

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 2018 Rate Increase/145MAI01-60.07

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: 08/21/2018
SERFF Tr Num: MILL-131545009
SERFF Status: Assigned
State Tr Num: MILL-131545009
State Status: Received Review in Progress
Co Tr Num: SIMPLICITY (HIGHMARK BCBS)

Implementation: On Approval
Date Requested:
Author(s): Missy Gordon, Courtney Williamson, Travis Reisch, Shawn Stender, Michael Emmert, Bryan Rask, Alex Moore, Brandon Johnson, Jack Bridges, Dexter Mosley, Cassi Noel, Megan Anderson, Peder Swenson, Derek Lesniak, Yi Shao, Matt Mickolich, Rylee Sevigny
Reviewer(s): Jim Laverty (primary)
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:
Proposed 54.2% increase on 389 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 2018 Rate Increase/145MAI01-60.07

General Information

Project Name: MedAmerica Nationwide 2018 Rate Increase Status of Filing in Domicile: Pending
Project Number: 145MAI01-60.07 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: 52.4% Filing Status Changed: 08/22/2018
State Status Changed: 08/22/2018
Deemer Date: Created By: Derek Lesniak
Submitted By: Michael Emmert Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing individual product that provides long-term care coverage. The company issued this product in Pennsylvania from August 1, 2006 to May 1, 2010 and is no longer marketing it in any jurisdiction.

The company is requesting a premium rate increase on these form(s), including all associated riders. The need for a premium rate increase is due to emerging and projected experience running more adverse than previously expected.

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

Additionally, MedAmerica is making a similar request in a concurrent filing. These filings use identical pooled nationwide experience of MedAmerica and its affinity partners as described in the enclosed actuarial memorandum.

The company is requesting a premium rate increase that varies by issue age and inflation option to achieve the cumulative rate increases shown in Section 1 of the enclosed actuarial memorandum. The rate increase varies by issue age and inflation option to better align the rate increase with the adverse experience. The enclosed cover letter provides the average prior, requested, and cumulative rate increases by issue age and inflation option for these form(s).

The prior increase reflects the cumulative increase of five prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, and September 2017. The company is seeking this rate increase request to help alleviate the adverse performance on this block of business.

Similar to the prior increase(s), the company will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. 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 review,

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which demonstrates that appropriate administration and claims processing procedures are in effect.

Company and Contact

Filing Contact Information

Michael Emmert, Associate Actuary michael.emmert@milliman.com
 8500 Normandale Lake Blvd. 952-820-3116 [Phone]
 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
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Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07

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: 09/19/2017
Filing Method of Last Filing: Review and Approval
SERFF Tracking Number of Last Filing: MILL-130951721

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	52.400%	52.400%	\$650,534	389	\$1,240,704	63.000%	13.000%

SERFF Tracking #:

MILL-131545009

State Tracking #:

MILL-131545009

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
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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-130951721 Percent Rate Change Request: 52.4	PA_Highmark Blue Cross Blue Shield_Current Premium Rates_20180815.pdf, PA_Highmark Blue Cross Blue Shield_Proposed Simplicity Premium Rates_20180815.pdf,

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	67.00	90.00	108.00	127.00	150.00	209.00
30	71.00	94.00	115.00	131.00	156.00	219.00
31	71.00	99.00	117.00	133.00	161.00	225.00
32	74.00	99.00	122.00	136.00	166.00	230.00
33	76.00	104.00	124.00	143.00	170.00	237.00
34	78.00	106.00	127.00	147.00	175.00	248.00
35	81.00	108.00	133.00	152.00	179.00	253.00
36	83.00	113.00	136.00	156.00	186.00	260.00
37	85.00	115.00	138.00	161.00	191.00	269.00
38	87.00	117.00	145.00	166.00	198.00	274.00
39	90.00	120.00	150.00	170.00	200.00	281.00
40	90.00	124.00	151.00	171.00	203.00	284.00
41	92.00	126.00	155.00	176.00	205.00	293.00
42	95.00	131.00	160.00	180.00	212.00	299.00
43	97.00	133.00	162.00	187.00	218.00	308.00
44	101.00	137.00	169.00	189.00	225.00	317.00
45	102.00	136.00	162.00	186.00	222.00	315.00
46	104.00	140.00	168.00	192.00	229.00	324.00
47	104.00	145.00	173.00	197.00	235.00	333.00
48	108.00	145.00	177.00	203.00	242.00	341.00
49	110.00	151.00	181.00	210.00	248.00	350.00
50	109.00	149.00	181.00	208.00	248.00	349.00
51	116.00	153.00	189.00	216.00	256.00	361.00
52	116.00	158.00	193.00	221.00	263.00	372.00
53	120.00	162.00	197.00	227.00	273.00	382.00
54	122.00	166.00	204.00	231.00	279.00	391.00
55	121.00	163.00	203.00	231.00	277.00	386.00
56	123.00	167.00	203.00	231.00	277.00	392.00
57	125.00	169.00	207.00	237.00	285.00	404.00
58	129.00	175.00	215.00	245.00	293.00	414.00
59	131.00	179.00	219.00	251.00	300.00	426.00
60	132.00	179.00	218.00	251.00	299.00	426.00
61	138.00	186.00	229.00	262.00	314.00	445.00
62	143.00	195.00	238.00	275.00	329.00	465.00
63	149.00	203.00	249.00	286.00	342.00	485.00
64	154.00	212.00	259.00	296.00	357.00	506.00
65	147.00	202.00	251.00	287.00	346.00	495.00
66	154.00	211.00	260.00	298.00	360.00	517.00
67	159.00	220.00	268.00	310.00	374.00	538.00
68	164.00	225.00	279.00	320.00	389.00	559.00
69	168.00	232.00	289.00	332.00	403.00	583.00
70	163.00	225.00	279.00	323.00	393.00	571.00
71	168.00	233.00	287.00	334.00	406.00	593.00
72	171.00	238.00	295.00	344.00	421.00	615.00
73	174.00	243.00	302.00	354.00	432.00	636.00
74	176.00	248.00	310.00	360.00	445.00	657.00
75	181.00	258.00	324.00	382.00	475.00	720.00
76	183.00	259.00	327.00	386.00	484.00	739.00
77	181.00	261.00	330.00	390.00	492.00	756.00
78	181.00	261.00	331.00	393.00	498.00	775.00
79	180.00	259.00	331.00	395.00	504.00	789.00
80	179.00	261.00	336.00	403.00	N/A	N/A
81	176.00	256.00	334.00	402.00	N/A	N/A
82	170.00	251.00	328.00	396.00	N/A	N/A
83	163.00	243.00	320.00	392.00	N/A	N/A
84	154.00	232.00	310.00	380.00	N/A	N/A
85	147.00	228.00	310.00	387.00	N/A	N/A

HIGHMARK BLUE CROSS BLUE SHIELD
120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222
Form Number: SPL-336-HMBCBSPA
ANNUAL PREMIUM RATES WITH 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	7.00	7.00	9.00	14.00	16.00	25.00
30	7.00	9.00	12.00	14.00	16.00	25.00
31	7.00	12.00	12.00	14.00	16.00	28.00
32	7.00	12.00	14.00	14.00	18.00	30.00
33	7.00	12.00	14.00	16.00	21.00	30.00
34	9.00	12.00	14.00	18.00	23.00	35.00
35	12.00	12.00	16.00	18.00	25.00	35.00
36	9.00	14.00	18.00	18.00	28.00	37.00
37	12.00	16.00	18.00	23.00	28.00	41.00
38	12.00	16.00	23.00	25.00	30.00	39.00
39	12.00	16.00	23.00	28.00	32.00	41.00
40	14.00	20.00	25.00	29.00	34.00	45.00
41	14.00	23.00	27.00	32.00	32.00	50.00
42	16.00	25.00	29.00	32.00	36.00	52.00
43	16.00	25.00	29.00	36.00	38.00	56.00
44	20.00	27.00	34.00	34.00	41.00	59.00
45	22.00	28.00	30.00	35.00	43.00	63.00
46	24.00	30.00	35.00	39.00	45.00	67.00
47	24.00	32.00	37.00	43.00	50.00	73.00
48	26.00	30.00	39.00	43.00	54.00	80.00
49	28.00	35.00	43.00	48.00	56.00	84.00
50	27.00	38.00	44.00	50.00	59.00	88.00
51	32.00	40.00	48.00	55.00	67.00	95.00
52	32.00	42.00	50.00	57.00	71.00	101.00
53	34.00	46.00	55.00	65.00	78.00	109.00
54	36.00	48.00	59.00	69.00	84.00	118.00
55	38.00	50.00	64.00	74.00	86.00	121.00
56	42.00	56.00	68.00	76.00	90.00	129.00
57	44.00	58.00	72.00	82.00	96.00	137.00
58	48.00	64.00	78.00	88.00	103.00	147.00
59	52.00	68.00	82.00	94.00	113.00	159.00
60	54.00	71.00	86.00	99.00	117.00	166.00
61	58.00	78.00	95.00	108.00	128.00	182.00
62	63.00	87.00	104.00	119.00	141.00	199.00
63	71.00	93.00	115.00	130.00	154.00	218.00
64	76.00	104.00	125.00	141.00	169.00	238.00
65	76.00	106.00	128.00	147.00	175.00	251.00
66	85.00	114.00	140.00	159.00	190.00	275.00
67	90.00	125.00	151.00	173.00	208.00	301.00
68	99.00	133.00	164.00	187.00	227.00	329.00
69	104.00	144.00	178.00	204.00	246.00	358.00
70	106.00	145.00	179.00	207.00	249.00	368.00
71	114.00	156.00	192.00	223.00	271.00	399.00
72	121.00	166.00	205.00	240.00	292.00	432.00
73	127.00	178.00	220.00	256.00	313.00	466.00
74	135.00	187.00	233.00	272.00	334.00	500.00
75	144.00	203.00	255.00	300.00	373.00	573.00
76	150.00	212.00	266.00	314.00	393.00	609.00
77	154.00	220.00	278.00	327.00	413.00	644.00
78	158.00	226.00	287.00	340.00	431.00	678.00
79	160.00	230.00	295.00	350.00	448.00	710.00
80	163.00	236.00	305.00	367.00	N/A	N/A
81	163.00	238.00	310.00	372.00	N/A	N/A
82	160.00	238.00	310.00	374.00	N/A	N/A
83	156.00	232.00	307.00	374.00	N/A	N/A
84	150.00	225.00	301.00	369.00	N/A	N/A
85	144.00	223.00	302.00	379.00	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	14.00	21.00	25.00	32.00	41.00	62.00
30	16.00	23.00	28.00	35.00	41.00	64.00
31	16.00	25.00	30.00	37.00	44.00	67.00
32	18.00	25.00	35.00	37.00	48.00	71.00
33	18.00	28.00	35.00	41.00	48.00	76.00
34	21.00	28.00	37.00	44.00	53.00	81.00
35	23.00	28.00	39.00	44.00	55.00	83.00
36	23.00	35.00	41.00	46.00	58.00	87.00
37	25.00	35.00	44.00	48.00	60.00	92.00
38	25.00	37.00	46.00	53.00	64.00	94.00
39	25.00	39.00	48.00	55.00	67.00	99.00
40	27.00	41.00	50.00	56.00	70.00	106.00
41	32.00	43.00	52.00	61.00	70.00	110.00
42	32.00	45.00	56.00	63.00	74.00	117.00
43	34.00	45.00	56.00	68.00	79.00	124.00
44	38.00	50.00	61.00	68.00	81.00	128.00
45	37.00	50.00	58.00	67.00	82.00	132.00
46	39.00	54.00	63.00	73.00	91.00	138.00
47	39.00	56.00	67.00	78.00	95.00	145.00
48	43.00	54.00	69.00	80.00	99.00	151.00
49	45.00	60.00	73.00	86.00	104.00	160.00
50	44.00	61.00	74.00	88.00	107.00	164.00
51	48.00	65.00	78.00	95.00	113.00	172.00
52	48.00	67.00	84.00	97.00	120.00	181.00
53	50.00	71.00	88.00	103.00	126.00	189.00
54	53.00	74.00	95.00	107.00	132.00	197.00
55	54.00	76.00	96.00	109.00	135.00	203.00
56	58.00	78.00	98.00	111.00	137.00	209.00
57	60.00	82.00	101.00	117.00	143.00	219.00
58	62.00	86.00	107.00	123.00	151.00	229.00
59	66.00	90.00	111.00	129.00	159.00	241.00
60	67.00	91.00	113.00	132.00	162.00	244.00
61	71.00	99.00	121.00	141.00	173.00	260.00
62	74.00	106.00	128.00	151.00	184.00	279.00
63	80.00	110.00	138.00	160.00	195.00	296.00
64	86.00	119.00	145.00	169.00	208.00	312.00
65	83.00	116.00	145.00	170.00	208.00	315.00
66	88.00	123.00	154.00	178.00	220.00	334.00
67	93.00	130.00	163.00	189.00	234.00	355.00
68	99.00	137.00	171.00	199.00	247.00	375.00
69	102.00	144.00	180.00	211.00	260.00	398.00
70	101.00	142.00	178.00	209.00	258.00	398.00
71	106.00	148.00	186.00	220.00	272.00	421.00
72	109.00	155.00	194.00	230.00	287.00	442.00
73	112.00	160.00	202.00	240.00	300.00	465.00
74	116.00	166.00	210.00	249.00	313.00	487.00
75	122.00	176.00	225.00	269.00	343.00	547.00
76	124.00	180.00	230.00	276.00	354.00	570.00
77	125.00	183.00	236.00	282.00	366.00	593.00
78	127.00	186.00	240.00	289.00	374.00	615.00
79	127.00	187.00	243.00	294.00	386.00	636.00
80	128.00	190.00	249.00	305.00	N/A	N/A
81	125.00	189.00	251.00	307.00	N/A	N/A
82	122.00	187.00	249.00	307.00	N/A	N/A
83	118.00	181.00	246.00	305.00	N/A	N/A
84	114.00	174.00	240.00	300.00	N/A	N/A
85	107.00	171.00	240.00	308.00	N/A	N/A

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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	16.00	21.00	23.00	23.00	28.00	35.00
30	16.00	21.00	23.00	25.00	30.00	37.00
31	18.00	21.00	25.00	28.00	32.00	39.00
32	18.00	23.00	25.00	30.00	32.00	41.00
33	21.00	23.00	28.00	30.00	35.00	44.00
34	21.00	25.00	30.00	32.00	37.00	46.00
35	21.00	28.00	30.00	35.00	39.00	51.00
36	23.00	28.00	32.00	37.00	41.00	53.00
37	23.00	30.00	35.00	39.00	44.00	55.00
38	25.00	32.00	37.00	41.00	46.00	62.00
39	28.00	35.00	39.00	44.00	51.00	67.00
40	27.00	34.00	41.00	45.00	52.00	68.00
41	29.00	36.00	43.00	47.00	59.00	72.00
42	32.00	38.00	45.00	52.00	61.00	77.00
43	34.00	43.00	50.00	54.00	65.00	81.00
44	34.00	45.00	52.00	61.00	70.00	88.00
45	35.00	45.00	56.00	63.00	71.00	89.00
46	37.00	48.00	58.00	65.00	76.00	95.00
47	41.00	52.00	63.00	69.00	80.00	102.00
48	43.00	58.00	67.00	76.00	86.00	108.00
49	45.00	60.00	71.00	80.00	93.00	117.00
50	48.00	63.00	76.00	84.00	97.00	122.00
51	50.00	67.00	80.00	88.00	103.00	130.00
52	57.00	74.00	86.00	97.00	109.00	139.00
53	61.00	78.00	92.00	103.00	118.00	149.00
54	65.00	84.00	99.00	111.00	126.00	162.00
55	68.00	88.00	101.00	113.00	131.00	167.00
56	70.00	92.00	107.00	121.00	139.00	175.00
57	76.00	100.00	117.00	131.00	151.00	189.00
58	82.00	107.00	125.00	141.00	163.00	205.00
59	88.00	115.00	137.00	153.00	175.00	221.00
60	91.00	121.00	143.00	160.00	184.00	231.00
61	100.00	132.00	156.00	175.00	201.00	251.00
62	110.00	143.00	171.00	190.00	219.00	273.00
63	119.00	158.00	186.00	208.00	240.00	299.00
64	130.00	171.00	205.00	229.00	262.00	327.00
65	137.00	180.00	213.00	239.00	275.00	343.00
66	149.00	197.00	234.00	263.00	303.00	375.00
67	164.00	216.00	258.00	289.00	332.00	413.00
68	180.00	239.00	284.00	318.00	365.00	455.00
69	199.00	263.00	311.00	349.00	403.00	500.00
70	205.00	272.00	324.00	363.00	419.00	518.00
71	225.00	298.00	357.00	399.00	461.00	571.00
72	248.00	329.00	393.00	440.00	507.00	629.00
73	272.00	362.00	432.00	484.00	559.00	693.00
74	298.00	396.00	474.00	533.00	615.00	761.00
75	347.00	464.00	556.00	626.00	726.00	903.00
76	379.00	507.00	609.00	687.00	796.00	991.00
77	413.00	553.00	665.00	752.00	871.00	1,084.00
78	449.00	603.00	727.00	821.00	953.00	1,184.00
79	490.00	658.00	793.00	897.00	1,041.00	1,293.00
80	547.00	739.00	891.00	1,008.00	N/A	N/A
81	596.00	806.00	973.00	1,103.00	N/A	N/A
82	649.00	878.00	1,063.00	1,205.00	N/A	N/A
83	706.00	956.00	1,158.00	1,312.00	N/A	N/A
84	763.00	1,038.00	1,257.00	1,427.00	N/A	N/A
85	910.00	1,244.00	1,516.00	1,727.00	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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	60.00	80.70	97.30	113.90	134.60	188.40
30	64.20	84.90	103.50	118.00	140.80	196.70
31	64.20	89.00	105.60	120.10	144.90	202.90
32	66.20	89.00	109.70	122.10	149.00	207.00
33	68.30	93.20	111.80	128.30	153.20	213.20
34	70.40	95.20	113.90	132.50	157.30	223.60
35	72.50	97.30	120.10	136.60	161.50	227.70
36	74.50	101.40	122.10	140.80	167.70	233.90
37	76.60	103.50	124.20	144.90	171.80	242.20
38	78.70	105.60	130.40	149.00	178.00	246.30
39	80.70	107.60	134.60	153.20	180.10	252.50
40	81.00	111.40	135.70	153.90	182.30	255.20
41	83.00	113.40	139.70	158.00	184.30	263.30
42	85.10	117.50	143.80	162.00	190.40	269.30
43	87.10	119.50	145.80	168.10	196.40	277.40
44	91.10	123.50	151.90	170.10	202.50	285.50
45	91.40	122.50	145.80	167.20	200.20	283.80
46	93.30	126.40	151.60	173.00	206.10	291.60
47	93.30	130.20	155.50	176.90	211.90	299.40
48	97.20	130.20	159.40	182.70	217.70	307.20
49	99.10	136.10	163.30	188.60	223.60	314.90
50	98.30	134.20	162.50	187.10	223.00	313.70
51	104.00	138.00	170.10	194.70	230.60	325.10
52	104.00	141.80	173.90	198.50	236.30	334.50
53	107.70	145.50	177.70	204.10	245.70	344.00
54	109.60	149.30	183.30	207.90	251.40	351.50
55	109.30	146.90	182.70	207.80	248.90	347.50
56	111.00	150.40	182.70	207.80	248.90	352.80
57	112.80	152.20	186.30	213.10	256.10	363.60
58	116.40	157.60	193.40	220.30	263.30	372.50
59	118.20	161.20	197.00	225.70	270.40	383.30
60	118.90	160.70	195.90	226.00	269.50	383.30
61	123.90	167.40	205.90	236.00	282.90	400.10
62	128.90	175.80	214.30	247.80	296.30	418.50
63	133.90	182.50	224.30	257.80	308.00	436.90
64	138.90	190.80	232.70	266.20	321.40	455.30
65	132.30	182.20	225.80	258.50	311.40	445.30
66	138.60	190.00	233.60	267.80	323.90	465.50
67	143.20	197.70	241.30	278.70	336.30	484.20
68	147.90	202.40	250.70	288.00	350.30	502.90
69	151.00	208.60	260.00	298.90	362.80	524.70
70	146.70	202.40	250.90	290.50	353.50	513.50
71	151.10	209.80	258.20	300.70	365.30	534.00
72	154.00	214.20	265.50	309.50	378.50	553.10
73	157.00	218.60	271.40	318.30	388.80	572.10
74	158.40	223.00	278.70	324.20	400.50	591.20
75	163.30	232.00	291.60	343.40	427.70	648.00
76	164.60	233.30	294.20	347.30	435.50	664.80
77	163.30	234.60	296.80	351.20	443.20	680.40
78	163.30	234.60	298.10	353.80	448.40	697.20
79	162.00	233.30	298.10	355.10	453.60	710.20
80	160.70	234.60	302.00	362.90	N/A	N/A
81	158.10	230.70	300.70	361.60	N/A	N/A
82	152.90	225.50	295.50	356.40	N/A	N/A
83	146.40	219.00	287.70	352.50	N/A	N/A
84	138.70	208.70	278.60	342.10	N/A	N/A
85	132.20	204.80	278.60	348.60	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	6.20	6.20	8.30	12.40	14.50	22.80
30	6.20	8.30	10.40	12.40	14.50	22.80
31	6.20	10.40	10.40	12.40	14.50	24.80
32	6.20	10.40	12.40	12.40	16.60	26.90
33	6.20	10.40	12.40	14.50	18.60	26.90
34	8.30	10.40	12.40	16.60	20.70	31.10
35	10.40	10.40	14.50	16.60	22.80	31.10
36	8.30	12.40	16.60	16.60	24.80	33.10
37	10.40	14.50	16.60	20.70	24.80	37.30
38	10.40	14.50	20.70	22.80	26.90	35.20
39	10.40	14.50	20.70	24.80	29.00	37.30
40	12.20	18.20	22.30	26.30	30.40	40.50
41	12.20	20.30	24.30	28.40	28.40	44.60
42	14.20	22.30	26.30	28.40	32.40	46.60
43	14.20	22.30	26.30	32.40	34.40	50.60
44	18.20	24.30	30.40	30.40	36.50	52.70
45	19.40	25.30	27.20	31.10	38.90	56.40
46	21.40	27.20	31.10	35.00	40.80	60.30
47	21.40	29.20	33.00	38.90	44.70	66.10
48	23.30	27.20	35.00	38.90	48.60	71.90
49	25.30	31.10	38.90	42.80	50.50	75.80
50	24.60	34.00	39.70	45.40	52.90	79.40
51	28.40	35.90	43.50	49.10	60.50	85.10
52	28.40	37.80	45.40	51.00	64.30	90.70
53	30.20	41.60	49.10	58.60	69.90	98.30
54	32.10	43.50	52.90	62.40	75.60	105.80
55	34.00	44.80	57.30	66.30	77.00	109.30
56	37.60	50.10	60.90	68.10	80.60	116.40
57	39.40	51.90	64.50	73.40	86.00	123.60
58	43.00	57.30	69.80	78.80	93.10	132.50
59	46.60	60.90	73.40	84.20	102.10	143.30
60	48.50	63.60	77.00	88.70	105.50	149.00
61	51.90	70.30	85.40	97.10	115.50	164.10
62	56.90	78.70	93.70	107.10	127.20	179.10
63	63.60	83.70	103.80	117.20	138.90	195.90
64	68.60	93.70	112.20	127.20	152.30	214.30
65	68.50	95.00	115.20	132.30	157.30	225.80
66	76.30	102.80	126.10	143.20	171.30	247.60
67	81.00	112.10	135.50	155.70	186.80	270.90
68	88.70	119.90	147.90	168.20	204.00	295.80
69	93.40	129.20	160.40	183.70	221.10	322.30
70	95.40	130.60	161.40	186.30	224.50	331.50
71	102.70	140.80	173.10	201.00	243.50	359.40
72	108.60	149.60	184.80	215.60	262.60	388.80
73	114.40	159.90	198.00	230.30	281.70	419.60
74	121.80	168.70	209.80	245.00	300.70	450.40
75	129.60	182.70	229.40	269.60	335.70	515.80
76	134.80	190.50	239.80	282.50	353.80	548.20
77	138.70	198.30	250.10	294.20	372.00	579.30
78	142.60	203.50	257.90	305.90	387.50	610.40
79	143.90	207.40	265.70	314.90	403.10	638.90
80	146.40	212.50	274.80	330.50	N/A	N/A
81	146.40	213.80	278.60	334.40	N/A	N/A
82	143.90	213.80	278.60	337.00	N/A	N/A
83	140.00	208.70	276.00	337.00	N/A	N/A
84	134.80	202.20	270.90	331.80	N/A	N/A
85	129.60	200.90	272.20	340.80	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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	12.40	18.60	22.80	29.00	37.30	55.90
30	14.50	20.70	24.80	31.10	37.30	58.00
31	14.50	22.80	26.90	33.10	39.30	60.00
32	16.60	22.80	31.10	33.10	43.50	64.20
33	16.60	24.80	31.10	37.30	43.50	68.30
34	18.60	24.80	33.10	39.30	47.60	72.50
35	20.70	24.80	35.20	39.30	49.70	74.50
36	20.70	31.10	37.30	41.40	51.80	78.70
37	22.80	31.10	39.30	43.50	53.80	82.80
38	22.80	33.10	41.40	47.60	58.00	84.90
39	22.80	35.20	43.50	49.70	60.00	89.00
40	24.30	36.50	44.60	50.60	62.80	95.20
41	28.40	38.50	46.60	54.70	62.80	99.20
42	28.40	40.50	50.60	56.70	66.80	105.30
43	30.40	40.50	50.60	60.80	70.90	111.40
44	34.40	44.60	54.70	60.80	72.90	115.40
45	33.00	44.70	52.50	60.30	73.90	118.60
46	35.00	48.60	56.40	66.10	81.60	124.40
47	35.00	50.50	60.30	70.00	85.50	130.20
48	38.90	48.60	62.20	71.90	89.40	136.10
49	40.80	54.40	66.10	77.80	93.30	143.90
50	39.70	54.80	66.20	79.40	96.40	147.40
51	43.50	58.60	69.90	85.10	102.10	155.00
52	43.50	60.50	75.60	86.90	107.70	162.50
53	45.40	64.30	79.40	92.60	113.40	170.10
54	47.30	66.20	85.10	96.40	119.10	177.70
55	48.40	68.10	86.00	98.50	121.80	182.70
56	51.90	69.80	87.80	100.30	123.60	188.10
57	53.70	73.40	91.30	105.70	129.00	197.00
58	55.50	77.00	96.70	111.00	136.10	206.00
59	59.10	80.60	100.30	116.40	143.30	216.70
60	60.30	82.00	102.10	118.90	145.60	219.30
61	63.60	88.70	108.80	127.20	155.70	234.40
62	67.00	95.40	115.50	135.60	165.70	251.10
63	72.00	98.80	123.90	144.00	175.80	266.20
64	77.00	107.10	130.60	152.30	187.50	281.20
65	74.70	104.30	130.80	152.60	186.80	283.40
66	79.40	110.50	138.60	160.40	197.70	300.50
67	84.10	116.80	146.40	169.70	210.20	319.20
68	88.70	123.00	154.10	179.10	222.70	337.90
69	91.90	129.20	161.90	190.00	233.60	358.10
70	91.00	127.60	159.90	187.80	231.80	357.90
71	95.40	133.50	167.20	198.00	245.00	378.50
72	98.30	139.40	174.60	206.80	258.20	397.60
73	101.20	143.80	181.90	215.60	269.90	418.10
74	104.20	149.60	189.20	224.50	281.70	438.60
75	110.20	158.10	202.20	242.40	308.40	492.50
76	111.50	162.00	207.40	248.80	318.80	513.20
77	112.80	164.60	212.50	254.00	329.20	534.00
78	114.00	167.20	216.40	260.50	337.00	553.40
79	114.00	168.50	219.00	264.40	347.30	572.80
80	115.30	171.10	224.20	274.80	N/A	N/A
81	112.80	169.80	225.50	276.00	N/A	N/A
82	110.20	168.50	224.20	276.00	N/A	N/A
83	106.30	163.30	221.60	274.80	N/A	N/A
84	102.40	156.80	216.40	269.60	N/A	N/A
85	95.90	154.20	216.40	277.30	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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
18-29	14.50	18.60	20.70	20.70	24.80	31.10
30	14.50	18.60	20.70	22.80	26.90	33.10
31	16.60	18.60	22.80	24.80	29.00	35.20
32	16.60	20.70	22.80	26.90	29.00	37.30
33	18.60	20.70	24.80	26.90	31.10	39.30
34	18.60	22.80	26.90	29.00	33.10	41.40
35	18.60	24.80	26.90	31.10	35.20	45.50
36	20.70	24.80	29.00	33.10	37.30	47.60
37	20.70	26.90	31.10	35.20	39.30	49.70
38	22.80	29.00	33.10	37.30	41.40	55.90
39	24.80	31.10	35.20	39.30	45.50	60.00
40	24.30	30.40	36.50	40.50	46.60	60.80
41	26.30	32.40	38.50	42.50	52.70	64.80
42	28.40	34.40	40.50	46.60	54.70	68.90
43	30.40	38.50	44.60	48.60	58.70	72.90
44	30.40	40.50	46.60	54.70	62.80	79.00
45	31.10	40.80	50.50	56.40	64.20	79.70
46	33.00	42.80	52.50	58.30	68.00	85.50
47	36.90	46.70	56.40	62.20	71.90	91.40
48	38.90	52.50	60.30	68.00	77.80	97.20
49	40.80	54.40	64.20	71.90	83.60	105.00
50	43.50	56.70	68.00	75.60	86.90	109.60
51	45.40	60.50	71.80	79.40	92.60	117.20
52	51.00	66.20	77.50	86.90	98.30	124.70
53	54.80	69.90	83.20	92.60	105.80	134.20
54	58.60	75.60	88.80	100.20	113.40	145.50
55	60.90	78.80	91.30	102.10	118.20	150.40
56	62.70	82.40	96.70	109.30	125.40	157.60
57	68.10	89.60	105.70	118.20	136.10	170.10
58	73.40	96.70	112.80	127.20	146.90	184.50
59	78.80	103.90	123.60	137.90	157.60	198.80
60	82.00	108.80	128.90	144.00	165.70	207.60
61	90.40	118.90	140.60	157.40	180.80	226.00
62	98.80	128.90	154.00	170.70	197.50	246.10
63	107.10	142.30	167.40	187.50	215.90	269.50
64	117.20	154.00	184.10	205.90	236.00	294.60
65	123.00	161.90	191.50	214.90	247.60	308.30
66	133.90	177.50	210.20	236.70	272.50	337.90
67	147.90	194.60	232.00	260.00	298.90	372.10
68	161.90	214.90	255.30	286.50	328.50	409.50
69	179.10	236.70	280.30	314.50	362.80	450.00
70	184.80	245.00	291.90	327.10	377.00	466.50
71	202.40	268.50	321.30	359.40	415.20	513.50
72	223.00	296.30	353.50	396.10	456.20	566.30
73	245.00	325.70	388.80	435.70	503.20	623.50
74	268.50	356.50	426.90	479.70	553.10	685.10
75	312.30	417.30	500.30	563.80	653.20	812.60
76	340.80	456.20	548.20	618.20	716.70	891.60
77	372.00	497.70	598.80	676.50	784.10	975.90
78	404.40	543.00	654.50	738.70	858.00	1,065.30
79	440.60	592.30	714.10	807.40	937.00	1,163.80
80	492.50	664.80	802.20	907.20	N/A	N/A
81	536.50	725.80	876.10	992.70	N/A	N/A
82	584.50	790.60	956.40	1,084.80	N/A	N/A
83	635.00	860.50	1,042.00	1,180.70	N/A	N/A
84	686.90	934.40	1,131.40	1,284.30	N/A	N/A
85	819.10	1,119.70	1,364.70	1,553.90	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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
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

Issue Age	Premium Rates					
	24 Month Plan	36 Month Plan	48 Month Plan	60 Month Plan	84 Month Plan	Unlimited Plan
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-131545009

State Tracking #:

MILL-131545009

Company Tracking #:

SIMPLICITY (HIGHMARK BCBS)

State: Pennsylvania
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07
Filing Company: Highmark Inc

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA_Cover Letter_Highmark BCBS_Simplicity_RS_20180815.pdf
Item Status:	
Status Date:	

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

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	PA_Act Memo_Highmark BCBS_Simplicity_RS_20180815.pdf PA_Supplement_Highmark BCBS_Simplicity_RS_20180815.pdf
Item Status:	
Status Date:	

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

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

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

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 2018 Rate Increase/145MAI01-60.07

Status Date:	
Satisfied - Item:	Rate Table (A&H)
Comments:	Rate tables are attached on the Rate/Rule Schedule tab.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Numerical Data in Excel
Comments:	
Attachment(s):	PA_Supplement Attachments_Simplicity_RS_20180815.xlsb
Item Status:	
Status Date:	
Satisfied - Item:	Sample Policyholder Notification Letter
Comments:	
Attachment(s):	S1 Highmark BCBS CNF 7.16.18.pdf S1 Highmark BCBS PH Letter 7.16.18.pdf
Item Status:	
Status Date:	

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 2018 Rate Increase/145MAI01-60.07

Satisfied - Item:	Claims and Administration Processing Plan
Comments:	
Attachment(s):	MedAmerica Claims Procedures.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MILL-131545009

State Tracking #:

MILL-131545009

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 2018 Rate Increase/145MAI01-60.07

Attachment PA_Supplement Attachments_Simplicity_RS_20180815.xlsb is not a PDF document and cannot be reproduced here.



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milliman.com

August 15, 2018

Honorable Jessica K. Altman
Insurance Commissioner
Pennsylvania Department of Insurance (Department)

Via SERFF

**Re: Highmark Blue Cross Blue Shield (Highmark BCBS)
Company NAIC # 54771
SERFF Tracking # MILL-131545009
Tax-Qualified Long-Term Care Policy Form **SPL-336-HMBCBSPA**
Tax-Qualified Franchise Long-Term Care Policy Form **FSPL-336-HMBCBSPA****

Dear Commissioner Altman:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing individual product that provides long-term care coverage. The company issued this product in Pennsylvania from August 1, 2006 to May 1, 2010 and is no longer marketing it in any jurisdiction.

The company is requesting a premium rate increase on the above-listed form(s), including all associated riders. The need for a premium rate increase is due to emerging and projected experience running more adverse than previously expected.

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

Additionally, MedAmerica is making a similar request in a concurrent filing. These filings use identical pooled nationwide experience of MedAmerica and its affinity partners as described in the enclosed actuarial memorandum.

The company is requesting a premium rate increase that varies by issue age and inflation option to achieve the cumulative rate increases shown in Section 1 of the enclosed actuarial memorandum. The rate increase varies by issue age and inflation option to better align the rate increase with the adverse experience. The following table provides the average prior, requested, and cumulative rate increases by issue age and inflation option for the above-listed form(s).

Offices in Principal Cities Worldwide

This work product was prepared solely 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.

**Pennsylvania – Highmark BCBS
Average^[1] Rate Increase Request**

Issue Ages	Prior Increase	Requested Increase		Cumulative Increase	
		No Inflation	Auto Inflation	No Inflation	Auto Inflation
<40	130.4%	26.3%	58.0%	191%	264%
40-44	124.7	29.5	62.0	191	264
45-49	115.9	26.7	55.9	174	237
50-54	110.2	20.5	51.7	153	219
55-59	98.6	21.7	52.8	142	204
60-64	85.8	25.3	54.2	133	186
65-69	72.8	17.1	43.9	102	149
70-74	62.7	12.5	40.6	83	129
75+	44.0	21.5	41.4	75	104
Average	102.0	22.0	53.4	127	211

[1] As of December 31, 2017 and excludes policies assumed to be paid up prior to implementation of the requested rate increase.

The prior increase reflects the cumulative increase of five prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, and September 2017. The company is seeking this rate increase request to help alleviate the adverse performance on this block of business.

Similar to the prior increase(s), the company will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. 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 review, 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 the company authorizing submission of this filing on its behalf
- claims and administration processing plan, as provided by MedAmerica
- actuarial memorandum
- supplement to the actuarial memorandum
- current and proposed premium rate schedules
- sample policyholder notification letter*

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

No filing fee is required for this submission.



Honorable Jessica Altman
8/15/2018

The contact person for this filing is:

Michael Emmert, ASA, MAAA
Associate Actuary
Milliman, Inc.
8500 Normandale Lake Blvd., Suite 1850
Minneapolis, MN 55437
(952) 820-3116
michael.emmert@milliman.com

Thank you for your assistance in reviewing this filing.

Respectfully,

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

Missy Gordon, FSA, MAAA
Principal and Consulting Actuary

MAG/dpl

Enclosures

HIGHMARK BLUE CROSS BLUE SHIELD
Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

Simplicity Actuarial Memorandum

August 15, 2018

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

Number
 SPL-336-HMBCBSPA
 FSPL-336-HMBCBSPA

Highmark Blue Cross Blue Shield (Highmark BCBS) is requesting a rate increase on the above-listed policy form(s). The company issued this policy form(s) in Pennsylvania from August 2006 through May 2010 and is no longer marketing it in any jurisdiction. As described in the enclosed cover letter, the affinity partner MedAmerica Insurance Company (MedAmerica) designed, priced, administers, and manages the above-listed policy form(s).

Nationwide, MedAmerica and its affinity partners are requesting a premium rate increase that varies by issue age and inflation option to achieve the same cumulative rate increase, except where limited by regulatory restrictions. This actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) and similar policy forms issued nationwide by MedAmerica and its affinity partners.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the nationwide cumulative rate increase shown in the following table meets the minimum requirements of the applicable sections of the 2014 National Association of Insurance Commissioners (NAIC) Long-Term Care Insurance Model Regulation (Model Regulation). The enclosed supplement to the actuarial memorandum demonstrates compliance with the applicable regulatory requirements of this jurisdiction to the extent they differ from the Model Regulation, and includes other commonly requested information of this jurisdiction. It may not be suitable for other purposes.

Cumulative Rate Increase

Issue Age	No Inflation	Auto Inflation	Issue Age	No Inflation	Auto Inflation
< 45	191%	264%	65	111%	164%
45	181	251	66	106	158
46	176	245	67	101	151
47	171	239	68	95	144
48	166	233	69	90	138
49	160	225	70	87	134
50	159	224	71	85	131
51	157	221	72	83	129
52	155	219	73	81	126
53	153	216	74	79	124
54	151	214	75	79	124
55	151	214	76	75	119
56	147	209	77	72	115
57	144	205	78	69	111
58	140	200	79	66	108
59	137	196	80	63	104
60	137	196	81	60	100
61	130	188	82	56	95
62	124	180	83	53	91
63	117	171	84	50	88
64	111	164	85	47	84

2. Requested Rate Increase

The company is requesting a rate increase that varies by issue age and inflation option to achieve the cumulative rate increases as shown above in Section 1. The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business.

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The cumulative rate increase levels were determined to vary by issue age and inflation option to better align the rate increase with the adverse experience. MedAmerica's goal is equity across all jurisdictions, to the extent practical. The rate increase was determined in such a way that minimizes subsidization across jurisdictions due to differences in the previously filed rate increases.

The table below provides the average prior, requested, and cumulative increases by issue age band and inflation option based on the nationwide distribution of business. The enclosed cover letter provides similar information based on the jurisdiction-specific distribution.

Nationwide Average^[1] Rate Increase Request

Issue Ages	Prior Increase	Requested Increase		Cumulative Increase	
		No Inflation	Auto Inflation	No Inflation	Auto Inflation
<40	106.1%	53.0%	74.9%	191%	264%
40-44	99.2	48.2	82.4	191	264
45-49	90.5	37.4	77.2	169	236
50-54	89.2	31.3	68.8	155	218
55-59	83.6	29.6	66.3	143	204
60-64	74.3	23.7	63.0	123	181
65-69	59.1	23.7	61.2	101	154
70-74	48.6	21.0	58.5	83	130
75+	37.7	21.8	66.8	68	120
Average	79.2	27.3	67.9	122	203

[1] As of December 31, 2017 and excludes policies assumed to be paid up prior to implementation of the requested rate increase. The enclosed cover letter provides the jurisdiction-specific distribution.

A larger cumulative rate increase is needed to certify that rates will remain stable under moderately adverse conditions. The company will continue to monitor the business and reserves the right to request additional rate increases in the future.

Corresponding rate tables reflecting the proposed rate increases for the policy form(s) affected by this rate increase are enclosed with this filing. Please note that the actual rates implemented may vary from those in the enclosed rate tables slightly due to implementation rounding algorithms.

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

3. Description of Benefits

This product provides long-term coverage on a cash basis. The product is tax qualified and was issued on an individual basis. It has benefit eligibility requirements that involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided when certain benefits are being paid. A 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.

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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.

4. Renewability

These policies are guaranteed renewable for life.

5. Applicability

This rate increase applies to all policies issued on the above-listed form(s) in this jurisdiction. The rate changes will apply to the premium of the base form and all applicable options and riders associated with the base form.

6. 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 underwriting selection, an all-lives exposure basis, and three years of retrospective improvement to bring the *Guidelines* forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A to this memorandum.
- b. Mortality Rates reflect the 1994 Group Annuitant Mortality (GAM) Static gender-distinct table with retrospective improvement applied to bring this table forward to 2017. 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.

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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.

- c. Voluntary Lapse Rates vary by policy duration and premium payment option. The lifetime-pay voluntary lapse rates are shown in the table below.

Duration	Voluntary Lapse Rate
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 voluntary lapse rates in the above table were adjusted based on the following criteria for the limited-pay options:

- For the ten-pay option, a reduction of 65% of the above lapse rates is assumed for durations one through four, a reduction of 70% of the above lapse rates is assumed for durations five through eight, and 0% lapse thereafter.

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- For the 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.

Gender	Benefit Period in Years	Attained Age*										
		<65	65	70	75	80	85	90	95	100	105	110+
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	0.1	0.3	0.9	2.5	4.3	6.9	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	0.1	0.3	1.0	1.7	2.1	33.0
	Unlimited	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Insureds who elect a CBUL are modeled as a lapse (i.e., the CBUL benefit is not modeled), which results in a slightly lower lifetime loss ratio than if the CBUL benefit had been modeled. The following table provides the CBUL and RBO election rates, reduction to premiums and benefits due to the impact of RBO elections, and increase in morbidity for lifetime-pay policies based on the varying cumulative rate increase levels. Limited-pay policies are assumed to not elect CBUL or RBO.

Policyholder Behavior Assumptions^[1]

Cumulative Rate Increase	CBUL Election Rate	RBO Election Rate	Approximate Reduction for RBO	Morbidity Increase for Adverse Selection
45 – 74.9%	8%	10%	4%	3.5%
75 – 99.9%	10	15	8	4.5
100 – 149.9%	11	20	13	5.5
150% +	12	25	19	6.5

[1] The values shown are based on the average cumulative amounts found in Section 1. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative amounts in Section 1.

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- f. Interest Rate consistent with the maximum valuation interest rate applicable to the year of issue (ranges from 3.5% to 4.5% and averages 4.1%) is used to demonstrate compliance with the minimum loss ratio requirements.
- g. Annual Improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.
- h. Expenses have not been explicitly projected. Originally filed expense assumptions are assumed to remain appropriate, except that reductions are made to the renewal commission rates so that the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

The above assumptions are based on the experience of the above-listed policy form(s) and similar forms issued by MedAmerica and its affinity partners and, where appropriate, other similar business, industry experience, and actuarial judgment. The above assumptions are deemed reasonable for the particular policy form(s) 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 form(s) 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.

7. Marketing Method

Agents and brokers of the company marketed this product.

8. 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.

9. 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.

10. Issue Age Range

Issue ages are from 18 to 85.

11. Area Factors

Area factors are not used for this product.

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12. Premium Modalization Rules

The following modal factors and percent distributions (based on the nationwide in-force count as of December 31, 2017) are applied to the annual premium (AP):

Premium Mode	Modal Factors	Percent Distribution
Annual	1.00*AP	45%
Semi-Annual	0.52*AP	7
Quarterly	0.26*AP	26
Monthly	0.09*AP	22

13. Reserves

Active life reserves and reserves for the election of a CBUL have not been used in the experience exhibits for this rate increase analysis. Claim reserves as of December 31, 2017 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, 2017 has been allocated to the 2017 calendar year and included in historical incurred claims.

14. Trend Assumptions

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

15. Demonstration of Satisfaction of Loss Ratio Requirements

This filing uses pooled nationwide experience of the above-listed form(s) and similar policy forms issued nationwide by MedAmerica and its affinity partners. The pooled experience is appropriate because the products issued are identical, the marketing and distribution employed is similar, and the same company (MedAmerica) administers and manages the entire block (including underwriting and claims handling). MedAmerica has 50% to 100% of the risk of the affinity partner forms via reinsurance arrangements with each affinity partner.

Exhibit I provides actual and projected experience using current assumptions. Actual experience is provided from inception through 2017 and then projected on a seriatim basis for 60 years using the current assumptions described above in Section 6. The actual and projected experience is based on nationwide premiums that reflect prior rate increases filed for use between 2012 and April 2018, which average 79% across all jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increases shown in Section 1 on a seriatim basis.

Values in Exhibit I are shown (a) before and (b) after the nationwide requested rate increase. Included are calendar year earned premiums, incurred claims, end of year lives, annual loss ratios, and cumulative loss ratios. As shown in Exhibit I-b, the anticipated lifetime loss ratio with the nationwide requested rate increase exceeds the minimum loss ratio required by pre-rate stability regulation.

The following table demonstrates that the lifetime loss ratios by issue age and inflation option also exceed the minimum loss ratio required by pre-rate stability regulation. The final row corresponds to that shown in Exhibit I.

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**Lifetime Loss Ratios at the Maximum Valuation
Interest Rate by Issue Age and Inflation Option**

Inflation Option	Issue Age Band	Before Increase	After Increase
All	<45	156%	120%
All	45-49	135	105
All	50-54	118	94
All	55-59	104	84
All	60-64	85	71
All	65-69	81	70
All	70-74	91	84
All	75+	82	80
No Inflation	All	84	77
Auto Inflation	All	115	91
All	All	109	89

Exhibit II provides a demonstration that the nationwide requested rate increase meets the 58%/85% test required by post-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 II were increased by 15% from the current assumptions described in Section 6 to reflect assumptions that include moderately adverse conditions.

16. Actual-to-Expected Experience

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

Actual and Expected Loss Ratios by Issue Age and Inflation Option

Inflation Option	Issue Age Band	Lifetime Loss Ratio			Actual-to-Expected	
		Before Increase	After Increase	Expected	Before Increase	After Increase
All	<45	122%	96%	60%	2.04	1.60
All	45-49	112	89	61	1.83	1.44
All	50-54	101	82	60	1.69	1.36
All	55-59	92	75	57	1.62	1.32
All	60-64	77	65	53	1.45	1.22
All	65-69	76	67	55	1.38	1.21
All	70-74	88	82	56	1.57	1.47
All	75+	80	79	49	1.64	1.61
No Inflation	All	78	71	49	1.60	1.47
Auto Inflation	All	98	79	59	1.66	1.33
All	All	95	78	57	1.65	1.36

Actual and projected experience in the above table is identical to that described in Exhibit I, except uses the current most-likely interest rate assumption of 5.00%. This rate represents MedAmerica's

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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.

Expected experience uses the actual policies sold and projects from issue on a seriatim basis using the original pricing assumptions.

Exhibit III provides a comparison of the current and original pricing assumptions that underlie the actual and expected experience described above.

17. History of Previous Rate Revisions

Please see the enclosed cover letter, which provides the jurisdiction-specific average prior rate increase and rate history for the above-listed form(s).

Nationwide, there have been two prior rate increase requests on this block of business, which began in December 2012. Departments of insurance filed these increases for use between 2012 and 2017. As the goal of achieving similar cumulative rate increases across all jurisdictions is ongoing, additional increases have also been filed for use in 2018. On average, a cumulative increase of 79% has been filed for use on this block of business.

18. Analysis Performed to Consider a Rate Increase

The experience table in Section 16 above demonstrates that experience has been more adverse from that expected using original pricing assumptions as the A:E loss ratios exceeds 1.0. The adverse experience is due to a combination of higher morbidity, higher persistency, and lower interest.

The following table provides a comparison of actual and projected nationwide experience to that expected in pricing with respect to morbidity, mortality, lapse (combination of voluntary lapse and benefit expiry), interest, and improvement. The current and original pricing assumptions are provided in Exhibit III. Please note that to isolate the impact of each changed assumption from pricing, the experience in the table below has been restated to reflect no prior rate increases.

Impact of Changing from Pricing to Current Assumptions

Scenario	Lifetime Loss Ratio (LLR)	Incremental Impact on the LLR ^[1]	Increase Needed ^[2]
Original pricing assumptions	57%	N/A	N/A
Historical experience through 2017 & projections with pricing assumptions	63	9%	47%
Historical experience through 2017 & projections with pricing assumptions except for current:			
Interest	78	24	105
Interest, lapse	85	10	40
Interest, lapse, mortality	105	23	86
Interest, lapse, mortality, morbidity	126	20	73
Interest, lapse, mortality, morbidity, improvement	119	-5	-20
Historical experience through 2017 & projections with all current most-likely assumptions ^[3]	119	107	394

[1] Calculated as the ratio of the lifetime loss ratio in a given row to that in the row immediately above it less one.

[2] Shows the rate increase needed to reproduce the lifetime loss ratio in the row immediately above it. Calculated without regard to CBUL, RBO, adverse selection, and higher waiver claims due to the needed rate increase.

[3] This row is calculated in regards to the pricing lifetime loss ratio of 57%.

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 adverse 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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Section 16 demonstrates that the 'All' lifetime loss ratio 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 IV.

19. Average Annual Premium in Pennsylvania (Based on December 31, 2017 In-Force)

The number of insureds and the corresponding average annual premium that will be affected by this and the identical, concurrent rate increase filings are shown in the table(s) below. The values provided in the table(s) below exclude policies assumed to be paid up prior to implementation of the requested rate increase, and the annualized premium reflects all rate increases filed for use as of April 12, 2018.

Pennsylvania – MedAmerica

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	15	\$1,903	\$2,997
All	40-44	20	1,889	2,998
All	45-49	43	2,527	3,905
All	50-54	74	2,681	4,012
All	55-59	61	3,207	4,804
All	60-64	38	3,627	5,394
All	65-69	19	5,122	6,935
All	70-74	11	6,100	7,367
All	75+	1	3,568	4,262
No Inflation	All	56	2,596	3,071
Auto Inflation	All	226	3,228	4,924
All	All	282	3,102	4,556

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Pennsylvania – Highmark Blue Cross Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	35	\$981	\$1,537
All	40-44	34	1,830	2,959
All	45-49	56	2,586	4,026
All	50-54	95	3,547	5,363
All	55-59	107	4,016	6,095
All	60-64	52	3,566	5,468
All	65-69	9	4,625	6,507
All	70-74	0	0	0
All	75+	1	5,645	6,861
No Inflation	All	34	1,151	1,404
Auto Inflation	All	355	3,385	5,193
All	All	389	3,189	4,862

Pennsylvania – Highmark Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	29	\$779	\$1,228
All	40-44	21	1,706	2,764
All	45-49	57	2,277	3,560
All	50-54	103	2,363	3,573
All	55-59	91	2,830	4,323
All	60-64	49	3,246	4,887
All	65-69	7	3,091	4,140
All	70-74	3	4,553	5,991
All	75+	1	3,395	4,126
No Inflation	All	22	1,550	1,838
Auto Inflation	All	339	2,516	3,859
All	All	361	2,457	3,735

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.

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21. Distribution of Business as of December 31, 2017 (Based on Nationwide In-Force Insured Count)

Issue Ages	Percent Distribution
<40	7%
40-44	8
45-49	13
50-54	21
55-59	25
60-64	16
65-69	7
70-74	3
75+	<1

Elimination Period	Percent Distribution
30-Day	22%
60-Day	13
90-Day	65
180-Day	<1

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

Inflation Option	Percent Distribution
None	23%
Simple for Life	28
Compound for Life	17
Compound with 2x Max	32

Premium Payment Option	Percent Distribution
Ten-Pay	13%
Pay to Age 65	4
Reduced at Age 70	0
Reduced at Age 65	<1
Lifetime-Pay	83

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

HIGHMARK BLUE CROSS BLUE SHIELD
Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

Simplicity Actuarial Memorandum

August 15, 2018

22. Number of Insureds and Annualized Premium (Based on December 31, 2017 In-Force)

The number of insureds and annualized premium that will be affected by this and the identical, concurrent rate increase filings are shown in the tables below. The values provided in the tables below exclude policies assumed to be paid up prior to implementation of the requested rate increase, and the annualized premium reflects all rate increases filed for use as of April 12, 2018.

Pennsylvania – MedAmerica

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	15	\$28,547
All	40-44	20	37,771
All	45-49	43	108,659
All	50-54	74	198,412
All	55-59	61	195,620
All	60-64	38	137,825
All	65-69	19	97,311
All	70-74	11	67,102
All	75+	1	3,568
No Inflation	All	56	145,377
Auto Inflation	All	226	729,438
All	All	282	874,815

Pennsylvania – Highmark Blue Cross Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	35	\$34,327
All	40-44	34	62,235
All	45-49	56	144,816
All	50-54	95	336,928
All	55-59	107	429,675
All	60-64	52	185,455
All	65-69	9	41,623
All	70-74	0	0
All	75+	1	5,645
No Inflation	All	34	39,149
Auto Inflation	All	355	1,201,555
All	All	389	1,240,704

HIGHMARK BLUE CROSS BLUE SHIELD
Address: 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

Simplicity Actuarial Memorandum

August 15, 2018

Pennsylvania – Highmark Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	29	\$22,601
All	40-44	21	35,832
All	45-49	57	129,772
All	50-54	103	243,364
All	55-59	91	257,559
All	60-64	49	159,066
All	65-69	7	21,637
All	70-74	3	13,659
All	75+	1	3,395
No Inflation	All	22	34,110
Auto Inflation	All	339	852,775
All	All	361	886,885

Nationwide

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	1,051	\$1,275,683
All	40-44	1,030	1,874,165
All	45-49	1,761	3,954,028
All	50-54	2,898	7,900,537
All	55-59	3,486	10,559,703
All	60-64	2,406	8,309,561
All	65-69	1,084	4,209,907
All	70-74	402	1,745,730
All	75+	71	415,329
No Inflation	All	3,426	7,772,727
Auto Inflation	All	10,763	32,471,916
All	All	14,189	40,244,643

Simplicity Actuarial Memorandum

August 15, 2018

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 this 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.

This filing will enhance premium adequacy, but may not be sufficient to prevent future rate action. Additional rate increases are needed to certify that rates will remain stable under moderately adverse conditions.

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, this 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: August 15, 2018

Exhibit I-a
MedAmerica and Affinity Partners
Actual and Projected Experience by Calendar Year
Nationwide Experience Before Requested Rate Increase
Individual Simplicity Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions				Cumulative LR with Interest
		A	B	C = B / A	D	E
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Actual (Column C) with Max. Val. Interest
Historical Experience	2004	1,944,200	299,291	15%	3,084	15%
	2005	11,092,060	704,251	6%	8,665	8%
	2006	21,603,215	127,091	1%	16,066	3%
	2007	32,555,284	1,345,984	4%	20,865	4%
	2008	37,076,500	2,657,405	7%	21,433	5%
	2009	36,623,997	2,007,154	5%	20,618	5%
	2010	35,876,337	3,496,980	10%	20,165	6%
	2011	35,545,109	4,686,403	13%	19,804	7%
	2012	35,553,440	5,101,770	14%	19,770	8%
	2013	36,436,419	7,251,547	20%	19,561	9%
	2014	37,240,178	12,095,718	32%	18,836	12%
	2015	36,318,541	9,972,838	27%	18,267	13%
	2016	33,877,266	13,665,626	40%	17,174	15%
	2017	31,107,537	12,402,091	40%	16,313	16%
Projected Future Experience (60 Years)	2018	32,992,323	12,123,644	37%	15,478	17%
	2019	34,852,859	13,250,552	38%	15,210	18%
	2020	34,458,684	14,671,027	43%	14,952	20%
	2021	33,693,074	16,379,324	49%	14,684	21%
	2022	32,662,975	18,435,845	56%	14,403	22%
	2023	31,475,437	20,778,990	66%	14,107	24%
	2024	30,424,541	23,433,576	77%	13,796	25%
	2025	29,420,080	26,319,865	89%	13,470	27%
	2026	28,393,001	29,462,423	104%	13,129	29%
	2027	27,355,532	32,932,151	120%	12,773	31%
	2028	26,269,167	36,763,223	140%	12,403	33%
	2029	25,154,097	40,914,484	163%	12,018	36%
	2030	24,053,864	45,304,037	188%	11,618	38%
	2031	22,922,243	49,884,933	218%	11,204	41%
	2032	21,779,102	54,539,303	250%	10,777	44%
	2033	20,632,077	59,525,852	289%	10,335	47%
	2034	19,445,402	64,714,155	333%	9,878	50%
	2035	18,260,759	69,722,877	382%	9,408	53%
	2036	17,071,116	74,416,289	436%	8,927	57%
	2037	15,872,542	78,716,057	496%	8,437	60%
	2038	14,674,808	82,470,443	562%	7,942	63%
	2039	13,507,892	85,459,558	633%	7,444	67%
	2040	12,365,592	87,596,382	708%	6,948	70%
	2041	11,258,675	88,824,560	789%	6,456	73%
	2042	10,190,584	89,228,976	876%	5,972	76%
	2043	9,172,386	88,854,993	969%	5,500	79%
	2044	8,208,519	87,816,529	1,070%	5,042	82%
	2045	7,304,353	86,081,653	1,178%	4,603	85%
	2046	6,463,951	83,669,170	1,294%	4,184	88%
	2047	5,687,659	80,665,904	1,418%	3,787	90%
2048	4,979,137	77,199,785	1,550%	3,413	92%	
2049	4,336,032	73,408,666	1,693%	3,065	94%	
2050	3,758,181	69,456,131	1,848%	2,742	96%	
2051	3,240,991	65,416,097	2,018%	2,444	98%	
2052	2,783,314	61,311,901	2,203%	2,171	99%	
2053	2,380,439	57,152,348	2,401%	1,922	100%	
2054	2,027,360	53,044,327	2,616%	1,696	102%	
2055	1,720,880	48,988,550	2,847%	1,492	103%	
2056	1,455,817	44,973,487	3,089%	1,308	104%	
2057	1,227,480	40,951,956	3,336%	1,144	104%	
2058-2062	3,720,220	151,964,834	4,085%	3,820	107%	
2063-2067	1,458,303	81,594,299	5,595%	1,783	108%	
2068-2072	534,317	36,013,982	6,740%	760	109%	
2073-2077	184,357	13,408,215	7,273%	288	109%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	549,530,443	89,286,905	16%
Future	425,329,021	973,615,608	229%
Lifetime	974,859,464	1,062,902,513	109%

**Exhibit I-b
MedAmerica and Affinity Partners
Actual and Projected Experience by Calendar Year
Nationwide Experience After Requested Rate Increase
Individual Simplicity Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions				Cumulative LR with Interest
		A Earned Premium	B Incurred Claims	C = B / A Incurred Loss Ratio	D End of Year Lives	E Actual (Column C) with Max. Val. Interest
Historical Experience	2004	1,944,200	299,291	15%	3,084	15%
	2005	11,092,060	704,251	6%	8,665	8%
	2006	21,603,215	127,091	1%	16,066	3%
	2007	32,555,284	1,345,984	4%	20,865	4%
	2008	37,076,500	2,657,405	7%	21,433	5%
	2009	36,623,997	2,007,154	5%	20,618	5%
	2010	35,876,337	3,496,980	10%	20,165	6%
	2011	35,545,109	4,686,403	13%	19,804	7%
	2012	35,553,440	5,101,770	14%	19,770	8%
	2013	36,436,419	7,251,547	20%	19,561	9%
	2014	37,240,178	12,095,718	32%	18,836	12%
	2015	36,318,541	9,972,838	27%	18,267	13%
	2016	33,877,266	13,665,626	40%	17,174	15%
	2017	31,107,537	12,402,091	40%	16,313	16%
Projected Future Experience (60 Years)	2018	32,992,323	12,123,644	37%	15,478	17%
	2019	40,354,669	12,963,104	32%	14,504	18%
	2020	45,307,316	13,963,255	31%	14,197	19%
	2021	45,952,627	15,483,757	34%	13,844	20%
	2022	46,131,079	17,320,369	38%	13,568	21%
	2023	44,280,688	19,493,131	44%	13,290	22%
	2024	42,782,315	21,962,247	51%	12,999	23%
	2025	41,409,184	24,645,538	60%	12,693	24%
	2026	39,994,609	27,565,489	69%	12,374	26%
	2027	38,589,035	30,787,329	80%	12,041	27%
	2028	37,110,616	34,341,212	93%	11,693	29%
	2029	35,586,067	38,190,177	107%	11,332	31%
	2030	34,086,855	42,259,604	124%	10,957	33%
	2031	32,543,487	46,506,255	143%	10,569	35%
	2032	30,985,168	50,819,535	164%	10,168	37%
	2033	29,420,635	55,446,772	188%	9,753	39%
	2034	27,792,914	60,262,295	217%	9,324	42%
	2035	26,164,117	64,912,084	248%	8,883	44%
	2036	24,524,764	69,270,432	282%	8,431	47%
	2037	22,863,989	73,265,275	320%	7,971	50%
	2038	21,196,612	76,754,739	362%	7,505	52%
	2039	19,570,850	79,536,140	406%	7,037	55%
	2040	17,971,084	81,530,469	454%	6,570	58%
	2041	16,418,060	82,688,408	504%	6,107	60%
	2042	14,912,723	83,080,997	557%	5,651	63%
	2043	13,472,120	82,754,040	614%	5,206	65%
	2044	12,102,170	81,815,215	676%	4,775	67%
	2045	10,811,080	80,235,168	742%	4,360	69%
	2046	9,605,437	78,027,591	812%	3,964	71%
	2047	8,487,205	75,270,830	887%	3,589	73%
	2048	7,460,985	72,083,138	966%	3,237	75%
	2049	6,524,514	68,591,928	1,051%	2,907	77%
	2050	5,678,677	64,944,127	1,144%	2,601	78%
	2051	4,917,833	61,209,693	1,245%	2,319	79%
2052	4,240,578	57,408,336	1,354%	2,061	81%	
2053	3,640,965	53,548,373	1,471%	1,825	82%	
2054	3,112,568	49,730,020	1,598%	1,611	83%	
2055	2,650,974	45,953,866	1,733%	1,417	83%	
2056	2,249,432	42,209,493	1,876%	1,243	84%	
2057	1,901,634	38,450,949	2,022%	1,087	85%	
2058-2062	5,789,271	142,774,618	2,466%	3,631	87%	
2063-2067	2,274,656	76,669,075	3,371%	1,695	88%	
2068-2072	833,428	33,744,022	4,049%	722	88%	
2073-2077	289,147	12,523,126	4,331%	273	89%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	549,530,443	89,286,905	16%
Future	578,824,822	910,513,152	157%
Lifetime	1,128,355,265	999,800,057	89%

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

1	Accumulated value of initial earned premium	528,897,380	x	58%	=	306,760,480
2a	Accumulated value of earned premium	549,530,443				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	20,633,064	x	85%	=	17,538,104
3	Present value of future projected initial earned premium	196,006,620	x	58%	=	113,683,840
4a	Present value of future projected premium	578,824,822				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	382,818,202	x	85%	=	325,395,471
5	Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b					763,377,895
6a	Accumulated value of incurred claims without the inclusion of active life reserves					89,286,905
6b	Present value of future projected incurred claims without the inclusion of active life reserves					1,047,090,124
7	Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b					1,136,377,029
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 15% to reflect assumptions with moderately adverse experience.</i></p>						

Exhibit III
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 retrospective improvement applied to bring this table forward to 2017. 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 6 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 III
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 <i>Long-Term Care Guidelines (Guidelines)</i> with adjustments for historical benefit expiry experience, and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.	Benefit expiry was not separated from the lapse assumption.
Morbidity	
Expected claim costs are developed using the 2014 <i>Guidelines</i> with adjustments for underwriting selection, all-lives exposure basis, and three years of retrospective improvement to bring the <i>Guidelines</i> forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A of the actuarial memorandum.	Original expected claim costs were developed using the 2002 <i>Guidelines</i> with best-estimate (with no explicit margin) adjustments for an all-lives exposure basis. The claim costs were further adjusted based on MedAmerica's available experience at the time.
Interest Rate	
The current most-likely earnings rate assumption is 5.00%. 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.	In all jurisdictions except California, an original earnings rate assumption of 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.
The maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 4.5% and averages 4.1%.	
Improvement	
Annual improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.	No mortality improvement was assumed. Morbidity improvement of 1.0% was assumed for 20 years for both females and males.

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

Current Assumptions

2012 Nationwide Rate Increase Assumptions

Mortality

1994 Group Annuitant Mortality (GAM) Static gender-distinct table with retrospective improvement applied to bring this table forward to 2017. 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 6 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 IV
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.

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%

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.

Lifetime-Pay Lapse Rates				
Duration	Issue Age Band			
	<40	40-49	50-59	60+
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 6 of the actuarial memorandum.

Benefit expiry was not separated from the lapse assumption.

Exhibit IV
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 underwriting selection, all-lives exposure basis, and three years of retrospective improvement to bring the *Guidelines* forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A of the actuarial memorandum.

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

The current most-likely earnings rate assumption is 5.00%. 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 prior earnings rate assumption was 5.25%.

The maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 4.5% and averages 4.1%.

Improvement

Annual improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.

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.

Appendix A Development and Justification of Current Assumptions

Milliman developed the current actuarial assumptions used in this filing.

The persistency and morbidity assumptions were developed using historical experience. Where actual experience had low credibility or did not exist, industry experience and actuarial judgement 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 and, where appropriate, other similar business. For persistency, policy termination experience through December 31, 2015 was used. For morbidity, claim experience through June 30, 2016 was used with six months of runout.

Improvement (mortality and morbidity) was developed based on individual annuitant or industry experience, along with actuarial judgment. The rate increase dependent assumptions were developed using historical experience, and actuarial judgement where experience had low credibility or did not exist.

Predictive analytics was used in the development of the morbidity assumption. The persistency assumption utilized traditional techniques and credibility measures.

The rest of this appendix provides details on the development and justification of the current assumptions.

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 assumptions for limited-pay voluntary lapse were developed based on experience through March 31, 2015.

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 90% for females and 81% for males. These are the expected mortality rates to which the factors in Section 6 of the actuarial memorandum are applied.

2015IAM is equal to 2012 Individual Annuity Mortality (2012IAM) Period standard table mortality rates with 3 years of improvement (scalars of 98.5% for females and 97% 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 6 of the actuarial memorandum.

Appendix A
Development and Justification of Current Assumptions

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.

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 6 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.

For projection purposes, two years of additional improvement was applied to the 2015GAM mortality rates to bring them forward to 2017 using the G2 improvement scale from the 2012IAM table. The G2 scale is discussed further in the Improvement section below.

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 6 of the actuarial memorandum applied by duration.

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

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

Appendix A Development and Justification of Current Assumptions

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. Less than 2% of the in-force policies with a limited-pay option will be subject to the lapse assumption because they will not yet be paid-up during the first six years of the projection. As a result, the impact of the limited-pay 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 6 of the actuarial memorandum.

Benefit Expiry

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

We compared MedAmerica's actual benefit expiry experience through December 31, 2015 to that expected by the 2014 *Guidelines*. We developed adjustment factors by attained age based on the experience of a subset of MedAmerica's organic business. 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 6 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 claim costs were developed using the 2014 *Guidelines* with experience-adjustment factors based on all products of MedAmerica, its affinity partners, and any acquired business from January 1, 2004 through June 30, 2016, with runout through December 31, 2016. The experience-adjustment factors were developed using predictive analytics as described in the Predictive Analytics section below.

- Exhibit A-4a – provides the adjustment factors that are to be applied to the 2014 *Guidelines* claim costs for the Simplicity and Simplicity ii individual policy forms.
- Exhibit A-4b – provides a summary of A:E experience for the Simplicity and Simplicity ii individual policy forms.
 - Exposure [A] reflects the length of time a covered life is in force (i.e., an exact exposure basis).
 - Actual incurred claim counts [B] and dollars [C] are based on historical claim experience from inception through June 30, 2016, with runout through December 31, 2016. Actual incurred claim dollars were valued as paid claims plus claim reserves. Paid claims and claim reserves were discounted to the year of incurral.
 - 2014 *Guidelines* expected incurred claims [D] are valued as the 2014 *Guidelines* claim costs multiplied by actual all-lives exposure. The claim costs vary by gender, attained age, policy duration, benefit period, elimination period, payment type, level of home care coverage, inflation type, and coverage type (comprehensive/facility only/home health care only). Policy design, claims adjudication, and degree of underwriting were considered in developing the claim costs.
 - Adjusted expected incurred claims [E] are calculated by applying each applicable adjustment from Exhibit A-4a to the 2014 *Guidelines* expected incurred claims [D].
 - A:E ratios are calculated as actual incurred claims to the 2014 *Guidelines* expected incurred claims [F] and adjusted expected incurred claims [G]. The adjusted A:E [G] provides an indication of fit. This fit will not be perfect (i.e., ratio deviates from 1.0) because the main goal is to develop an assumption that generalizes well to new data by balancing assumption complexity and fit on the historical experience.
- Exhibit A-4c – provides information similar to Exhibit A-4b, except provides the experience for all products of MedAmerica, its affinity partners, and any acquired business.

Appendix A Development and Justification of Current Assumptions

Prior to developing the experience-adjustment factors, the 2014 *Guidelines* were adjusted for an assumed level of morbidity improvement. The 2014 *Guidelines* claim costs reflect morbidity improvement such that they are as of calendar year 2014. We assume this improvement has also occurred in the actual historical experience. Therefore, a backward or forward projection of morbidity improvement was applied to the expected claim costs on a seriatim basis based on the calendar year in which a given policy's duration fell. An annual improvement level of 1.0% was used in the backward or forward projections.

For projection purposes, three years of 1.0% improvement was applied to the 2014 *Guidelines* to bring them forward to 2017.

Improvement

For projected mortality improvement, the G2 improvement scale from the 2012IAM mortality table was used. The G2 improvement scale varies by attained age and is applied beginning in the first projection year and continues for 15 projection years.

For projected morbidity improvement, a level of 1.0% is assumed for 15 years beginning January 1, 2018. This assumption is set based on the underlying morbidity improvement from the 2014 *Guidelines*. This level is also reasonable based on the SOA July 2016 study, *Long Term Care Morbidity Improvement Study: Estimates for the Non-Insured U.S. Elderly Population Based on the National Long Term Care Survey 1984-2004*. This study reported population annual morbidity improvement of 2.3% for unisex, 2.5% for males, and 2.1% for females. The SOA July 2016 study uses population data, so it is uncertain how well these findings will translate to an insured population. The SOA June 2011 study suggests that an annuitant cohort has more mortality improvement over the general population, so it is possible that this could be true for morbidity as well. Based on these studies, a reasonable range for morbidity improvement is between 0.0% to 2.5% for males and 0.0% to 2.1% for females for 10 to 20 years.

Rate Increase Dependent Assumptions

At the time of a rate increase, insureds have options to elect a contingent benefit upon lapse (CBUL) or reduced benefit options (RBO). Adverse selection is assumed relative to CBUL and RBO elections. These insured behavior assumptions are provided in Section 6 of the actuarial memorandum. These assumptions are based on MedAmerica's actual CBUL and RBO election rate experience to the extent it exists and is credible and actuarial judgment, particularly at the higher rate increase magnitudes where little experience exists.

Contingent Benefit Upon Lapse Election

The assumed CBUL election rate varies based on the cumulative rate increase. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative rate increase amounts. No CBUL elections are assumed for limited-pay policies.

Reduced Benefit Options

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. We assume a RBO election rate that varies based on the cumulative rate increase. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative rate increase amounts. No RBO elections are assumed for limited-pay policies.

The reduction to premium and claims 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

Appendix A Development and Justification of Current Assumptions

Adverse Selection

The adverse selection assumption is a function of the CBUL and RBO election rates, such that the relative increase to morbidity due to adverse selection varies by the rate increase's magnitude. The 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. Similarly, we assume that at the time of the rate increase, insureds that elect an RBO will be selective in that their relative morbidity is 12.5% lower than that of the remaining pool.

$$\text{PoolMorb} = \text{AdvSelMorb} \times (1 - \text{CBUL} - \text{RBO}) + [(1 - 25\%) \times \text{AdvSelMorb}] \times \text{CBUL} + [(1 - 12.5\%) \times \text{AdvSelMorb}] \times \text{RBO}, \text{ where}$$

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
RBO =	percentage of policies that elect RBO

Solving the above for the adverse selection component results in the following formula for lifetime-pay policies:

$$\text{Adverse Selection} = 1 / (1 - 25\% \times \text{CBUL} - 12.5\% \times \text{RBO})$$

Predictive Analytics

In developing the morbidity experience-adjustment factors, predictive analytics was employed in the form of a penalized generalized linear model (GLM).

A penalized GLM is similar to a traditional GLM. The only difference is that it adds an additional constraint that penalizes the size of the model's coefficients in order to control overfitting the model to the historical data. This penalty placed on the coefficients can be seen as a credibility lever, which controls how much weight is given to the company's actual experience. A high penalty would give no weight to the data, leaving the benchmark assumption (i.e., the 2014 *Guidelines* for morbidity) unadjusted. No penalty would give full weight to the company's actual data potentially making large adjustments to the benchmark, which could be overfitting the actual experience. When using a penalized GLM it is important to choose a penalty that gives the right amount of weight to the actual data to avoid underfitting or overfitting the experience.

A standard approach for choosing such a penalty is to use a *k*-fold cross-validation to test a series of penalty values. A *k*-fold cross-validation splits the data into *k* subsets and iteratively trains and tests the model independently on each subset of the data. This process gives an estimation of how well a model will generalize to new data that was not used to develop the assumption. Through the *k*-fold cross-validation we evaluated the impact the penalty had on the model's generalizability by testing a range of 100 penalties. We selected the penalty that minimized the *k*-fold cross-validation prediction error. Using this approach, we were able to determine the amount of weight to give actual experience versus the benchmark assumption through a statistically robust and automated process.

Credibility

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

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

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

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

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

Exhibit A-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
Morbidity Adjustment Factors
Simplicity and Simplicity ii Individual Policy Forms Combined

Duration	Product-Specific Adjustment Factor
1	1.04
2	1.02
3	1.13
4	1.14
5	1.15
6	1.17
7	1.22
8	1.10
9	1.15
10	1.21
11	1.18
12	1.13
13	1.13
14	1.07
15	1.02
16	0.99
17	1.00
18	1.00
19	1.00
20+	1.00

Attained Age	Product-Specific and Payment Type Adjustment Factor
<55	1.07
55	1.07
56	1.07
57	1.11
58	1.13
59	1.06
60	1.01
61	0.99
62	0.89
63	0.86
64	0.96
65	0.89
66	0.95
67	1.00
68	0.97
69	0.86
70	0.94
71	0.83
72	0.84
73	0.86
74	0.91
75	0.84
76	0.89
77	0.91
78	0.98
79	1.03
80	1.11
81	1.15
82	1.15
83	1.12
84	1.11
85	1.08
86	1.06
87	1.06
88	1.08
89	1.07
90	1.09
91	1.09
92	1.07
93	1.04
94	1.03
95	1.01
96	1.00
97	1.01
98	1.01
99	1.01
100	1.01
101+	1.01

Attained Age	Non-MANY Adjustment Factor	MANY Adjustment Factor
<55	1.07	0.97
55	1.07	0.97
56	1.07	0.97
57	1.06	0.97
58	0.99	1.00
59	0.95	1.04
60	0.89	1.09
61	0.89	1.11
62	0.88	1.09
63	0.94	1.00
64	1.00	0.91
65	1.00	0.85
66	1.09	0.81
67	1.17	0.82
68	1.25	0.81
69	1.26	0.86
70	1.28	0.88
71	1.13	0.87
72	1.09	0.90
73	1.03	0.92
74	1.03	0.94
75	0.99	0.98
76	1.00	1.09
77	0.97	1.07
78	0.97	1.13
79	0.97	1.15
80	1.02	1.15
81	1.08	1.07
82	1.12	1.09
83	1.13	1.12
84	1.11	1.07
85	1.08	1.07
86	1.05	1.09
87	1.03	1.13
88	1.02	1.09
89	1.05	1.11
90	1.05	1.13
91	1.05	1.11
92	1.05	1.04
93	1.04	1.03
94	1.00	1.00
95	1.00	0.97
96	0.98	0.96
97	0.97	0.98
98	0.98	0.98
99	0.99	0.99
100	0.99	1.00
101+	1.00	1.01

Coverage Type	Adjustment Factor
Comprehensive	0.90
Nursing Home Only	1.03
Home Care Only	1.10

Exhibit A-4b
MedAmerica and Affinity Partners
Actual-to-Expected (A:E) Morbidity Experience through June 30, 2016 with Claim Runout
Simplicity and Simplicity ii Individual Policy Forms Combined

Policy or Policyowner Characteristic	Exposure [A]	Actual Incurred Claims		Expected Incurred Claims		A:E Incurred Claims	
		Count [B]	Dollars [C]	2014 Guidelines [D]	New [E]	2014 Guidelines [F] = [C] / [D]	New [G] = [C] / [E]
Company							
MANY	48,397	115	15,570,334	13,270,764	13,160,675	1.17	1.18
Non-MANY	259,930	417	44,774,910	40,902,387	43,745,275	1.09	1.02
Coverage Type							
Comprehensive	298,026	493	56,547,192	50,145,485	51,885,236	1.13	1.09
Nursing Home Only	9,404	37	3,586,363	3,804,858	4,737,342	0.94	0.76
Home Care Only	897	2	211,689	222,808	283,372	0.95	0.75
Attained Age							
< 60	182,869	95	11,103,522	8,772,488	9,948,689	1.27	1.12
60 - 69	97,417	178	22,603,019	19,454,500	19,266,007	1.16	1.17
70 - 79	25,456	160	16,481,293	18,599,710	18,243,680	0.89	0.90
80 - 89	2,540	92	9,265,766	6,942,450	8,955,759	1.33	1.03
90 +	44	7	891,643	404,002	491,815	2.21	1.81
Policy Duration							
< 7	228,630	234	24,258,019	22,061,563	22,723,069	1.10	1.07
7 - 10	71,139	239	29,087,141	25,977,943	27,577,008	1.12	1.05
11 - 15	8,558	59	7,000,084	6,133,644	6,605,874	1.14	1.06
16 - 20	-	-	-	-	-	-	-
21 +	-	-	-	-	-	-	-
Total	308,326	532	60,345,244	54,173,150	56,905,951	1.11	1.06

Exhibit A-4c
MedAmerica, Affinity Partners, and Acquired Business
Actual-to-Expected (A:E) Morbidity Experience through June 30, 2016 with Claim Runout
All Products

Policy or Policyowner Characteristic	Exposure [A]	Actual Incurred Claims		Expected Incurred Claims		A:E Incurred Claims	
		Count [B]	Dollars [C]	2014 Guidelines [D]	New [E]	2014 Guidelines [F] = [C] / [D]	New [G] = [C] / [E]
Company							
MANY	270,246	2,805	271,128,738	246,835,001	267,034,032	1.10	1.02
Non-MANY	989,369	8,495	659,578,863	642,889,811	661,215,211	1.03	1.00
Coverage Type							
Comprehensive	1,136,716	8,789	756,597,258	749,849,298	758,592,612	1.01	1.00
Nursing Home Only	106,185	2,145	154,205,174	127,829,789	153,061,713	1.21	1.01
Home Care Only	16,715	366	19,905,169	12,045,724	16,594,918	1.65	1.20
Attained Age							
< 60	453,624	244	33,805,437	30,149,268	30,328,735	1.12	1.11
60 - 69	360,462	666	78,589,161	88,054,403	75,788,341	0.89	1.04
70 - 79	291,092	2,748	262,147,876	268,144,812	267,494,038	0.98	0.98
80 - 89	138,826	5,979	465,876,836	417,634,186	464,847,833	1.12	1.00
90 +	15,611	1,663	90,288,290	85,742,142	89,790,297	1.05	1.01
Policy Duration							
< 7	497,039	823	75,787,355	82,648,988	79,201,077	0.92	0.96
7 - 10	307,411	1,867	174,015,180	164,578,241	170,058,801	1.06	1.02
11 - 15	278,526	3,765	317,411,016	297,015,693	316,181,994	1.07	1.00
16 - 20	129,643	3,188	245,115,546	230,142,856	242,291,028	1.07	1.01
21 +	46,996	1,657	118,378,503	115,339,033	120,516,343	1.03	0.98
Total	1,259,615	11,300	930,707,601	889,724,811	928,249,243	1.05	1.00

Supplement to the Simplicity Actuarial Memorandum

August 15, 2018

<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.

This supplement to the actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) and similar policy forms issued nationwide by MedAmerica Insurance Company (MedAmerica) and its affinity partners. Pennsylvania-specific experience is not considered fully credible, but is being provided as required.

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). Demonstration of satisfaction of this requirement is discussed in Section 15 of the enclosed actuarial memorandum.

(2): Section 3 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.

The company is requesting a rate increase that varies by issue age and inflation option to achieve the cumulative rate increases as shown in Section 1 of the enclosed actuarial memorandum. The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business. The cumulative rate increase levels were determined to vary by issue age and inflation option to better align the rate increase with the adverse experience. The table in Section 2 of the enclosed actuarial memorandum provides the average prior, requested, and cumulative increase by issue age band and inflation option based on the nationwide distribution of business. The enclosed cover letter provides similar information on a Pennsylvania-specific distribution.

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.

Exhibit I of the actuarial memorandum provides nationwide earned premium and incurred claim actual and projected experience using current assumptions, as described in Section 6 of the enclosed actuarial memorandum. Attachment 1 to this supplement provides nationwide written premium and paid claim actual and projected experience using current assumptions. Values in Exhibit I and Attachment 1 are shown both before and after the requested rate increase. The interest values used in Exhibit I and Attachment 1 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%, and averages 4.1%).

Attachments 2 and 3 to this supplement provide similar information as Exhibit I and Attachment 1,

Supplement to the Simplicity Actuarial Memorandum

August 15, 2018

respectively, except provide Pennsylvania-specific experience.

(2)(ii)(A): There have been five rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase varied by issue age from 44% to 130% and averaged 102.0%. The most recent rate increase was filed for use by the Department on September 19, 2017.

(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

Issue Age	Duration 1	Durations 2-10	Durations 11+
< 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 Exhibit I of the actuarial memorandum and Attachment 1 to this supplement, respectively. Premiums earned and written since inception for Pennsylvania-specific experience can be found in Attachments 2 and 3 to this supplement, respectively. Attachment 4 to this supplement provides reserve balances and the calculation basis for both nationwide and Pennsylvania-specific experience.

(2)(ii)(C)(II): Attachment 4 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.

Attachment 5 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 5 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 Exhibit I. Similar to Exhibit I and Attachments 1 through 3, the values used to calculate the cumulative loss ratios are accumulated and discounted at the maximum valuation interest rate.

Attachment 6 to this supplement provides similar information to Attachment 5 for Pennsylvania-specific experience.

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

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

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

4. Microsoft Excel spreadsheet containing all numerical data

An Excel workbook containing the values shown in Exhibits I and II of the actuarial memorandum and Attachments 1 through 6 of this supplement is enclosed with this filing, as required.

Attachment 1-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/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	4,468,185	41,559	1%	1%
	2005	13,868,620	142,647	1%	1%
	2006	24,594,396	295,873	1%	1%
	2007	34,712,112	423,473	1%	1%
	2008	37,177,076	752,446	2%	1%
	2009	36,445,617	1,360,620	4%	2%
	2010	35,789,556	1,701,866	5%	2%
	2011	35,507,507	2,923,248	8%	3%
	2012	35,808,922	3,591,057	10%	4%
	2013	36,788,608	5,019,382	14%	5%
	2014	36,913,932	5,915,127	16%	6%
	2015	35,795,810	7,243,434	20%	7%
	2016	32,978,867	8,848,463	27%	9%
2017	30,842,360	15,059,668	49%	11%	
Projected Future Experience (60 Years)	2018	34,042,673	10,201,229	30%	12%
	2019	34,690,244	11,551,432	33%	13%
	2020	34,275,101	12,772,603	37%	14%
	2021	33,382,703	14,099,867	42%	15%
	2022	32,308,788	15,623,449	48%	17%
	2023	31,132,405	17,335,269	56%	18%
	2024	30,136,729	19,283,390	64%	19%
	2025	29,123,959	21,521,815	74%	21%
	2026	28,097,192	24,060,304	86%	22%
	2027	27,050,456	26,911,413	99%	24%
	2028	25,948,274	30,079,065	116%	26%
	2029	24,837,087	33,574,426	135%	28%
	2030	23,728,695	37,386,706	158%	30%
	2031	22,596,160	41,491,862	184%	32%
	2032	21,450,304	45,846,110	214%	34%
	2033	20,300,920	50,459,458	249%	37%
	2034	19,108,711	55,330,411	290%	40%
	2035	17,925,655	60,372,303	337%	42%
	2036	16,733,594	65,466,636	391%	45%
	2037	15,540,072	70,496,747	454%	48%
	2038	14,347,014	75,338,710	525%	52%
	2039	13,187,885	79,843,120	605%	55%
	2040	12,054,854	83,863,695	696%	58%
	2041	10,960,479	87,270,734	796%	61%
	2042	9,906,074	89,979,817	908%	64%
	2043	8,903,306	91,942,665	1,033%	67%
	2044	7,956,473	93,150,363	1,171%	70%
	2045	7,070,226	93,599,668	1,324%	73%
	2046	6,248,454	93,291,675	1,493%	76%
	2047	5,490,533	92,245,601	1,680%	79%
2048	4,800,758	90,508,091	1,885%	82%	
2049	4,175,899	88,150,834	2,111%	84%	
2050	3,615,463	85,272,865	2,359%	86%	
2051	3,114,745	81,977,023	2,632%	88%	
2052	2,672,341	78,354,640	2,932%	90%	
2053	2,283,672	74,477,645	3,261%	92%	
2054	1,943,342	70,419,891	3,624%	93%	
2055	1,648,472	66,245,878	4,019%	95%	
2056	1,393,652	62,002,231	4,449%	96%	
2057	1,174,370	57,714,311	4,914%	97%	
2058-2062	3,555,485	226,434,248	6,369%	101%	
2063-2067	1,392,641	136,453,093	9,798%	104%	
2068-2072	510,968	70,738,649	13,844%	104%	
2073-2077	176,391	31,183,489	17,679%	105%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	565,081,448	61,024,317	11%
Future	421,247,310	971,708,050	231%
Lifetime	986,328,757	1,032,732,366	105%

Attachment 1-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/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	4,468,185	41,559	1%	1%
	2005	13,868,620	142,647	1%	1%
	2006	24,594,396	295,873	1%	1%
	2007	34,712,112	423,473	1%	1%
	2008	37,177,076	752,446	2%	1%
	2009	36,445,617	1,360,620	4%	2%
	2010	35,789,556	1,701,866	5%	2%
	2011	35,507,507	2,923,248	8%	3%
	2012	35,808,922	3,591,057	10%	4%
	2013	36,788,608	5,019,382	14%	5%
	2014	36,913,932	5,915,127	16%	6%
	2015	35,795,810	7,243,434	20%	7%
	2016	32,978,867	8,848,463	27%	9%
2017	30,842,360	15,059,668	49%	11%	
Projected Future Experience (60 Years)	2018	34,042,916	10,201,229	30%	12%
	2019	43,057,360	11,491,156	27%	13%
	2020	45,327,495	12,559,461	28%	14%
	2021	46,215,608	13,702,771	30%	15%
	2022	45,640,647	15,028,383	33%	15%
	2023	43,756,309	16,540,515	38%	16%
	2024	42,400,982	18,288,043	43%	18%
	2025	41,008,390	20,320,811	50%	19%
	2026	39,602,495	22,645,568	57%	20%
	2027	38,182,611	25,270,656	66%	21%
	2028	36,676,982	28,195,188	77%	23%
	2029	35,162,052	31,427,191	89%	24%
	2030	33,652,768	34,955,468	104%	26%
	2031	32,105,783	38,757,034	121%	27%
	2032	30,542,888	42,790,587	140%	29%
	2033	28,974,805	47,066,268	162%	31%
	2034	27,337,169	51,582,910	189%	33%
	2035	25,709,900	56,259,789	219%	36%
	2036	24,063,692	60,986,836	253%	38%
	2037	22,409,039	65,655,885	293%	40%
	2038	20,746,071	70,151,829	338%	43%
	2039	19,129,344	74,336,194	389%	45%
	2040	17,539,349	78,073,797	445%	48%
	2041	16,002,346	81,245,223	508%	50%
	2042	14,514,439	83,771,487	577%	53%
	2043	13,093,047	85,607,491	654%	55%
	2044	11,745,214	86,745,422	739%	58%
	2045	10,477,409	87,182,853	832%	60%
	2046	9,296,568	86,920,404	935%	62%
	2047	8,203,020	85,974,994	1,048%	64%
	2048	7,202,095	84,389,017	1,172%	67%
	2049	6,290,611	82,228,226	1,307%	68%
	2050	5,468,805	79,583,168	1,455%	70%
2051	4,730,927	76,548,094	1,618%	72%	
2052	4,075,154	73,206,509	1,796%	73%	
2053	3,495,657	69,624,104	1,992%	75%	
2054	2,985,471	65,868,721	2,206%	76%	
2055	2,540,570	61,999,712	2,440%	77%	
2056	2,153,938	58,060,045	2,696%	78%	
2057	1,819,467	54,072,712	2,972%	79%	
2058-2062	5,529,890	212,394,554	3,841%	82%	
2063-2067	2,169,168	128,147,100	5,908%	84%	
2068-2072	795,778	66,402,847	8,344%	85%	
2073-2077	276,295	29,216,006	10,574%	85%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	565,081,448	61,024,317	11%
Future	576,383,027	910,520,241	158%
Lifetime	1,141,464,475	971,544,558	85%

Attachment 2-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/ Max. Val. Interest
Historical Experience	2004	69,238	0	0%	79	0%
	2005	340,141	0	0%	234	0%
	2006	828,542	0	0%	845	0%
	2007	1,454,576	3,925	0%	1,075	0%
	2008	1,854,358	3,584	0%	1,428	0%
	2009	2,251,035	0	0%	1,579	0%
	2010	2,450,306	54,170	2%	1,573	1%
	2011	2,410,676	16,414	1%	1,518	1%
	2012	2,344,343	0	0%	1,472	1%
	2013	2,273,076	17,449	1%	1,357	1%
	2014	2,406,369	123,310	5%	1,300	1%
	2015	2,436,491	470,777	19%	1,250	3%
	2016	2,358,457	211,064	9%	1,186	3%
2017	2,417,500	476,839	20%	1,135	5%	
Projected Future Experience (60 Years)	2018	2,685,293	587,329	22%	1,064	6%
	2019	2,636,282	642,819	24%	1,050	7%
	2020	2,407,383	708,440	29%	1,036	8%
	2021	2,350,835	784,166	33%	1,021	10%
	2022	2,297,443	873,210	38%	1,006	11%
	2023	2,238,019	973,860	44%	989	12%
	2024	2,172,131	1,091,744	50%	971	13%
	2025	2,114,266	1,231,015	58%	953	15%
	2026	2,056,273	1,394,201	68%	933	16%
	2027	1,991,929	1,582,882	79%	913	18%
	2028	1,933,272	1,799,729	93%	892	20%
	2029	1,871,499	2,046,746	109%	869	22%
	2030	1,808,317	2,319,570	128%	846	24%
	2031	1,743,653	2,621,617	150%	821	26%
	2032	1,676,807	2,951,632	176%	796	29%
	2033	1,607,670	3,321,769	207%	769	31%
	2034	1,535,802	3,733,972	243%	740	34%
	2035	1,460,964	4,176,240	286%	711	37%
	2036	1,384,597	4,624,473	334%	680	40%
	2037	1,302,837	5,060,583	388%	647	44%
	2038	1,219,473	5,482,677	450%	614	47%
	2039	1,138,396	5,863,798	515%	580	51%
	2040	1,056,753	6,199,133	587%	545	55%
	2041	975,156	6,473,464	664%	509	58%
	2042	894,303	6,685,743	748%	474	62%
	2043	814,932	6,832,485	838%	439	66%
	2044	737,708	6,913,100	937%	404	69%
	2045	663,291	6,918,408	1,043%	369	72%
	2046	592,326	6,842,032	1,155%	336	76%
	2047	525,340	6,670,942	1,270%	304	79%
2048	462,729	6,425,096	1,389%	274	81%	
2049	404,793	6,129,390	1,514%	246	84%	
2050	351,743	5,790,394	1,646%	219	86%	
2051	303,607	5,429,083	1,788%	194	88%	
2052	260,356	5,047,246	1,939%	172	90%	
2053	221,881	4,659,713	2,100%	151	92%	
2054	187,956	4,268,732	2,271%	133	93%	
2055	158,305	3,877,103	2,449%	116	95%	
2056	132,580	3,487,358	2,630%	101	96%	
2057	110,453	3,099,637	2,806%	88	97%	
2058-2062	322,155	10,560,574	3,278%	289	100%	
2063-2067	118,214	5,029,430	4,255%	132	101%	
2068-2072	42,749	2,080,716	4,867%	56	101%	
2073-2077	15,251	790,516	5,183%	21	101%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	32,675,274	1,506,851	5%
Future	32,398,065	64,457,717	199%
Lifetime	65,073,339	65,964,568	101%

Attachment 2-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/ Max. Val. Interest
Historical Experience	2004	69,238	0	0%	79	0%
	2005	340,141	0	0%	234	0%
	2006	828,542	0	0%	845	0%
	2007	1,454,576	3,925	0%	1,075	0%
	2008	1,854,358	3,584	0%	1,428	0%
	2009	2,251,035	0	0%	1,579	0%
	2010	2,450,306	54,170	2%	1,573	1%
	2011	2,410,676	16,414	1%	1,518	1%
	2012	2,344,343	0	0%	1,472	1%
	2013	2,273,076	17,449	1%	1,357	1%
	2014	2,406,369	123,310	5%	1,300	1%
	2015	2,436,491	470,777	19%	1,250	3%
	2016	2,358,457	211,064	9%	1,186	3%
2017	2,417,500	476,839	20%	1,135	5%	
Projected Future Experience (60 Years)	2018	2,685,293	587,329	22%	1,064	6%
	2019	3,093,135	630,587	20%	996	7%
	2020	3,272,856	678,849	21%	983	8%
	2021	3,195,883	750,806	23%	969	9%
	2022	3,124,090	835,422	27%	954	10%
	2023	3,043,572	930,999	31%	938	11%
	2024	2,953,357	1,042,877	35%	922	12%
	2025	2,875,805	1,174,974	41%	904	13%
	2026	2,798,403	1,329,805	48%	886	14%
	2027	2,711,124	1,508,666	56%	867	16%
	2028	2,633,488	1,714,012	65%	846	17%
	2029	2,551,241	1,947,780	76%	825	19%
	2030	2,467,114	2,205,877	89%	803	20%
	2031	2,380,990	2,491,559	105%	780	22%
	2032	2,291,723	2,803,736	122%	756	24%
	2033	2,199,154	3,153,929	143%	730	26%
	2034	2,102,619	3,543,948	169%	703	29%
	2035	2,001,734	3,962,675	198%	675	31%
	2036	1,898,745	4,387,170	231%	646	34%
	2037	1,787,478	4,800,253	269%	615	37%
	2038	1,673,837	5,200,318	311%	584	39%
	2039	1,563,869	5,561,737	356%	551	42%
	2040	1,452,962	5,879,969	405%	518	45%
	2041	1,341,971	6,140,571	458%	485	48%
	2042	1,231,861	6,341,959	515%	451	51%
	2043	1,123,643	6,481,020	577%	417	54%
	2044	1,018,242	6,556,822	644%	384	57%
	2045	916,574	6,560,998	716%	352	60%
	2046	819,525	6,487,955	792%	320	62%
	2047	727,819	6,325,488	869%	290	65%
2048	642,007	6,092,719	949%	261	67%	
2049	562,500	5,812,848	1,033%	234	69%	
2050	489,586	5,491,225	1,122%	209	71%	
2051	423,312	5,147,801	1,216%	185	73%	
2052	363,647	4,784,440	1,316%	164	74%	
2053	310,453	4,415,509	1,422%	144	75%	
2054	263,438	4,043,365	1,535%	126	77%	
2055	222,242	3,670,558	1,652%	110	78%	
2056	186,408	3,300,143	1,770%	96	79%	
2057	155,502	2,932,492	1,886%	84	79%	
2058-2062	454,536	9,981,711	2,196%	275	82%	
2063-2067	166,832	4,735,970	2,839%	126	83%	
2068-2072	60,177	1,947,890	3,237%	53	83%	
2073-2077	21,429	735,946	3,434%	20	83%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	32,675,274	1,506,851	5%
Future	42,799,001	61,215,230	143%
Lifetime	75,474,275	62,722,081	83%

Attachment 3-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/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	119,848	0	0%	0%
	2005	416,507	0	0%	0%
	2006	1,009,950	0	0%	0%
	2007	1,549,076	4,198	0%	0%
	2008	1,999,839	0	0%	0%
	2009	2,358,115	3,696	0%	0%
	2010	2,449,376	17,353	1%	0%
	2011	2,401,817	42,900	2%	1%
	2012	2,334,250	13,258	1%	1%
	2013	2,294,187	18,149	1%	1%
	2014	2,438,342	0	0%	0%
	2015	2,428,099	144,160	6%	1%
	2016	2,331,759	227,903	10%	2%
	2017	2,504,734	326,721	13%	3%
Projected Future Experience (60 Years)	2018	2,728,571	305,280	11%	3%
	2019	2,511,074	411,114	16%	4%
	2020	2,388,296	501,799	21%	5%
	2021	2,332,576	589,987	25%	6%
	2022	2,283,274	680,897	30%	7%
	2023	2,220,724	775,546	35%	8%
	2024	2,155,900	876,720	41%	9%
	2025	2,098,204	989,226	47%	10%
	2026	2,036,489	1,117,276	55%	11%
	2027	1,974,807	1,263,965	64%	13%
	2028	1,916,152	1,432,109	75%	14%
	2029	1,853,788	1,624,431	88%	16%
	2030	1,790,345	1,842,374	103%	17%
	2031	1,725,231	2,087,294	121%	19%
	2032	1,657,923	2,360,475	142%	21%
	2033	1,588,248	2,665,031	168%	23%
	2034	1,515,040	3,004,553	198%	26%
	2035	1,440,440	3,379,156	235%	28%
	2036	1,363,624	3,783,269	277%	31%
	2037	1,281,483	4,207,428	328%	34%
	2038	1,197,853	4,642,921	388%	37%
	2039	1,116,655	5,077,416	455%	40%
	2040	1,035,045	5,498,572	531%	43%
	2041	953,658	5,892,995	618%	46%
	2042	873,230	6,249,677	716%	50%
	2043	794,452	6,559,898	826%	53%
	2044	717,970	6,816,536	949%	57%
	2045	644,472	7,012,716	1,088%	60%
	2046	574,573	7,141,464	1,243%	63%
	2047	508,762	7,194,822	1,414%	67%
2048	447,376	7,170,376	1,603%	70%	
2049	390,705	7,071,943	1,810%	73%	
2050	338,929	6,905,122	2,037%	76%	
2051	292,054	6,678,890	2,287%	78%	
2052	250,046	6,402,328	2,560%	81%	
2053	212,747	6,086,035	2,861%	83%	
2054	179,927	5,739,786	3,190%	85%	
2055	151,286	5,371,589	3,551%	87%	
2056	126,488	4,987,830	3,943%	88%	
2057	105,196	4,593,423	4,367%	90%	
2058-2062	305,650	17,172,609	5,618%	94%	
2063-2067	111,588	9,304,575	8,338%	96%	
2068-2072	40,329	4,386,941	10,878%	97%	
2073-2077	14,364	1,835,223	12,776%	98%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	33,773,981	867,160	3%
Future	32,001,512	63,299,581	198%
Lifetime	65,775,493	64,165,849	98%

**Attachment 3-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/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	2004	119,848	0	0%	0%
	2005	416,507	0	0%	0%
	2006	1,009,950	0	0%	0%
	2007	1,549,076	4,198	0%	0%
	2008	1,999,839	0	0%	0%
	2009	2,358,115	3,696	0%	0%
	2010	2,449,376	17,353	1%	0%
	2011	2,401,817	42,900	2%	1%
	2012	2,334,250	13,258	1%	1%
	2013	2,294,187	18,149	1%	1%
	2014	2,438,342	0	0%	0%
	2015	2,428,099	144,160	6%	1%
	2016	2,331,759	227,903	10%	2%
	2017	2,504,734	326,721	13%	3%
Projected Future Experience (60 Years)	2018	2,728,586	305,280	11%	3%
	2019	3,198,484	408,554	13%	4%
	2020	3,246,989	492,741	15%	5%
	2021	3,171,247	574,033	18%	6%
	2022	3,105,881	658,582	21%	6%
	2023	3,020,652	747,124	25%	7%
	2024	2,932,151	842,136	29%	8%
	2025	2,854,915	948,124	33%	9%
	2026	2,771,634	1,069,090	39%	10%
	2027	2,688,664	1,207,896	45%	11%
	2028	2,611,088	1,367,084	52%	12%
	2029	2,527,928	1,549,156	61%	14%
	2030	2,443,422	1,755,436	72%	15%
	2031	2,356,616	1,987,200	84%	16%
	2032	2,266,649	2,245,680	99%	18%
	2033	2,173,278	2,533,842	117%	20%
	2034	2,074,679	2,855,101	138%	22%
	2035	1,974,221	3,209,628	163%	24%
	2036	1,870,552	3,592,184	192%	26%
	2037	1,758,698	3,993,797	227%	28%
	2038	1,644,631	4,406,238	268%	30%
	2039	1,534,436	4,817,845	314%	33%
	2040	1,423,519	5,216,951	366%	36%
	2041	1,312,766	5,590,870	426%	38%
	2042	1,203,188	5,929,064	493%	41%
	2043	1,095,737	6,223,183	568%	44%
	2044	991,312	6,466,354	652%	47%
	2045	890,866	6,652,013	747%	50%
	2046	795,239	6,773,616	852%	52%
	2047	705,111	6,823,712	968%	55%
	2048	620,946	6,800,149	1,095%	57%
	2049	543,141	6,706,596	1,235%	60%
	2050	471,947	6,548,211	1,387%	62%
	2051	407,376	6,333,333	1,555%	64%
2052	349,394	6,070,489	1,737%	66%	
2053	297,797	5,769,739	1,937%	68%	
2054	252,284	5,440,419	2,156%	70%	
2055	212,466	5,090,148	2,396%	71%	
2056	177,901	4,725,113	2,656%	72%	
2057	148,143	4,350,187	2,936%	73%	
2058-2062	431,305	16,249,754	3,768%	77%	
2063-2067	157,459	8,785,142	5,579%	79%	
2068-2072	56,760	4,126,286	7,270%	80%	
2073-2077	20,180	1,717,946	8,513%	80%	

With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest

History	33,773,981	867,160	3%
Future	42,510,065	60,147,228	141%
Lifetime	76,284,047	61,013,496	80%

Attachment 4
MedAmerica and Affinity Partners
Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2017
Individual Simplicity Policy Forms

Nationwide Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
2004	299,291	299,291	0		0	
2005	704,251	704,251	0		0	
2006	127,091	127,091	0		0	
2007	1,345,984	1,238,711	107,273		107,273	
2008	2,657,405	2,657,405	0		0	
2009	2,007,154	1,764,322	242,832		242,832	
2010	3,496,980	3,346,939	150,041		150,041	
2011	4,686,403	4,609,029	77,374		77,374	
2012	5,101,770	4,750,427	351,343		351,343	
2013	7,251,547	6,358,859	892,688		892,688	
2014	12,095,718	8,271,654	3,824,064		3,824,064	
2015	9,972,838	6,763,035	3,209,803		3,209,803	
2016	13,665,626	6,447,334	7,218,293		7,218,293	
2017	12,402,091	2,022,123	8,413,263	1,966,705	10,379,969	385,767,701

Pennsylvania-Specific Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
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	123,310	123,310	0		0	
2015	470,777	320,536	150,240		150,240	
2016	211,064	154,936	56,128		56,128	
2017	476,839	69,424	311,818	95,597	407,414	23,864,376

[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 5-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/ Max. Val. Interest
1	45,076,478	1,722,476	4%	25,215	4%
2	42,740,210	1,167,457	3%	23,615	3%
3	40,985,685	3,016,197	7%	22,490	5%
4	39,557,361	3,138,770	8%	21,557	5%
5	38,324,283	3,212,040	8%	20,792	6%
6	37,513,666	4,793,305	13%	20,081	7%
7	36,979,820	7,092,507	19%	19,323	8%
8	37,212,333	7,026,634	19%	18,680	9%
9	37,728,089	10,341,782	27%	18,035	11%
10	38,433,825	14,418,140	38%	17,301	13%
11	29,438,947	10,545,872	36%	16,444	14%
12	30,742,975	15,278,948	50%	15,878	16%
13	32,050,545	12,921,442	40%	15,417	17%
14	33,079,668	14,283,277	43%	15,072	19%
15	33,318,313	15,663,797	47%	14,784	20%
16	32,690,132	17,388,902	53%	14,507	21%
17	31,756,774	19,676,247	62%	14,215	23%
18	30,775,454	22,305,654	72%	13,907	24%
19	29,781,103	25,138,161	84%	13,583	26%
20	28,766,058	28,227,544	98%	13,244	28%
21	27,693,302	31,630,689	114%	12,890	30%
22	26,611,122	35,361,513	133%	12,521	32%
23	25,515,364	39,549,151	155%	12,136	35%
24	24,362,425	44,010,807	181%	11,736	37%
25	23,223,535	48,630,422	209%	11,321	40%
26	22,074,776	53,433,887	242%	10,891	43%
27	20,892,804	58,570,463	280%	10,446	46%
28	19,696,462	63,657,497	323%	9,987	49%
29	18,500,129	68,750,507	372%	9,514	52%
30	17,302,722	73,606,829	425%	9,030	55%
31	16,098,819	78,144,933	485%	8,536	59%
32	14,889,004	82,221,233	552%	8,036	62%
33	13,703,629	85,577,487	624%	7,532	66%
34	12,538,051	88,113,510	703%	7,029	69%
35	11,408,729	89,651,746	786%	6,530	73%
36	10,324,061	90,307,574	875%	6,039	76%
37	9,283,385	90,057,509	970%	5,559	79%
38	8,299,871	89,024,786	1,073%	5,093	82%
39	7,374,732	87,362,044	1,185%	4,645	85%
40	6,515,958	85,051,591	1,305%	4,219	88%
41	5,727,320	82,097,510	1,433%	3,815	90%
42	5,005,535	78,587,480	1,570%	3,436	92%
43	4,351,370	74,766,695	1,718%	3,081	94%
44	3,762,455	70,696,595	1,879%	2,753	96%
45	3,239,247	66,476,235	2,052%	2,451	98%
46	2,777,226	62,213,236	2,240%	2,175	100%
47	2,370,387	57,997,579	2,447%	1,923	101%
48	2,015,868	53,823,667	2,670%	1,695	102%
49	1,708,248	49,728,628	2,911%	1,489	103%
50	1,443,056	45,743,800	3,170%	1,304	104%
51-55	4,399,227	171,986,617	3,909%	4,378	108%
56-60	1,749,645	96,479,480	5,514%	2,057	109%
61-65	646,899	45,004,811	6,957%	871	110%
66-70	218,968	16,986,159	7,757%	321	110%
Total	1,082,676,047	2,592,661,824	239%	559,576	110%

Attachment 5-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/ Max. Val. Interest
1	45,076,478	1,722,476	4%	25,215	4%
2	42,740,210	1,167,457	3%	23,615	3%
3	40,985,685	3,016,197	7%	22,490	5%
4	39,557,361	3,138,770	8%	21,557	5%
5	38,324,283	3,212,040	8%	20,792	6%
6	37,751,167	4,792,706	13%	20,073	7%
7	38,225,606	7,088,354	19%	19,282	8%
8	39,326,757	7,013,129	18%	18,624	9%
9	40,258,840	10,316,532	26%	17,965	11%
10	41,342,482	14,378,713	35%	17,220	13%
11	31,971,258	10,485,164	33%	16,342	14%
12	33,994,091	15,174,102	45%	15,698	16%
13	36,910,314	12,702,382	34%	15,044	17%
14	40,343,117	13,861,596	34%	14,492	18%
15	43,013,895	14,969,900	35%	14,030	19%
16	44,118,263	16,428,942	37%	13,700	20%
17	43,860,164	18,493,641	42%	13,399	21%
18	42,952,807	20,916,959	49%	13,104	22%
19	41,692,970	23,545,744	56%	12,800	23%
20	40,329,102	26,415,600	66%	12,482	24%
21	38,851,403	29,576,183	76%	12,151	26%
22	37,358,066	33,038,330	88%	11,804	28%
23	35,858,810	36,922,201	103%	11,443	30%
24	34,283,419	41,057,145	120%	11,068	31%
25	32,727,335	45,337,480	139%	10,679	34%
26	31,151,916	49,787,261	160%	10,275	36%
27	29,526,005	54,549,182	185%	9,858	38%
28	27,874,449	59,267,037	213%	9,427	41%
29	26,228,952	63,993,814	244%	8,983	43%
30	24,576,723	68,501,616	279%	8,529	46%
31	22,908,957	72,714,796	317%	8,065	48%
32	21,226,839	76,502,511	360%	7,595	51%
33	19,578,140	79,623,466	407%	7,121	54%
34	17,950,761	81,983,957	457%	6,648	57%
35	16,370,872	83,422,871	510%	6,178	59%
36	14,850,925	84,046,797	566%	5,716	62%
37	13,386,117	83,834,713	626%	5,263	64%
38	11,999,509	82,898,593	691%	4,824	67%
39	10,689,860	81,384,997	761%	4,402	69%
40	9,472,026	79,271,892	837%	3,999	71%
41	8,349,458	76,560,793	917%	3,618	73%
42	7,317,653	73,335,980	1,002%	3,259	75%
43	6,379,814	69,821,610	1,094%	2,924	76%
44	5,532,683	66,071,021	1,194%	2,613	78%
45	4,777,114	62,177,395	1,302%	2,328	79%
46	4,107,077	58,239,830	1,418%	2,066	80%
47	3,514,826	54,342,306	1,546%	1,827	82%
48	2,996,353	50,476,436	1,685%	1,611	83%
49	2,544,612	46,676,173	1,834%	1,415	83%
50	2,153,647	42,970,553	1,995%	1,240	84%
51-55	6,587,476	161,785,298	2,456%	4,165	87%
56-60	2,626,541	90,804,884	3,457%	1,957	88%
61-65	971,960	42,249,656	4,347%	828	89%
66-70	330,023	15,910,518	4,821%	305	89%
Total	1,337,835,170	2,427,977,698	181%	542,108	89%

Attachment 6-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/ Max. Val. Interest
1	2,699,589	0	0%	1,715	0%
2	2,586,142	3,584	0%	1,633	0%
3	2,488,477	3,925	0%	1,596	0%
4	2,447,138	10,183	0%	1,556	0%
5	2,434,460	55,251	2%	1,502	1%
6	2,408,432	0	0%	1,418	0%
7	2,410,490	121,278	5%	1,328	1%
8	2,461,867	124,044	5%	1,255	1%
9	2,594,188	363,346	14%	1,201	3%
10	2,792,614	177,380	6%	1,155	3%
11	2,211,556	687,201	31%	1,113	5%
12	2,345,242	517,410	22%	1,078	6%
13	2,365,206	541,210	23%	1,051	7%
14	2,376,271	702,712	30%	1,034	8%
15	2,348,914	793,428	34%	1,017	9%
16	2,277,686	881,157	39%	1,001	11%
17	2,223,708	1,000,410	45%	984	12%
18	2,167,096	1,138,377	53%	966	13%
19	2,104,166	1,293,150	61%	947	15%
20	2,045,231	1,470,271	72%	927	16%
21	1,979,564	1,679,057	85%	906	18%
22	1,919,769	1,920,120	100%	884	20%
23	1,855,530	2,194,944	118%	861	22%
24	1,791,005	2,497,220	139%	837	24%
25	1,724,052	2,821,263	164%	812	27%
26	1,654,618	3,173,516	192%	785	29%
27	1,582,656	3,561,436	225%	757	32%
28	1,508,184	3,972,948	263%	728	35%
29	1,430,299	4,405,575	308%	697	38%
30	1,351,316	4,849,530	359%	666	42%
31	1,270,545	5,287,804	416%	632	45%
32	1,181,640	5,700,867	482%	598	49%
33	1,098,756	6,054,829	551%	564	53%
34	1,015,785	6,348,612	625%	528	57%
35	933,449	6,573,169	704%	493	60%
36	852,381	6,737,923	790%	457	64%
37	773,253	6,827,981	883%	422	68%
38	696,747	6,842,807	982%	387	71%
39	623,617	6,801,493	1,091%	354	74%
40	554,432	6,697,175	1,208%	322	77%
41	489,544	6,513,981	1,331%	291	80%
42	429,240	6,255,317	1,457%	261	83%
43	373,778	5,945,563	1,591%	234	85%
44	323,319	5,604,089	1,733%	209	88%
45	277,872	5,245,161	1,888%	185	90%
46	237,321	4,866,796	2,051%	164	92%
47	201,408	4,483,786	2,226%	144	93%
48	169,885	4,092,434	2,409%	126	95%
49	142,468	3,706,048	2,601%	111	96%
50	118,844	3,338,566	2,809%	96	97%
51-55	346,953	11,744,412	3,385%	319	100%
56-60	125,678	5,704,050	4,539%	146	102%
61-65	43,815	2,321,175	5,298%	60	102%
66-70	15,142	842,583	5,564%	22	102%
Total	76,881,340	175,496,545	228%	39,537	102%

Attachment 6-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/ Max. Val. Interest
1	2,699,589	0	0%	1,715	0%
2	2,586,142	3,584	0%	1,633	0%
3	2,488,477	3,925	0%	1,596	0%
4	2,447,138	10,183	0%	1,556	0%
5	2,434,460	55,251	2%	1,502	1%
6	2,408,432	0	0%	1,418	0%
7	2,410,490	121,278	5%	1,328	1%
8	2,461,867	124,044	5%	1,255	1%
9	2,599,192	363,345	14%	1,201	3%
10	2,860,931	176,829	6%	1,150	3%
11	2,382,449	683,991	29%	1,098	5%
12	2,685,059	509,604	19%	1,053	6%
13	2,873,142	527,414	18%	1,011	7%
14	3,083,378	679,542	22%	985	8%
15	3,137,520	763,103	24%	966	9%
16	3,080,196	843,749	27%	950	10%
17	3,020,464	956,506	32%	934	11%
18	2,944,799	1,087,626	37%	917	12%
19	2,859,571	1,234,502	43%	899	13%
20	2,780,973	1,402,579	50%	880	14%
21	2,691,866	1,600,616	59%	860	16%
22	2,612,896	1,829,189	70%	840	17%
23	2,527,241	2,089,641	83%	818	19%
24	2,441,611	2,375,937	97%	795	21%
25	2,352,529	2,682,516	114%	771	23%
26	2,259,901	3,015,692	133%	746	25%
27	2,163,648	3,382,636	156%	720	27%
28	2,063,780	3,772,009	183%	692	30%
29	1,958,832	4,181,516	213%	663	32%
30	1,852,395	4,601,801	248%	632	35%
31	1,743,306	5,016,944	288%	601	38%
32	1,621,445	5,407,979	334%	569	41%
33	1,509,072	5,742,809	381%	536	44%
34	1,396,401	6,020,369	431%	502	47%
35	1,284,433	6,232,224	485%	469	50%
36	1,174,053	6,387,277	544%	435	53%
37	1,066,189	6,471,790	607%	402	56%
38	961,794	6,484,733	674%	369	58%
39	861,900	6,444,773	748%	337	61%
40	767,296	6,345,222	827%	306	64%
41	678,468	6,171,266	910%	277	66%
42	595,810	5,925,893	995%	249	68%
43	519,678	5,632,450	1,084%	223	70%
44	450,297	5,308,633	1,179%	199	72%
45	387,692	4,968,239	1,281%	177	74%
46	331,710	4,609,357	1,390%	156	75%
47	282,014	4,246,058	1,506%	137	76%
48	238,280	3,875,220	1,626%	121	77%
49	200,141	3,508,979	1,753%	106	78%
50	167,194	3,160,740	1,890%	92	79%
51-55	489,351	11,117,862	2,272%	305	82%
56-60	177,450	5,392,038	3,039%	139	83%
61-65	61,740	2,184,077	3,538%	57	84%
66-70	21,304	787,641	3,697%	20	84%
Total	94,155,983	166,521,178	177%	38,365	84%

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

Contingent Non-Forfeiture Benefit Election Form

<<FIRST_NAME>> <<LAST_NAME>> <<DATE>>
<<STREET_ADDRESS1>> Billing Account ID: <<POLICY_NUMBER>>
<<STREET_ADDRESS2>>
<<CITY>> <<STATE>> <<ZIP>>

I have decided to stop future premium payments and accept the Contingent Non-Forfeiture Benefit.

I understand the following:

- No future premium is due; and
- I will have a reduced lifetime benefit equal to the total amount of premiums paid and applied to my policy **OR** the maximum monthly benefit in effect at the time my policy lapses, whichever is greater; and
- The Contingent Non-Forfeiture Benefit is significantly less than the benefit provided if I chose to keep paying my premium; and
- The Contingent Non-Forfeiture Benefit is only available if I satisfy the requirements for Benefit Eligibility as defined in my policy or certificate; and
- The Contingent Non-Forfeiture Benefit will be payable up to my current Monthly Benefit Amount in effect on the date of this change; and
- All riders, with the exception of Community Only and Facility Only riders, will be terminated; and
- All other terms, conditions, limitations and exclusions in my current coverage apply to the Contingent Non-Forfeiture Benefit.

Signature:

I request my current long term care insurance coverage be reduced to the Contingent Non-Forfeiture Benefit offered by the company. This option becomes effective as of my current paid through date. A summary of Contingent Non-Forfeiture Benefits will be sent to me when this request is processed.

Signature

Date

Mailing Instructions: Sign and date this form and return in the enclosed postage-paid envelope.

Time-Sensitive! Review Options and Make Your Decision
RE: Your Long Term Care Insurance
Notice of Premium Increase — Please Read & Retain for Your Records

<<FIRST_NAME>> <<LAST_NAME>> <<DATE>>
<<STREET_ADDRESS1>> Billing Account ID: <<POLICY_NUMBER>>
<<STREET_ADDRESS2>>
<<CITY>> <<STATE>> <<ZIP>>

Dear <<SALUTATION LAST_NAME>>:

We are writing to notify you that we have filed a premium increase of <<INC_AMT>> with the Department of Insurance. This premium change is based on the overall experience of all contracts in your class and has nothing to do with your current age, health status, claims history or any other personal factors. This increase applies to all insureds who have the same policy form as you, regardless of the effective date of coverage. Please be advised that premiums are subject to future rate increases.

The premium rate increase for your long term care insurance coverage will occur on <<NEXT_BILL_DATE>>. Your <<MODAL>> premium payment will change from <<CURRENT_RATE>> to <<FUTURE_RATE>>.

We understand this premium increase may affect your ability to afford your current level of benefits. Please review the options regarding your coverage that are outlined below, and make the decision that best meets your needs.

- **Option #1: Continue your coverage at your current level of benefits.** You may keep your current level of benefits by paying the increased premium when it is due on <<NEXT_BILL_DATE>>. If you choose this option, no additional action, other than your premium payment, is required. Please understand that paying the increased premium for coverage through 120 days from the date of the rate increase constitutes your acceptance of the rate increase and voids the offer of the Contingent Non-Forfeiture Benefit outlined in Option #3 below.
- **Option #2: Offset the increased premium by reducing your level of benefits.** You may be able to adjust your benefits to reduce your premium. Please understand that this option is not always available as you may have selected the state-mandated minimum benefits allowable for long term care insurance. Please call Customer Service toll-free at 1-800-240-1675 to discuss your options.
- **Option #3: Elect the reduced Contingent Non-Forfeiture Benefit.**

If you elect the Contingent Non-Forfeiture Benefit option, no further premium is due. This option becomes effective as of your current paid through date. As of the date of this letter, your Contingent Non-Forfeiture Benefit would be <<RESULT_OF_CNF_FORMULA>>.

There are two ways to elect the Contingent Non-Forfeiture Benefit:

- Choose this option today by signing and dating the enclosed Contingent Non-Forfeiture Benefit Election Form and returning it in the enclosed postage-paid envelope; OR
- If you do not pay the increased premium **within 120 days of the due date**, which is <<NEXT_BILL_DATE>>, you will be entitled to the Contingent Non-Forfeiture Benefit. We will automatically change your coverage to the Contingent Non-Forfeiture Benefit in lieu of your policy lapsing for non-payment of premium.

IMPORTANT: Paying the increased premium for coverage through 120 days from <<NEXT_BILL_DATE>>, constitutes your acceptance of the rate increase and voids the Contingent Non-Forfeiture Benefit offer.

What is the Contingent Non-Forfeiture Benefit?

The Contingent Non-Forfeiture Benefit Option allows you to retain reduced long term care insurance benefits in the event you can no longer afford your premium due to a substantial premium increase. Under this option, the same **Maximum Monthly Benefit** amounts in effect at the time of lapse will be payable, but the **Lifetime Maximum** will be equal to the greater of the items a) or b) below:

- a) The total amount of premiums paid and applied to Your Policy; **OR**
- b) Your **Maximum Monthly Benefit**

The total of all benefits paid under your policy will not exceed the Lifetime Maximum that would have been payable if your policy did not lapse.

Important facts to know about this reduced benefit are:

- No future premium is due.
- The Lifetime Maximum is significantly less than the benefit provided if you choose to continue paying your premium.
- All riders, with the exception of Community Only and Facility Only riders, will be terminated.
- All other terms, conditions, limitations and exclusions in your current coverage apply to the Contingent Non-Forfeiture Benefit.

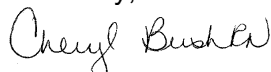
IMPORTANT NOTE: If your policy includes a Shared Care Rider, both you and your spouse/domestic partner must continue to maintain identical coverage. You must both select the same option regarding this rate increase.

If you have questions on the above options please call Customer Service toll free at **1-800-240-1675**.

If you are currently on claim and your premium is being waived, the increase will be applied when your premium is no longer being waived. Please be assured that your benefits are not affected and that your claims will continue to be paid.

As always, thank you for your business with the company.

Sincerely,



Cheryl Bush, RN
Senior Vice President, Long Term Care Operations

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.