.00	22.00	25.00	33.00	47.00
34	15.00	18.00	22.00	29.00	36.00	55.00
35	18.00	18.00	25.00	29.00	40.00	55.00
36	15.00	22.00	29.00	29.00	44.00	58.00
37	18.00	25.00	29.00	36.00	44.00	65.00
38	18.00	25.00	36.00	40.00	47.00	62.00
39	18.00	25.00	36.00	44.00	51.00	65.00
40	22.00	33.00	40.00	47.00	55.00	73.00
41	22.00	36.00	44.00	51.00	51.00	80.00
42	25.00	40.00	47.00	51.00	58.00	84.00
43	25.00	40.00	47.00	58.00	62.00	91.00
44	33.00	44.00	55.00	55.00	65.00	95.00
45	35.00	46.00	49.00	56.00	70.00	102.00
46	38.00	48.00	55.00	62.00	72.00	107.00
47	37.00	51.00	58.00	68.00	78.00	115.00
48	40.00	47.00	60.00	67.00	83.00	123.00
49	42.00	52.00	65.00	72.00	85.00	127.00
50	42.00	58.00	68.00	78.00	91.00	136.00
51	48.00	61.00	74.00	84.00	103.00	145.00
52	48.00	64.00	77.00	86.00	108.00	153.00
53	51.00	70.00	82.00	98.00	117.00	164.00
54	53.00	72.00	88.00	104.00	126.00	176.00
55	60.00	78.00	100.00	116.00	135.00	191.00
56	65.00	86.00	105.00	117.00	139.00	201.00
57	67.00	88.00	110.00	125.00	146.00	210.00
58	72.00	96.00	117.00	132.00	156.00	222.00
59	77.00	101.00	121.00	139.00	169.00	237.00
60	86.00	113.00	136.00	157.00	187.00	264.00
61	89.00	121.00	147.00	167.00	198.00	282.00
62	95.00	132.00	157.00	179.00	213.00	300.00
63	103.00	136.00	168.00	190.00	225.00	317.00
64	108.00	148.00	177.00	200.00	240.00	338.00
65	116.00	161.00	195.00	224.00	266.00	382.00
66	126.00	170.00	209.00	237.00	283.00	409.00
67	131.00	181.00	219.00	251.00	302.00	437.00
68	139.00	188.00	232.00	263.00	319.00	463.00
69	143.00	197.00	245.00	280.00	337.00	492.00
70	152.00	208.00	257.00	297.00	358.00	528.00
71	162.00	222.00	273.00	317.00	384.00	567.00
72	169.00	233.00	288.00	336.00	409.00	606.00
73	176.00	247.00	305.00	355.00	434.00	647.00
74	186.00	257.00	320.00	374.00	459.00	687.00
75	224.00	315.00	396.00	465.00	580.00	891.00
76	228.00	322.00	405.00	477.00	597.00	925.00
77	230.00	329.00	415.00	488.00	617.00	961.00
78	232.00	332.00	420.00	499.00	632.00	995.00
79	230.00	332.00	425.00	504.00	645.00	1,023.00
80	230.00	334.00	432.00	520.00	N/A	N/A
81	226.00	330.00	430.00	516.00	N/A	N/A
82	216.00	322.00	419.00	507.00	N/A	N/A
83	207.00	308.00	407.00	497.00	N/A	N/A
84	195.00	293.00	392.00	480.00	N/A	N/A
85	184.00	285.00	386.00	483.00	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
<30	22.00	33.00	40.00	51.00	65.00	98.00
30	25.00	36.00	44.00	55.00	65.00	102.00
31	25.00	40.00	47.00	58.00	69.00	105.00
32	29.00	40.00	55.00	58.00	76.00	113.00
33	29.00	44.00	55.00	65.00	76.00	120.00
34	33.00	44.00	58.00	69.00	84.00	127.00
35	36.00	44.00	62.00	69.00	87.00	131.00
36	36.00	55.00	65.00	73.00	91.00	138.00
37	40.00	55.00	69.00	76.00	95.00	146.00
38	40.00	58.00	73.00	84.00	102.00	149.00
39	40.00	62.00	76.00	87.00	105.00	156.00
40	44.00	65.00	80.00	91.00	113.00	171.00
41	51.00	69.00	84.00	98.00	113.00	178.00
42	51.00	73.00	91.00	102.00	120.00	189.00
43	55.00	73.00	91.00	109.00	127.00	200.00
44	62.00	80.00	98.00	109.00	131.00	207.00
45	60.00	81.00	95.00	109.00	133.00	214.00
46	62.00	86.00	100.00	117.00	145.00	221.00
47	61.00	88.00	105.00	122.00	149.00	227.00
48	67.00	83.00	106.00	123.00	153.00	233.00
49	68.00	91.00	111.00	130.00	156.00	241.00
50	68.00	94.00	113.00	136.00	165.00	253.00
51	74.00	100.00	119.00	145.00	173.00	263.00
52	73.00	102.00	128.00	147.00	182.00	274.00
53	76.00	108.00	133.00	155.00	190.00	285.00
54	78.00	110.00	141.00	160.00	198.00	295.00
55	85.00	119.00	151.00	173.00	213.00	320.00
56	90.00	120.00	151.00	173.00	213.00	324.00
57	92.00	125.00	156.00	180.00	220.00	336.00
58	93.00	129.00	162.00	186.00	228.00	345.00
59	98.00	133.00	166.00	193.00	237.00	358.00
60	107.00	145.00	181.00	210.00	258.00	388.00
61	109.00	152.00	187.00	219.00	267.00	403.00
62	112.00	160.00	193.00	227.00	277.00	420.00
63	117.00	160.00	201.00	233.00	285.00	431.00
64	121.00	169.00	206.00	240.00	295.00	443.00
65	127.00	177.00	222.00	258.00	317.00	480.00
66	131.00	183.00	229.00	265.00	327.00	497.00
67	136.00	188.00	236.00	274.00	339.00	515.00
68	139.00	193.00	241.00	280.00	349.00	529.00
69	140.00	197.00	247.00	290.00	356.00	546.00
70	145.00	203.00	255.00	299.00	369.00	570.00
71	150.00	210.00	264.00	312.00	386.00	597.00
72	153.00	217.00	272.00	323.00	403.00	620.00
73	156.00	222.00	281.00	333.00	416.00	645.00
74	159.00	228.00	289.00	342.00	430.00	669.00
75	190.00	273.00	349.00	418.00	533.00	850.00
76	188.00	273.00	350.00	420.00	538.00	866.00
77	187.00	273.00	353.00	421.00	546.00	886.00
78	186.00	273.00	353.00	425.00	549.00	902.00
79	183.00	270.00	351.00	423.00	556.00	917.00
80	181.00	269.00	352.00	432.00	N/A	N/A
81	174.00	262.00	348.00	426.00	N/A	N/A
82	166.00	254.00	337.00	415.00	N/A	N/A
83	157.00	241.00	327.00	405.00	N/A	N/A
84	148.00	227.00	313.00	390.00	N/A	N/A
85	136.00	219.00	307.00	393.00	N/A	N/A



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

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

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

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

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

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

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

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	94.90	127.70	153.90	180.10	212.80	297.90
30	101.50	134.20	163.70	186.60	222.60	311.00
31	101.50	140.80	167.00	189.90	229.20	320.80
32	104.80	140.80	173.50	193.20	235.70	327.40
33	108.00	147.30	176.80	203.00	242.30	337.20
34	111.30	150.60	180.10	209.50	248.80	353.60
35	114.60	153.90	189.90	216.10	255.40	360.10
36	117.90	160.40	193.20	222.60	265.20	369.90
37	121.10	163.70	196.40	229.20	271.70	383.00
38	124.40	167.00	206.20	235.70	281.50	389.60
39	127.70	170.20	212.80	242.30	284.80	399.40
40	131.00	180.10	219.30	248.80	294.60	412.50
41	134.20	183.30	225.90	255.40	297.90	425.60
42	137.50	189.90	232.40	261.90	307.70	435.40
43	140.80	193.20	235.70	271.70	317.60	448.50
44	147.30	199.70	245.50	275.00	327.40	461.60
45	148.60	199.20	237.10	271.90	325.60	461.50
46	149.00	201.80	242.20	276.30	329.10	465.80
47	146.30	204.30	243.90	277.40	332.30	469.50
48	149.60	200.50	245.40	281.30	335.20	472.80
49	149.20	204.80	245.70	283.70	336.40	473.90
50	151.50	206.90	250.60	288.50	343.80	483.70
51	159.00	211.10	260.20	297.80	352.70	497.30
52	157.80	215.20	263.90	301.20	358.60	507.80
53	162.20	219.20	267.50	307.40	370.00	518.00
54	163.80	223.10	273.90	310.60	375.60	525.20
55	172.20	231.50	288.00	327.60	392.50	547.80
56	172.30	233.40	283.40	322.30	386.20	547.40
57	172.90	233.30	285.50	326.70	392.50	557.20
58	175.50	237.60	291.60	332.10	396.90	561.60
59	176.00	240.00	293.30	335.90	402.60	570.60
60	189.30	256.00	312.00	359.90	429.30	610.60
61	191.50	258.80	318.30	364.80	437.30	618.40
62	194.00	264.60	322.60	373.00	446.00	630.00
63	195.30	266.10	327.10	376.00	449.20	637.20
64	197.00	270.60	330.00	377.40	455.80	645.70
65	201.80	277.70	344.20	394.00	474.80	678.90
66	206.30	282.70	347.60	398.60	482.00	692.90
67	208.00	287.20	350.50	404.80	488.40	703.20
68	208.40	285.20	353.20	405.80	493.60	708.60
69	207.30	286.40	357.00	410.40	498.00	720.30
70	210.40	290.30	359.70	416.50	507.00	736.30
71	214.40	297.60	366.30	426.70	518.20	757.60
72	216.20	300.60	372.60	434.40	531.20	776.10
73	217.90	303.40	376.70	441.90	539.60	794.10
74	217.50	306.10	382.60	445.00	549.80	811.50
75	253.70	360.50	453.10	533.60	664.50	1,006.90
76	250.00	354.40	446.90	527.60	661.50	1,010.00
77	243.80	350.20	443.10	524.40	661.80	1,015.90
78	239.60	344.10	437.30	519.00	657.80	1,022.90
79	233.40	336.20	429.50	511.70	653.60	1,023.40
80	227.40	331.90	427.30	513.50	N/A	N/A
81	219.60	320.40	417.60	502.20	N/A	N/A
82	207.10	305.40	400.10	482.60	N/A	N/A
83	194.50	290.90	382.10	468.20	N/A	N/A
84	180.60	271.70	362.80	445.50	N/A	N/A
85	168.70	261.30	355.60	444.90	N/A	N/A

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

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

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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	9.80	9.80	13.10	19.60	22.90	36.00
30	9.80	13.10	16.40	19.60	22.90	36.00
31	9.80	16.40	16.40	19.60	22.90	39.30
32	9.80	16.40	19.60	19.60	26.20	42.60
33	9.80	16.40	19.60	22.90	29.50	42.60
34	13.10	16.40	19.60	26.20	32.70	49.10
35	16.40	16.40	22.90	26.20	36.00	49.10
36	13.10	19.60	26.20	26.20	39.30	52.40
37	16.40	22.90	26.20	32.70	39.30	58.90
38	16.40	22.90	32.70	36.00	42.60	55.70
39	16.40	22.90	32.70	39.30	45.80	58.90
40	19.60	29.50	36.00	42.60	49.10	65.50
41	19.60	32.70	39.30	45.80	45.80	72.00
42	22.90	36.00	42.60	45.80	52.40	75.30
43	22.90	36.00	42.60	52.40	55.70	81.80
44	29.50	39.30	49.10	49.10	58.90	85.10
45	31.60	41.10	44.30	50.60	63.20	91.70
46	34.20	43.50	49.70	55.90	65.20	96.30
47	33.50	45.70	51.80	61.00	70.10	103.70
48	35.90	41.90	53.90	59.90	74.80	110.70
49	38.00	46.80	58.50	64.40	76.10	114.10
50	37.90	52.40	61.20	69.90	81.60	122.40
51	43.40	54.90	66.50	75.20	92.50	130.10
52	43.00	57.40	68.90	77.50	97.50	137.70
53	45.50	62.60	74.00	88.20	105.30	148.00
54	48.00	64.90	79.10	93.20	113.00	158.10
55	53.70	70.60	90.40	104.50	121.40	172.20
56	58.40	77.80	94.50	105.60	125.00	180.60
57	60.40	79.60	98.80	112.50	131.80	189.40
58	64.80	86.40	105.30	118.80	140.40	199.80
59	69.30	90.70	109.30	125.30	152.00	213.30
60	77.30	101.30	122.60	141.30	168.00	237.30
61	80.20	108.70	132.00	150.10	178.50	253.60
62	85.70	118.40	141.10	161.30	191.50	269.60
63	92.80	122.10	151.40	170.90	202.60	285.60
64	97.30	132.90	159.00	180.40	216.00	303.80
65	104.40	144.80	175.70	201.80	239.70	344.20
66	113.60	153.00	187.70	213.20	254.90	368.50
67	117.60	162.80	196.70	226.10	271.40	393.50
68	125.00	168.90	208.40	236.90	287.40	416.80
69	128.30	177.40	220.20	252.20	303.50	442.50
70	136.70	187.20	231.40	267.20	321.90	475.40
71	145.70	199.80	245.60	285.10	345.50	509.90
72	152.30	210.00	259.40	302.60	368.50	545.60
73	158.80	222.00	274.90	319.70	391.00	582.40
74	167.10	231.60	288.00	336.30	412.80	618.20
75	201.40	283.90	356.40	418.90	521.60	801.50
76	204.80	289.40	364.20	429.20	537.50	832.80
77	207.00	296.10	373.50	439.20	555.30	864.90
78	209.10	298.50	378.30	448.70	568.50	895.50
79	207.30	298.80	382.80	453.80	580.80	920.70
80	207.20	300.70	388.80	467.60	N/A	N/A
81	203.40	297.00	387.00	464.40	N/A	N/A
82	194.80	289.60	377.30	456.30	N/A	N/A
83	185.90	277.10	366.60	447.50	N/A	N/A
84	175.50	263.30	352.70	432.00	N/A	N/A
85	165.40	256.30	347.30	434.90	N/A	N/A

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

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

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

<b>Issue Age</b>	<b>Premium Rates</b>					
	<b>24 Month Plan</b>	<b>36 Month Plan</b>	<b>48 Month Plan</b>	<b>60 Month Plan</b>	<b>84 Month Plan</b>	<b>Unlimited Plan</b>
18-29	19.60	29.50	36.00	45.80	58.90	88.40
30	22.90	32.70	39.30	49.10	58.90	91.70
31	22.90	36.00	42.60	52.40	62.20	94.90
32	26.20	36.00	49.10	52.40	68.70	101.50
33	26.20	39.30	49.10	58.90	68.70	108.00
34	29.50	39.30	52.40	62.20	75.30	114.60
35	32.70	39.30	55.70	62.20	78.60	117.90
36	32.70	49.10	58.90	65.50	81.80	124.40
37	36.00	49.10	62.20	68.70	85.10	131.00
38	36.00	52.40	65.50	75.30	91.70	134.20
39	36.00	55.70	68.70	78.60	94.90	140.80
40	39.30	58.90	72.00	81.80	101.50	153.90
41	45.80	62.20	75.30	88.40	101.50	160.40
42	45.80	65.50	81.80	91.70	108.00	170.20
43	49.10	65.50	81.80	98.20	114.60	180.10
44	55.70	72.00	88.40	98.20	117.90	186.60
45	53.70	72.00	85.40	98.00	120.10	192.80
46	55.90	77.60	90.00	105.60	130.40	198.70
47	54.90	79.30	94.50	109.80	134.10	204.30
48	59.90	74.80	95.80	110.70	137.70	209.50
49	61.40	81.90	99.50	117.00	140.40	216.50
50	61.20	84.50	102.00	122.40	148.60	227.30
51	66.50	89.60	107.00	130.10	156.10	237.10
52	66.00	91.80	114.80	132.00	163.50	246.70
53	68.30	96.80	119.50	139.50	170.80	256.20
54	70.60	98.80	127.10	144.00	177.90	265.40
55	76.20	107.30	135.50	155.30	192.00	288.00
56	80.60	108.40	136.20	155.60	191.70	291.80
57	82.40	112.50	140.00	162.00	197.60	302.00
58	83.70	116.10	145.80	167.40	205.20	310.50
59	88.00	120.00	149.30	173.30	213.30	322.60
60	96.00	130.60	162.60	189.30	232.00	349.30
61	98.30	137.10	168.20	196.70	240.60	362.30
62	100.80	143.60	173.90	204.10	249.50	378.00
63	105.00	144.00	180.70	209.90	256.30	388.20
64	109.20	151.90	185.20	216.00	265.90	398.80
65	113.90	159.00	199.40	232.60	284.90	432.00
66	118.20	164.50	206.30	238.70	294.30	447.30
67	122.10	169.60	212.60	246.50	305.30	463.60
68	125.00	173.30	217.20	252.30	313.70	476.00
69	126.10	177.40	222.30	260.80	320.60	491.60
70	130.40	183.00	229.30	269.30	332.40	513.30
71	135.30	189.40	237.30	281.00	347.60	537.00
72	137.90	195.60	245.00	290.30	362.30	557.90
73	140.50	199.60	252.50	299.30	374.70	580.30
74	143.00	205.40	259.80	308.10	386.60	602.10
75	171.20	245.70	314.10	376.60	479.30	765.20
76	169.30	246.10	315.00	378.00	484.30	779.60
77	168.30	245.70	317.30	379.30	491.50	797.20
78	167.30	245.30	317.50	382.20	494.30	811.80
79	164.30	242.80	315.60	381.00	500.50	825.40
80	163.20	242.10	317.20	388.80	N/A	N/A
81	156.60	235.80	313.20	383.40	N/A	N/A
82	149.20	228.20	303.60	373.80	N/A	N/A
83	141.10	216.90	294.30	364.90	N/A	N/A
84	133.30	204.20	281.80	351.00	N/A	N/A
85	122.40	196.80	276.20	353.90	N/A	N/A

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

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

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

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

SERFF Tracking #:

MILL-130951721

State Tracking #:

MILL-130951721

Company Tracking #:

SIMPLICITY (HIGHMARK BCBS)

**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_CovLtr_Simplicity_RS_20170307.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_ActMemo_Simplicity_RS_20170307.pdf PA_Highmark BCBS_Supplement_Simplicity_RS_20170307.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

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

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

State: Pennsylvania      Filing Company: Highmark Inc  
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified  
 Product Name: Long-Term Care  
 Project Name/Number: MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Rate Table (A&H)
<b>Comments:</b>	Rate tables are attached on the Rate/Rule Schedule tab.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	Not applicable as this is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Tailored Benefit Reductions Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	PA_Highmark BCBS_Tailored Benefit Reductions_Simplicity_20170309.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Claims and Administration Processing Plan
<b>Comments:</b>	
<b>Attachment(s):</b>	MedAmerica Claims Procedures_20160128.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

State: Pennsylvania Filing Company: Highmark Inc  
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified  
Product Name: Long-Term Care  
Project Name/Number: MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

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



**SERFF Tracking #:**

MILL-130951721

**State Tracking #:**

MILL-130951721

**Company Tracking #:**

SIMPLICITY (HIGHMARK BCBS)

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**State:**

Pennsylvania

**Filing Company:**

Highmark Inc

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Long-Term Care

**Project Name/Number:**

MedAmerica Nationwide 2017 Rate Increase /145MAI01-60.06

***Attachment PA\_Supplement Attachments\_20170307.xlsb is not a PDF document and cannot be reproduced here.***



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March 7, 2017

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

1326 Strawberry Square  
Harrisburg, Pennsylvania 17120

*Via SERFF*

**Re: Highmark Blue Cross Blue Shield (Highmark BCBS)  
Company NAIC # 54771  
SERFF Tracking # MILL-130951721  
Tax-Qualified Long-Term Care Policy Form  
Tax-Qualified Franchise Long-Term Care Policy Form**

**SPL-336-HMBCBSPA  
FSPL-336-HMBCBSPA**

Dear Commissioner Miller:

On behalf of Highmark BCBS, we are submitting the referenced rate filing for your review. These are existing individual policy forms that provide long-term care coverage. The company issued these forms in Pennsylvania from August 1, 2006 to April 1, 2010. The forms are no longer being marketed in any jurisdiction. The company's affinity partners, MedAmerica Insurance Company (MedAmerica) and Highmark Blue Shield, are making similar requests on their Simplicity forms in concurrent filings (SERFF Tracking # MILL-130946990 and SERFF Tracking # MILL-130951723).

The company is requesting a premium rate increase be filed for use on the above-listed forms, including all associated riders. These forms are 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 issue age and inflation option as shown in Exhibit I of the enclosed actuarial memorandum. The cumulative rate increase shown in Exhibit I was determined to allow certification to rate stability, where applicable, and varies by issue age and inflation option to better align the rate increase with the adverse experience. The company is requesting a premium rate increase on the above-listed forms as shown in the following table.

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.**

Issue Ages	Cumulative Requested Increase for Central Age		Cumulative Prior Increase	Current Requested Increase for Central Age	
	No Inflation	Auto Inflation		No Inflation	Auto Inflation
<40	191%	264%	92.0%	51.6%	89.6%
40-44	191	264	87.2	55.4	94.4
45-49	171	239	79.9	50.6	88.4
50-54	155	219	75.2	45.6	82.1
55-59	144	205	65.5	47.4	84.3
60-64	124	180	54.8	44.7	80.9
65-69	101	151	44.0	39.6	74.3
70-74	83	129	35.6	35.0	68.9
75+	63	104	20.0	35.8	70.0

The cumulative prior increase reflects the four prior increases that the Department filed for use in June 2013, September 2014, July 2015, and September 2016. 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 increases, 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. 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 monthly benefit; (ii) shorten their benefit period; (iii) lengthen their elimination period; (iv) reduce their inflation protection (e.g., compound inflation to simple or no inflation); or (v) drop rider coverage. Additionally, where available, tailored benefit reductions (a.k.a., "landing spots") will be offered on policies with lifetime inflation protection in addition to standard rate increase mitigation options. Enclosed with this submission is a letter describing these tailored benefit reduction options, which includes detail regarding the development and justification for the options.

The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. 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. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's approval, which demonstrates that appropriate administration and claims processing procedures are in effect.

The following electronic items are included with this submission:

- cover letter
- letter from Highmark BCBS authorizing us to submit this filing on their behalf
- tailored benefit reduction options letter
- claims and administration processing plan, as provided by MedAmerica
- actuarial memorandum
- a supplement to the actuarial memorandum
- Microsoft Excel spreadsheet of all numerical data
- current and proposed premium rate schedules

No filing fee is required for this submission.



Honorable Teresa Miller  
3/7/2017

The contact person for this filing is:

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Thank you for your assistance in reviewing this filing.

Respectfully,

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

Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary

MAG/btj

Enclosures

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Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

## Simplicity Actuarial Memorandum

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### Product

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

### Number

SPL-336-HMBCBSPA  
FSPL-336-HMBCBSPA

These are individual policy forms that provide long-term care coverage on a cash basis. Highmark Blue Cross Blue Shield (Highmark BCBS) issued these forms in Pennsylvania from August 2006 through April 2010. The forms are 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 forms of the same product series. Additionally, the company's affinity partners, MedAmerica Insurance Company (MedAmerica) and Highmark Blue Shield (Highmark BS) are making similar requests on their Simplicity policy forms in concurrent filings (SERFF tracking numbers MILL-130946990 and MILL-130951723, respectively). This filing includes the experience of the affinity company policy forms for which a rate increase is being requested in concurrent filings. 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 cumulative requested rate increase, as shown in Exhibit I, 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 are federally tax-qualified, individually underwritten policy forms that provide comprehensive coverage on a cash basis. Riders that convert the coverage to either facility only or community care only may have been available at issue. They have benefit eligibility requirements that involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided when certain benefits are being paid. A monthly benefit, benefit period, and elimination period were selected at issue.

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

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

At issue the insured may have had the option of selecting riders that provide the following types of coverage: restoration of benefits, return of premium, shortened benefit period, shared care, shared waiver, or survivorship benefit. The insured may have had the option to select a lifetime, ten-year, paid up at age 65, reduced premiums at attained age 65, or reduced premiums at attained age 70 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.

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**4. Applicability**

This rate increase applies to all policies issued on this form 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 an all-lives exposure basis. The claim costs were further adjusted based on historical claim experience by 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 issue age band and duration. The adjustment factors are shown in the following table.

Mortality Durational Adjustment Factors												
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	70	85	90	100	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.

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c. Voluntary Lapse Rates vary by policy duration as shown in the table below.

<b>Duration</b>	<b>Lifetime-Pay Voluntary Lapse Rate</b>
1	8.00%
2	6.50
3	5.00
4	4.00
5	3.50
6	2.50
7	2.25
8	1.50
9	0.75
10+	0.60

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

- For the ten-pay option, a reduction of 65% of the above lapse rates is assumed for durations one through four, a reduction of 70% of the above lapse rates is assumed for durations five through eight, and 0% lapse thereafter.
- For the paid up at age 65 option, a reduction of 50% of the above lapse rates is assumed until age 55, a reduction of 75% of the above lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter.
- For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the above lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the above lapse rates thereafter.

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.

<b>Gender</b>	<b>Benefit Period in Years</b>	<b>Attained Age*</b>										
		<b>&lt;65</b>	<b>65</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85</b>	<b>90</b>	<b>95</b>	<b>100</b>	<b>105</b>	<b>110+</b>
Female	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
	7	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.8	1.7	2.8	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	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
	7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.5	0.7	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.

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- 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.

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

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



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**7. Underwriting Description**

Policies were fully underwritten.

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

**8. Premiums**

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

**9. Issue Age Range**

Issue ages are from 18 to 85.

**10. Area Factors**

Area factors are not used for these products.

**11. Premium Modalization Rules**

The following modal factors and percent distributions (based on the nationwide in-force count as of December 31, 2015 of the company and its affinity partners) are applied to the annual premium (AP):

<b>Premium Mode</b>	<b>Modal Factors</b>	<b>Percent Distribution</b>
Annual	1.00*AP	44%
Semi-Annual	0.52*AP	6
Quarterly	0.26*AP	22
Monthly	0.09*AP	28

**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 nationwide policy forms. 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

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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 II provides a comparison of actual and projected experience using current assumptions to that expected using original pricing assumptions. Values in Exhibit II 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 III provides A:E lifetime loss ratios by (a) issue age band and (b) inflation option (no inflation versus automatic inflation), which are subsets of the actual and expected nationwide experience underlying Exhibit II.

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 2012 and 2016, which average 48% across all jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increase on a seriatim basis.

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

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

#### 15. History of Previous Rate Revisions

In this jurisdiction, an average cumulative increase of 67% has been filed for use on these forms. The department of insurance filed these increases for use in June 2013, September 2014, July 2015, and September 2016.

Nationwide, there have been two prior rate increase requests on this block of business, which began in December 2012. On average, a cumulative increase of 48% has been filed for use on the above-listed forms and similar nationwide forms. Departments of insurance filed these increases for use between 2012 and 2016.

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 II 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 morbidity, higher persistency, and lower interest.

Exhibit V 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 V has been restated to reflect no prior rate increases.

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

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Exhibit II-a demonstrates that the lifetime loss ratio of 110% before the requested rate increase using current assumptions has deteriorated beyond the 85% lifetime loss ratio threshold, and as a result additional rate increases could be considered.

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

**17. Requested Rate Increase**

The company is requesting a rate increase that varies by issue age and inflation option 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 issue age and inflation option to better align the rate increase with the adverse experience. The company'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.

The table below provides the cumulative requested increase by issue age band and inflation option cohort, as well as the average cumulative prior increase and resulting current requested premium rate increase based on the nationwide distribution of combined business as of December 31, 2015.

Issue Ages	Cumulative Requested Increase for Central Age		Cumulative Average Prior Increase	Current Average Requested Increase for Age Band	
	No Inflation	Auto Inflation		No Inflation	Auto Inflation
<40	191%	264%	70.5%	98.2%	110.6%
40-44	191	264	68.8	85.5	114.0
45-49	171	239	57.1	77.2	113.4
50-54	155	219	55.2	61.1	105.6
55-59	144	205	49.1	61.9	104.4
60-64	124	180	42.7	53.7	98.1
65-69	101	151	32.5	48.4	93.9
70-74	83	129	24.3	45.1	89.0
75+	63	104	15.2	44.8	99.2

The cumulative rate increase was determined such that the business would break even going forward under moderately adverse conditions for all policies (i.e., 0% profit margin going forward).

Company management has indicated that if the requested rate increase described above is filed for use, no future premium rate increases are anticipated unless experience deteriorates beyond an 87% 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, as shown in Exhibit II-b (i.e.,  $87\% \approx 1.10 \times 79\%$  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.

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.

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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 II. As shown in Exhibit II, 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 4.5% and averages 4.1%) is 91%, which is well in excess of the minimum loss ratio required by loss ratio regulation.

Exhibit VII 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.

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

The projected incurred claims in Exhibit VII were increased by 11% from the current assumptions described in Section 5 to reflect assumptions that include moderately adverse conditions. An 11% increase in projected incurred claims was determined as one scenario that results in a lifetime loss ratio of 87% (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 VII are determined at the maximum valuation interest rate for contract reserves applicable for the year of issue, which as described above, averages 4.1%.

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**19. Average Annual Premium in Pennsylvania (Based on December 31, 2015 In-Force<sup>[1]</sup>)**

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

<b>Issue Ages</b>	<b>In-Force Insured Count</b>	<b>With Prior Increase Premium</b>	<b>After Requested Increase Premium</b>
<b>Pennsylvania - MedAmerica</b>			
<40	18	\$1,576	\$2,981
40-44	24	1,753	3,344
45-49	45	2,259	4,189
50-54	88	2,224	4,003
55-59	65	2,918	5,256
60-64	43	3,165	5,638
65-69	22	4,140	6,770
70-74	13	4,777	6,900
75+	3	4,637	6,602
All Ages	321	2,681	4,726
<b>Pennsylvania - Highmark BCBS</b>			
<40	36	\$676	\$1,278
40-44	28	1,544	3,001
45-49	66	1,926	3,615
50-54	120	2,081	3,765
55-59	98	2,459	4,496
60-64	52	2,872	5,185
65-69	8	2,444	3,972
70-74	4	3,992	6,074
75+	1	2,829	4,126
All Ages	413	2,114	3,852
<b>Pennsylvania - Highmark BS</b>			
<40	52	\$788	\$1,481
40-44	41	1,472	2,856
45-49	66	2,249	4,202
50-54	111	3,040	5,519
55-59	116	3,373	6,142
60-64	59	3,082	5,648
65-69	10	4,555	7,744
70-74	1	2,064	2,815
75+	1	4,704	6,861
All Ages	457	2,653	4,851

*[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.*

**HIGHMARK BLUE CROSS BLUE SHIELD**

**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Simplicity Actuarial Memorandum**

**March 7, 2017**

**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, but no sooner than 12 months after the prior rate increase was effective.

**21. Distribution of Business as of December 31, 2015 (Based on Nationwide In-Force Insured Count)**

<b>Issue Ages</b>	<b>Percent Distribution</b>
<40	8%
40-44	8
45-49	13
50-54	21
55-59	24
60-64	16
65-69	7
70-74	3
75+	<1

<b>Elimination Period</b>	<b>Percent Distribution</b>
30-Day	<1
60-Day	6
90-Day	52
180-Day	10

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

<b>Inflation Option</b>	<b>Percent Distribution</b>
None	24%
Simple for Life	27
Compound for Life	17
Compound with 2x Max	32

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

<b>Coverage Type</b>	<b>Percent Distribution</b>
Facility Only	3%
Comprehensive	95
Home Health Only	2

**HIGHMARK BLUE CROSS BLUE SHIELD**

**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Simplicity Actuarial Memorandum**

**March 7, 2017**

**22. Number of Insureds and Annualized Premium (Based on December 31, 2015 In-Force<sup>[1]</sup>)**

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

<b>Inflation Option</b>	<b>Number of Insureds</b>	<b>Annualized Premium</b>
<b>Pennsylvania - MedAmerica</b>		
No Inflation	61	\$139,896
Auto Inflation	260	720,797
Total	321	860,692
<b>Pennsylvania - Highmark BCBS</b>		
No Inflation	27	\$42,021
Auto Inflation	386	830,999
Total	413	873,020
<b>Pennsylvania - Highmark BS</b>		
No Inflation	41	\$43,031
Auto Inflation	416	1,169,509
Total	457	1,212,540
<b>Nationwide - MedAmerica and Affinity Partners</b>		
No Inflation	4,087	\$7,689,038
Auto Inflation	12,590	32,246,450
Total	16,677	39,944,488

*[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.*

**HIGHMARK BLUE CROSS BLUE SHIELD**

**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Simplicity Actuarial Memorandum**

**March 7, 2017**

**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. If the requested premium rate schedule increase is implemented and the underlying assumptions, with moderately adverse conditions reflected, are realized, no further premium rate schedule increases are anticipated. Moderately adverse conditions are defined as any combination of deterioration in the experience or assumptions that results in a lifetime loss ratio in excess of 87%.

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**  
**MedAmerica and Affinity Partners**  
**Cumulative Requested Rate Increases by Issue Age and Inflation Option**  
**Individual Simplicity Policy Forms**

Issue Age	Requested Rate Increase	
	No Inflation	Auto Inflation
< 45	191%	264%
45	181%	251%
46	176%	245%
47	171%	239%
48	166%	233%
49	160%	225%
50	159%	224%
51	157%	221%
52	155%	219%
53	153%	216%
54	151%	214%
55	151%	214%
56	147%	209%
57	144%	205%
58	140%	200%
59	137%	196%
60	137%	196%
61	130%	188%
62	124%	180%
63	117%	171%
64	111%	164%

Issue Age	Requested Rate Increase	
	No Inflation	Auto Inflation
65	111%	164%
66	106%	158%
67	101%	151%
68	95%	144%
69	90%	138%
70	87%	134%
71	85%	131%
72	83%	129%
73	81%	126%
74	79%	124%
75	79%	124%
76	75%	119%
77	72%	115%
78	69%	111%
79	66%	108%
80	63%	104%
81	60%	100%
82	56%	95%
83	53%	91%
84	50%	88%
85	47%	84%

**Exhibit II-a**  
**MedAmerica and Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Nationwide Experience Before Requested Rate Increase**  
**Individual Simplicity 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 6.32% Interest	Actual-to-Expected Ratio	
Historical Experience	2004	1,941,153	299,291	15%	3,079	1,902,060	36,483	2%	3,051	15%	2%	8.51	
	2005	11,088,025	704,251	6%	8,664	10,863,692	219,931	2%	8,484	8%	2%	4.06	
	2006	21,605,207	127,091	1%	16,067	20,808,074	507,047	2%	15,530	3%	2%	1.56	
	2007	32,554,109	1,363,064	4%	20,862	30,856,506	914,413	3%	20,073	4%	2%	1.51	
	2008	37,074,883	2,659,125	7%	21,433	34,518,109	1,365,550	4%	20,429	5%	3%	1.68	
	2009	36,623,936	1,839,631	5%	20,618	33,842,920	1,893,481	6%	19,850	5%	4%	1.40	
	2010	35,876,465	3,136,089	9%	20,166	33,072,668	2,528,376	8%	19,382	6%	4%	1.34	
	2011	35,545,280	4,246,324	12%	19,805	32,470,664	3,260,407	10%	19,059	7%	5%	1.31	
	2012	35,553,824	4,959,190	14%	19,771	32,186,636	4,026,542	13%	18,944	7%	6%	1.28	
	2013	36,436,493	6,016,975	17%	19,563	32,719,659	4,796,720	15%	19,053	8%	7%	1.26	
	2014	37,234,064	9,259,163	25%	18,840	31,768,231	5,556,906	17%	18,459	8%	8%	1.31	
	2015	36,342,924	9,398,050	26%	18,410	29,228,037	6,334,858	22%	17,904	11%	9%	1.32	
	Projected Future Experience (60 Years)	2016	34,634,079	8,510,609	25%	18,061	26,471,470	7,163,810	27%	17,368	12%	10%	1.27
		2017	33,253,541	9,549,259	29%	17,459	23,547,091	8,060,674	34%	16,839	13%	11%	1.24
2018		33,055,429	10,834,877	33%	17,152	21,551,925	9,046,859	42%	16,312	14%	12%	1.21	
2019		32,765,017	12,528,546	38%	16,870	20,425,228	10,107,274	49%	15,786	15%	13%	1.18	
2020		32,219,384	14,515,918	45%	16,579	19,369,598	11,139,212	58%	15,256	17%	14%	1.17	
2021		31,392,415	16,749,226	53%	16,275	18,423,205	12,177,165	66%	14,725	18%	15%	1.17	
2022		30,424,680	19,188,779	63%	15,957	17,434,868	13,252,967	76%	14,191	20%	17%	1.17	
2023		29,301,241	21,797,481	74%	15,620	16,320,437	14,459,044	89%	13,656	21%	18%	1.18	
2024		28,312,456	24,606,080	87%	15,267	15,383,420	15,822,765	103%	13,119	23%	19%	1.19	
2025		27,358,698	27,636,117	101%	14,895	14,511,754	17,291,976	119%	12,581	25%	21%	1.20	
2026		26,385,972	30,938,405	117%	14,507	13,661,048	18,880,586	138%	12,044	27%	22%	1.21	
2027		25,396,334	34,587,011	136%	14,103	12,832,306	20,589,053	160%	11,506	29%	24%	1.23	
2028		24,358,661	38,529,695	158%	13,681	12,012,357	22,409,351	187%	10,971	31%	25%	1.25	
2029		23,297,809	42,692,609	183%	13,243	11,208,572	24,337,805	217%	10,438	34%	27%	1.26	
2030		22,254,910	47,022,921	211%	12,792	10,434,299	26,332,140	252%	9,909	36%	28%	1.28	
2031		21,185,623	51,892,709	245%	12,327	9,679,712	28,359,526	293%	9,384	39%	30%	1.30	
2032		20,114,855	57,375,054	285%	11,850	8,957,287	30,387,727	339%	8,867	42%	31%	1.33	
2033		19,049,653	63,193,771	332%	11,363	8,266,403	32,379,159	392%	8,357	44%	33%	1.35	
2034		17,964,632	69,001,534	384%	10,867	7,594,319	34,320,785	452%	7,857	48%	35%	1.38	
2035		16,893,719	74,726,237	442%	10,366	6,954,725	36,152,955	520%	7,367	51%	36%	1.40	
2036		15,832,847	80,283,140	507%	9,860	6,343,946	37,826,331	596%	6,889	54%	38%	1.43	
2037		14,779,784	85,597,279	579%	9,351	5,763,017	39,329,020	682%	6,424	57%	39%	1.46	
2038		13,738,171	90,663,825	660%	8,842	5,212,251	40,628,836	779%	5,974	60%	41%	1.49	
2039		12,733,079	95,260,797	748%	8,336	4,699,200	41,689,286	887%	5,540	64%	42%	1.51	
2040		11,755,366	99,217,328	844%	7,834	4,217,866	42,481,187	1,007%	5,122	67%	44%	1.54	
2041		10,810,791	102,316,274	946%	7,339	3,772,451	42,968,808	1,139%	4,722	70%	45%	1.57	
2042		9,900,211	104,632,773	1,057%	6,854	3,357,489	43,152,149	1,285%	4,340	74%	46%	1.60	
2043		9,030,566	106,107,987	1,175%	6,380	2,977,403	43,029,951	1,445%	3,978	77%	47%	1.62	
2044		8,204,973	106,854,191	1,302%	5,920	2,629,714	42,613,190	1,620%	3,634	80%	48%	1.65	
2045		7,425,912	106,854,672	1,439%	5,476	2,313,397	41,923,354	1,812%	3,311	82%	49%	1.67	
2046		6,695,310	106,127,091	1,585%	5,049	2,026,487	40,974,568	2,022%	3,008	85%	50%	1.69	
2047		6,011,604	104,653,851	1,741%	4,641	1,768,008	39,799,145	2,251%	2,724	87%	51%	1.71	
2048		5,378,750	102,589,605	1,907%	4,252	1,536,300	38,427,036	2,501%	2,460	90%	52%	1.73	
2049		4,793,184	100,073,624	2,088%	3,885	1,329,548	36,894,048	2,775%	2,216	92%	53%	1.75	
2050		4,257,191	96,995,215	2,278%	3,538	1,146,744	35,243,808	3,073%	1,990	94%	53%	1.77	
2051		3,765,925	93,466,747	2,482%	3,212	985,689	33,510,491	3,400%	1,782	96%	54%	1.78	
2052	3,319,857	89,562,582	2,698%	2,907	844,497	31,704,749	3,754%	1,592	98%	54%	1.80		
2053	2,915,588	85,460,027	2,931%	2,624	721,342	29,865,185	4,140%	1,418	99%	55%	1.81		
2054	2,551,649	81,243,593	3,184%	2,361	614,511	28,019,567	4,560%	1,260	100%	55%	1.83		
2055	2,225,909	76,807,613	3,451%	2,117	522,096	26,197,323	5,018%	1,117	102%	55%	1.84		
2056-2060	7,363,723	313,337,186	4,255%	7,581	1,623,539	104,780,934	6,454%	3,879	106%	57%	1.88		
2061-2065	3,355,398	201,252,988	5,998%	4,012	677,470	66,534,654	9,821%	1,949	109%	57%	1.90		
2066-2070	1,399,195	110,727,258	7,914%	1,948	266,024	38,459,586	14,457%	891	110%	57%	1.91		
2071-2075	542,112	52,000,461	9,592%	862	95,486	19,452,958	20,373%	356	110%	57%	1.91		

**Exhibit II-b**  
**MedAmerica and Affinity Partners**  
**Actual-to-Expected Experience by Calendar Year**  
**Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity 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 6.32% Interest	Actual-to-Expected Ratio
Historical Experience	2004	1,941,153	299,291	15%	3,079	1,902,060	36,483	2%	3,051	15%	2%	8.51
	2005	11,088,025	704,251	6%	8,664	10,863,692	219,931	2%	8,484	8%	2%	4.06
	2006	21,605,207	127,091	1%	16,067	20,808,074	507,047	2%	15,530	3%	2%	1.56
	2007	32,554,109	1,363,064	4%	20,862	30,856,506	914,413	3%	20,073	4%	2%	1.51
	2008	37,074,883	2,659,125	7%	21,433	34,518,109	1,365,550	4%	20,429	5%	3%	1.68
	2009	36,623,936	1,839,631	5%	20,618	33,842,920	1,893,481	6%	19,850	5%	4%	1.40
	2010	35,876,465	3,136,089	9%	20,166	33,072,668	2,528,376	8%	19,382	6%	4%	1.34
	2011	35,545,280	4,246,324	12%	19,805	32,470,664	3,260,407	10%	19,059	7%	5%	1.31
	2012	35,553,824	4,959,190	14%	19,771	32,186,636	4,026,542	13%	18,944	7%	6%	1.28
	2013	36,436,493	6,016,975	17%	19,563	32,719,659	4,796,720	15%	19,053	8%	7%	1.26
	2014	37,234,064	9,259,163	25%	18,840	31,768,231	5,556,906	17%	18,459	8%	8%	1.31
	2015	36,342,924	9,398,050	26%	18,410	29,228,037	6,334,858	22%	17,904	11%	9%	1.32
	Projected Future Experience (60 Years)	2016	34,634,079	8,510,609	25%	18,061	26,471,470	7,163,810	27%	17,368	12%	10%
2017		35,670,746	9,450,497	26%	17,152	23,547,091	8,060,674	34%	16,839	13%	11%	1.23
2018		50,229,264	10,189,072	20%	16,489	21,551,925	9,046,859	42%	16,312	14%	12%	1.16
2019		53,958,465	11,673,877	22%	16,205	20,425,228	10,107,274	49%	15,786	14%	13%	1.10
2020		53,159,999	13,509,354	25%	15,912	19,369,598	11,139,212	58%	15,256	15%	14%	1.05
2021		53,269,983	15,531,538	29%	15,565	18,423,205	12,177,165	66%	14,725	16%	15%	1.02
2022		52,877,700	17,664,382	33%	15,246	17,434,868	13,252,967	76%	14,191	17%	17%	1.00
2023		50,767,422	20,038,268	39%	14,926	16,320,437	14,459,044	89%	13,656	18%	18%	0.99
2024		49,058,272	22,601,883	46%	14,590	15,383,420	15,822,765	103%	13,119	19%	19%	0.98
2025		47,461,610	25,362,656	53%	14,237	14,511,754	17,291,976	119%	12,581	20%	21%	0.97
2026		45,825,177	28,367,047	62%	13,869	13,661,048	18,880,586	138%	12,044	21%	22%	0.97
2027		44,183,335	31,685,892	72%	13,484	12,832,306	20,589,053	160%	11,506	23%	24%	0.97
2028		42,455,574	35,272,929	83%	13,083	12,012,357	22,409,351	187%	10,971	24%	25%	0.97
2029		40,677,498	39,058,219	96%	12,667	11,208,572	24,337,805	217%	10,438	26%	27%	0.98
2030		38,928,404	42,995,913	110%	12,237	10,434,299	26,332,140	252%	9,909	28%	28%	0.98
2031		37,134,113	47,425,085	128%	11,794	9,679,712	28,359,526	293%	9,384	29%	30%	0.99
2032		35,335,406	52,411,749	148%	11,340	8,957,287	30,387,727	339%	8,867	31%	31%	1.00
2033		33,540,346	57,701,722	172%	10,876	8,266,403	32,379,159	392%	8,357	33%	33%	1.01
2034		31,698,086	62,982,210	199%	10,405	7,594,319	34,320,785	452%	7,857	35%	35%	1.03
2035		29,875,228	68,187,461	228%	9,927	6,954,725	36,152,955	520%	7,367	38%	36%	1.04
2036		28,067,211	73,238,756	261%	9,444	6,343,946	37,826,331	596%	6,889	40%	38%	1.06
2037		26,260,882	78,069,460	297%	8,959	5,763,017	39,329,020	682%	6,424	42%	39%	1.07
2038		24,464,306	82,675,079	338%	8,474	5,212,251	40,628,836	779%	5,974	44%	41%	1.09
2039		22,730,094	86,859,458	382%	7,991	4,699,200	41,689,286	887%	5,540	47%	42%	1.11
2040		21,033,867	90,459,540	430%	7,511	4,217,866	42,481,187	1,007%	5,122	49%	44%	1.13
2041		19,393,645	93,279,838	481%	7,039	3,772,451	42,968,808	1,139%	4,722	51%	45%	1.14
2042		17,805,554	95,390,527	536%	6,575	3,357,489	43,152,149	1,285%	4,340	53%	46%	1.16
2043		16,282,876	96,736,972	594%	6,123	2,977,403	43,029,951	1,445%	3,978	56%	47%	1.18
2044		14,832,595	97,430,667	657%	5,683	2,629,714	42,613,190	1,620%	3,634	58%	48%	1.19
2045		13,458,822	97,447,769	724%	5,258	2,313,397	41,923,354	1,812%	3,311	60%	49%	1.21
2046		12,165,482	96,808,114	796%	4,849	2,026,487	40,974,568	2,022%	3,008	61%	50%	1.22
2047		10,952,269	95,488,838	872%	4,458	1,768,008	39,799,145	2,251%	2,724	63%	51%	1.24
2048		9,823,970	93,633,607	953%	4,086	1,536,300	38,427,036	2,501%	2,460	65%	52%	1.25
2049	8,776,631	91,370,135	1,041%	3,734	1,329,548	36,894,048	2,775%	2,216	66%	53%	1.26	
2050	7,814,098	88,591,986	1,134%	3,401	1,146,744	35,243,808	3,073%	1,990	68%	53%	1.28	
2051	6,929,769	85,403,223	1,232%	3,089	985,689	33,510,491	3,400%	1,782	69%	54%	1.29	
2052	6,123,691	81,865,337	1,337%	2,797	844,497	31,704,749	3,754%	1,592	70%	54%	1.30	
2053	5,390,992	78,143,914	1,450%	2,524	721,342	29,865,185	4,140%	1,418	71%	55%	1.31	
2054	4,729,129	74,309,804	1,571%	2,272	614,511	28,019,567	4,560%	1,260	72%	55%	1.31	
2055	4,134,259	70,268,114	1,700%	2,038	522,096	26,197,323	5,018%	1,117	73%	55%	1.32	
2056-2060	13,747,364	286,887,926	2,087%	7,300	1,623,539	104,780,934	6,454%	3,879	76%	57%	1.35	
2061-2065	6,307,033	184,469,325	2,925%	3,866	677,470	66,534,654	9,821%	1,949	78%	57%	1.37	
2066-2070	2,636,338	101,505,921	3,850%	1,879	266,024	38,459,586	14,457%	891	79%	57%	1.37	
2071-2075	1,019,782	47,583,932	4,666%	831	95,486	19,452,958	20,373%	356	79%	57%	1.38	

**Exhibit III**  
**MedAmerica and Affinity Partners**  
**Actual-to-Expected Experience by Inflation Option and Issue Age Band**  
**Nationwide Experience**  
**Individual Simplicity Policy Forms**

Inflation Option	Issue Age Band	Lifetime Loss Ratio with Interest			Actual-to-Expected	
		Before Increase	After Increase	Expected	Before Increase	After Increase
All	<45	150%	101%	60%	2.50	1.69
All	45-49	141%	96%	62%	2.29	1.55
All	50-54	123%	86%	60%	2.06	1.43
All	55-59	105%	74%	57%	1.84	1.30
All	60-64	86%	64%	53%	1.62	1.20
All	65-69	80%	63%	55%	1.45	1.15
All	70-74	82%	70%	56%	1.46	1.26
All	75+	73%	69%	50%	1.48	1.39
No Inflation	All	83%	68%	49%	1.71	1.40
Auto Inflation	All	116%	81%	59%	1.95	1.37
All	All	110%	79%	57%	1.91	1.38

**Exhibit IV**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Original Pricing Assumptions**

**Mortality**

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 issue age band and duration. Tables providing these adjustment factors are provided in Section 5 of the actuarial memorandum.

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

**Lapse Rates**

Voluntary lapse rates vary by duration and premium payment option and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners.

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

Duration	Lifetime-Pay Voluntary Lapse Rates
1	8.00%
2	6.50%
3	5.00%
4	4.00%
5	3.50%
6	2.50%
7	2.25%
8	1.50%
9	0.75%
10+	0.60%

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

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

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

**Exhibit IV**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Original Pricing Assumptions**

**Benefit Expiry Rates**

Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* 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.

Benefit expiry was not separated from the lapse assumption.

**Morbidity**

Expected claim costs are developed using the 2014 *Guidelines* with adjustments for an all-lives exposure basis. The claim costs are further adjusted based on historical claim experience by attained age, duration, and coverage type, to the extent credible. 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 expected claim costs were developed using the 2002 *Guidelines* with best-estimate (with no explicit margin) adjustments for an all-lives exposure basis. The claim costs were further adjusted based on MedAmerica's available experience at the time.

**Interest Rate**

5.00%

In all jurisdictions except California, 6.5% was assumed for issue ages less than 60, decreasing by 12.5 basis points for each age over 59 and less than 75. For example, at issue age 65 the assumed rate was 5.75%. For issue ages 75 and over, 4.5% was assumed. In California, 5.25% was assumed for all issue ages.

**Improvement**

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.

No mortality improvement was assumed. Morbidity improvement of 1.0% was assumed for 20 years for both females and males.

**Exhibit V**  
**MedAmerica and Affinity Partners**  
**Nationwide Experience Restated to No Prior Rate Increases**  
**Impact of Changing from Pricing to Current Assumptions**  
**Individual Simplicity Policy Forms**

Scenario	Lifetime Loss Ratio	Impact of Each Assumption on the Lifetime Loss Ratio <sup>[1]</sup>	Increase Needed to Produce Lifetime Loss Ratio Expected in Pricing <sup>[1][2]</sup>
Original Pricing Assumptions	57%	N/A	N/A
Historical Experience through 2015 & Projections with Original Pricing Assumptions	61%	6%	23%
Historical Experience through 2015 & Projections with Prior Assumptions except for Current:			
Morbidity <sup>[3]</sup>	71%	16%	62%
Mortality	78%	29%	104%
Voluntary Lapse and Benefit Expiry	67%	11%	39%
Interest	76%	25%	85%
Historical Experience through 2015 & Projections with All Current Most Likely Assumptions <sup>[4]</sup>	129%	125%	369%

*[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 61% (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 57% 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] Includes the impact of improvement (combined mortality and morbidity), which is a net reduction in the lifetime loss ratio. This was done for ease of the demonstration and considered most appropriate because improvement was embedded in the prior morbidity assumption.*

*[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 57% and captures all changes in unison.*

**Exhibit VI**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Mortality**

**2012 Nationwide Rate Increase Assumptions**

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 issue age band and duration. Tables providing these adjustment factors are provided in Section 5 of the actuarial memorandum.

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

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

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



**Exhibit VI**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Lapse Rates**

Voluntary lapse rates vary by duration and premium payment option and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners.

<b>Duration</b>	<b>Lifetime-Pay Voluntary Lapse Rates</b>
1	8.00%
2	6.50%
3	5.00%
4	4.00%
5	3.50%
6	2.50%
7	2.25%
8	1.50%
9	0.75%
10+	0.60%

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

**2012 Nationwide Rate Increase Assumptions**

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

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

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

**Benefit Expiry Rates**

Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* 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.

Benefit expiry was not separated from the lapse assumption.

**Exhibit VI**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**2012 Nationwide Rate Increase Assumptions**

**Morbidity**

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

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

**Interest Rate**

5.00%

5.25%

**Improvement**

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.

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

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

1	Accumulated value of initial earned premium	435,910,618	x	58%	=	252,828,159
2a	Accumulated value of earned premium	443,616,110				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	7,705,492	x	85%	=	6,549,668
3	Present value of future projected initial earned premium	264,702,237	x	58%	=	153,527,298
4a	Present value of future projected premium	704,258,536				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	439,556,299	x	85%	=	373,622,854
<b>5</b>	<b>Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b</b>					<b>786,527,978</b>
6a	Accumulated value of incurred claims without the inclusion of active life reserves					50,783,966
6b	Present value of future projected incurred claims without the inclusion of active life reserves					1,102,400,573
<b>7</b>	<b>Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b</b>					<b>1,153,184,539</b>
8	Test: 7 is not less than 5					Pass
<p><i>All values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue, which ranges from 3.5% to 4.5%.  Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.  The future projected incurred claims (item 6b) were increased by 11% 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***

Exhibit A-1a supports the 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 development of the mortality assumption 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.

### *Lifetime-Pay Voluntary Lapse Rates*

Exhibit A-2 provides total exposure, composite termination rates, expected mortality rates, derived voluntary lapse rates, credibility percent, and smoothed voluntary lapse rates by duration for lifetime-pay policies for the Simplicity and Simplicity ii blocks' combined experience.

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 forms 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 15% 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 ten-pay, paid-up at age 65, reduced after age 65, and reduced after age 70 payment 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 products combined. The relationships derived from this analysis were used to develop the smoothed lapse assumptions as 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%).

## Appendix A Development and Justification of Current Assumptions

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. 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 Simplicity 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. 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) reflects the Simplicity and Simplicity ii individual blocks' combined 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 2015 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 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 2015 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

**Appendix A**  
**Development and Justification of Current Assumptions**

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 used for rate increase filings of other carriers in the LTC industry, and actuarial judgment.

*Contingent Benefit Upon Lapse Election*

Based on the average cumulative rate increase requests nationwide, we assume a CBUL election rate of 8% for the Simplicity nationwide rate increase across all issue ages. No CBUL elections are assumed for limited-pay policies.

*Reduced Benefit Options*

The 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 the Simplicity policy forms, we assume 20% of policyholders will elect RBO. The reduction to premium and claims then varies based on the level of the rate increase and can then be determined as follows:

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

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

*Adverse Selection*

The 2% increase to morbidity due to adverse selection was developed from the following formula and actuarial judgment. We assume that at the time of the rate increase, 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

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

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

***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)	
<b>Issue Age 75+</b>										
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
<b>Issue Ages 70 - 74</b>										
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
<b>Issue Ages 65 - 69</b>										
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
<b>Issue Ages 60 - 64</b>										
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)	
<b>Issue Age &lt;60</b>										
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-2**  
**MedAmerica and Affinity Partners**  
**Derived Lifetime-Pay Voluntary Lapse Experience from Inception through December 31, 2015**  
**Simplicity and Simplicity ii Policy Forms Combined**  
**Lifetime-Pay Policies**

Duration	Exposure	Composite Termination Rates	Expected Mortality Rates	Derived Lapse Rates	Credibility Percent	Smoothed Lapse Rates
1	43,708	8.1%	0.1%	8.0%	100%	8.00%
2	40,123	6.5%	0.2%	6.3%	100%	6.50%
3	34,365	5.0%	0.2%	4.8%	100%	5.00%
4	28,644	4.1%	0.3%	3.9%	100%	4.00%
5	24,506	3.7%	0.3%	3.4%	100%	3.50%
6	21,161	3.1%	0.4%	2.7%	100%	2.50%
7	18,447	2.8%	0.5%	2.3%	96%	2.25%
8	15,701	2.2%	0.6%	1.6%	75%	1.50%
9	11,993	1.5%	0.7%	0.8%	50%	0.75%
10	7,544	1.4%	0.8%	0.5%	34%	0.60%
11	3,591	1.5%	1.0%	0.5%	20%	0.60%
12	618	1.6%	1.2%	0.4%	6%	0.60%
1-3	118,197	6.6%	0.1%	6.5%	100%	6.6%
4-6	74,310	3.7%	0.3%	3.4%	100%	3.4%
7-9	46,140	2.2%	0.6%	1.7%	100%	1.6%
5+	103,560	2.7%	0.5%	2.2%	100%	2.1%
6+	79,054	2.4%	0.6%	1.8%	100%	1.7%
7+	57,893	2.1%	0.6%	1.4%	100%	1.4%
8+	39,447	1.7%	0.7%	1.0%	99%	1.0%
9+	23,746	1.5%	0.8%	0.7%	64%	0.7%
10+	11,753	1.4%	0.9%	0.5%	40%	0.6%
All	250,400	4.7%	0.3%	4.4%	100%	4.5%

**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  
Applicable to the Simplicity Product**

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

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

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

**Exhibit A-4b**  
**MedAmerica and Affinity Partners**  
**Actual to Adjusted Expected Incurred Claims**  
**Simplicity and Simplicity ii Policy Forms Combined**

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

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

# HIGHMARK BLUE CROSS BLUE SHIELD

Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

## Supplement to the Simplicity Actuarial Memorandum

March 7, 2017

<u>Product</u>	<u>Number</u>
Tax-Qualified Long-Term Care Policy Form	SPL-336-HMBCBSPA
Tax-Qualified Franchise Long-Term Care Policy Form	FSPL-336-HMBCBSPA

### 1. Purpose of Filing

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

The experience provided in this supplement reflects the combined experience of the policy forms listed above as well as similar nationwide forms of the same product series. Additionally, the company's affinity partners, MedAmerica Insurance Company and Highmark Blue Shield are making a similar request on their Simplicity policy forms in concurrent filings (SERFF tracking # MILL-130946990 and MILL-130951723).

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

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

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

89.83 (a): This subsection requires no action.

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

89.83 (c): *Revision of Current Rates*

(1): This rate increase filing complies with loss ratio requirements (i.e., the 58%/85% test), as specified in Reg. 89a.118.(c)(2). While the majority of policies subject to this rate increase are eligible for a contingent benefit upon lapse, an alternative version of the 58%/85% test is not provided per rate stability regulation, as the original pricing lifetime loss ratio of 57% is not greater than 58%.

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

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

The company is requesting a premium rate increase that varies by issue age and inflation option as shown in Exhibit I of the actuarial memorandum. The cumulative rate increase shown in Exhibit I was determined to allow certification to rate stability, where applicable, and varies by issue age and inflation option to better align the rate increase with the adverse experience. A table in Section 17 of the enclosed actuarial memorandum provides the cumulative requested increase by issue age band and inflation option cohort, as well as the average cumulative prior increase and resulting current requested premium rate increase based on the nationwide distribution of combined business as of December 31, 2015. The cumulative rate increase was determined such that the business would break even going forward under moderately adverse conditions for all policies (i.e., 0% profit margin going forward).

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

Attachment 1 to this supplement provides actual and projected 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 II of the actuarial memorandum. Attachment 2 to this supplement provides nationwide experience showing written

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**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Supplement to the Simplicity Actuarial Memorandum**

**March 7, 2017**

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 values 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 4.5%).

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.

(2)(ii)(A): There have been four rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase varied by issue age from 20% to 92% and averaged 67% across all Pennsylvania business, as provided in the enclosed cover letter. The most recent rate increase was filed for use by the department on September 22, 2016.

(2)(ii)(B): Table 1 shows the original pricing commission scales by issue age and duration for lifetime-pay policies. The actual commission scales will differ slightly from those that appear in Table 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).

**Table 1  
Commission Scales by Issue Age and Duration  
Policy Forms: SPL-336, FSPL-336**

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

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

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

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*(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**  
**Individual Simplicity 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 <sup>[1]</sup>
Historical Experience	2004	1,941,153	299,291	15%	3,079	15%
	2005	11,088,025	704,251	6%	8,664	8%
	2006	21,605,207	127,091	1%	16,067	3%
	2007	32,554,109	1,363,064	4%	20,862	4%
	2008	37,074,883	2,659,125	7%	21,433	5%
	2009	36,623,936	1,839,631	5%	20,618	5%
	2010	35,876,465	3,136,089	9%	20,166	6%
	2011	35,545,280	4,246,324	12%	19,805	7%
	2012	35,553,824	4,959,190	14%	19,771	8%
	2013	36,436,493	6,016,975	17%	19,563	9%
	2014	37,234,064	9,259,163	25%	18,840	10%
	2015	36,342,924	9,398,050	26%	18,410	11%
	Projected Future Experience (60 Years)	2016	34,634,079	8,510,609	25%	18,061
2017		33,253,541	9,549,259	29%	17,459	13%
2018		33,055,429	10,834,877	33%	17,152	14%
2019		32,765,017	12,528,546	38%	16,870	16%
2020		32,219,384	14,515,918	45%	16,579	17%
2021		31,392,415	16,749,226	53%	16,275	18%
2022		30,424,680	19,188,779	63%	15,957	20%
2023		29,301,241	21,797,481	74%	15,620	22%
2024		28,312,456	24,606,080	87%	15,267	24%
2025		27,358,698	27,636,117	101%	14,895	26%
2026		26,385,972	30,938,405	117%	14,507	28%
2027		25,396,334	34,587,011	136%	14,103	30%
2028		24,358,661	38,529,695	158%	13,681	33%
2029		23,297,809	42,692,609	183%	13,243	35%
2030		22,254,910	47,022,921	211%	12,792	38%
2031		21,185,623	51,892,709	245%	12,327	41%
2032		20,114,855	57,375,054	285%	11,850	44%
2033		19,049,653	63,193,771	332%	11,363	47%
2034		17,964,632	69,001,534	384%	10,867	51%
2035		16,893,719	74,726,237	442%	10,366	54%
2036		15,832,847	80,283,140	507%	9,860	58%
2037		14,779,784	85,597,279	579%	9,351	62%
2038		13,738,171	90,663,825	660%	8,842	66%
2039		12,733,079	95,260,797	748%	8,336	70%
2040		11,755,366	99,217,328	844%	7,834	74%
2041		10,810,791	102,316,274	946%	7,339	78%
2042		9,900,211	104,632,773	1,057%	6,854	81%
2043		9,030,566	106,107,987	1,175%	6,380	85%
2044		8,204,973	106,854,191	1,302%	5,920	89%
2045		7,425,912	106,854,672	1,439%	5,476	92%
2046		6,695,310	106,127,091	1,585%	5,049	96%
2047		6,011,604	104,653,851	1,741%	4,641	99%
2048		5,378,750	102,589,605	1,907%	4,252	102%
2049	4,793,184	100,073,624	2,088%	3,885	104%	
2050	4,257,191	96,995,215	2,278%	3,538	107%	
2051	3,765,925	93,466,747	2,482%	3,212	109%	
2052	3,319,857	89,562,582	2,698%	2,907	112%	
2053	2,915,588	85,460,027	2,931%	2,624	114%	
2054	2,551,649	81,243,593	3,184%	2,361	116%	
2055	2,225,909	76,807,613	3,451%	2,117	117%	
2056-2060	7,363,723	313,337,186	4,255%	7,581	124%	
2061-2065	3,355,398	201,252,988	5,998%	4,012	127%	
2066-2070	1,399,195	110,727,258	7,914%	1,948	128%	
2071-2075	542,112	52,000,461	9,592%	862	129%	

[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**  
**Individual Simplicity 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 <sup>[1]</sup>
Historical Experience	2004	1,941,153	299,291	15%	3,079	15%
	2005	11,088,025	704,251	6%	8,664	8%
	2006	21,605,207	127,091	1%	16,067	3%
	2007	32,554,109	1,363,064	4%	20,862	4%
	2008	37,074,883	2,659,125	7%	21,433	5%
	2009	36,623,936	1,839,631	5%	20,618	5%
	2010	35,876,465	3,136,089	9%	20,166	6%
	2011	35,545,280	4,246,324	12%	19,805	7%
	2012	35,553,824	4,959,190	14%	19,771	8%
	2013	36,436,493	6,016,975	17%	19,563	9%
	2014	37,234,064	9,259,163	25%	18,840	10%
	2015	36,342,924	9,398,050	26%	18,410	11%
Projected Future Experience (60 Years)	2016	34,634,079	8,510,609	25%	18,061	12%
	2017	35,670,746	9,450,497	26%	17,152	13%
	2018	50,229,264	10,189,072	20%	16,489	14%
	2019	53,958,465	11,673,877	22%	16,205	14%
	2020	53,159,999	13,509,354	25%	15,912	15%
	2021	53,269,983	15,531,538	29%	15,565	16%
	2022	52,877,700	17,664,382	33%	15,246	17%
	2023	50,767,422	20,038,268	39%	14,926	18%
	2024	49,058,272	22,601,883	46%	14,590	19%
	2025	47,461,610	25,362,656	53%	14,237	21%
	2026	45,825,177	28,367,047	62%	13,869	22%
	2027	44,183,335	31,685,892	72%	13,484	24%
	2028	42,455,574	35,272,929	83%	13,083	25%
	2029	40,677,498	39,058,219	96%	12,667	27%
	2030	38,928,404	42,995,913	110%	12,237	29%
	2031	37,134,113	47,425,085	128%	11,794	31%
	2032	35,335,406	52,411,749	148%	11,340	33%
	2033	33,540,346	57,701,722	172%	10,876	35%
	2034	31,698,086	62,982,210	199%	10,405	37%
	2035	29,875,228	68,187,461	228%	9,927	40%
	2036	28,067,211	73,238,756	261%	9,444	42%
	2037	26,260,882	78,069,460	297%	8,959	45%
	2038	24,464,306	82,675,079	338%	8,474	48%
	2039	22,730,094	86,859,458	382%	7,991	50%
	2040	21,033,867	90,459,540	430%	7,511	53%
	2041	19,393,645	93,279,838	481%	7,039	56%
	2042	17,805,554	95,390,527	536%	6,575	58%
	2043	16,282,876	96,736,972	594%	6,123	61%
	2044	14,832,595	97,430,667	657%	5,683	63%
	2045	13,458,822	97,447,769	724%	5,258	66%
	2046	12,165,482	96,808,114	796%	4,849	68%
	2047	10,952,269	95,488,838	872%	4,458	70%
2048	9,823,970	93,633,607	953%	4,086	72%	
2049	8,776,631	91,370,135	1,041%	3,734	74%	
2050	7,814,098	88,591,986	1,134%	3,401	76%	
2051	6,929,769	85,403,223	1,232%	3,089	77%	
2052	6,123,691	81,865,337	1,337%	2,797	79%	
2053	5,390,992	78,143,914	1,450%	2,524	80%	
2054	4,729,129	74,309,804	1,571%	2,272	82%	
2055	4,134,259	70,268,114	1,700%	2,038	83%	
2056-2060	13,747,364	286,887,926	2,087%	7,300	87%	
2061-2065	6,307,033	184,469,325	2,925%	3,866	89%	
2066-2070	2,636,338	101,505,921	3,850%	1,879	91%	
2071-2075	1,019,782	47,583,932	4,666%	831	91%	

[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**  
**Individual Simplicity Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest <sup>[1]</sup>
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	4,462,916	41,559	1%	1%
	2005	13,869,268	142,647	1%	1%
	2006	24,547,962	295,873	1%	1%
	2007	34,690,538	423,473	1%	1%
	2008	37,173,762	752,446	2%	1%
	2009	36,452,425	1,360,620	4%	2%
	2010	35,790,504	1,701,866	5%	2%
	2011	35,508,428	2,862,768	8%	3%
	2012	35,810,088	3,500,337	10%	4%
	2013	36,779,814	4,936,222	13%	5%
	2014	36,883,692	5,816,847	16%	6%
	2015	35,862,817	7,198,074	20%	7%
Projected Future Experience (60 Years)	2016	33,989,681	6,633,016	20%	8%
	2017	32,940,473	7,724,816	23%	9%
	2018	32,957,316	8,766,160	27%	10%
	2019	32,581,419	9,966,957	31%	11%
	2020	32,005,945	11,395,470	36%	12%
	2021	31,116,575	13,035,085	42%	13%
	2022	30,095,513	14,894,021	49%	14%
	2023	28,988,551	16,993,808	59%	16%
	2024	28,052,071	19,335,861	69%	17%
	2025	27,087,276	21,920,955	81%	19%
	2026	26,113,926	24,748,819	95%	21%
	2027	25,118,166	27,846,554	111%	23%
	2028	24,067,022	31,230,730	130%	25%
	2029	23,009,741	34,895,363	152%	27%
	2030	21,957,608	38,821,529	177%	29%
	2031	20,892,151	43,067,204	206%	31%
	2032	19,820,811	47,715,827	241%	34%
	2033	18,755,639	52,778,175	281%	37%
	2034	17,671,906	58,173,506	329%	40%
	2035	16,603,364	63,801,390	384%	43%
	2036	15,547,355	69,565,603	447%	46%
	2037	14,498,931	75,370,868	520%	49%
	2038	13,466,829	81,136,697	602%	53%
	2039	12,469,904	86,756,573	696%	56%
	2040	11,501,060	92,104,386	801%	60%
	2041	10,567,324	97,030,600	918%	64%
	2042	9,668,063	101,417,743	1,049%	67%
	2043	8,810,628	105,171,980	1,194%	71%
	2044	7,997,642	108,237,428	1,353%	75%
	2045	7,231,779	110,577,492	1,529%	78%
	2046	6,514,688	112,167,203	1,722%	82%
	2047	5,844,457	112,986,256	1,933%	85%
2048	5,224,953	113,049,516	2,164%	88%	
2049	4,652,651	112,405,532	2,416%	92%	
2050	4,129,285	111,086,201	2,690%	95%	
2051	3,650,176	109,131,852	2,990%	97%	
2052	3,215,501	106,593,894	3,315%	100%	
2053	2,822,275	103,549,574	3,669%	102%	
2054	2,468,389	100,082,694	4,055%	105%	
2055	2,151,969	96,248,912	4,473%	107%	
2056-2060	7,107,135	414,161,342	5,827%	115%	
2061-2065	3,229,446	293,219,247	9,080%	120%	
2066-2070	1,345,387	181,606,780	13,498%	122%	
2071-2075	521,400	97,458,189	18,692%	124%	

[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**  
**Individual Simplicity Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest <sup>[1]</sup>
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	4,462,916	41,559	1%	1%
	2005	13,869,268	142,647	1%	1%
	2006	24,547,962	295,873	1%	1%
	2007	34,690,538	423,473	1%	1%
	2008	37,173,762	752,446	2%	1%
	2009	36,452,425	1,360,620	4%	2%
	2010	35,790,504	1,701,866	5%	2%
	2011	35,508,428	2,862,768	8%	3%
	2012	35,810,088	3,500,337	10%	4%
	2013	36,779,814	4,936,222	13%	5%
	2014	36,883,692	5,816,847	16%	6%
	2015	35,862,817	7,198,074	20%	7%
Projected Future Experience (60 Years)	2016	33,990,063	6,633,016	20%	8%
	2017	38,854,724	7,704,492	20%	9%
	2018	52,441,387	8,610,244	16%	9%
	2019	53,616,034	9,628,065	18%	10%
	2020	53,114,207	10,872,071	20%	11%
	2021	53,342,701	12,318,017	23%	11%
	2022	52,300,926	13,953,422	27%	12%
	2023	50,194,655	15,815,149	32%	13%
	2024	48,626,153	17,911,813	37%	14%
	2025	47,006,749	20,241,224	43%	15%
	2026	45,377,960	22,798,140	50%	16%
	2027	43,720,316	25,604,690	59%	18%
	2028	41,963,197	28,674,954	68%	19%
	2029	40,194,928	32,002,401	80%	20%
	2030	38,433,669	35,569,227	93%	22%
	2031	36,639,921	39,427,800	108%	24%
	2032	34,838,925	43,653,801	125%	25%
	2033	33,041,726	48,256,383	146%	27%
	2034	31,198,991	53,161,949	170%	29%
	2035	29,380,666	58,279,279	198%	31%
	2036	27,574,996	63,520,497	230%	34%
	2037	25,776,775	68,799,081	267%	36%
	2038	23,992,516	74,041,780	309%	38%
	2039	22,271,077	79,152,881	355%	41%
	2040	20,587,589	84,017,495	408%	43%
	2041	18,964,902	88,499,175	467%	46%
	2042	17,395,151	92,491,103	532%	48%
	2043	15,891,795	95,908,168	604%	51%
	2044	14,462,334	98,701,157	682%	53%
	2045	13,110,235	100,837,398	769%	56%
	2046	11,839,696	102,294,364	864%	58%
	2047	10,649,406	103,052,658	968%	60%
2048	9,543,827	103,125,526	1,081%	63%	
2049	8,519,412	102,557,268	1,204%	65%	
2050	7,578,851	101,376,033	1,338%	67%	
2051	6,715,826	99,617,747	1,483%	69%	
2052	5,929,886	97,327,553	1,641%	71%	
2053	5,216,751	94,574,709	1,813%	72%	
2054	4,572,870	91,433,975	1,999%	74%	
2055	3,994,713	87,954,949	2,202%	75%	
2056-2060	13,256,067	378,760,062	2,857%	81%	
2061-2065	6,060,208	268,466,625	4,430%	85%	
2066-2070	2,528,723	166,408,485	6,581%	86%	
2071-2075	977,918	89,280,477	9,130%	87%	

[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, Highmark BCBS, and Highmark BS**  
**Earned Premium and Incurred Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
Historical Experience	2004	69,238	0	0%	79	0%
	2005	340,144	0	0%	234	0%
	2006	828,500	0	0%	845	0%
	2007	1,454,562	3,925	0%	1,075	0%
	2008	1,854,354	3,584	0%	1,428	0%
	2009	2,251,083	0	0%	1,579	0%
	2010	2,450,439	54,170	2%	1,574	1%
	2011	2,410,852	16,414	1%	1,519	1%
	2012	2,344,519	0	0%	1,473	1%
	2013	2,273,292	17,449	1%	1,358	1%
	2014	2,406,787	175,844	7%	1,303	1%
	2015	2,437,404	347,172	14%	1,270	3%
	Projected Future Experience (60 Years)	2016	2,423,824	378,436	16%	1,251
2017		2,567,498	426,169	17%	1,192	5%
2018		2,658,074	479,115	18%	1,178	6%
2019		2,484,364	552,141	22%	1,163	7%
2020		2,291,984	640,035	28%	1,147	8%
2021		2,239,187	742,835	33%	1,130	9%
2022		2,187,991	860,072	39%	1,112	10%
2023		2,132,417	993,260	47%	1,093	12%
2024		2,070,964	1,141,920	55%	1,074	13%
2025		2,015,872	1,299,143	64%	1,053	15%
2026		1,960,290	1,473,829	75%	1,031	16%
2027		1,899,069	1,667,843	88%	1,008	18%
2028		1,842,129	1,885,282	102%	983	20%
2029		1,782,237	2,129,417	119%	958	22%
2030		1,720,875	2,401,428	140%	932	24%
2031		1,658,051	2,724,215	164%	904	27%
2032		1,593,211	3,092,787	194%	875	29%
2033		1,526,546	3,505,129	230%	845	32%
2034		1,458,178	3,944,481	271%	814	35%
2035		1,386,065	4,409,169	318%	782	39%
2036		1,315,505	4,891,346	372%	749	42%
2037		1,241,591	5,380,988	433%	716	46%
2038		1,167,221	5,882,707	504%	682	50%
2039		1,095,522	6,390,895	583%	647	54%
2040		1,024,000	6,880,644	672%	612	58%
2041		953,050	7,311,609	767%	577	62%
2042		883,058	7,694,758	871%	542	67%
2043		814,479	8,015,983	984%	507	71%
2044		747,699	8,279,630	1,107%	472	75%
2045		683,077	8,457,571	1,238%	438	79%
2046		621,005	8,554,162	1,377%	405	84%
2047	561,785	8,565,017	1,525%	373	88%	
2048	505,662	8,490,264	1,679%	342	91%	
2049	452,865	8,372,221	1,849%	313	95%	
2050	403,568	8,176,227	2,026%	285	98%	
2051	357,810	7,908,828	2,210%	258	101%	
2052	315,656	7,566,143	2,397%	233	104%	
2053	277,090	7,191,239	2,595%	210	107%	
2054	242,032	6,784,981	2,803%	189	109%	
2055	210,379	6,357,234	3,022%	169	111%	
2056-2060	684,269	24,932,769	3,644%	601	119%	
2061-2065	298,815	14,700,886	4,920%	319	123%	
2066-2070	120,303	7,548,334	6,274%	159	124%	
2071-2075	47,065	3,408,667	7,242%	74	125%	

[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, Highmark BCBS, and Highmark BS**  
**Earned Premium and Incurred Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
Historical Experience	2004	69,238	0	0%	79	0%
	2005	340,144	0	0%	234	0%
	2006	828,500	0	0%	845	0%
	2007	1,454,562	3,925	0%	1,075	0%
	2008	1,854,354	3,584	0%	1,428	0%
	2009	2,251,083	0	0%	1,579	0%
	2010	2,450,439	54,170	2%	1,574	1%
	2011	2,410,852	16,414	1%	1,519	1%
	2012	2,344,519	0	0%	1,473	1%
	2013	2,273,292	17,449	1%	1,358	1%
	2014	2,406,787	175,844	7%	1,303	1%
	2015	2,437,404	347,172	14%	1,270	3%
	Projected Future Experience (60 Years)	2016	2,423,824	378,436	16%	1,251
2017		2,567,815	426,167	17%	1,192	5%
2018		3,585,893	473,808	13%	1,137	6%
2019		4,221,037	539,977	13%	1,122	6%
2020		3,877,362	624,575	16%	1,107	7%
2021		3,789,197	724,011	19%	1,091	8%
2022		3,704,239	837,328	23%	1,074	9%
2023		3,611,666	965,958	27%	1,056	10%
2024		3,508,410	1,109,381	32%	1,037	11%
2025		3,417,132	1,260,848	37%	1,016	12%
2026		3,325,209	1,428,991	43%	995	13%
2027		3,222,701	1,615,524	50%	973	14%
2028		3,128,855	1,824,512	58%	950	16%
2029		3,029,644	2,059,009	68%	925	17%
2030		2,927,891	2,320,101	79%	900	19%
2031		2,823,587	2,630,024	93%	873	21%
2032		2,715,643	2,983,523	110%	845	22%
2033		2,604,376	3,378,754	130%	816	24%
2034		2,489,935	3,799,663	153%	786	27%
2035		2,368,295	4,244,615	179%	756	29%
2036		2,249,654	4,706,124	209%	724	32%
2037		2,124,571	5,174,442	244%	692	34%
2038		1,998,491	5,653,959	283%	659	37%
2039		1,877,300	6,139,410	327%	625	40%
2040		1,756,216	6,606,731	376%	592	43%
2041		1,635,932	7,017,654	429%	558	46%
2042		1,517,124	7,382,650	487%	524	49%
2043		1,400,562	7,688,290	549%	490	52%
2044		1,286,934	7,938,885	617%	457	55%
2045		1,176,865	8,107,070	689%	424	58%
2046		1,071,035	8,197,097	765%	392	61%
2047		969,965	8,204,954	846%	361	64%
2048	874,087	8,130,745	930%	331	67%	
2049	783,791	8,014,826	1,023%	303	69%	
2050	699,375	7,824,532	1,119%	275	71%	
2051	620,917	7,566,184	1,219%	250	74%	
2052	548,531	7,236,345	1,319%	226	76%	
2053	482,197	6,875,995	1,426%	203	78%	
2054	421,791	6,485,663	1,538%	183	79%	
2055	367,147	6,074,750	1,655%	163	81%	
2056-2060	1,198,307	23,804,388	1,987%	582	86%	
2061-2065	525,751	14,007,997	2,664%	309	89%	
2066-2070	212,035	7,171,405	3,382%	154	90%	
2071-2075	82,794	3,227,902	3,899%	72	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 4-a**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest <sup>[1]</sup>
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	119,848	0	0%	0%
	2005	416,602	0	0%	0%
	2006	1,011,206	0	0%	0%
	2007	1,547,035	4,198	0%	0%
	2008	1,997,124	0	0%	0%
	2009	2,363,853	3,696	0%	0%
	2010	2,449,552	17,353	1%	0%
	2011	2,401,993	42,900	2%	1%
	2012	2,334,561	13,258	1%	1%
	2013	2,294,347	18,149	1%	1%
	2014	2,440,209	0	0%	0%
	2015	2,431,936	144,160	6%	1%
	Projected Future Experience (60 Years)	2016	2,418,507	199,288	8%
2017		2,636,052	265,425	10%	2%
2018		2,626,416	325,247	12%	3%
2019		2,371,542	389,620	16%	4%
2020		2,275,240	463,152	20%	5%
2021		2,223,748	546,278	25%	5%
2022		2,175,014	639,710	29%	6%
2023		2,115,901	745,391	35%	7%
2024		2,056,048	864,739	42%	9%
2025		2,000,963	997,242	50%	10%
2026		1,942,186	1,143,701	59%	11%
2027		1,883,028	1,305,556	69%	13%
2028		1,825,950	1,484,980	81%	14%
2029		1,765,451	1,684,749	95%	16%
2030		1,703,791	1,907,678	112%	18%
2031		1,640,514	2,160,314	132%	20%
2032		1,575,232	2,448,595	155%	22%
2033		1,508,216	2,775,893	184%	24%
2034		1,438,968	3,140,888	218%	26%
2035		1,367,104	3,541,012	259%	29%
2036		1,296,630	3,972,776	306%	32%
2037		1,222,664	4,431,320	362%	35%
2038		1,148,327	4,913,221	428%	38%
2039		1,076,742	5,414,334	503%	41%
2040		1,005,432	5,925,620	589%	45%
2041		934,796	6,431,384	688%	49%
2042		865,241	6,918,762	800%	53%
2043		797,197	7,376,997	925%	57%
2044		731,016	7,797,089	1,067%	61%
2045		667,097	8,166,388	1,224%	65%
2046		605,817	8,473,793	1,399%	69%
2047		547,452	8,711,035	1,591%	73%
2048		492,218	8,872,679	1,803%	77%
2049	440,341	8,961,595	2,035%	81%	
2050	391,962	8,976,839	2,290%	84%	
2051	347,149	8,916,752	2,569%	88%	
2052	305,937	8,780,306	2,870%	91%	
2053	268,275	8,575,247	3,196%	94%	
2054	234,075	8,310,013	3,550%	97%	
2055	203,235	7,992,735	3,933%	100%	
2056-2060	659,108	33,898,993	5,143%	110%	
2061-2065	286,324	22,706,766	7,930%	116%	
2066-2070	114,846	13,125,145	11,429%	119%	
2071-2075	44,884	6,645,483	14,806%	120%	

[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, Highmark BCBS, and Highmark BS**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Interest <sup>[1]</sup>
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	119,848	0	0%	0%
	2005	416,602	0	0%	0%
	2006	1,011,206	0	0%	0%
	2007	1,547,035	4,198	0%	0%
	2008	1,997,124	0	0%	0%
	2009	2,363,853	3,696	0%	0%
	2010	2,449,552	17,353	1%	0%
	2011	2,401,993	42,900	2%	1%
	2012	2,334,561	13,258	1%	1%
	2013	2,294,347	18,149	1%	1%
	2014	2,440,209	0	0%	0%
	2015	2,431,936	144,160	6%	1%
	Projected Future Experience (60 Years)	2016	2,418,531	199,288	8%
2017		2,648,840	265,425	10%	2%
2018		4,046,527	324,127	8%	3%
2019		4,017,175	385,845	10%	3%
2020		3,849,474	456,215	12%	4%
2021		3,763,661	536,034	14%	5%
2022		3,683,361	625,938	17%	6%
2023		3,584,326	727,753	20%	6%
2024		3,484,090	842,798	24%	7%
2025		3,392,869	970,535	29%	8%
2026		3,294,901	1,111,687	34%	9%
2027		3,196,393	1,267,582	40%	10%
2028		3,102,343	1,440,284	46%	11%
2029		3,002,003	1,632,443	54%	12%
2030		2,899,706	1,846,749	64%	14%
2031		2,794,561	2,089,513	75%	15%
2032		2,685,796	2,366,383	88%	16%
2033		2,573,858	2,680,535	104%	18%
2034		2,457,716	3,030,668	123%	20%
2035		2,336,505	3,414,302	146%	22%
2036		2,217,986	3,828,076	173%	24%
2037		2,092,740	4,267,288	204%	26%
2038		1,966,647	4,728,615	240%	28%
2039		1,845,584	5,208,071	282%	31%
2040		1,724,803	5,696,958	330%	33%
2041		1,605,003	6,180,258	385%	36%
2042		1,486,885	6,645,678	447%	39%
2043		1,371,192	7,082,963	517%	42%
2044		1,258,546	7,483,566	595%	45%
2045		1,149,643	7,835,343	682%	47%
2046		1,045,132	8,127,631	778%	50%
2047		945,494	8,352,528	883%	53%
2048		851,107	8,504,855	999%	56%
2049	762,358	8,587,350	1,126%	59%	
2050	679,490	8,599,195	1,266%	61%	
2051	602,625	8,538,905	1,417%	64%	
2052	531,828	8,405,650	1,581%	66%	
2053	467,024	8,206,934	1,757%	69%	
2054	408,070	7,950,804	1,948%	71%	
2055	354,806	7,645,003	2,155%	73%	
2056-2060	1,154,606	32,396,635	2,806%	80%	
2061-2065	503,862	21,666,372	4,300%	84%	
2066-2070	202,413	12,496,938	6,174%	86%	
2071-2075	78,943	6,310,454	7,994%	87%	

[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**  
**Individual Simplicity Policy Forms**

**Nationwide Experience**

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve <sup>[3]</sup>
	Incurred Claims <sup>[1]</sup>	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve <sup>[2]</sup>	
2004	299,291	299,291	0		0	
2005	704,251	704,251	0		0	
2006	127,091	127,091	0		0	
2007	1,363,064	1,081,160	281,905		281,905	
2008	2,659,125	2,642,291	16,834		16,834	
2009	1,839,631	1,613,673	225,958		225,958	
2010	3,136,089	3,102,795	33,293		33,293	
2011	4,246,324	3,920,698	325,626		325,626	
2012	4,959,190	4,071,954	887,236		887,236	
2013	6,016,975	4,021,807	1,995,169		1,995,169	
2014	9,259,163	3,966,605	5,292,558		5,292,558	
2015	9,398,050	1,522,461	6,253,970	1,621,618	7,875,589	332,507,199

**Pennsylvania-Specific Experience**

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve <sup>[3]</sup>
	Incurred Claims <sup>[1]</sup>	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve <sup>[2]</sup>	
2004	0	0	0		0	
2005	0	0	0		0	
2006	0	0	0		0	
2007	3,925	3,925	0		0	
2008	3,584	3,584	0		0	
2009	0	0	0		0	
2010	54,170	54,170	0		0	
2011	16,414	16,414	0		0	
2012	0	0	0		0	
2013	17,449	17,449	0		0	
2014	175,844	76,248	99,596		99,596	
2015	347,172	64,183	203,719	79,270	282,989	20,117,391

[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 by Policy Year - Before Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
1	45,079,949	1,626,323	4%	25,215	4%
2	42,739,301	1,013,221	2%	23,616	3%
3	40,981,827	2,899,085	7%	22,504	4%
4	39,579,139	2,858,011	7%	21,631	5%
5	38,401,974	3,309,316	9%	20,866	6%
6	37,486,694	4,453,129	12%	20,195	6%
7	36,946,364	6,061,124	16%	19,454	8%
8	37,150,560	6,302,474	17%	18,859	9%
9	37,735,643	8,384,299	22%	18,396	10%
10	38,751,279	9,561,142	25%	18,011	11%
11	30,423,159	9,773,035	32%	17,622	12%
12	31,283,756	10,639,652	34%	17,281	13%
13	31,671,206	11,519,098	36%	16,966	14%
14	31,632,155	13,418,790	42%	16,675	16%
15	31,190,674	15,667,631	50%	16,381	17%
16	30,423,004	18,082,404	59%	16,069	19%
17	29,532,506	20,701,016	70%	15,737	20%
18	28,602,560	23,576,744	82%	15,386	22%
19	27,661,407	26,538,898	96%	15,017	24%
20	26,694,999	29,742,162	111%	14,631	27%
21	25,683,287	33,265,828	130%	14,228	29%
22	24,645,845	37,140,553	151%	13,807	31%
23	23,602,076	41,378,555	175%	13,368	34%
24	22,500,974	45,844,089	204%	12,913	37%
25	21,419,730	50,529,336	236%	12,442	40%
26	20,334,534	55,683,967	274%	11,961	43%
27	19,235,775	61,506,337	320%	11,469	46%
28	18,141,566	67,421,440	372%	10,969	50%
29	17,058,298	73,361,057	430%	10,463	53%
30	15,987,441	79,107,980	495%	9,951	57%
31	14,924,784	84,619,513	567%	9,438	61%
32	13,874,354	89,994,333	649%	8,923	65%
33	12,856,837	94,782,921	737%	8,411	69%
34	11,863,229	99,052,699	835%	7,902	73%
35	10,902,443	102,483,455	940%	7,401	77%
36	9,981,651	105,153,331	1,053%	6,909	81%
37	9,098,637	106,889,011	1,175%	6,429	85%
38	8,259,518	107,754,815	1,305%	5,963	88%
39	7,468,358	107,930,946	1,445%	5,512	92%
40	6,725,592	107,370,466	1,596%	5,079	96%
41	6,035,361	106,027,728	1,757%	4,666	99%
42	5,393,141	104,064,359	1,930%	4,272	102%
43	4,801,878	101,535,535	2,114%	3,900	105%
44	4,258,323	98,481,091	2,313%	3,549	108%
45	3,763,426	94,939,976	2,523%	3,219	110%
46	3,313,662	91,002,675	2,746%	2,912	112%
47	2,906,752	86,791,894	2,986%	2,625	115%
48	2,541,743	82,479,122	3,245%	2,360	117%
49	2,214,896	77,986,596	3,521%	2,115	118%
50	1,923,424	73,365,601	3,814%	1,890	120%
51-55	6,287,196	294,617,360	4,686%	6,691	126%
56-60	2,806,217	184,928,776	6,590%	3,461	129%
61-65	1,148,655	99,523,575	8,664%	1,629	130%
66-70	433,152	45,264,888	10,450%	687	131%
<b>Total</b>	<b>1,056,360,909</b>	<b>3,318,407,360</b>	<b>314%</b>	<b>608,023</b>	<b>131%</b>

[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 by Policy Year - After Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
1	45,079,949	1,626,323	4%	25,215	4%
2	42,739,301	1,013,221	2%	23,616	3%
3	40,981,827	2,899,085	7%	22,504	4%
4	39,618,666	2,857,867	7%	21,629	5%
5	38,880,205	3,306,371	9%	20,843	6%
6	39,463,330	4,438,442	11%	20,137	6%
7	39,700,830	6,032,602	15%	19,381	7%
8	40,339,399	6,261,110	16%	18,776	8%
9	41,496,831	8,328,766	20%	18,300	9%
10	43,564,722	9,474,707	22%	17,867	10%
11	36,501,209	9,604,282	26%	17,371	12%
12	41,844,958	10,305,015	25%	16,865	12%
13	46,826,099	10,943,675	23%	16,399	13%
14	50,595,996	12,523,700	25%	16,018	14%
15	51,570,506	14,530,447	28%	15,705	15%
16	51,248,182	16,707,232	33%	15,383	16%
17	50,432,187	19,061,231	38%	15,048	17%
18	49,286,702	21,653,542	44%	14,707	18%
19	47,817,113	24,342,306	51%	14,355	19%
20	46,222,131	27,255,996	59%	13,988	21%
21	44,514,295	30,459,627	68%	13,605	22%
22	42,773,657	33,982,083	79%	13,204	24%
23	41,027,872	37,834,304	92%	12,788	26%
24	39,185,569	41,892,827	107%	12,355	27%
25	37,368,319	46,149,737	123%	11,907	29%
26	35,538,102	50,837,048	143%	11,449	32%
27	33,676,902	56,132,353	167%	10,981	34%
28	31,810,663	61,510,359	193%	10,505	36%
29	29,973,775	66,906,904	223%	10,022	39%
30	28,149,269	72,133,602	256%	9,535	41%
31	26,330,661	77,145,514	293%	9,045	44%
32	24,525,293	82,034,852	334%	8,554	46%
33	22,772,603	86,392,223	379%	8,065	49%
34	21,054,203	90,277,551	429%	7,580	52%
35	19,390,838	93,405,708	482%	7,101	55%
36	17,791,749	95,837,206	539%	6,632	57%
37	16,252,440	97,425,223	599%	6,172	60%
38	14,787,105	98,221,046	664%	5,726	62%
39	13,398,530	98,389,788	734%	5,295	65%
40	12,092,942	97,902,030	810%	4,881	67%
41	10,874,384	96,700,201	889%	4,485	69%
42	9,737,144	94,939,406	975%	4,108	72%
43	8,686,707	92,663,623	1,067%	3,751	74%
44	7,719,169	89,911,408	1,165%	3,414	75%
45	6,835,226	86,715,330	1,269%	3,098	77%
46	6,029,779	83,157,725	1,379%	2,803	79%
47	5,299,194	79,352,167	1,497%	2,528	80%
48	4,641,484	75,448,200	1,626%	2,273	82%
49	4,050,824	71,370,813	1,762%	2,038	83%
50	3,522,749	67,173,791	1,907%	1,821	84%
51-55	11,551,313	270,104,779	2,338%	6,450	88%
56-60	5,173,163	169,817,120	3,283%	3,338	90%
61-65	2,115,781	91,408,095	4,320%	1,572	91%
66-70	794,592	41,530,617	5,227%	663	91%
<b>Total</b>	<b>1,523,656,436</b>	<b>3,038,329,181</b>	<b>199%</b>	<b>591,852</b>	<b>91%</b>

[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, Highmark BCBS, and Highmark BS**  
**Pennsylvania-Specific Experience by Policy Year - Before Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
1	2,699,589	0	0%	1,715	0%
2	2,586,142	3,584	0%	1,634	0%
3	2,488,653	3,925	0%	1,597	0%
4	2,447,314	10,183	0%	1,557	0%
5	2,434,636	55,347	2%	1,503	1%
6	2,408,953	4,624	0%	1,421	0%
7	2,415,625	140,196	6%	1,333	1%
8	2,491,285	82,131	3%	1,281	1%
9	2,609,734	228,352	9%	1,248	2%
10	2,769,626	341,102	12%	1,222	3%
11	2,257,718	520,367	23%	1,198	4%
12	2,313,757	463,779	20%	1,177	5%
13	2,300,455	546,466	24%	1,159	6%
14	2,277,489	643,910	28%	1,142	7%
15	2,240,265	761,667	34%	1,125	9%
16	2,170,401	890,990	41%	1,107	10%
17	2,118,875	1,035,738	49%	1,088	11%
18	2,064,605	1,196,838	58%	1,067	13%
19	2,004,889	1,364,040	68%	1,046	15%
20	1,948,083	1,547,109	79%	1,023	16%
21	1,885,356	1,751,051	93%	1,000	18%
22	1,827,107	1,983,750	109%	975	20%
23	1,764,800	2,250,055	127%	949	22%
24	1,701,846	2,550,468	150%	921	25%
25	1,636,596	2,890,473	177%	893	27%
26	1,567,113	3,280,267	209%	863	30%
27	1,498,476	3,724,386	249%	832	33%
28	1,428,568	4,184,756	293%	800	36%
29	1,356,711	4,663,656	344%	768	40%
30	1,284,831	5,153,984	401%	735	44%
31	1,212,365	5,641,853	465%	700	48%
32	1,134,039	6,138,315	541%	666	52%
33	1,061,435	6,615,574	623%	631	56%
34	989,303	7,075,198	715%	595	60%
35	918,036	7,495,511	816%	560	64%
36	848,055	7,848,494	925%	525	69%
37	779,782	8,122,098	1,042%	490	73%
38	713,622	8,315,665	1,165%	456	77%
39	649,952	8,451,829	1,300%	423	82%
40	589,069	8,533,817	1,449%	390	86%
41	531,209	8,530,036	1,606%	359	90%
42	476,621	8,430,427	1,769%	328	93%
43	425,517	8,262,788	1,942%	300	97%
44	377,990	8,017,904	2,121%	273	100%
45	334,067	7,724,985	2,312%	247	103%
46	293,762	7,376,480	2,511%	223	106%
47	257,000	6,993,158	2,721%	201	109%
48	223,740	6,595,009	2,948%	180	111%
49	193,831	6,166,034	3,181%	161	113%
50	167,097	5,728,587	3,428%	144	115%
51-55	532,310	22,014,054	4,136%	506	121%
56-60	224,392	12,632,947	5,630%	262	124%
61-65	87,715	6,207,635	7,077%	126	125%
66-70	33,109	2,658,511	8,030%	55	126%
<b>Total</b>	<b>76,053,518</b>	<b>233,850,099</b>	<b>307%</b>	<b>43,180</b>	<b>126%</b>

[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, Highmark BCBS, and Highmark BS**  
**Pennsylvania-Specific Experience by Policy Year - After Requested Rate Increase**  
**Individual Simplicity 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 <sup>[1]</sup>
1	2,699,589	0	0%	1,715	0%
2	2,586,142	3,584	0%	1,634	0%
3	2,488,653	3,925	0%	1,597	0%
4	2,447,314	10,183	0%	1,557	0%
5	2,434,636	55,347	2%	1,503	1%
6	2,408,953	4,624	0%	1,421	0%
7	2,415,625	140,196	6%	1,333	1%
8	2,498,615	82,129	3%	1,281	1%
9	2,750,507	228,275	8%	1,245	2%
10	3,245,348	340,256	10%	1,211	3%
11	2,887,494	517,199	18%	1,178	4%
12	3,265,793	457,719	14%	1,146	5%
13	3,620,197	536,332	15%	1,122	6%
14	3,744,989	629,385	17%	1,103	7%
15	3,766,100	742,492	20%	1,086	7%
16	3,669,789	867,322	24%	1,069	8%
17	3,585,013	1,007,220	28%	1,050	9%
18	3,495,389	1,162,755	33%	1,031	11%
19	3,395,807	1,323,920	39%	1,010	12%
20	3,301,938	1,500,169	45%	988	13%
21	3,196,912	1,696,292	53%	965	14%
22	3,101,090	1,919,957	62%	941	16%
23	2,997,813	2,175,720	73%	916	17%
24	2,893,680	2,464,080	85%	890	19%
25	2,785,448	2,790,329	100%	862	21%
26	2,669,240	3,164,330	119%	834	23%
27	2,554,789	3,590,332	141%	804	25%
28	2,437,926	4,031,372	165%	773	27%
29	2,317,327	4,489,850	194%	742	30%
30	2,196,604	4,958,820	226%	710	32%
31	2,074,633	5,424,986	261%	677	35%
32	1,941,337	5,899,102	304%	644	38%
33	1,818,664	6,354,382	349%	610	41%
34	1,696,587	6,792,475	400%	576	44%
35	1,575,791	7,192,778	456%	542	47%
36	1,457,010	7,528,255	517%	508	50%
37	1,340,984	7,787,314	581%	474	53%
38	1,228,424	7,969,538	649%	441	57%
39	1,119,981	8,096,902	723%	409	59%
40	1,016,182	8,172,352	804%	377	62%
41	917,435	8,165,875	890%	347	65%
42	824,166	8,067,787	979%	318	68%
43	736,745	7,904,643	1,073%	290	70%
44	655,340	7,667,949	1,170%	264	73%
45	580,002	7,385,465	1,273%	239	75%
46	510,759	7,050,645	1,380%	216	77%
47	447,492	6,682,789	1,493%	194	79%
48	390,140	6,301,473	1,615%	174	80%
49	338,460	5,890,549	1,740%	156	82%
50	292,172	5,471,677	1,873%	139	83%
51-55	933,699	21,016,599	2,251%	490	88%
56-60	395,197	12,041,600	3,047%	254	90%
61-65	154,625	5,901,557	3,817%	122	91%
66-70	58,241	2,519,652	4,326%	53	91%
<b>Total</b>	<b>110,362,783</b>	<b>224,180,460</b>	<b>203%</b>	<b>42,231</b>	<b>91%</b>

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

Letter of Authorization

To: Department of Insurance

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

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

MedAmerica Insurance Company  
165 Court Street  
Rochester, NY 14647

HM Life Insurance  
Company

HM Life Insurance  
Company of New York

HM Casualty  
Insurance Company

Highmark Casualty  
Insurance Company

RBS Re

HM Benefits  
Administrators

412.544.1000  
800.328.5433

www.hmig.com

Mailing Address  
PO Box 535061  
Pittsburgh, PA 15253-5061

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

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

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

**HIGHMARK BLUE CROSS BLUE SHIELD**

**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Simplicity Tailored Benefit Reductions**

**March 9, 2017**

Product

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

Number

SPL-336-HMBCBSPA  
FSPL-336-HMBCBSPA

This letter provides additional rate increase mitigation options for the Department to consider in the form of tailored benefit reductions. Where available, these tailored benefit reductions will be offered in addition to the standard rate increase mitigation options that are described in the cover letter for this filing.

Attachment A to this letter provides tailored benefit reduction options to offset the requested rate increase in Pennsylvania. The tailored options will completely offset the rate increase based on combinations of reductions to the inflation protection (IP) percentage and benefit period (BP). The reduced inflation percentage of 2.5% was chosen such that the benefits are actuarially equivalent, while also being simple to communicate to policyholders.

The tailored options in aggregate were developed such that the future loss ratio after the requested rate increase, assuming 100% elect to pay the increased premium, is equivalent to the future loss ratio assuming 100% elect the tailored benefit options.

The tailored options were developed based on the nationwide experience of all Simplicity lifetime-pay policies issued by MedAmerica and its affinity partners through December 31, 2015. The projection assumptions underlying this analysis are the same as those described in Section 5 of the enclosed actuarial memorandum. For the purposes of this analysis, nationwide experience was restated to the current Pennsylvania rate increase level (i.e., assumes the average 67% increase approved on the Simplicity forms in Pennsylvania was implemented on a nationwide basis). Using this experience, the resulting future loss ratio assuming 100% of policies elect a tailored benefit option is actuarially equivalent (<1% difference) to the future loss ratio assuming 100% of policies receive the requested rate increase.

Table 1 provides a breakdown of policies eligible for a tailored benefit reduction by benefit period, based on the distribution of business in force in Pennsylvania as of December 31, 2015.

**Table 1  
Number of Policies Eligible for  
Tailored Benefit Reduction Options**

<b>BP Prior to Tailored Option</b>	<b>Number of Policyholders<sup>[1]</sup></b>
2-Year	136
3-Year	217
4-Year	271
5-Year	157
7-Year	23
Lifetime	16

*[1] Policyholders with either (1) a limited-premium payment option, (2) no inflation protection, or (3) compound with 2x max inflation protection are not eligible for a tailored benefit reduction.*

The number of policyholders in Table 1 represent approximately 75% of the in-force Pennsylvania business with lifetime-pay on the Simplicity forms.

**Attachment A**

**MedAmerica, Highmark BCBS, and Highmark BS**

**Simplicity Lifetime-Pay Policies**

**Tailored Benefit Reduction Options**

**For Rate Increase Filed in Pennsylvania**

Current Benefits		Tailored Option to Offset the Rate Increase	
Inflation Option	Benefit Period	Benefit Period	Inflation Option
5% Compound for Life or 5% Simple for Life	Lifetime	7 Years	2.5% for Life
	7 Years	4 Years	2.5% for Life
	5 Years or 4 Years	3 Years	2.5% for Life
	3 Years or 2 Years	2 Years	2.5% for Life
5% Compound with 2X Maximum or No Inflation Protection	All Benefit Periods	No tailored benefit reduction option is available	

**For policies with Shared Care Rider in force, both policies must maintain identical coverage options.**

**For policies other than lifetime-pay or those without a tailored benefit reduction option above, please call Customer Service to discuss your options.**



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

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

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

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

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

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