

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

Filing at a Glance

Company: Blue Cross of Northeastern Pennsylvania
Product Name: Long-Term Care
State: Pennsylvania
TOI: LTC03I Individual Long Term Care
Sub-TOI: LTC03I.003 Other
Filing Type: Rate - Other (Not M.U. or G.I. Product)
Date Submitted: 08/21/2018
SERFF Tr Num: MILL-131567828
SERFF Status: Assigned
State Tr Num: MILL-131567828
State Status: Received Review in Progress
Co Tr Num: SERIES 11 INDIVIDUAL (BCNEPA)

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 Mickolichuk, Rylee Sevigny
Reviewer(s): Jim Laverty (primary)
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

Proposed 43.5% increase on 97 PA policyholders of LTC forms NTQ11-337-PA-998, LTQ11-Revised-336-PA-998, FLQ11-336-PA-998, and HTQ11-338-PA-998.

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

General Information

Project Name: MedAmerica Nationwide 2018 Rate Increase Status of Filing in Domicile: Pending
Project Number: 145MAI01-30.06 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Pennsylvania is the state of
domicile.
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: 43.5% 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. These are existing products that provide long-term care coverage on an individual basis. The company issued these products in Pennsylvania from August 9, 2001 to December 1, 2004 and is no longer marketing them in any jurisdiction. The company is making a similar request on the Series 11 Group policy form(s) in a concurrent filing (SERFF Tracking # MILL-131614386).

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 Blue Cross of Northeastern Pennsylvania (BCNEPA) paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 100% of the risk on these products via a reinsurance arrangement with BCNEPA.

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

The company is requesting a premium rate increase that varies by benefit period to achieve the cumulative rate increases shown in the enclosed cover letter. The rate increase varies by benefit period to better align the rate increase with the adverse experience. The cover letter provides the average prior, requested, and cumulative rate increases by benefit period for these form(s).

The prior increase reflects the cumulative increase of two prior increase(s) that were filed for use in May 2010 and September 2017 on the forms. 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.

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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)

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

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

MILL-131567828

State Tracking #:

MILL-131567828

Company Tracking #:

SERIES 11 INDIVIDUAL (BCNEPA)

State:

Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name:

Long-Term Care

Project Name/Number:

MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

Rate Information

Rate data applies to filing.

Filing Method:

Review and Approval

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

20.000%

Effective Date of Last Rate Revision:

09/22/2017

Filing Method of Last Filing:

Review and Approval

SERFF Tracking Number of Last Filing:

MILL-130951717

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Blue Cross of Northeastern Pennsylvania	43.500%	43.500%	\$87,224	97	\$200,544	139.200%	40.900%

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MILL-131567828

State Tracking #:

MILL-131567828

Company Tracking #:

SERIES 11 INDIVIDUAL (BCNEPA)

State:

Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name:

Long-Term Care

Project Name/Number:

MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Series 11 Individual Rate Tables	NTQ11-337-PA-998, LTQ11-336-PA-998, FLQ11-336-PA-998, HTQ11-338-PA-998	Revised	Previous State Filing Number: MILL-130951717 Percent Rate Change Request: 43.5	PA_BCNEPA_Current Premium Rates_Series 11 Individual_20180815.pdf, PA_BCNEPA_Proposed Premium Rates_Series 11 Individual_20180815.pdf,

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

Facility Only Tax Qualified Policy

**Individual Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
Rates per \$10 Daily Benefit**

**Policy Form: NTQ11-337-PA-998
Base Rates with No Inflation Protection**

**Rider: 11-SIP-PA-998
Simple Inflation Protection Rider**

**Rider: 11-CIP-PA-998
Compound Inflation Protection Rider**

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	17	20	22	25	30	8	10	13	15	20	42	53	67	75	92
40	17	20	23	27	32	10	13	15	17	22	45	57	68	78	95
41	18	22	25	28	33	10	13	17	18	23	45	58	72	82	98
42	20	23	27	30	37	10	13	17	20	25	47	60	73	85	102
43	20	25	28	32	38	12	15	18	22	28	50	63	77	88	107
44	22	27	30	33	42	13	17	20	23	30	52	65	80	92	110
45	23	28	32	37	45	13	17	23	25	32	53	68	83	95	113
46	25	30	35	38	48	15	20	23	28	33	55	70	85	100	117
47	27	32	37	42	52	17	22	27	30	37	57	73	90	103	122
48	28	33	40	45	55	17	23	28	32	40	58	77	92	107	127
49	30	37	43	48	60	20	25	30	35	43	62	80	95	110	130
50	32	38	47	52	63	22	28	33	38	48	63	82	97	113	133
51	32	40	47	53	65	22	28	33	38	48	65	82	100	113	135
52	35	43	50	57	70	23	30	37	43	52	65	83	102	117	137
53	37	47	55	62	77	27	32	40	47	55	68	87	105	122	142
54	40	50	60	68	82	28	35	42	48	60	70	90	108	125	148
55	43	55	65	73	90	30	38	47	53	65	73	93	113	130	153
56	47	58	70	80	97	33	42	52	58	70	77	98	118	135	160
57	52	65	77	88	107	35	45	55	62	75	78	100	122	140	163
58	57	70	83	95	115	37	48	60	68	82	80	105	127	147	172
59	62	77	92	105	127	40	53	63	73	87	83	108	132	152	177
60	65	82	98	112	133	43	55	67	77	93	85	110	133	153	180
61	70	90	107	122	147	47	58	73	83	98	88	113	138	160	185
62	77	98	117	133	160	50	63	78	90	107	92	118	143	165	192
63	85	107	128	147	175	53	70	83	97	113	95	123	148	172	198
64	92	117	140	162	192	58	75	90	103	120	100	128	155	177	205
65	102	130	155	178	210	62	78	97	110	130	103	132	162	183	215
66	117	148	180	205	244	70	90	108	125	145	112	145	175	202	232
67	128	163	197	225	265	73	95	115	133	155	115	150	182	208	242
68	140	180	217	249	292	78	100	122	140	163	120	155	187	215	249
69	153	197	237	272	319	83	107	130	150	173	125	160	195	224	257
70	168	217	262	300	350	88	113	137	157	182	128	165	200	230	265
71	195	252	304	349	405	98	125	153	175	203	140	180	218	250	289
72	213	275	334	382	445	102	132	160	185	212	143	185	224	259	295
73	234	302	364	419	487	107	137	168	193	222	147	188	230	265	304
74	255	329	399	457	530	110	143	175	202	232	150	193	235	272	310
75	275	352	425	489	564	110	145	177	202	232	150	193	235	272	310
76	319	410	497	570	659	123	160	193	224	255	160	208	252	290	332
77	349	450	545	627	722	127	163	200	230	265	163	210	257	295	339
78	382	494	599	689	792	130	168	205	237	272	163	213	260	300	342
79	417	540	655	756	867	130	168	205	237	272	167	215	264	304	347
80	457	592	721	831	954	130	168	205	237	272	170	222	269	310	354
81	499	649	789	911	1,044	130	168	205	237	272	172	222	270	314	357
82	544	707	862	996	1,141	130	168	205	237	272	172	224	272	315	359
83	592	771	941	1,087	1,244	130	168	205	237	272	172	225	274	317	360
84	645	841	1,026	1,188	1,358	130	168	205	237	272	172	225	275	319	362
85	702	916	1,119	1,298	1,481	130	168	205	237	272	172	225	275	319	364

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

Facility Only Tax Qualified Policy

Individual Rates for 20-Year Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
Rates per \$10 Daily Benefit

Policy Form: NTQ11-337-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	25	30	35	38	48	17	22	25	30	37	92	118	143	165	195
40	25	32	37	42	50	18	22	28	32	40	95	120	147	168	198
41	27	33	38	43	53	20	23	30	35	42	97	123	150	172	202
42	28	35	42	47	57	20	25	30	37	45	97	125	150	173	205
43	30	37	43	50	60	22	28	33	38	48	98	128	153	177	208
44	32	38	47	52	63	23	30	35	42	52	100	130	157	180	213
45	33	42	48	55	68	25	32	38	45	53	102	132	160	183	215
46	35	43	52	58	72	27	33	40	47	57	105	135	162	187	218
47	37	47	55	62	77	28	35	43	50	60	107	137	165	190	222
48	40	50	58	67	82	28	37	47	53	63	107	138	168	192	225
49	42	52	62	70	87	32	42	50	58	68	108	140	168	195	227
50	45	55	67	75	92	33	43	52	62	73	108	140	168	195	227
51	45	55	67	75	92	33	43	52	62	73	110	143	172	198	232
52	47	60	70	80	98	37	45	57	65	77	110	143	172	198	232
53	50	63	75	87	105	38	48	60	68	82	110	143	172	198	232
54	53	68	80	92	112	42	52	65	73	88	112	143	173	200	232
55	57	72	87	98	120	43	57	68	78	93	113	147	175	202	235
56	62	78	93	107	128	45	58	72	83	98	115	147	178	205	240
57	67	83	100	115	138	48	63	77	88	105	115	150	182	208	244
58	70	90	107	123	148	53	67	82	93	110	118	152	185	212	247
59	77	97	115	132	158	55	72	87	100	118	120	155	188	217	252
60	80	102	122	138	167	57	73	88	103	122	120	155	188	217	252
61	85	108	132	150	180	62	78	93	108	127	122	157	188	217	252
62	92	118	142	162	193	65	82	100	115	135	123	158	192	220	255
63	100	127	153	175	208	67	87	105	122	142	125	162	195	224	260
64	107	137	165	190	225	72	93	112	128	150	128	165	198	227	264
65	117	148	178	205	244	75	98	118	135	157	130	168	203	234	269
66	132	170	205	235	277	83	107	130	148	173	138	178	215	249	287
67	143	183	222	255	299	87	113	137	157	183	142	182	220	252	294
68	155	200	240	277	324	92	117	143	163	192	143	185	225	257	297
69	168	217	262	300	352	95	123	150	172	198	147	188	229	262	302
70	183	235	285	327	382	100	130	157	180	207	148	192	232	267	307
71	210	270	327	377	439	110	142	173	197	229	158	207	250	287	330
72	229	294	357	409	477	113	148	178	207	237	162	210	254	294	335
73	249	320	387	445	517	117	152	187	213	245	163	212	259	297	340
74	269	347	420	484	560	122	158	192	220	254	165	215	262	300	345
75	287	370	447	514	594	122	158	192	220	254	165	215	262	300	345
76	332	429	519	597	689	132	172	210	242	277	175	227	275	317	364
77	362	467	567	652	752	135	177	215	249	284	175	229	279	320	365
78	394	509	619	712	819	138	182	220	255	292	177	232	280	324	370
79	429	555	676	777	894	138	182	220	255	292	178	232	282	327	372
80	467	605	737	851	977	138	182	220	255	292	180	235	285	330	375
81	509	660	804	929	1,066	138	182	220	255	292	180	235	287	330	377
82	552	719	876	1,012	1,159	138	182	220	255	292	180	235	287	332	379
83	599	781	952	1,102	1,261	138	182	220	255	292	180	235	287	332	379
84	650	847	1,036	1,201	1,371	138	182	220	255	292	180	235	287	332	379
85	706	921	1,126	1,306	1,491	138	182	220	255	292	180	235	287	332	379

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

Comprehensive Tax Qualified Policy

Individual Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
Rates per \$10 Daily Benefit

Policy Form: LTQ11-336-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	22	27	32	35	47	13	17	20	25	32	53	68	83	98	122
40	23	28	33	38	50	13	18	22	25	33	55	72	87	100	125
41	25	30	35	40	52	15	20	25	28	37	57	73	92	105	130
42	27	32	38	43	55	15	20	25	30	40	58	77	93	108	135
43	28	33	40	47	60	17	23	28	32	42	60	80	97	112	138
44	30	37	43	48	63	18	23	30	35	45	62	82	100	117	143
45	32	38	45	52	68	20	27	33	38	48	65	85	105	122	148
46	33	42	48	57	72	22	27	35	40	52	67	87	108	123	153
47	35	43	52	60	77	23	32	38	43	57	70	92	112	130	160
48	38	47	57	65	83	25	33	40	47	60	72	95	115	133	163
49	40	50	60	70	88	27	35	43	50	65	75	98	120	138	170
50	43	53	65	75	95	30	38	47	53	70	75	100	122	140	172
51	43	55	65	75	97	30	38	48	55	70	78	100	123	143	175
52	47	58	72	82	103	32	42	50	60	75	78	102	123	143	177
53	50	63	77	88	112	35	45	55	63	80	82	105	128	148	182
54	55	68	83	95	122	37	48	58	70	85	83	110	133	155	187
55	58	75	90	103	130	40	52	63	75	93	87	112	138	160	195
56	63	80	98	112	142	43	57	68	82	100	90	117	142	167	200
57	68	88	107	122	153	47	60	73	87	107	93	120	147	172	207
58	75	95	115	133	167	50	65	80	92	113	95	125	153	177	213
59	82	103	125	145	180	53	70	87	100	123	98	128	158	182	220
60	85	110	133	153	192	57	73	90	105	127	100	130	158	185	222
61	93	120	145	168	208	60	78	97	112	137	103	133	165	190	229
62	102	130	158	183	227	63	85	103	120	145	105	138	170	195	235
63	110	142	173	200	247	68	90	110	128	155	110	143	173	202	242
64	120	155	188	218	269	73	95	118	137	165	113	147	180	208	249
65	132	170	207	239	294	78	102	127	147	177	117	152	187	217	259
66	150	195	237	275	337	88	115	142	163	197	127	165	203	234	279
67	165	213	260	300	367	92	122	150	175	208	128	168	208	242	287
68	180	232	284	329	400	97	130	160	185	222	132	175	215	249	295
69	195	254	310	360	437	103	137	168	195	234	137	180	220	255	302
70	213	279	340	395	479	108	143	177	205	245	140	183	225	262	310
71	245	320	394	457	552	122	160	197	229	274	152	198	244	282	335
72	269	350	430	500	604	125	167	205	239	285	153	202	249	289	342
73	292	382	470	545	659	130	173	213	250	297	155	205	252	295	347
74	317	415	512	595	717	137	180	224	260	309	158	208	257	299	352
75	339	442	544	634	759	137	182	225	260	310	158	208	257	299	352
76	392	514	634	739	886	150	200	247	289	344	165	218	270	314	370
77	429	564	696	812	972	153	205	255	299	354	165	220	272	315	370
78	467	617	764	892	1,066	160	212	262	307	365	167	220	272	315	372
79	510	676	837	979	1,169	160	212	262	307	365	167	220	272	317	372
80	560	742	922	1,081	1,289	160	212	262	307	365	167	220	272	317	372
81	610	811	1,011	1,186	1,414	160	212	262	307	365	167	220	272	317	372
82	665	887	1,106	1,301	1,549	160	212	262	307	365	167	220	272	317	372
83	726	967	1,209	1,424	1,696	160	212	262	307	365	167	220	272	317	372
84	791	1,056	1,323	1,560	1,856	160	212	262	307	365	167	220	272	317	372
85	861	1,153	1,444	1,706	2,032	160	212	262	307	365	167	220	272	317	372

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

Comprehensive Tax Qualified Policy

Individual Rates for 20-Year Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
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<40	33	42	48	57	73	23	30	38	43	57	113	147	180	208	254
40	35	43	52	60	77	25	33	40	47	60	115	150	183	210	259
41	37	45	55	63	82	27	35	42	48	63	117	152	185	215	262
42	38	48	58	67	85	28	37	45	52	68	118	153	188	218	267
43	40	52	62	70	90	30	38	47	57	72	122	155	188	222	270
44	43	53	65	75	95	32	42	50	58	77	122	160	193	225	275
45	45	57	68	78	102	33	45	53	63	78	123	162	197	229	277
46	48	60	73	83	107	35	47	57	67	85	125	163	200	232	282
47	50	63	77	88	113	38	50	62	72	90	128	167	203	235	285
48	53	68	82	95	120	40	52	65	75	95	130	168	207	239	290
49	57	72	87	100	127	43	57	68	80	102	130	170	207	240	290
50	60	77	92	107	135	45	58	73	83	105	130	170	207	240	290
51	60	77	92	107	135	45	58	73	83	105	132	172	212	244	295
52	63	82	98	113	143	48	62	77	90	112	132	172	212	244	295
53	68	87	105	122	153	50	67	82	93	117	132	172	212	244	295
54	72	92	112	130	163	55	72	87	100	123	132	172	212	244	295
55	77	98	120	138	173	58	75	92	107	132	133	173	212	247	297
56	82	105	128	148	185	62	80	97	112	138	135	177	215	249	300
57	88	113	137	158	198	63	83	103	120	147	137	178	218	254	304
58	93	120	147	170	212	68	90	108	127	155	138	182	222	255	307
59	100	130	157	182	227	72	93	117	133	163	140	182	225	260	310
60	105	135	165	190	237	73	97	118	138	167	140	182	225	260	310
61	113	145	177	205	254	77	102	125	145	177	140	183	225	260	310
62	122	157	190	220	272	82	107	132	153	185	140	185	227	262	314
63	130	168	205	237	292	87	112	138	162	195	143	187	229	265	317
64	140	180	220	255	314	90	120	147	170	205	145	190	232	269	320
65	150	195	239	277	339	95	125	153	177	213	147	192	235	272	324
66	170	222	270	314	382	105	137	170	197	237	157	203	250	290	347
67	183	239	292	339	412	110	143	177	205	249	158	207	254	294	350
68	198	259	317	367	445	115	150	185	215	259	160	208	257	297	354
69	213	279	342	397	482	120	157	193	225	269	162	212	260	302	357
70	232	302	372	430	522	123	163	200	235	280	163	215	262	305	360
71	264	345	425	494	597	137	180	220	259	309	173	229	280	325	385
72	285	374	460	537	647	142	187	230	267	319	175	230	284	327	389
73	309	405	500	582	701	145	192	237	277	330	175	232	284	330	392
74	334	439	540	630	759	150	198	245	285	340	177	232	287	332	392
75	354	465	572	667	799	150	198	245	285	340	177	232	287	332	392
76	409	537	664	774	929	162	215	267	314	370	182	240	295	345	405
77	444	585	724	847	1,014	167	222	275	320	382	182	240	297	345	405
78	482	637	791	926	1,107	172	229	282	330	390	182	240	297	345	405
79	525	696	864	1,012	1,209	172	229	282	330	390	182	240	297	345	405
80	572	761	946	1,109	1,324	172	229	282	330	390	182	240	297	345	405
81	622	827	1,032	1,213	1,446	172	229	282	330	390	182	240	297	345	405
82	677	902	1,126	1,324	1,580	172	229	282	330	390	182	240	297	345	405
83	736	981	1,228	1,446	1,723	172	229	282	330	390	182	240	297	345	405
84	799	1,067	1,338	1,578	1,878	172	229	282	330	390	182	240	297	345	405
85	867	1,161	1,456	1,721	2,048	172	229	282	330	390	182	240	297	345	405

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

Comprehensive Tax Qualified Policy
Pennsylvania Franchise

Individual Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
Rates per \$10 Daily Benefit

Issue Age	Policy Form: FLQ11-336-PA-998 Base Rates with No Inflation Protection					Rider: 11-SIP-PA-998 Simple Inflation Protection Rider					Rider: 11-CIP-PA-998 Compound Inflation Protection Rider				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	20	23	28	32	42	12	15	18	23	28	48	62	75	88	110
40	22	25	30	35	45	12	17	20	23	30	50	65	78	90	113
41	23	27	32	37	47	13	18	23	25	33	52	67	83	95	117
42	23	28	35	38	50	13	18	23	27	37	53	68	83	98	122
43	25	30	37	42	53	15	22	25	28	38	53	72	87	100	125
44	27	33	38	43	57	17	22	27	32	40	55	73	90	105	128
45	28	35	40	47	62	18	23	30	35	43	58	77	95	110	133
46	30	38	43	52	65	20	23	32	37	47	60	78	98	112	138
47	32	38	47	53	68	22	28	35	38	52	63	83	100	117	143
48	35	42	52	58	75	23	30	37	42	53	65	85	103	120	147
49	37	45	53	63	80	23	32	38	45	58	68	88	108	125	153
50	38	48	58	68	85	27	35	42	48	63	68	90	110	127	155
51	38	50	58	68	87	27	35	43	50	63	70	90	112	128	158
52	42	53	65	73	93	28	38	45	53	68	70	92	112	128	158
53	45	57	68	80	100	32	40	50	57	72	73	95	115	133	163
54	50	62	75	85	110	33	43	53	63	77	75	98	120	140	168
55	53	68	82	93	117	37	47	57	68	83	78	100	125	143	175
56	57	72	88	100	128	38	52	62	73	90	82	105	128	150	180
57	62	80	97	110	138	42	53	67	78	97	83	108	132	155	187
58	68	85	103	120	150	45	58	72	83	102	85	113	138	158	192
59	73	93	113	130	162	48	63	78	90	112	88	115	143	163	198
60	77	98	120	138	173	52	67	82	95	113	90	117	143	167	200
61	83	108	130	152	188	53	70	87	100	123	93	120	148	172	205
62	92	117	143	165	203	57	77	93	108	130	95	125	153	175	212
63	98	128	157	180	222	62	82	98	115	140	98	128	157	182	218
64	108	140	170	197	242	67	85	107	123	148	102	132	162	188	224
65	118	153	187	215	264	70	92	113	132	158	105	137	168	195	234
66	135	175	213	249	304	80	103	128	147	177	113	148	183	210	250
67	148	192	234	270	330	83	110	135	158	188	115	152	188	218	259
68	162	208	255	295	360	87	117	143	167	200	118	158	193	224	265
69	175	229	279	324	394	93	123	152	175	210	123	162	198	230	272
70	192	250	307	355	430	98	128	158	185	220	127	165	203	235	279
71	220	289	354	412	497	110	143	177	205	247	137	178	218	254	302
72	242	315	387	450	544	113	150	185	215	257	138	182	224	260	309
73	264	344	424	490	594	117	157	192	225	267	140	185	227	265	312
74	285	374	460	535	645	123	162	202	234	279	143	188	232	269	317
75	305	399	489	570	684	123	163	203	234	279	143	188	232	269	317
76	354	462	570	665	797	135	180	222	260	309	148	197	244	282	334
77	385	507	625	731	876	138	185	230	269	319	148	198	245	284	334
78	420	555	687	804	959	143	190	235	277	329	150	198	245	284	335
79	459	609	754	881	1,052	143	190	235	277	329	150	198	245	285	335
80	504	669	831	972	1,161	143	190	235	277	329	150	198	245	285	335
81	549	729	909	1,067	1,273	143	190	235	277	329	150	198	245	285	335
82	599	799	996	1,171	1,394	143	190	235	277	329	150	198	245	285	335
83	654	871	1,089	1,283	1,526	143	190	235	277	329	150	198	245	285	335
84	712	951	1,191	1,404	1,671	143	190	235	277	329	150	198	245	285	335
85	774	1,037	1,299	1,536	1,828	143	190	235	277	329	150	198	245	285	335

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

Comprehensive Tax Qualified Policy
Pennsylvania Franchise

Individual Rates for 20-Year Premium Payment Option
 0 Day Elimination Period
 Annual Premium Rates with 20% Rate Increase
 Rates per \$10 Daily Benefit

Policy Form: FLQ11-336-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	30	38	43	52	67	22	27	35	38	52	102	132	162	188	229
40	32	38	47	53	68	23	30	37	42	53	103	135	165	188	234
41	33	40	50	57	73	23	32	38	43	57	105	137	167	193	235
42	35	43	53	60	77	25	33	40	47	62	107	138	170	197	240
43	37	47	55	63	82	27	35	42	52	65	110	140	170	200	244
44	38	48	58	68	85	28	38	45	53	68	110	143	173	203	249
45	40	52	62	70	92	30	40	48	57	70	112	145	177	205	249
46	43	53	67	75	97	32	42	52	60	77	113	147	180	208	254
47	45	57	68	80	102	35	45	55	65	82	115	150	183	212	257
48	48	62	73	85	108	37	47	58	68	85	117	152	187	215	262
49	52	65	78	90	113	38	52	62	72	92	117	153	187	217	262
50	53	68	83	97	122	40	53	67	75	95	117	153	187	217	262
51	53	68	83	97	122	40	53	67	77	97	118	155	190	218	265
52	57	73	88	102	128	43	55	68	82	100	118	155	190	218	265
53	62	78	95	110	138	45	60	73	83	105	118	155	190	218	265
54	65	83	100	117	147	50	65	78	90	112	118	155	190	218	265
55	68	88	108	125	157	53	68	83	97	118	120	157	190	222	267
56	73	95	115	133	167	55	72	87	100	125	122	158	193	224	270
57	80	102	123	143	178	57	75	93	108	132	123	160	197	229	274
58	83	108	132	153	190	62	82	98	113	140	125	163	200	230	277
59	90	117	142	163	203	65	83	105	120	147	127	163	203	234	279
60	95	122	148	172	213	67	87	107	125	150	127	163	203	234	279
61	102	130	158	185	229	68	92	113	130	158	127	165	203	234	279
62	110	142	172	198	245	73	97	118	138	167	127	167	203	235	282
63	117	152	185	213	264	78	100	125	145	175	128	168	205	239	285
64	127	162	198	230	282	82	108	132	153	185	130	172	208	242	289
65	135	175	215	249	305	85	113	138	158	192	132	173	212	245	292
66	153	200	244	282	344	95	123	153	177	213	142	183	225	262	312
67	165	215	264	305	370	98	128	158	185	224	143	187	229	264	315
68	178	234	285	330	400	103	135	167	193	234	143	188	232	267	319
69	192	250	309	357	434	108	142	173	203	242	145	190	234	272	322
70	208	272	335	387	470	112	147	180	212	252	147	193	235	275	324
71	237	310	384	444	537	123	162	198	234	279	157	205	252	294	347
72	257	337	414	484	582	128	168	207	240	287	158	207	255	294	350
73	279	365	450	524	630	130	173	213	249	297	158	208	255	297	354
74	300	395	487	567	684	135	178	220	257	307	158	208	259	299	354
75	319	419	515	600	719	135	178	220	257	307	158	208	259	299	354
76	369	484	597	697	836	145	193	240	282	334	163	217	265	310	365
77	399	527	652	762	912	150	200	249	289	344	163	217	267	310	365
78	434	574	712	834	997	155	205	254	297	352	163	217	267	310	365
79	474	625	777	911	1,089	155	205	254	297	352	163	217	267	310	365
80	515	684	851	999	1,193	155	205	254	297	352	163	217	267	310	365
81	560	744	929	1,091	1,301	155	205	254	297	352	163	217	267	310	365
82	609	812	1,014	1,193	1,421	155	205	254	297	352	163	217	267	310	365
83	662	882	1,104	1,301	1,551	155	205	254	297	352	163	217	267	310	365
84	719	961	1,204	1,419	1,690	155	205	254	297	352	163	217	267	310	365
85	781	1,044	1,311	1,549	1,843	155	205	254	297	352	163	217	267	310	365

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

Home Health Only Tax Qualified Policy

Individual Rates for Lifetime Premium Payment Option
0 Day Elimination Period
Annual Premium Rates with 20% Rate Increase
Rates per \$10 Daily Benefit

Policy Form: HTQ11-338-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	23	27	28	32	40	10	13	15	18	23	40	48	55	63	75
40	23	27	30	33	43	12	15	17	18	23	43	52	57	65	75
41	25	28	32	35	45	12	15	17	20	25	43	53	58	67	77
42	25	30	33	37	47	13	17	18	22	27	47	53	60	68	80
43	27	32	35	38	48	15	17	18	22	28	47	55	62	70	82
44	28	33	37	40	50	15	18	20	23	30	48	57	63	73	85
45	30	35	38	43	53	15	18	22	23	30	48	58	65	73	85
46	30	37	40	45	55	18	20	23	27	33	52	60	68	77	88
47	32	38	42	47	58	18	22	25	28	33	53	62	70	78	90
48	33	40	43	50	60	20	23	27	28	37	55	65	73	80	93
49	37	42	47	52	63	20	25	28	32	38	55	67	75	83	95
50	38	43	48	55	67	22	27	30	33	38	55	67	75	83	95
51	38	45	50	55	67	22	27	30	33	40	57	68	75	85	97
52	40	47	52	58	70	23	28	32	35	42	57	68	77	85	97
53	42	50	55	62	73	25	30	33	38	43	60	70	78	87	98
54	45	53	58	65	77	27	32	37	40	47	62	72	82	90	102
55	48	57	62	70	82	28	33	38	42	50	63	75	83	92	103
56	52	60	67	75	87	30	37	40	45	52	65	77	85	95	107
57	55	65	72	80	92	32	38	43	48	55	67	78	87	97	108
58	58	68	77	85	98	35	42	45	52	58	70	82	90	100	112
59	63	73	82	90	105	37	45	48	55	60	70	85	93	105	113
60	65	77	85	95	108	38	45	50	55	63	72	85	93	105	113
61	70	83	92	102	115	40	47	53	58	67	73	87	95	107	117
62	75	88	98	108	123	43	52	55	63	70	77	90	98	110	118
63	82	95	105	117	132	45	53	60	67	73	77	92	100	112	122
64	87	102	113	125	140	48	57	62	70	77	80	95	103	115	125
65	95	110	122	135	150	50	60	67	73	82	82	98	107	118	128
66	107	125	138	153	170	57	67	73	80	88	90	105	115	127	137
67	115	135	148	165	182	60	70	77	85	93	92	107	118	130	140
68	125	145	160	177	195	62	73	80	90	97	93	110	120	133	143
69	135	157	172	190	210	65	77	85	93	100	95	113	123	137	145
70	145	170	185	205	225	68	78	88	97	103	98	113	127	138	147
71	165	192	210	234	254	75	88	97	105	113	105	123	135	148	158
72	177	207	227	250	270	78	90	98	110	117	108	125	137	152	160
73	190	222	244	269	289	80	93	102	112	120	108	127	138	153	162
74	203	237	260	287	307	83	97	105	115	122	110	128	140	153	162
75	218	254	275	304	322	83	97	105	115	122	110	128	140	153	162
76	249	289	314	345	365	88	103	113	123	130	117	133	147	160	168
77	269	310	337	370	390	90	105	115	127	132	117	135	148	162	168
78	289	334	362	397	419	93	107	117	128	132	117	135	148	162	168
79	310	359	389	427	447	93	107	117	128	132	118	137	148	162	168
80	335	387	420	459	479	93	107	117	128	132	120	138	148	163	168
81	362	417	450	494	512	93	107	117	128	132	120	138	150	163	168
82	392	449	485	529	549	93	107	117	128	132	120	138	150	163	168
83	424	485	522	569	589	93	107	117	128	132	120	138	150	163	168
84	457	524	562	610	630	93	107	117	128	132	120	138	150	163	168
85	494	564	604	655	676	93	107	117	128	132	120	138	150	163	168

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

Home Health Only Tax Qualified Policy

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

**Policy Form: HTQ11-338-PA-998
Base Rates with No Inflation Protection**

**Rider: 11-SIP-PA-998
Simple Inflation Protection Rider**

**Rider: 11-CIP-PA-998
Compound Inflation Protection Rider**

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	32	37	40	45	57	18	23	27	30	37	83	100	112	125	143
40	32	38	42	47	58	20	23	28	32	40	85	102	113	127	145
41	33	40	43	50	62	22	25	30	32	40	87	102	115	127	145
42	35	42	45	52	63	22	27	30	33	42	87	103	117	128	148
43	37	43	48	53	67	23	28	32	37	43	88	105	117	132	148
44	38	45	50	55	68	23	28	33	38	47	88	107	118	133	150
45	40	47	52	58	72	25	30	35	38	47	90	108	120	133	152
46	42	48	53	60	75	27	33	37	42	48	92	110	122	135	152
47	43	52	57	63	77	28	33	38	43	52	92	110	122	137	153
48	45	53	58	67	80	30	35	42	45	53	93	112	125	137	153
49	47	55	62	70	83	32	38	42	47	57	93	112	125	137	153
50	48	57	63	72	85	33	40	43	48	57	93	112	125	137	153
51	50	58	65	73	87	33	40	45	50	58	93	112	125	137	153
52	52	60	67	75	88	33	42	47	52	60	93	112	125	138	155
53	53	63	70	78	93	37	43	48	55	62	93	112	125	138	155
54	57	67	75	83	98	38	45	50	57	63	93	112	125	138	155
55	60	70	78	88	102	40	48	53	58	68	95	113	125	138	155
56	63	75	83	92	107	42	50	55	63	72	97	113	125	140	155
57	67	78	87	98	112	45	53	58	65	73	97	115	127	140	155
58	72	83	92	103	118	45	55	62	68	77	97	117	128	142	155
59	75	88	98	108	125	48	58	63	72	78	98	117	128	143	155
60	78	92	100	112	127	48	58	65	73	82	98	117	128	143	155
61	82	97	107	118	135	52	62	68	75	83	98	117	128	143	155
62	87	103	113	127	142	55	63	70	78	87	100	117	128	143	155
63	93	108	120	133	150	55	67	73	82	90	100	118	130	143	155
64	98	117	128	142	158	58	68	75	85	93	102	118	130	145	157
65	105	123	137	152	168	62	73	78	88	97	103	122	132	145	157
66	118	138	152	168	187	67	78	87	97	105	108	128	140	155	167
67	127	148	163	180	198	68	82	88	100	108	110	128	140	157	168
68	135	158	173	192	212	72	85	93	103	110	112	130	143	158	168
69	145	168	185	205	225	73	88	97	107	113	112	132	143	158	168
70	155	180	198	220	240	77	90	98	108	117	113	133	145	158	168
71	175	203	224	247	269	83	98	107	118	125	120	140	153	168	178
72	187	218	239	264	285	85	100	110	122	128	120	140	153	170	178
73	198	232	254	280	302	88	103	113	125	130	122	142	155	170	178
74	212	247	270	299	319	90	105	115	127	133	122	142	155	170	178
75	225	262	285	314	334	90	105	115	127	133	122	142	155	170	178
76	257	297	324	355	377	95	112	122	133	138	125	147	158	175	182
77	275	319	347	380	402	97	113	123	135	140	125	147	158	175	182
78	295	342	370	407	427	98	113	125	137	142	127	147	158	175	182
79	317	365	397	435	455	98	113	125	137	142	127	147	158	175	182
80	340	394	427	467	487	98	113	125	137	142	127	147	158	175	182
81	367	422	457	500	519	98	113	125	137	142	127	147	158	175	182
82	395	454	490	535	555	98	113	125	137	142	127	147	158	175	182
83	425	489	527	574	594	98	113	125	137	142	127	147	158	175	182
84	459	525	565	614	634	98	113	125	137	142	127	147	158	175	182
85	495	565	607	657	677	98	113	125	137	142	127	147	158	175	182

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

Facility Only Tax Qualified Policy

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

Policy Form: NTQ11-337-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	24	28	31	35	72	12	14	19	21	48	59	75	94	106	219
40	24	28	33	38	76	14	19	21	24	52	63	80	96	110	227
41	26	31	35	40	80	14	19	24	26	56	63	82	101	115	235
42	28	33	38	42	88	14	19	24	28	60	66	85	103	120	243
43	28	35	40	45	92	16	21	26	31	68	71	89	108	125	255
44	31	38	42	47	100	19	24	28	33	72	73	92	113	129	263
45	33	40	45	52	108	19	24	33	35	76	75	96	118	134	271
46	35	42	49	54	116	21	28	33	40	80	78	99	120	141	279
47	38	45	52	59	124	24	31	38	42	88	80	103	127	146	291
48	40	47	56	63	132	24	33	40	45	96	82	108	129	150	303
49	42	52	61	68	144	28	35	42	49	104	87	113	134	155	311
50	45	54	66	73	152	31	40	47	54	116	89	115	136	160	319
51	45	56	66	75	156	31	40	47	54	116	92	115	141	160	323
52	49	61	71	80	168	33	42	52	61	124	92	118	143	165	327
53	52	66	78	87	184	38	45	56	66	132	96	122	148	172	339
54	56	71	85	96	196	40	49	59	68	144	99	127	153	176	355
55	61	78	92	103	215	42	54	66	75	156	103	132	160	183	367
56	66	82	99	113	231	47	59	73	82	168	108	139	167	190	383
57	73	92	108	125	255	49	63	78	87	180	110	141	172	197	391
58	80	99	118	134	275	52	68	85	96	196	113	148	179	207	411
59	87	108	129	148	303	56	75	89	103	207	118	153	186	214	423
60	92	115	139	157	319	61	78	94	108	223	120	155	188	216	431
61	99	127	150	172	351	66	82	103	118	235	125	160	195	226	443
62	108	139	165	188	383	71	89	110	127	255	129	167	202	233	459
63	120	150	181	207	419	75	99	118	136	271	134	174	209	242	475
64	129	165	197	228	459	82	106	127	146	287	141	181	219	249	491
65	143	183	219	251	503	87	110	136	155	311	146	186	228	259	515
66	165	209	254	289	583	99	127	153	176	347	157	204	247	284	555
67	181	230	277	317	634	103	134	162	188	371	162	212	256	294	579
68	197	254	306	350	698	110	141	172	197	391	169	219	263	303	595
69	216	277	334	383	762	118	150	183	212	415	176	226	275	315	614
70	237	306	369	423	838	125	160	193	221	435	181	233	282	324	634
71	275	355	428	491	970	139	176	216	247	487	197	254	308	353	690
72	301	388	470	538	1,065	143	186	226	261	507	202	261	315	364	706
73	329	425	512	590	1,165	150	193	237	273	531	207	266	324	374	726
74	360	463	562	644	1,269	155	202	247	284	555	212	273	331	383	742
75	388	496	599	689	1,349	155	204	249	284	555	212	273	331	383	742
76	449	578	700	804	1,576	174	226	273	315	610	226	294	355	409	794
77	491	635	768	884	1,728	179	230	282	324	634	230	296	362	416	810
78	538	696	844	971	1,895	183	237	289	334	650	230	301	367	423	818
79	588	761	924	1,065	2,075	183	237	289	334	650	235	303	371	428	830
80	644	834	1,015	1,170	2,282	183	237	289	334	650	240	313	378	437	846
81	703	914	1,112	1,283	2,498	183	237	289	334	650	242	313	381	442	854
82	766	996	1,215	1,403	2,729	183	237	289	334	650	242	315	383	444	858
83	834	1,086	1,325	1,532	2,977	183	237	289	334	650	242	317	385	447	862
84	909	1,184	1,445	1,673	3,248	183	237	289	334	650	242	317	388	449	866
85	989	1,290	1,577	1,828	3,543	183	237	289	334	650	242	317	388	449	870

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

Facility Only Tax Qualified Policy

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

Policy Form: NTQ11-337-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	35	42	49	54	116	24	31	35	42	88	129	167	202	233	467
40	35	45	52	59	120	26	31	40	45	96	134	169	207	237	475
41	38	47	54	61	128	28	33	42	49	100	136	174	212	242	483
42	40	49	59	66	136	28	35	42	52	108	136	176	212	244	491
43	42	52	61	71	144	31	40	47	54	116	139	181	216	249	499
44	45	54	66	73	152	33	42	49	59	124	141	183	221	254	511
45	47	59	68	78	164	35	45	54	63	128	143	186	226	259	515
46	49	61	73	82	172	38	47	56	66	136	148	190	228	263	523
47	52	66	78	87	184	40	49	61	71	144	150	193	233	268	531
48	56	71	82	94	196	40	52	66	75	152	150	195	237	270	539
49	59	73	87	99	207	45	59	71	82	164	153	197	237	275	543
50	63	78	94	106	219	47	61	73	87	176	153	197	237	275	543
51	63	78	94	106	219	47	61	73	87	176	155	202	242	280	555
52	66	85	99	113	235	52	63	80	92	184	155	202	242	280	555
53	71	89	106	122	251	54	68	85	96	196	155	202	242	280	555
54	75	96	113	129	267	59	73	92	103	211	157	202	244	282	555
55	80	101	122	139	287	61	80	96	110	223	160	207	247	284	563
56	87	110	132	150	307	63	82	101	118	235	162	207	251	289	575
57	94	118	141	162	331	68	89	108	125	251	162	212	256	294	583
58	99	127	150	174	355	75	94	115	132	263	167	214	261	298	591
59	108	136	162	186	379	78	101	122	141	283	169	219	266	306	602
60	113	143	172	195	399	80	103	125	146	291	169	219	266	306	602
61	120	153	186	212	431	87	110	132	153	303	172	221	266	306	602
62	129	167	200	228	463	92	115	141	162	323	174	223	270	310	610
63	141	179	216	247	499	94	122	148	172	339	176	228	275	315	622
64	150	193	233	268	539	101	132	157	181	359	181	233	280	320	630
65	165	209	251	289	583	106	139	167	190	375	183	237	287	329	642
66	186	240	289	331	662	118	150	183	209	415	195	251	303	350	686
67	202	259	313	360	714	122	160	193	221	439	200	256	310	355	702
68	219	282	338	390	774	129	165	202	230	459	202	261	317	362	710
69	237	306	369	423	842	134	174	212	242	475	207	266	322	369	722
70	259	331	402	461	914	141	183	221	254	495	209	270	327	376	734
71	296	381	461	531	1,049	155	200	244	277	547	223	291	353	404	790
72	322	414	503	576	1,141	160	209	251	291	567	228	296	357	414	802
73	350	451	545	627	1,237	165	214	263	301	587	230	298	364	418	814
74	378	489	592	682	1,341	172	223	270	310	606	233	303	369	423	826
75	404	522	630	724	1,420	172	223	270	310	606	233	303	369	423	826
76	468	604	731	841	1,648	186	242	296	341	662	247	320	388	447	870
77	510	658	799	919	1,799	190	249	303	350	678	247	322	392	451	874
78	555	717	872	1,003	1,959	195	256	310	360	698	249	327	395	456	886
79	604	783	952	1,095	2,139	195	256	310	360	698	251	327	397	461	890
80	658	853	1,039	1,199	2,338	195	256	310	360	698	254	331	402	465	898
81	717	931	1,133	1,309	2,550	195	256	310	360	698	254	331	404	465	902
82	778	1,013	1,234	1,426	2,773	195	256	310	360	698	254	331	404	468	906
83	844	1,100	1,342	1,553	3,016	195	256	310	360	698	254	331	404	468	906
84	917	1,194	1,459	1,692	3,280	195	256	310	360	698	254	331	404	468	906
85	994	1,297	1,586	1,840	3,567	195	256	310	360	698	254	331	404	468	906

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

Comprehensive Tax Qualified Policy

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

Policy Form: LTQ11-336-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	31	38	45	49	112	19	24	28	35	76	75	96	118	139	291
40	33	40	47	54	120	19	26	31	35	80	78	101	122	141	299
41	35	42	49	56	124	21	28	35	40	88	80	103	129	148	311
42	38	45	54	61	132	21	28	35	42	96	82	108	132	153	323
43	40	47	56	66	144	24	33	40	45	100	85	113	136	157	331
44	42	52	61	68	152	26	33	42	49	108	87	115	141	165	343
45	45	54	63	73	164	28	38	47	54	116	92	120	148	172	355
46	47	59	68	80	172	31	38	49	56	124	94	122	153	174	367
47	49	61	73	85	184	33	45	54	61	136	99	129	157	183	383
48	54	66	80	92	200	35	47	56	66	144	101	134	162	188	391
49	56	71	85	99	211	38	49	61	71	156	106	139	169	195	407
50	61	75	92	106	227	42	54	66	75	168	106	141	172	197	411
51	61	78	92	106	231	42	54	68	78	168	110	141	174	202	419
52	66	82	101	115	247	45	59	71	85	180	110	143	174	202	423
53	71	89	108	125	267	49	63	78	89	192	115	148	181	209	435
54	78	96	118	134	291	52	68	82	99	203	118	155	188	219	447
55	82	106	127	146	311	56	73	89	106	223	122	157	195	226	467
56	89	113	139	157	339	61	80	96	115	239	127	165	200	235	479
57	96	125	150	172	367	66	85	103	122	255	132	169	207	242	495
58	106	134	162	188	399	71	92	113	129	271	134	176	216	249	511
59	115	146	176	204	431	75	99	122	141	295	139	181	223	256	527
60	120	155	188	216	459	80	103	127	148	303	141	183	223	261	531
61	132	169	204	237	499	85	110	136	157	327	146	188	233	268	547
62	143	183	223	259	543	89	120	146	169	347	148	195	240	275	563
63	155	200	244	282	591	96	127	155	181	371	155	202	244	284	579
64	169	219	266	308	642	103	134	167	193	395	160	207	254	294	595
65	186	240	291	336	702	110	143	179	207	423	165	214	263	306	618
66	212	275	334	388	806	125	162	200	230	471	179	233	287	329	666
67	233	301	367	423	878	129	172	212	247	499	181	237	294	341	686
68	254	327	400	463	958	136	183	226	261	531	186	247	303	350	706
69	275	357	437	508	1,045	146	193	237	275	559	193	254	310	360	722
70	301	392	479	557	1,145	153	202	249	289	587	197	259	317	369	742
71	345	451	555	644	1,321	172	226	277	322	654	214	280	343	397	802
72	378	494	606	705	1,444	176	235	289	336	682	216	284	350	407	818
73	411	538	663	768	1,576	183	244	301	353	710	219	289	355	416	830
74	447	585	721	839	1,716	193	254	315	367	738	223	294	362	421	842
75	477	623	766	893	1,815	193	256	317	367	742	223	294	362	421	842
76	552	724	893	1,041	2,119	212	282	348	407	822	233	308	381	442	886
77	604	794	980	1,144	2,326	216	289	360	421	846	233	310	383	444	886
78	658	870	1,076	1,257	2,550	226	298	369	432	874	235	310	383	444	890
79	719	952	1,180	1,379	2,797	226	298	369	432	874	235	310	383	447	890
80	790	1,046	1,300	1,523	3,084	226	298	369	432	874	235	310	383	447	890
81	860	1,142	1,424	1,671	3,384	226	298	369	432	874	235	310	383	447	890
82	938	1,250	1,558	1,833	3,707	226	298	369	432	874	235	310	383	447	890
83	1,022	1,363	1,704	2,007	4,058	226	298	369	432	874	235	310	383	447	890
84	1,114	1,488	1,864	2,197	4,441	226	298	369	432	874	235	310	383	447	890
85	1,213	1,624	2,035	2,404	4,860	226	298	369	432	874	235	310	383	447	890

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

Comprehensive Tax Qualified Policy

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

Policy Form: LTQ11-336-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	47	59	68	80	176	33	42	54	61	136	160	207	254	294	606
40	49	61	73	85	184	35	47	56	66	144	162	212	259	296	618
41	52	63	78	89	196	38	49	59	68	152	165	214	261	303	626
42	54	68	82	94	203	40	52	63	73	164	167	216	266	308	638
43	56	73	87	99	215	42	54	66	80	172	172	219	266	313	646
44	61	75	92	106	227	45	59	71	82	184	172	226	273	317	658
45	63	80	96	110	243	47	63	75	89	188	174	228	277	322	662
46	68	85	103	118	255	49	66	80	94	203	176	230	282	327	674
47	71	89	108	125	271	54	71	87	101	215	181	235	287	331	682
48	75	96	115	134	287	56	73	92	106	227	183	237	291	336	694
49	80	101	122	141	303	61	80	96	113	243	183	240	291	338	694
50	85	108	129	150	323	63	82	103	118	251	183	240	291	338	694
51	85	108	129	150	323	63	82	103	120	255	186	242	298	343	706
52	89	115	139	160	343	68	87	108	127	267	186	242	298	343	706
53	96	122	148	172	367	71	94	115	132	279	186	242	298	343	706
54	101	129	157	183	391	78	101	122	141	295	186	242	298	343	706
55	108	139	169	195	415	82	106	129	150	315	188	244	298	348	710
56	115	148	181	209	443	87	113	136	157	331	190	249	303	350	718
57	125	160	193	223	475	89	118	146	169	351	193	251	308	357	726
58	132	169	207	240	507	96	127	153	179	371	195	256	313	360	734
59	141	183	221	256	543	101	132	165	188	391	197	256	317	367	742
60	148	190	233	268	567	103	136	167	195	399	197	256	317	367	742
61	160	204	249	289	606	108	143	176	204	423	197	259	317	367	742
62	172	221	268	310	650	115	150	186	216	443	197	261	320	369	750
63	183	237	289	334	698	122	157	195	228	467	202	263	322	374	758
64	197	254	310	360	750	127	169	207	240	491	204	268	327	378	766
65	212	275	336	390	810	134	176	216	249	511	207	270	331	383	774
66	240	313	381	442	914	148	193	240	277	567	221	287	353	409	830
67	259	336	411	477	986	155	202	249	289	595	223	291	357	414	838
68	280	364	447	517	1,065	162	212	261	303	618	226	294	362	418	846
69	301	392	482	559	1,153	169	221	273	317	642	228	298	367	425	854
70	327	425	524	606	1,249	174	230	282	331	670	230	303	369	430	862
71	371	486	599	696	1,428	193	254	310	364	738	244	322	395	458	922
72	402	526	649	757	1,548	200	263	324	376	762	247	324	400	461	930
73	435	571	705	820	1,676	204	270	334	390	790	247	327	400	465	938
74	470	618	761	888	1,815	212	280	345	402	814	249	327	404	468	938
75	498	656	806	940	1,911	212	280	345	402	814	249	327	404	468	938
76	576	757	935	1,090	2,222	228	303	376	442	886	256	338	416	486	970
77	625	825	1,020	1,194	2,426	235	313	388	451	914	256	338	418	486	970
78	679	898	1,114	1,304	2,649	242	322	397	465	934	256	338	418	486	970
79	740	980	1,217	1,426	2,893	242	322	397	465	934	256	338	418	486	970
80	806	1,072	1,332	1,563	3,168	242	322	397	465	934	256	338	418	486	970
81	877	1,166	1,455	1,708	3,459	242	322	397	465	934	256	338	418	486	970
82	954	1,271	1,586	1,866	3,779	242	322	397	465	934	256	338	418	486	970
83	1,036	1,382	1,730	2,037	4,122	242	322	397	465	934	256	338	418	486	970
84	1,126	1,504	1,885	2,223	4,493	242	322	397	465	934	256	338	418	486	970
85	1,222	1,636	2,052	2,425	4,900	242	322	397	465	934	256	338	418	486	970

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

**Comprehensive Tax Qualified Policy
Pennsylvania Franchise**

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

**Policy Form: FLQ11-336-PA-998
Base Rates with No Inflation Protection**

**Rider: 11-SIP-PA-998
Simple Inflation Protection Rider**

**Rider: 11-CIP-PA-998
Compound Inflation Protection Rider**

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	28	33	40	45	100	16	21	26	33	68	68	87	106	125	263
40	31	35	42	49	108	16	24	28	33	72	71	92	110	127	271
41	33	38	45	52	112	19	26	33	35	80	73	94	118	134	279
42	33	40	49	54	120	19	26	33	38	88	75	96	118	139	291
43	35	42	52	59	128	21	31	35	40	92	75	101	122	141	299
44	38	47	54	61	136	24	31	38	45	96	78	103	127	148	307
45	40	49	56	66	148	26	33	42	49	104	82	108	134	155	319
46	42	54	61	73	156	28	33	45	52	112	85	110	139	157	331
47	45	54	66	75	164	31	40	49	54	124	89	118	141	165	343
48	49	59	73	82	180	33	42	52	59	128	92	120	146	169	351
49	52	63	75	89	192	33	45	54	63	140	96	125	153	176	367
50	54	68	82	96	203	38	49	59	68	152	96	127	155	179	371
51	54	71	82	96	207	38	49	61	71	152	99	127	157	181	379
52	59	75	92	103	223	40	54	63	75	164	99	129	157	181	379
53	63	80	96	113	239	45	56	71	80	172	103	134	162	188	391
54	71	87	106	120	263	47	61	75	89	184	106	139	169	197	403
55	75	96	115	132	279	52	66	80	96	200	110	141	176	202	419
56	80	101	125	141	307	54	73	87	103	215	115	148	181	212	431
57	87	113	136	155	331	59	75	94	110	231	118	153	186	219	447
58	96	120	146	169	359	63	82	101	118	243	120	160	195	223	459
59	103	132	160	183	387	68	89	110	127	267	125	162	202	230	475
60	108	139	169	195	415	73	94	115	134	271	127	165	202	235	479
61	118	153	183	214	451	75	99	122	141	295	132	169	209	242	491
62	129	165	202	233	487	80	108	132	153	311	134	176	216	247	507
63	139	181	221	254	531	87	115	139	162	335	139	181	221	256	523
64	153	197	240	277	579	94	120	150	174	355	143	186	228	266	535
65	167	216	263	303	630	99	129	160	186	379	148	193	237	275	559
66	190	247	301	350	726	113	146	181	207	423	160	209	259	296	599
67	209	270	329	381	790	118	155	190	223	451	162	214	266	308	618
68	228	294	360	416	862	122	165	202	235	479	167	223	273	315	634
69	247	322	392	456	942	132	174	214	247	503	174	228	280	324	650
70	270	353	432	501	1,029	139	181	223	261	527	179	233	287	331	666
71	310	407	498	580	1,189	155	202	249	289	591	193	251	308	357	722
72	341	444	545	635	1,301	160	212	261	303	614	195	256	315	367	738
73	371	484	597	691	1,420	165	221	270	317	638	197	261	320	374	746
74	402	526	649	754	1,544	174	228	284	329	666	202	266	327	378	758
75	430	562	689	804	1,636	174	230	287	329	666	202	266	327	378	758
76	498	651	804	938	1,907	190	254	313	367	738	209	277	343	397	798
77	543	714	881	1,029	2,095	195	261	324	378	762	209	280	345	400	798
78	592	783	968	1,133	2,294	202	268	331	390	786	212	280	345	400	802
79	646	858	1,062	1,241	2,518	202	268	331	390	786	212	280	345	402	802
80	710	942	1,170	1,370	2,777	202	268	331	390	786	212	280	345	402	802
81	773	1,027	1,281	1,504	3,044	202	268	331	390	786	212	280	345	402	802
82	844	1,126	1,403	1,650	3,336	202	268	331	390	786	212	280	345	402	802
83	921	1,227	1,535	1,807	3,651	202	268	331	390	786	212	280	345	402	802
84	1,003	1,340	1,678	1,979	3,998	202	268	331	390	786	212	280	345	402	802
85	1,090	1,462	1,831	2,164	4,373	202	268	331	390	786	212	280	345	402	802

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

Comprehensive Tax Qualified Policy
Pennsylvania Franchise

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

Policy Form: FLQ11-336-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	42	54	61	73	160	31	38	49	54	124	143	186	228	266	547
40	45	54	66	75	164	33	42	52	59	128	146	190	233	266	559
41	47	56	71	80	176	33	45	54	61	136	148	193	235	273	563
42	49	61	75	85	184	35	47	56	66	148	150	195	240	277	575
43	52	66	78	89	196	38	49	59	73	156	155	197	240	282	583
44	54	68	82	96	203	40	54	63	75	164	155	202	244	287	595
45	56	73	87	99	219	42	56	68	80	168	157	204	249	289	595
46	61	75	94	106	231	45	59	73	85	184	160	207	254	294	606
47	63	80	96	113	243	49	63	78	92	196	162	212	259	298	614
48	68	87	103	120	259	52	66	82	96	203	165	214	263	303	626
49	73	92	110	127	271	54	73	87	101	219	165	216	263	306	626
50	75	96	118	136	291	56	75	94	106	227	165	216	263	306	626
51	75	96	118	136	291	56	75	94	108	231	167	219	268	308	634
52	80	103	125	143	307	61	78	96	115	239	167	219	268	308	634
53	87	110	134	155	331	63	85	103	118	251	167	219	268	308	634
54	92	118	141	165	351	71	92	110	127	267	167	219	268	308	634
55	96	125	153	176	375	75	96	118	136	283	169	221	268	313	638
56	103	134	162	188	399	78	101	122	141	299	172	223	273	315	646
57	113	143	174	202	427	80	106	132	153	315	174	226	277	322	654
58	118	153	186	216	455	87	115	139	160	335	176	230	282	324	662
59	127	165	200	230	487	92	118	148	169	351	179	230	287	329	666
60	134	172	209	242	511	94	122	150	176	359	179	230	287	329	666
61	143	183	223	261	547	96	129	160	183	379	179	233	287	329	666
62	155	200	242	280	587	103	136	167	195	399	179	235	287	331	674
63	165	214	261	301	630	110	141	176	204	419	181	237	289	336	682
64	179	228	280	324	674	115	153	186	216	443	183	242	294	341	690
65	190	247	303	350	730	120	160	195	223	459	186	244	298	345	698
66	216	282	343	397	822	134	174	216	249	511	200	259	317	369	746
67	233	303	371	430	886	139	181	223	261	535	202	263	322	371	754
68	251	329	402	465	958	146	190	235	273	559	202	266	327	376	762
69	270	353	435	503	1,037	153	200	244	287	579	204	268	329	383	770
70	294	383	472	545	1,125	157	207	254	298	602	207	273	331	388	774
71	334	437	541	625	1,285	174	228	280	329	666	221	289	355	414	830
72	362	475	583	682	1,393	181	237	291	338	686	223	291	360	414	838
73	392	515	635	738	1,508	183	244	301	350	710	223	294	360	418	846
74	423	557	686	799	1,636	190	251	310	362	734	223	294	364	421	846
75	449	590	726	846	1,720	190	251	310	362	734	223	294	364	421	846
76	519	682	841	982	1,999	204	273	338	397	798	230	306	374	437	874
77	562	743	919	1,074	2,183	212	282	350	407	822	230	306	376	437	874
78	611	808	1,003	1,175	2,386	219	289	357	418	842	230	306	376	437	874
79	667	881	1,095	1,283	2,605	219	289	357	418	842	230	306	376	437	874
80	726	964	1,199	1,408	2,853	219	289	357	418	842	230	306	376	437	874
81	790	1,048	1,309	1,537	3,112	219	289	357	418	842	230	306	376	437	874
82	858	1,144	1,429	1,680	3,399	219	289	357	418	842	230	306	376	437	874
83	933	1,243	1,556	1,833	3,711	219	289	357	418	842	230	306	376	437	874
84	1,013	1,354	1,697	2,000	4,042	219	289	357	418	842	230	306	376	437	874
85	1,100	1,471	1,847	2,183	4,409	219	289	357	418	842	230	306	376	437	874

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

Home Health Only Tax Qualified Policy

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

Policy Form: HTQ11-338-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Lifetime	Benefit Period					Lifetime	Benefit Period					Lifetime
	2 Years	3 Years	4 Years	5 Years	Lifetime		2 Years	3 Years	4 Years	5 Years	Lifetime		2 Years	3 Years	4 Years	5 Years	Lifetime	
<40	33	38	40	45	96	14	19	21	26	56	56	68	78	89	180			
40	33	38	42	47	104	16	21	24	26	56	61	73	80	92	180			
41	35	40	45	49	108	16	21	24	28	60	61	75	82	94	184			
42	35	42	47	52	112	19	24	26	31	64	66	75	85	96	192			
43	38	45	49	54	116	21	24	26	31	68	66	78	87	99	196			
44	40	47	52	56	120	21	26	28	33	72	68	80	89	103	203			
45	42	49	54	61	128	21	26	31	33	72	68	82	92	103	203			
46	42	52	56	63	132	26	28	33	38	80	73	85	96	108	211			
47	45	54	59	66	140	26	31	35	40	80	75	87	99	110	215			
48	47	56	61	71	144	28	33	38	40	88	78	92	103	113	223			
49	52	59	66	73	152	28	35	40	45	92	78	94	106	118	227			
50	54	61	68	78	160	31	38	42	47	92	78	94	106	118	227			
51	54	63	71	78	160	31	38	42	47	96	80	96	106	120	231			
52	56	66	73	82	168	33	40	45	49	100	80	96	108	120	231			
53	59	71	78	87	176	35	42	47	54	104	85	99	110	122	235			
54	63	75	82	92	184	38	45	52	56	112	87	101	115	127	243			
55	68	80	87	99	196	40	47	54	59	120	89	106	118	129	247			
56	73	85	94	106	207	42	52	56	63	124	92	108	120	134	255			
57	78	92	101	113	219	45	54	61	68	132	94	110	122	136	259			
58	82	96	108	120	235	49	59	63	73	140	99	115	127	141	267			
59	89	103	115	127	251	52	63	68	78	144	99	120	132	148	271			
60	92	108	120	134	259	54	63	71	78	152	101	120	132	148	271			
61	99	118	129	143	275	56	66	75	82	160	103	122	134	150	279			
62	106	125	139	153	295	61	73	78	89	168	108	127	139	155	283			
63	115	134	148	165	315	63	75	85	94	176	108	129	141	157	291			
64	122	143	160	176	335	68	80	87	99	184	113	134	146	162	299			
65	134	155	172	190	359	71	85	94	103	196	115	139	150	167	307			
66	150	176	195	216	407	80	94	103	113	211	127	148	162	179	327			
67	162	190	209	233	435	85	99	108	120	223	129	150	167	183	335			
68	176	204	226	249	467	87	103	113	127	231	132	155	169	188	343			
69	190	221	242	268	503	92	108	120	132	239	134	160	174	193	347			
70	204	240	261	289	539	96	110	125	136	247	139	160	179	195	351			
71	233	270	296	329	606	106	125	136	148	271	148	174	190	209	379			
72	249	291	320	353	646	110	127	139	155	279	153	176	193	214	383			
73	268	313	343	378	690	113	132	143	157	287	153	179	195	216	387			
74	287	334	367	404	734	118	136	148	162	291	155	181	197	216	387			
75	308	357	388	428	770	118	136	148	162	291	155	181	197	216	387			
76	350	407	442	486	874	125	146	160	174	311	165	188	207	226	403			
77	378	437	475	522	934	127	148	162	179	315	165	190	209	228	403			
78	407	470	510	559	1,001	132	150	165	181	315	165	190	209	228	403			
79	437	505	548	602	1,069	132	150	165	181	315	167	193	209	228	403			
80	472	545	592	646	1,145	132	150	165	181	315	169	195	209	230	403			
81	510	588	635	696	1,225	132	150	165	181	315	169	195	212	230	403			
82	552	632	684	745	1,313	132	150	165	181	315	169	195	212	230	403			
83	597	684	736	801	1,408	132	150	165	181	315	169	195	212	230	403			
84	644	738	792	860	1,508	132	150	165	181	315	169	195	212	230	403			
85	696	794	851	924	1,616	132	150	165	181	315	169	195	212	230	403			

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

Home Health Only Tax Qualified Policy

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

Policy Form: HTQ11-338-PA-998
Base Rates with No Inflation Protection

Rider: 11-SIP-PA-998
Simple Inflation Protection Rider

Rider: 11-CIP-PA-998
Compound Inflation Protection Rider

Issue Age	Benefit Period					Benefit Period					Benefit Period				
	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime	2 Years	3 Years	4 Years	5 Years	Lifetime
<40	45	52	56	63	136	26	33	38	42	88	118	141	157	176	343
40	45	54	59	66	140	28	33	40	45	96	120	143	160	179	347
41	47	56	61	71	148	31	35	42	45	96	122	143	162	179	347
42	49	59	63	73	152	31	38	42	47	100	122	146	165	181	355
43	52	61	68	75	160	33	40	45	52	104	125	148	165	186	355
44	54	63	71	78	164	33	40	47	54	112	125	150	167	188	359
45	56	66	73	82	172	35	42	49	54	112	127	153	169	188	363
46	59	68	75	85	180	38	47	52	59	116	129	155	172	190	363
47	61	73	80	89	184	40	47	54	61	124	129	155	172	193	367
48	63	75	82	94	192	42	49	59	63	128	132	157	176	193	367
49	66	78	87	99	200	45	54	59	66	136	132	157	176	193	367
50	68	80	89	101	203	47	56	61	68	136	132	157	176	193	367
51	71	82	92	103	207	47	56	63	71	140	132	157	176	193	367
52	73	85	94	106	211	47	59	66	73	144	132	157	176	195	371
53	75	89	99	110	223	52	61	68	78	148	132	157	176	195	371
54	80	94	106	118	235	54	63	71	80	152	132	157	176	195	371
55	85	99	110	125	243	56	68	75	82	164	134	160	176	195	371
56	89	106	118	129	255	59	71	78	89	172	136	160	176	197	371
57	94	110	122	139	267	63	75	82	92	176	136	162	179	197	371
58	101	118	129	146	283	63	78	87	96	184	136	165	181	200	371
59	106	125	139	153	299	68	82	89	101	188	139	165	181	202	371
60	110	129	141	157	303	68	82	92	103	196	139	165	181	202	371
61	115	136	150	167	323	73	87	96	106	200	139	165	181	202	371
62	122	146	160	179	339	78	89	99	110	207	141	165	181	202	371
63	132	153	169	188	359	78	94	103	115	215	141	167	183	202	371
64	139	165	181	200	379	82	96	106	120	223	143	167	183	204	375
65	148	174	193	214	403	87	103	110	125	231	146	172	186	204	375
66	167	195	214	237	447	94	110	122	136	251	153	181	197	219	399
67	179	209	230	254	475	96	115	125	141	259	155	181	197	221	403
68	190	223	244	270	507	101	120	132	146	263	157	183	202	223	403
69	204	237	261	289	539	103	125	136	150	271	157	186	202	223	403
70	219	254	280	310	575	108	127	139	153	279	160	188	204	223	403
71	247	287	315	348	642	118	139	150	167	299	169	197	216	237	427
72	263	308	336	371	682	120	141	155	172	307	169	197	216	240	427
73	280	327	357	395	722	125	146	160	176	311	172	200	219	240	427
74	298	348	381	421	762	127	148	162	179	319	172	200	219	240	427
75	317	369	402	442	798	127	148	162	179	319	172	200	219	240	427
76	362	418	456	501	902	134	157	172	188	331	176	207	223	247	435
77	388	449	489	536	962	136	160	174	190	335	176	207	223	247	435
78	416	482	522	573	1,021	139	160	176	193	339	179	207	223	247	435
79	447	515	559	613	1,089	139	160	176	193	339	179	207	223	247	435
80	479	555	602	658	1,165	139	160	176	193	339	179	207	223	247	435
81	517	595	644	705	1,241	139	160	176	193	339	179	207	223	247	435
82	557	639	691	754	1,329	139	160	176	193	339	179	207	223	247	435
83	599	689	743	808	1,420	139	160	176	193	339	179	207	223	247	435
84	646	740	797	865	1,516	139	160	176	193	339	179	207	223	247	435
85	698	797	855	926	1,620	139	160	176	193	339	179	207	223	247	435

State: Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name: Long-Term Care

Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA_Cover Letter_BCNEPA_Individual_LRRS_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_ActMemo_BCNEPA_Individual_LRRS_20180815.pdf PA_Supplement_BCNEPA_Individual_LRRS_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:	

SERFF Tracking #:

MILL-131567828

State Tracking #:

MILL-131567828

Company Tracking #:

SERIES 11 INDIVIDUAL (BCNEPA)

State: Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name: Long-Term Care

Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

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_LRRS_20180815.xlsb
Item Status:	
Status Date:	
Satisfied - Item:	Sample Policyholder Notification Letter
Comments:	
Attachment(s):	Premier BC of NEPA CNF 7.16.18.pdf Premier BC of NEPA PH Letter 7.16.18.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MILL-131567828

State Tracking #:

MILL-131567828

Company Tracking #:

SERIES 11 INDIVIDUAL (BCNEPA)

State:

Pennsylvania

Filing Company:

Blue Cross of Northeastern Pennsylvania

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name:

Long-Term Care

Project Name/Number:

MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

SERFF Tracking #: MILL-131567828 **State Tracking #:** MILL-131567828 **Company Tracking #:** SERIES 11 INDIVIDUAL (BCNEPA)

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2018 Rate Increase/145MAI01-30.06

Attachment PA_Supplement Attachments_LRRS_20180815.xlsb is not a PDF document and cannot be reproduced here.



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August 15, 2018

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

Via *SERFF*

**Re: Blue Cross of Northeastern Pennsylvania (BCNEPA)
Company NAIC # 54747
SERFF Tracking # MILL-131567828
Series 11 Individual**

**Comprehensive Form
Facility Only Form
Home Health Only Form
Franchise Comprehensive Form**

**LTQ11-336-PA-998
NTQ11-337-PA-998
HTQ11-338-PA-998
FLQ11-336-PA-998**

Dear Commissioner Altman:

On behalf of the company, we are submitting the referenced rate filing for your review. These are existing products that provide long-term care coverage on an individual basis. The company issued these products in Pennsylvania from August 9, 2001 to December 1, 2004 and is no longer marketing them in any jurisdiction. The company is making a similar request on the Series 11 Group policy form(s) in a concurrent filing (SERFF Tracking # MILL-131614386).

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 BCNEPA paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 100% of the risk on these products via a reinsurance arrangement with BCNEPA.

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

The company is requesting a premium rate increase that varies by benefit period to achieve the cumulative rate increases shown in the following table. The rate increase varies by benefit period to better align the rate increase with the adverse experience. The following table provides the average prior, requested, and cumulative rate increases by benefit period 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 – BCNEPA
Rate Increase Request**

Policy Form Cohort	Benefit Period	Prior Increase	Requested Increase	Cumulative Increase
Series 11 Individual	Non-Lifetime	66.8	40.9	135
	Lifetime	66.8	139.2	299
Average ^[1]		66.8	43.5	139

[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 two prior increase(s) that were filed for use in May 2010 and September 2017 on the forms. 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.

The following electronic items are included with this submission:

- cover letter
- letter from the company authorizing submission of this filing on its behalf
- 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:

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Thank you for your assistance in reviewing this filing.

Respectfully,

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

Missy Gordon, FSA, MAAA
Principal and Consulting Actuary

MAG/dpl

Enclosures

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<u>Product</u>	<u>Number</u>
Series 11 Individual	
Comprehensive Form	LTQ11-336-PA-998
Facility Only Form	NTQ11-337-PA-998
Home Health Only Form	HTQ11-338-PA-998
Franchise Comprehensive Form	FLQ11-336-PA-998

Blue Cross of Northeastern Pennsylvania (BCNEPA) is requesting a rate increase on the above-listed policy form(s). The company issued this policy form(s) in Pennsylvania from August 2001 through December 2004 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 benefit period 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 individual and group policy forms of the same product series 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 discussed in Section 2 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.

2. Requested Rate Increase

The company is requesting a rate increase that varies by benefit period to achieve the cumulative rate increases shown below. 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 benefit period to better align the rate increase with the adverse experience. MedAmerica's goal is equity across all jurisdictions, to the extent practical. The rate increase was determined in such a way that minimizes subsidization across jurisdictions due to differences in the previously filed rate increases.

The table below provides the average prior, requested, and cumulative increases by benefit period based on the nationwide distribution business. The enclosed cover letter provides similar information based on the jurisdiction-specific distribution.

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Nationwide Average^[1] Rate Increase Request

Policy Form Cohort	Benefit Period	Prior Increase	Requested Increase	Cumulative Increase
Prior to Series 11	Non-Lifetime	62.0%	45.1%	135%
	Lifetime	73.5	130.0	299
Series 11 Individual	Non-Lifetime	51.5	55.2	135
	Lifetime	67.0	138.9	299
Series 11 Group	Non-Lifetime	77.0	32.8	135
	Lifetime	69.6	135.2	299
Average		63.8	67.1	174

[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

These products provide long-term care coverage. The Series 11 products are tax-qualified, and were issued on an individual or group basis. The Prior to Series 11 product includes tax-qualified and non-tax qualified policy forms, and was issued on an individual basis. Each product has benefit eligibility requirements that involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided when certain benefits are being paid. A daily benefit, benefit period, and elimination period were selected at issue.

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

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

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

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

4. Renewability

These policies are guaranteed renewable for life.

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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 policy form cohort, attained age, duration, individual vs. group, 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 individual/group, issue age band, and duration as shown in the following tables.

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

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

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

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

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

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

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

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

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

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

Insureds who elect a CBUL are modeled as a lapse (i.e., the CBUL benefit is not modeled), which results in a slightly lower lifetime loss ratio than if the CBUL benefit had been modeled. The following table provides the CBUL and RBO election rates, reduction to premiums and benefits due to the impact of RBO elections, and increase in morbidity 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]

Benefit Period	CBUL Election Rate	RBO Election Rate	Approximate Reduction for RBO	Morbidity Increase for Adverse Selection
Non-Lifetime	11%	20%	13%	5.5%
Lifetime	12	25	21	6.5

[1] The values shown are based on the average cumulative amounts found in Section 2. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative amounts in Section 2.

- f. Interest Rate consistent with the maximum valuation interest rate applicable to the year of issue (ranges from 3.5% to 5.5% and averages 4.3%) is used to demonstrate compliance with the minimum loss ratio requirements.

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- 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 these products.

8. Underwriting Description

Policies on the individual forms were fully underwritten.

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

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

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

9. Premiums

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

10. Issue Age Range

Issue ages are from 18 to 85.

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11. Area Factors

Area factors are not used for these products.

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	4
Quarterly	0.26*AP	29
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 individual and group policy forms issued nationwide by MedAmerica and its affinity partners. The pooled experience is appropriate to increase credibility and allow for a uniform rate increase request across similar business. Applying a uniform rate increase to the pool of forms maintains the original pricing relationships of the product design and differences between individual and group business.

Further, pooling 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 2010 and April 2018, which average 64% across all jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increases shown in Section 2 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 policy form cohort and benefit period 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 Policy Form Cohort and Benefit Period**

Policy Form Cohort	Benefit Period	Before Increase	After Increase
Prior to Series 11	All	103%	98%
Series 11 Individual	All	124	105
Series 11 Group	All	103	91
All	Non-Lifetime	96	87
All	Lifetime	161	132
All	All	113	100

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.

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.

The following table demonstrates that the 58%/85% test is passed by policy form cohort and benefit period. The 'All' row corresponds to that shown in Exhibit II. Values in the table are shown in millions of dollars.

58%/85% Test by Policy Form Cohort and Benefit Period

Policy Form Cohort	Benefit Period	Item 5^[1]	Item 7^[2]	Result^[3]
Prior to Series 11	All	\$148.5	\$256.7	Pass
Series 11 Individual	All	322.9	585.2	Pass
Series 11 Group	All	138.8	216.0	Pass
All	Non-Lifetime	431.0	655.9	Pass
All	Lifetime	179.2	402.0	Pass
All	All	610.2	1,057.9	Pass

[1] Item 5 is the Lifetime Earned Premium Times Prescribed Factor.

[2] Item 7 is Lifetime Incurred Claims with Rate Increase.

[3] Test of whether Item 7 is not less than Item 5.

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.

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Actual and Expected Loss Ratios by Policy Form Cohort and Benefit Period

Policy Form Cohort	Benefit Period	Lifetime Loss Ratio			Actual-to-Expected	
		Before Increase	After Increase	Expected	Before Increase	After Increase
Prior to Series 11	All	98%	93%	66%	1.49	1.42
Series 11 Individual	All	115	98	58	1.97	1.69
Series 11 Group	All	91	81	70	1.31	1.16
All	Non-Lifetime	88	81	64	1.39	1.27
All	Lifetime	150	124	60	2.51	2.08
All	All	105	93	63	1.68	1.49

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 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 2009. Departments of insurance filed these increases for use between 2010 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 64% 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 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.

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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	63%	N/A	N/A
Historical experience through 2017 & projections with pricing assumptions	71	14%	180%
Historical experience through 2017 & projections with pricing assumptions except for current:			
Interest	92	29	265
Interest, lapse	97	5	41
Interest, lapse, mortality	123	28	198
Interest, lapse, mortality, morbidity	124	0	2
Interest, lapse, mortality, morbidity, improvement	119	-4	-26
Historical experience through 2017 & projections with all current most-likely assumptions ^[3]	119	90	634

[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 63%.

For the business subject to rate stability regulation, an analysis of the projected loss ratio compared to that assumed at the time of original pricing revealed that experience has unfolded more than moderately adverse and crossed the original pricing threshold for which the company could consider a rate increase. At the time the product was priced, MedAmerica management determined the threshold for future increases would be defined as experience exhibiting deterioration of more than 10% of premium compared to that assumed in pricing. Section 16 demonstrates that the 'All' lifetime loss ratio before the requested rate increase using current assumptions is over 100% and well in excess of this original pricing threshold.

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 filing 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

Policy Form Cohort	Benefit Period	Number of Insureds	Before Increase Premium	After Requested Increase Premium
Prior to Series 11	Non-Lifetime	111	\$1,774	\$2,499
	Lifetime	15	3,469	8,298
	Total	126	1,975	3,189
Series 11 Individual	Non-Lifetime	76	2,723	3,836
	Lifetime	32	3,475	8,313
	Total	108	2,946	5,163
Series 11 Group	Non-Lifetime	67	1,663	2,343
	Lifetime	0	0	0
	Total	67	1,663	2,343
Total	Non-Lifetime	254	2,028	2,858
	Lifetime	47	3,473	8,308
	Total	301	2,254	3,709

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Pennsylvania – Blue Cross of Northeastern Pennsylvania

Policy Form Cohort	Benefit Period	Number of Insureds	Before Increase Premium	After Requested Increase Premium
Series 11 Individual	Non-Lifetime	96	\$2,034	\$2,865
	Lifetime	1	5,301	12,681
	Total	97	2,067	2,967
Series 11 Group	Non-Lifetime	10	885	1,246
	Lifetime	0	0	0
	Total	10	885	1,246
Total	Non-Lifetime	106	1,925	2,713
	Lifetime	1	5,301	12,681
	Total	107	1,957	2,806

20. Proposed Effective Date

This rate increase will apply to policies on their next premium payment date following at least a 60-day policyholder notification period following being filed for use by the department of insurance, but no sooner than 12 months after the prior rate increase was effective.

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

Issue Ages	Percent Distribution
<40	8%
40-44	7
45-49	11
50-54	17
55-59	21
60-64	18
65-69	11
70-74	6
75+	1

Elimination Period	Percent Distribution
0-Day	4%
20-Day	21
30-Day	<1
60-Day	6
90-Day	53
100-Day	5
180-Day	10
365-Day	<1

Benefit Period	Percent Distribution
1-Year	<1%
2-Year	17
3-Year	39
4-Year	8
5-Year	18
Lifetime	18

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Inflation Option	Percent Distribution
None	40%
Simple for Life	3
Compound for Life	38
Simple for 20 Years	19
GPO	<1

Premium Payment Option	Percent Distribution
Ten-Pay	14%
Twenty-Pay	10
Lifetime-Pay	76

Coverage Type	Percent Distribution
Facility Only	11%
Comprehensive	88
Home Health Only	1

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 filing 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

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Prior to Series 11	Non-Lifetime	111	\$196,859
	Lifetime	15	52,031
	Total	126	248,890
Series 11 Individual	Non-Lifetime	76	206,931
	Lifetime	32	111,204
	Total	108	318,135
Series 11 Group	Non-Lifetime	67	111,402
	Lifetime	0	0
	Total	67	111,402
Total	Non-Lifetime	254	515,192
	Lifetime	47	163,235
	Total	301	678,427

Pennsylvania – Blue Cross of Northeastern Pennsylvania

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Series 11 Individual	Non-Lifetime	96	\$195,242
	Lifetime	1	5,301
	Total	97	200,543
Series 11 Group	Non-Lifetime	10	8,847
	Lifetime	0	0
	Total	10	8,847
Total	Non-Lifetime	106	204,089
	Lifetime	1	5,301
	Total	107	209,390

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Nationwide

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Prior to Series 11	Non-Lifetime	855	\$1,882,265
	Lifetime	401	1,054,068
	Total	1,256	2,936,333
Series 11 Individual	Non-Lifetime	5,095	8,845,290
	Lifetime	1,713	4,713,899
	Total	6,808	13,559,189
Series 11 Group	Non-Lifetime	5,149	7,885,909
	Lifetime	73	179,276
	Total	5,222	8,065,185
Total	Non-Lifetime	11,099	18,613,464
	Lifetime	2,187	5,947,243
	Total	13,286	24,560,707

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23. Actuarial Certification

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

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

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of this jurisdiction and the rules of 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
Series 11 and Prior 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	1992	17,324	0	0%	111	0%
	1993	557,528	112,935	20%	634	19%
	1994	1,500,482	28,746	2%	1,376	7%
	1995	2,485,029	109,652	4%	1,943	6%
	1996	3,462,207	134,262	4%	2,687	5%
	1997	4,391,783	264,541	6%	3,003	5%
	1998	5,340,763	631,867	12%	3,664	7%
	1999	6,825,955	1,469,714	22%	4,763	11%
	2000	8,935,626	1,172,992	13%	6,197	11%
	2001	11,902,742	2,210,887	19%	8,449	13%
	2002	16,096,324	4,269,807	27%	11,471	16%
	2003	21,497,993	3,540,618	16%	17,712	16%
	2004	27,113,898	6,347,428	23%	19,115	18%
	2005	28,578,579	6,751,292	24%	20,244	19%
	2006	28,839,355	7,395,470	26%	20,095	20%
	2007	28,383,387	10,644,803	38%	20,145	22%
	2008	27,838,059	8,302,139	30%	19,941	23%
	2009	26,881,880	11,107,735	41%	19,480	24%
2010	25,543,217	15,851,176	62%	18,490	27%	
2011	24,605,324	14,100,771	57%	17,662	29%	
2012	25,238,498	16,193,346	64%	17,589	31%	
2013	24,380,172	14,635,134	60%	17,254	33%	
2014	22,501,372	23,851,886	106%	16,796	36%	
2015	21,535,035	24,822,983	115%	16,188	39%	
2016	21,200,216	22,803,799	108%	15,979	41%	
2017	20,290,067	24,920,645	123%	15,486	44%	
Projected Future Experience (60 Years)	2018	20,160,101	23,437,745	116%	14,591	46%
	2019	20,409,564	24,519,507	120%	14,074	48%
	2020	20,280,014	25,947,839	128%	13,589	50%
	2021	19,511,160	27,458,679	141%	13,103	52%
	2022	18,478,095	29,023,103	157%	12,617	54%
	2023	17,235,027	30,574,267	177%	12,132	56%
	2024	16,001,079	32,186,531	201%	11,649	58%
	2025	14,960,197	33,746,050	226%	11,167	60%
	2026	13,997,487	35,318,229	252%	10,687	63%
	2027	13,097,004	36,915,618	282%	10,210	65%
	2028	12,169,960	38,493,952	316%	9,737	67%
	2029	11,337,776	40,050,776	353%	9,269	70%
	2030	10,539,591	41,549,905	394%	8,806	72%
	2031	9,772,280	42,944,911	439%	8,350	74%
	2032	9,035,048	44,180,071	489%	7,900	77%
	2033	8,329,513	45,499,037	546%	7,458	79%
	2034	7,653,677	46,871,039	612%	7,022	81%
	2035	7,007,189	48,086,821	686%	6,593	84%
	2036	6,390,910	48,984,238	766%	6,173	86%
	2037	5,805,860	49,641,116	855%	5,762	88%
	2038	5,252,740	49,951,719	951%	5,362	90%
	2039	4,732,129	49,936,198	1,055%	4,974	92%
	2040	4,244,382	49,556,133	1,168%	4,600	94%
	2041	3,789,925	48,805,734	1,288%	4,240	96%
	2042	3,369,174	47,677,195	1,415%	3,897	98%
	2043	2,981,852	46,247,223	1,551%	3,571	99%
	2044	2,627,355	44,626,890	1,699%	3,263	101%
	2045	2,304,637	42,794,267	1,857%	2,973	102%
2046	2,012,700	40,800,636	2,027%	2,702	104%	
2047	1,750,230	38,606,295	2,206%	2,450	105%	
2048-2052	5,729,232	157,780,238	2,754%	9,105	109%	
2053-2057	2,572,498	101,166,015	3,933%	5,318	112%	
2058-2062	1,086,882	58,328,449	5,367%	3,008	113%	
2063-2067	437,018	31,208,982	7,141%	1,591	113%	
2068-2072	166,355	14,977,982	9,004%	736	113%	
2073-2077	60,394	6,593,432	10,917%	277	113%	

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

History	676,463,033	295,592,596	44%
Future	207,442,993	707,218,337	341%
Lifetime	883,906,026	1,002,810,933	113%

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

	Calendar Year	Actual or Projected Experience using Current Assumptions				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	1992	17,324	0	0%	111	0%
	1993	557,528	112,935	20%	634	19%
	1994	1,500,482	28,746	2%	1,376	7%
	1995	2,485,029	109,652	4%	1,943	6%
	1996	3,462,207	134,262	4%	2,687	5%
	1997	4,391,783	264,541	6%	3,003	5%
	1998	5,340,763	631,867	12%	3,664	7%
	1999	6,825,955	1,469,714	22%	4,763	11%
	2000	8,935,626	1,172,992	13%	6,197	11%
	2001	11,902,742	2,210,887	19%	8,449	13%
	2002	16,096,324	4,269,807	27%	11,471	16%
	2003	21,497,993	3,540,618	16%	17,712	16%
	2004	27,113,898	6,347,428	23%	19,115	18%
	2005	28,578,579	6,751,292	24%	20,244	19%
	2006	28,839,355	7,395,470	26%	20,095	20%
	2007	28,383,387	10,644,803	38%	20,145	22%
	2008	27,838,059	8,302,139	30%	19,941	23%
2009	26,881,880	11,107,735	41%	19,480	24%	
2010	25,543,217	15,851,176	62%	18,490	27%	
2011	24,605,324	14,100,771	57%	17,662	29%	
2012	25,238,498	16,193,346	64%	17,589	31%	
2013	24,380,172	14,635,134	60%	17,254	33%	
2014	22,501,372	23,851,886	106%	16,796	36%	
2015	21,535,035	24,822,983	115%	16,188	39%	
2016	21,200,216	22,803,799	108%	15,979	41%	
2017	20,290,067	24,920,645	123%	15,486	44%	
Projected Future Experience (60 Years)	2018	20,160,101	23,437,745	116%	14,591	46%
	2019	23,940,291	23,836,189	100%	13,538	47%
	2020	27,226,638	24,345,168	89%	12,921	49%
	2021	27,446,759	25,633,115	93%	12,403	50%
	2022	26,662,533	26,999,149	101%	11,937	52%
	2023	24,891,098	28,397,202	114%	11,485	53%
	2024	23,073,543	29,863,010	129%	11,034	55%
	2025	21,562,554	31,288,551	145%	10,585	56%
	2026	20,164,124	32,734,152	162%	10,137	58%
	2027	18,849,598	34,208,980	181%	9,691	60%
	2028	17,491,936	35,672,675	204%	9,249	62%
	2029	16,276,327	37,124,754	228%	8,811	63%
	2030	15,110,600	38,533,648	255%	8,378	65%
	2031	13,990,305	39,855,468	285%	7,950	67%
	2032	12,914,476	41,035,606	318%	7,528	69%
	2033	11,885,784	42,302,158	356%	7,113	71%
	2034	10,901,426	43,623,147	400%	6,703	73%
	2035	9,961,176	44,805,033	450%	6,299	75%
	2036	9,066,553	45,696,313	504%	5,902	77%
	2037	8,218,997	46,364,725	564%	5,514	78%
	2038	7,419,435	46,710,600	630%	5,136	80%
	2039	6,668,635	46,751,367	701%	4,768	82%
	2040	5,966,935	46,446,529	778%	4,413	84%
	2041	5,314,804	45,791,886	862%	4,072	85%
2042	4,712,524	44,776,689	950%	3,746	87%	
2043	4,159,472	43,476,736	1,045%	3,435	88%	
2044	3,654,613	41,994,709	1,149%	3,142	89%	
2045	3,196,271	40,307,806	1,261%	2,865	91%	
2046	2,782,780	38,461,398	1,382%	2,606	92%	
2047	2,412,014	36,414,550	1,510%	2,365	93%	
2048-2052	7,819,761	149,015,565	1,906%	8,808	96%	
2053-2057	3,440,166	95,678,209	2,781%	5,165	98%	
2058-2062	1,419,019	55,182,238	3,889%	2,932	99%	
2063-2067	555,906	29,587,701	5,322%	1,555	100%	
2068-2072	206,207	14,241,293	6,906%	720	100%	
2073-2077	73,271	6,275,070	8,564%	271	100%	

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

History	676,463,033	295,592,596	44%
Future	281,100,696	662,874,765	236%
Lifetime	957,563,729	958,467,361	100%

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

1	Accumulated value of initial earned premium	646,425,805	x	58%	=	374,926,967
2a	Accumulated value of earned premium	676,463,033				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	30,037,228	x	85%	=	25,531,644
3	Present value of future projected initial earned premium	108,296,977	x	58%	=	62,812,246
4a	Present value of future projected premium	281,100,696				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	172,803,719	x	85%	=	146,883,161
5	Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b					610,154,018
6a	Accumulated value of incurred claims without the inclusion of active life reserves					295,592,596
6b	Present value of future projected incurred claims without the inclusion of active life reserves					762,305,980
7	Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b					1,057,898,576
8	Test: 7 is not less than 5					Pass

All values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue, which ranges from 3.5% to 5.5%.

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.

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

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

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

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

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

Original Assumptions
Prior to Series 11

Lapse Rates

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

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

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

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

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

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

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

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

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

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

		Benefit Expiry Rates
Current Assumptions	Series 11 and Prior	Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the <i>Guidelines</i> with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.
Original Assumptions	Series 11 and Prior	Benefit expiry was not separated from the lapse assumption.
		Interest Rate
Current Assumptions	Series 11 and Prior	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 maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 5.5% and averages 4.3%
Original Assumptions	Prior to Series 11	Series 5 policy forms used an original pricing earnings rate assumption of 7.10% and Series 8 and 9 policy forms used an original pricing earnings rate assumption of 7.50%.
	Series 11 Individual	An original pricing earnings rate assumption of 7.50% was assumed.
	Series 11 Group	Premier Group policy forms used an original pricing earnings rate assumption of 7.50% and TNSE policy forms used an original pricing earnings rate assumption of 6.00%.
		Improvement
Current Assumptions	Series 11 and Prior	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%.
Original Assumptions	Series 11 and Prior	No mortality or morbidity improvement was assumed.

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 for Individual Policies

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

- Exposure that reflects a full year of exposure for each death and the length of time a covered life is exposed to the risk of death during the year for each life that does not die.
- Mortality rates for actual, expected, and an additional standard table for comparison. All of these rates were brought forward to 2015 for consistency with the basis of the expected table by applying mortality improvement factors that reflect annual improvement of 0.5% for females and 1.0% for males.

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

2015GAM mortality rates equal 94GAM with 21 years of improvement, which results in scalars of 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.

Mortality Durational Factors for Group Certificates

Exhibit A-1c supports the group business mortality assumption and provides exposure, actual and expected mortality rates, mortality A:E ratios, credibility percent, and smoothed scalars. The expected mortality rates include the individual durational mortality factors described above. The smoothed scalars were developed based on group products for issue ages under 60 only because it captures most of the group experience. We did not analyze group experience for other issue ages. These scalars are applied to the individual mortality durational factors, but capped at 105%, to produce the group mortality durational factors shown in Section 6 of the actuarial memorandum.

Lifetime-Pay Voluntary Lapse Rates

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

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

Appendix A Development and Justification of Current Assumptions

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:

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

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 4% 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 and twenty-pay options, the scalars were developed from a comparison of the lifetime-pay derived lapse rates to the limited-pay option's derived lapse rates based on MedAmerica and its affinity partners' experience on all 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, which included the Series 11 and Prior business. Factors were developed by quinquennial attained age band and then interpolated to produce scalars for each attained age. These scalars were then applied to the benefit expiry rates developed by the 2014 *Guidelines* in order to produce the final benefit expiry assumptions shown in Section 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 Series 11 and Prior policy forms.
- Exhibit A-4b – provides a summary of A:E experience for the Series 11 and Prior 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].

Appendix A Development and Justification of Current Assumptions

- 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.

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:

Appendix A Development and Justification of Current Assumptions

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

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

Adverse Selection

The 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

Duration	Product-Specific Adjustment Factors		
	Prior to Series 11	Series 11 Individual	Series 11 Group
1	1.01	1.00	0.89
2	1.03	0.98	0.83
3	1.04	0.96	0.78
4	1.09	0.99	0.74
5	1.17	0.97	0.71
6	1.19	0.97	0.76
7	1.18	1.00	0.82
8	1.16	1.02	0.91
9	1.09	0.97	1.01
10	1.01	0.98	1.13
11	0.96	1.01	1.23
12	0.97	1.04	1.24
13	1.00	1.06	1.17
14	1.05	1.09	1.09
15	1.11	1.14	1.00
16	1.12	1.11	0.96
17	1.11	1.07	0.95
18	1.08	1.05	0.96
19	1.04	1.03	0.98
20+	1.02	1.02	0.99

Attained Age	Product-Specific Adjustment Factors		
	Prior to Series 11	Series 11 Individual	Series 11 Group
<55	1.05	1.00	1.02
55	1.05	1.00	1.02
56	1.05	1.00	1.02
57	1.04	1.00	1.01
58	1.02	0.97	0.99
59	1.09	0.94	0.99
60	1.09	0.93	0.97
61	1.15	0.93	0.98
62	1.23	0.89	0.99
63	1.36	0.86	1.00
64	1.28	0.87	0.99
65	1.23	0.90	0.97
66	1.20	0.90	0.95
67	1.18	0.95	0.93
68	1.08	1.07	0.95
69	1.08	1.11	0.93
70	1.06	1.09	0.93
71	1.00	1.10	0.94
72	0.94	1.13	0.95
73	0.94	1.09	0.95
74	0.94	1.10	0.98
75	0.91	1.13	0.99
76	0.90	1.13	1.00
77	0.92	1.05	0.99
78	0.90	1.05	0.98
79	0.89	1.04	0.98
80	0.93	1.03	1.00
81	0.98	1.03	1.01
82	0.96	1.09	1.04
83	0.99	1.10	1.06
84	0.99	1.09	1.06
85	0.99	1.09	1.04
86	0.96	1.09	1.03
87	0.98	1.06	1.01
88	0.97	1.05	1.00
89	0.98	1.07	0.99
90	0.98	1.06	0.99
91	0.99	1.06	0.99
92	1.00	1.05	0.99
93	1.01	1.02	0.99
94	1.01	0.99	0.99
95	1.02	0.98	1.00
96	1.01	0.97	1.00
97	1.00	0.97	1.00
98	1.00	0.98	1.00
99	1.00	0.99	1.00
100	1.00	0.99	1.00
101+	1.00	1.00	1.00

Attained Age	Payment Type Adjustment Factors		
	Series 11 and Prior Individual		Series 11 Group
	Non-Tax-Qualified (NTQ)	Tax-Qualified (TQ)	
<55	0.99	0.94	1.07
55	0.99	0.94	1.07
56	0.99	0.94	1.07
57	0.94	0.92	1.12
58	0.88	0.92	1.11
59	0.90	0.88	1.11
60	0.91	0.91	1.04
61	0.91	0.90	1.02
62	0.96	0.87	0.92
63	1.05	0.81	0.90
64	0.96	0.81	0.90
65	0.89	0.85	0.91
66	0.89	0.82	0.93
67	0.90	0.87	1.01
68	0.83	0.95	1.07
69	0.88	1.01	1.04
70	0.94	0.99	1.01
71	0.98	1.03	0.99
72	1.00	1.05	0.96
73	1.06	1.05	0.96
74	1.11	1.04	0.97
75	1.14	1.04	0.93
76	1.10	1.08	0.93
77	1.08	1.07	0.88
78	1.07	1.09	0.82
79	1.06	1.12	0.77
80	1.03	1.19	0.79
81	1.06	1.15	0.78
82	1.08	1.14	0.82
83	1.14	1.14	0.87
84	1.08	1.10	0.94
85	1.10	1.07	0.95
86	1.09	1.09	0.98
87	1.10	1.17	0.98
88	1.06	1.18	0.97
89	1.09	1.22	0.97
90	1.06	1.24	0.96
91	1.04	1.24	0.97
92	1.02	1.15	0.98
93	1.02	1.11	0.99
94	1.01	1.06	0.99
95	1.03	1.04	0.99
96	1.02	1.01	0.98
97	1.03	1.01	0.98
98	1.00	1.01	0.97
99	1.00	1.01	0.97
100	1.00	1.02	0.98
101+	1.00	1.02	0.98

Attained Age	Non-MANY Adjustment Factor	
	Series 11 and Prior Individual	Series 11 Group
<55	1.07	1.01
55	1.07	1.01
56	1.07	1.01
57	1.06	1.00
58	0.99	0.98
59	0.95	0.99
60	0.89	0.99
61	0.89	1.01
62	0.88	1.03
63	0.94	1.03
64	1.00	1.01
65	1.00	1.00
66	1.09	0.98
67	1.17	0.97
68	1.25	1.00
69	1.26	1.00
70	1.28	1.00
71	1.13	1.01
72	1.09	1.02
73	1.03	1.01
74	1.03	1.02
75	0.99	1.03
76	1.00	1.03
77	0.97	1.02
78	0.97	1.00
79	0.97	1.00
80	1.02	1.01
81	1.08	1.01
82	1.12	1.03
83	1.13	1.05
84	1.11	1.04
85	1.08	1.03
86	1.05	1.02
87	1.03	1.01
88	1.02	1.00
89	1.05	0.99
90	1.05	0.99
91	1.05	0.99
92	1.05	0.99
93	1.04	0.99
94	1.00	0.99
95	1.00	1.00
96	0.98	1.00
97	0.97	1.00
98	0.98	1.00
99	0.99	1.00
100	0.99	1.00
101+	1.00	1.00

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
Series 11 and Prior Policy Forms

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]
Group / Individual							
Individual	193,242	2,249	178,975,634	156,954,375	176,559,724	1.14	1.01
Group	70,814	144	12,926,716	15,433,614	12,861,010	0.84	1.01
Payment-Type / Tax Status (TQ = Tax-Qualified, NTQ = Non-Tax-Qualified)							
Cash / TQ	-	-	-	-	-	-	-
Reimbursement / NTQ	39,927	917	65,409,856	59,812,646	63,796,383	1.09	1.03
Reimbursement / TQ	224,130	1,476	126,492,493	112,575,343	125,624,350	1.12	1.01
Coverage Type							
Comprehensive	227,746	1,884	150,906,765	139,676,235	147,922,870	1.08	1.02
Nursing Home Only	32,685	460	38,605,492	30,464,462	38,400,192	1.27	1.01
Home Care Only	3,625	49	2,390,092	2,247,291	3,097,671	1.06	0.77
Attained Age							
< 60	83,038	42	4,870,844	5,365,561	4,676,717	0.91	1.04
60 - 69	79,848	159	19,010,143	18,287,944	16,392,665	1.04	1.16
70 - 79	70,206	692	61,059,411	58,372,138	61,346,118	1.05	1.00
80 - 89	28,701	1,254	93,780,632	78,168,887	93,335,869	1.20	1.00
90 +	2,264	246	13,181,321	12,193,459	13,669,365	1.08	0.96
Policy Duration							
< 7	100,261	233	18,673,085	21,414,416	20,738,173	0.87	0.90
7 - 10	81,762	596	50,705,841	45,309,295	48,390,377	1.12	1.05
11 - 15	68,137	1,050	84,288,017	73,690,605	83,520,887	1.14	1.01
16 - 20	13,264	475	36,640,193	30,113,053	34,827,994	1.22	1.05
21 +	632	39	1,595,214	1,860,621	1,943,302	0.86	0.82
Product							
Series 11 Group	70,814	144	12,926,716	15,433,614	12,861,010	0.84	1.01
Series 11 Individual	153,316	1,332	113,565,777	97,141,729	112,763,341	1.17	1.01
Prior to Series 11	39,927	917	65,409,856	59,812,646	63,796,383	1.09	1.03
Total	264,057	2,393	191,902,350	172,387,989	189,420,734	1.11	1.01

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]
Group / Individual							
Individual	912,916	9,926	800,367,697	733,049,215	794,361,129	1.09	1.01
Group	346,699	1,374	130,339,904	156,675,596	133,888,114	0.83	0.97
Payment-Type / Tax Status (TQ = Tax-Qualified, NTQ = Non-Tax-Qualified)							
Cash / TQ	343,731	558	62,039,510	57,638,053	59,620,193	1.08	1.04
Reimbursement / NTQ	300,053	6,653	510,365,552	479,343,318	507,745,230	1.06	1.01
Reimbursement / TQ	615,831	4,089	358,302,538	352,743,439	360,883,820	1.02	0.99
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

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<u>Product</u>	<u>Number</u>
Series 11 Individual	
Comprehensive Form	LTQ11-336-PA-998
Facility Only Form	NTQ11-337-PA-998
Home Health Only Form	HTQ11-338-PA-998
Franchise Comprehensive Form	FLQ11-336-PA-998

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 individual and group policy forms of the same product series 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): For policies issued prior to September 16, 2002, the effective date of rate stability in Pennsylvania, the minimum loss ratio requirement is 60%, as specified in Reg. 89a.117.(b). For policies issued on or after September 16, 2002, the loss ratio requirements are specified in Reg. 89a.118.(c)(2), (i.e., the 58%/85% test). Demonstration of satisfaction of these requirements is discussed in Section 15 of the enclosed actuarial memorandum.

As of December 31, 2017, 149 of the 408 policies that are in force and subject to the requested rate increase in Pennsylvania were issued on or after September 16, 2002 (approximately 37%). However, because the company manages this block of business as a whole, this rate increase filing complies with both sets of requirements for all of the policies, regardless of issue date.

(2): Section 3 of the actuarial memorandum provides a description of benefits. Copies 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 premium rate increase that varies by benefit period to achieve the cumulative rate increases as shown in Section 2 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 benefit period 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 benefit period based on the nationwide distribution. 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.

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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 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 rate 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 5.5%, and averages 4.3%).

Attachments 2 and 3 to this supplement provide similar information as Exhibit I and Attachment 1 respectively, except provides Pennsylvania-specific experience.

(2)(ii)(A): There have been two rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase is 67% and has been implemented on the individual and group policy forms. The most recent rate increase was filed for use by the Department on September 22, 2017.

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

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

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

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

Table 1b provides similar information for lifetime-pay group certificates by duration and whether the group was sold by a commissioned agent. The commission scale, without other sales and marketing expenses, was not readily available.

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

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

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

The actual commission scales will differ slightly from those that appear in Table 1 as the company adjusts renewal commission rates so that the total commissions paid before and after any increase in

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premium are similar (i.e., commissions are not paid on the increased premium).

(2)(ii)(C)(I): Premiums earned and written since inception for nationwide experience can be found in 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, 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
Series 11 and Prior 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	1992	127,778	0	0%	0%
	1993	820,223	435	0%	0%
	1994	1,859,170	45,498	2%	2%
	1995	2,806,773	63,694	2%	2%
	1996	3,903,160	75,596	2%	2%
	1997	4,551,144	67,538	1%	2%
	1998	5,678,298	125,276	2%	2%
	1999	7,358,468	465,964	6%	3%
	2000	9,549,709	970,921	10%	5%
	2001	12,759,812	1,121,497	9%	6%
	2002	17,246,296	1,445,750	8%	6%
	2003	23,386,345	2,546,158	11%	7%
	2004	27,585,079	3,105,399	11%	8%
	2005	28,686,362	4,315,104	15%	9%
	2006	28,696,090	5,258,176	18%	11%
	2007	28,305,082	6,694,088	24%	12%
	2008	27,586,766	8,446,221	31%	14%
2009	26,643,606	8,314,848	31%	15%	
2010	25,164,298	9,151,070	36%	17%	
2011	24,665,824	11,323,437	46%	19%	
2012	25,263,705	13,322,263	53%	21%	
2013	23,672,984	15,681,015	66%	23%	
2014	22,143,196	17,656,283	80%	25%	
2015	21,396,467	20,902,456	98%	28%	
2016	20,967,910	21,690,779	103%	30%	
2017	20,134,198	23,189,988	115%	33%	
Projected Future Experience (60 Years)	2018	20,197,632	25,010,516	124%	35%
	2019	20,404,820	23,992,732	118%	38%
	2020	20,103,807	26,193,624	130%	40%
	2021	19,245,584	25,273,392	131%	42%
	2022	18,183,066	27,035,029	149%	44%
	2023	16,826,582	28,651,925	170%	46%
	2024	15,723,641	30,208,948	192%	48%
	2025	14,697,399	31,800,481	216%	50%
	2026	13,766,339	33,443,815	243%	53%
	2027	12,830,331	35,137,970	274%	55%
	2028	11,954,715	36,830,801	308%	57%
	2029	11,133,053	38,519,259	346%	59%
	2030	10,345,240	40,193,337	389%	62%
	2031	9,587,177	41,834,566	436%	64%
	2032	8,859,642	43,413,680	490%	66%
	2033	8,163,214	44,951,688	551%	69%
	2034	7,495,998	46,472,785	620%	71%
	2035	6,858,137	47,952,641	699%	73%
	2036	6,250,749	49,328,826	789%	75%
	2037	5,674,587	50,556,514	891%	78%
	2038	5,130,410	51,588,684	1,006%	80%
	2039	4,618,674	52,384,538	1,134%	82%
	2040	4,139,694	52,904,873	1,278%	84%
	2041	3,694,053	53,116,312	1,438%	86%
	2042	3,281,823	52,991,841	1,615%	88%
	2043	2,902,813	52,524,296	1,809%	90%
	2044	2,556,226	51,735,500	2,024%	92%
2045	2,241,006	50,645,859	2,260%	93%	
2046	1,956,099	49,284,270	2,520%	95%	
2047	1,700,208	47,667,687	2,804%	96%	
2048-2052	5,559,786	207,468,960	3,732%	102%	
2053-2057	2,493,525	148,359,344	5,950%	105%	
2058-2062	1,053,534	93,809,214	8,904%	107%	
2063-2067	423,987	54,174,980	12,777%	108%	
2068-2072	161,570	28,538,559	17,663%	108%	
2073-2077	58,744	13,733,153	23,378%	109%	

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

History	689,721,452	227,096,145	33%
Future	204,492,115	744,122,821	364%
Lifetime	894,213,567	971,218,966	109%

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

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	820,223	435	0%	0%
	1994	1,859,170	45,498	2%	2%
	1995	2,806,773	63,694	2%	2%
	1996	3,903,160	75,596	2%	2%
	1997	4,551,144	67,538	1%	2%
	1998	5,678,298	125,276	2%	2%
	1999	7,358,468	465,964	6%	3%
	2000	9,549,709	970,921	10%	5%
	2001	12,759,812	1,121,497	9%	6%
	2002	17,246,296	1,445,750	8%	6%
	2003	23,386,345	2,546,158	11%	7%
	2004	27,585,079	3,105,399	11%	8%
	2005	28,686,362	4,315,104	15%	9%
	2006	28,696,090	5,258,176	18%	11%
	2007	28,305,082	6,694,088	24%	12%
	2008	27,586,766	8,446,221	31%	14%
2009	26,643,606	8,314,848	31%	15%	
2010	25,164,298	9,151,070	36%	17%	
2011	24,665,824	11,323,437	46%	19%	
2012	25,263,705	13,322,263	53%	21%	
2013	23,672,984	15,681,015	66%	23%	
2014	22,143,196	17,656,283	80%	25%	
2015	21,396,467	20,902,456	98%	28%	
2016	20,967,910	21,690,779	103%	30%	
2017	20,134,198	23,189,988	115%	33%	
Projected Future Experience (60 Years)	2018	20,198,468	25,010,516	124%	35%
	2019	25,670,134	23,844,499	93%	37%
	2020	27,244,327	25,681,826	94%	39%
	2021	27,399,614	24,458,255	89%	41%
	2022	26,265,349	25,887,698	99%	42%
	2023	24,285,564	27,203,771	112%	44%
	2024	22,669,589	28,489,718	126%	45%
	2025	21,178,879	29,838,017	141%	47%
	2026	19,824,971	31,264,271	158%	49%
	2027	18,454,605	32,763,536	178%	51%
	2028	17,174,419	34,279,784	200%	52%
	2029	15,973,784	35,807,175	224%	54%
	2030	14,822,994	37,334,920	252%	56%
	2031	13,716,036	38,845,240	283%	58%
	2032	12,654,363	40,309,877	319%	60%
	2033	11,639,001	41,747,747	359%	62%
	2034	10,667,386	43,180,246	405%	64%
	2035	9,740,017	44,583,721	458%	66%
	2036	8,858,743	45,899,129	518%	68%
	2037	8,024,506	47,083,268	587%	69%
	2038	7,238,399	48,090,682	664%	71%
	2039	6,500,924	48,881,755	752%	73%
	2040	5,812,375	49,417,859	850%	75%
	2041	5,173,418	49,666,141	960%	77%
	2042	4,583,818	49,599,330	1,082%	78%
	2043	4,043,127	49,209,773	1,217%	80%
	2044	3,550,005	48,517,316	1,367%	81%
2045	3,102,776	47,540,129	1,532%	83%	
2046	2,699,659	46,303,966	1,715%	84%	
2047	2,338,605	44,822,855	1,917%	85%	
2048-2052	7,571,687	195,468,492	2,582%	90%	
2053-2057	3,325,083	140,095,314	4,213%	93%	
2058-2062	1,370,739	88,669,592	6,469%	95%	
2063-2067	537,388	51,269,465	9,541%	95%	
2068-2072	199,700	27,067,311	13,554%	96%	
2073-2077	71,166	13,053,096	18,342%	96%	

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

History	689,721,452	227,096,145	33%
Future	278,940,307	701,456,765	251%
Lifetime	968,661,759	928,552,910	96%

Attachment 2-a
MedAmerica and BCNEPA
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	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	1992	17,324	0	0%	111	0%
	1993	547,119	112,935	21%	580	19%
	1994	1,333,538	28,746	2%	1,190	8%
	1995	1,802,548	55,039	3%	1,165	5%
	1996	1,608,703	5,871	0%	1,055	4%
	1997	1,439,865	114,890	8%	953	5%
	1998	1,347,126	235,553	17%	912	7%
	1999	1,286,732	377,829	29%	872	9%
	2000	1,267,260	481,212	38%	859	12%
	2001	1,235,696	713,556	58%	895	16%
	2002	1,431,379	745,816	52%	1,036	19%
	2003	1,554,846	464,534	30%	1,078	20%
	2004	1,652,124	958,964	58%	1,139	23%
	2005	1,597,784	656,165	41%	1,089	24%
	2006	1,498,700	747,377	50%	1,021	26%
	2007	1,403,330	934,486	67%	983	28%
	2008	1,324,472	806,835	61%	906	29%
	2009	1,241,850	771,521	62%	858	30%
2010	1,132,473	811,757	72%	720	31%	
2011	1,041,535	1,452,008	139%	664	34%	
2012	1,071,362	1,319,481	123%	605	36%	
2013	1,063,820	974,543	92%	553	38%	
2014	996,939	1,467,384	147%	516	40%	
2015	911,937	2,584,558	283%	472	44%	
2016	835,842	525,602	63%	440	44%	
2017	775,386	1,243,392	160%	408	46%	
Projected Future Experience (60 Years)	2018	760,674	946,118	124%	368	47%
	2019	754,171	912,244	121%	347	47%
	2020	704,396	902,411	128%	327	48%
	2021	654,895	899,849	137%	308	49%
	2022	604,697	906,857	150%	289	50%
	2023	551,089	914,609	166%	272	50%
	2024	474,637	930,780	196%	256	51%
	2025	393,735	952,011	242%	240	52%
	2026	360,503	981,243	272%	225	53%
	2027	327,655	1,013,561	309%	211	54%
	2028	298,791	1,047,988	351%	198	54%
	2029	272,820	1,089,016	399%	186	55%
	2030	248,557	1,125,401	453%	174	56%
	2031	225,879	1,155,672	512%	162	57%
	2032	204,655	1,179,162	576%	151	58%
	2033	184,750	1,207,986	654%	141	59%
	2034	166,046	1,231,213	741%	131	59%
	2035	148,495	1,258,584	848%	121	60%
	2036	132,090	1,269,015	961%	111	61%
	2037	116,799	1,264,527	1,083%	103	62%
	2038	102,620	1,246,486	1,215%	94	62%
	2039	89,556	1,211,482	1,353%	86	63%
	2040	77,609	1,161,816	1,497%	78	64%
	2041	66,781	1,099,251	1,646%	71	64%
	2042	57,055	1,035,565	1,815%	64	65%
	2043	48,384	975,089	2,015%	58	65%
	2044	40,721	920,292	2,260%	52	66%
	2045	34,004	860,118	2,529%	46	66%
	2046	28,170	801,480	2,845%	41	66%
	2047	23,146	740,704	3,200%	36	67%
2048-2052		63,486	2,740,701	4,317%	121	68%
2053-2057		18,324	1,267,612	6,918%	52	68%
2058-2062		4,035	411,685	10,203%	18	68%
2063-2067		633	97,526	15,408%	5	68%
2068-2072		60	14,674	24,644%	1	68%
2073-2077		3	1,407	48,074%	0	68%

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

History	62,246,630	28,376,392	46%
Future	5,964,173	18,048,511	303%
Lifetime	68,210,803	46,424,902	68%

Attachment 2-b
MedAmerica and BCNEPA
Earned Premium and Incurred Claim Experience and Projections by Calendar Year
Pennsylvania-Specific Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Calendar Year	Actual or Projected Experience using Current Assumptions				
		Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
Historical Experience	1992	17,324	0	0%	111	0%
	1993	547,119	112,935	21%	580	19%
	1994	1,333,538	28,746	2%	1,190	8%
	1995	1,802,548	55,039	3%	1,165	5%
	1996	1,608,703	5,871	0%	1,055	4%
	1997	1,439,865	114,890	8%	953	5%
	1998	1,347,126	235,553	17%	912	7%
	1999	1,286,732	377,829	29%	872	9%
	2000	1,267,260	481,212	38%	859	12%
	2001	1,235,696	713,556	58%	895	16%
	2002	1,431,379	745,816	52%	1,036	19%
	2003	1,554,846	464,534	30%	1,078	20%
	2004	1,652,124	958,964	58%	1,139	23%
	2005	1,597,784	656,165	41%	1,089	24%
	2006	1,498,700	747,377	50%	1,021	26%
	2007	1,403,330	934,486	67%	983	28%
	2008	1,324,472	806,835	61%	906	29%
	2009	1,241,850	771,521	62%	858	30%
2010	1,132,473	811,757	72%	720	31%	
2011	1,041,535	1,452,008	139%	664	34%	
2012	1,071,362	1,319,481	123%	605	36%	
2013	1,063,820	974,543	92%	553	38%	
2014	996,939	1,467,384	147%	516	40%	
2015	911,937	2,584,558	283%	472	44%	
2016	835,842	525,602	63%	440	44%	
2017	775,386	1,243,392	160%	408	46%	
Projected Future Experience (60 Years)	2018	760,674	946,118	124%	368	47%
	2019	907,254	898,719	99%	331	47%
	2020	1,029,343	870,116	85%	312	48%
	2021	958,603	866,234	90%	293	48%
	2022	887,762	871,494	98%	276	49%
	2023	812,496	877,624	108%	260	49%
	2024	704,891	891,492	126%	244	50%
	2025	590,874	910,248	154%	230	51%
	2026	543,882	936,877	172%	216	51%
	2027	497,291	966,509	194%	203	52%
	2028	456,178	998,067	219%	190	53%
	2029	418,998	1,035,736	247%	178	53%
	2030	384,065	1,068,843	278%	167	54%
	2031	351,199	1,096,165	312%	156	55%
	2032	320,210	1,116,959	349%	145	56%
	2033	290,899	1,142,764	393%	135	56%
	2034	263,102	1,163,419	442%	126	57%
	2035	236,757	1,187,865	502%	116	58%
	2036	211,874	1,196,725	565%	108	58%
	2037	188,425	1,191,851	633%	99	59%
	2038	166,441	1,174,616	706%	91	60%
	2039	145,965	1,141,944	782%	83	60%
	2040	127,043	1,095,841	863%	76	61%
	2041	109,723	1,037,805	946%	69	61%
	2042	94,023	978,903	1,041%	62	62%
	2043	79,906	923,395	1,156%	56	62%
	2044	67,335	873,181	1,297%	50	62%
	2045	56,248	817,902	1,454%	45	63%
2046	46,570	763,899	1,640%	40	63%	
2047	38,206	707,459	1,852%	35	63%	
2048-2052	103,980	2,626,208	2,526%	119	64%	
2053-2057	29,371	1,221,021	4,157%	52	64%	
2058-2062	6,326	399,073	6,309%	18	65%	
2063-2067	970	95,135	9,805%	5	65%	
2068-2072	86	14,458	16,764%	1	65%	
2073-2077	4	1,402	37,112%	0	65%	

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

History	62,246,630	28,376,392	46%
Future	8,388,229	17,253,536	206%
Lifetime	70,634,859	45,629,928	65%

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

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	771,602	435	0%	0%
	1994	1,645,943	45,498	3%	2%
	1995	1,722,034	63,694	4%	3%
	1996	1,554,699	57,268	4%	3%
	1997	1,395,175	34,233	2%	3%
	1998	1,334,369	1,801	0%	2%
	1999	1,284,526	169,733	13%	4%
	2000	1,267,362	413,900	33%	6%
	2001	1,240,506	488,498	39%	9%
	2002	1,491,280	609,346	41%	12%
	2003	1,584,734	748,375	47%	15%
	2004	1,622,837	647,095	40%	17%
	2005	1,563,977	660,435	42%	18%
	2006	1,461,395	842,743	58%	20%
	2007	1,384,149	909,721	66%	22%
	2008	1,305,785	953,070	73%	24%
	2009	1,225,767	769,442	63%	26%
2010	1,088,485	781,353	72%	27%	
2011	1,043,979	922,011	88%	28%	
2012	1,065,687	1,110,217	104%	30%	
2013	1,052,019	1,452,492	138%	33%	
2014	970,770	1,354,569	140%	35%	
2015	882,638	1,342,599	152%	36%	
2016	818,490	1,227,672	150%	38%	
2017	760,776	1,107,692	146%	39%	
Projected Future Experience (60 Years)	2018	768,048	1,114,166	145%	41%
	2019	735,083	1,041,033	142%	42%
	2020	686,564	1,091,422	159%	43%
	2021	636,519	1,004,184	158%	44%
	2022	581,413	1,018,060	175%	45%
	2023	535,512	1,021,265	191%	46%
	2024	452,822	1,021,291	226%	46%
	2025	381,065	1,025,182	269%	47%
	2026	349,812	1,035,829	296%	48%
	2027	316,773	1,053,169	332%	49%
	2028	289,689	1,073,913	371%	50%
	2029	264,365	1,098,796	416%	51%
	2030	240,710	1,126,880	468%	52%
	2031	218,567	1,156,487	529%	52%
	2032	197,817	1,185,708	599%	53%
	2033	178,350	1,215,338	681%	54%
	2034	160,029	1,244,461	778%	55%
	2035	142,880	1,273,419	891%	56%
	2036	126,848	1,299,446	1,024%	57%
	2037	111,927	1,319,626	1,179%	57%
	2038	98,124	1,331,759	1,357%	58%
	2039	85,431	1,333,798	1,561%	59%
	2040	73,857	1,324,036	1,793%	59%
	2041	63,404	1,301,513	2,053%	60%
	2042	54,033	1,267,629	2,346%	61%
	2043	45,706	1,225,347	2,681%	61%
	2044	38,365	1,177,953	3,070%	62%
2045	31,943	1,126,016	3,525%	62%	
2046	26,382	1,070,507	4,058%	63%	
2047	21,602	1,011,871	4,684%	63%	
2048-2052	58,660	4,078,047	6,952%	64%	
2053-2057	16,494	2,386,124	14,467%	65%	
2058-2062	3,492	1,068,505	30,598%	65%	
2063-2067	519	368,806	71,126%	65%	
2068-2072	44	96,891	222,173%	65%	
2073-2077	2	19,191	935,328%	65%	

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

History	63,514,860	25,010,392	39%
Future	5,803,498	20,373,916	351%
Lifetime	69,318,358	45,384,308	65%

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

	Calendar Year	Actual or Projected Experience using Current Assumptions			
		Without Interest			Cumulative Loss Ratio w/ Max. Val. Interest
		Written Premium	Paid Claims	Loss Ratio	
Historical Experience	1992	127,778	0	0%	0%
	1993	771,602	435	0%	0%
	1994	1,645,943	45,498	3%	2%
	1995	1,722,034	63,694	4%	3%
	1996	1,554,699	57,268	4%	3%
	1997	1,395,175	34,233	2%	3%
	1998	1,334,369	1,801	0%	2%
	1999	1,284,526	169,733	13%	4%
	2000	1,267,362	413,900	33%	6%
	2001	1,240,506	488,498	39%	9%
	2002	1,491,280	609,346	41%	12%
	2003	1,584,734	748,375	47%	15%
	2004	1,622,837	647,095	40%	17%
	2005	1,563,977	660,435	42%	18%
	2006	1,461,395	842,743	58%	20%
	2007	1,384,149	909,721	66%	22%
	2008	1,305,785	953,070	73%	24%
2009	1,225,767	769,442	63%	26%	
2010	1,088,485	781,353	72%	27%	
2011	1,043,979	922,011	88%	28%	
2012	1,065,687	1,110,217	104%	30%	
2013	1,052,019	1,452,492	138%	33%	
2014	970,770	1,354,569	140%	35%	
2015	882,638	1,342,599	152%	36%	
2016	818,490	1,227,672	150%	38%	
2017	760,776	1,107,692	146%	39%	
Projected Future Experience (60 Years)	2018	768,134	1,114,166	145%	41%
	2019	1,001,678	1,038,071	104%	42%
	2020	1,004,397	1,080,977	108%	42%
	2021	932,807	988,162	106%	43%
	2022	854,988	996,455	117%	44%
	2023	790,514	994,939	126%	45%
	2024	674,059	990,783	147%	45%
	2025	572,868	990,846	173%	46%
	2026	528,608	997,974	189%	47%
	2027	481,693	1,012,024	210%	48%
	2028	443,030	1,029,603	232%	48%
	2029	406,702	1,051,293	258%	49%
	2030	372,558	1,076,123	289%	50%
	2031	340,379	1,102,476	324%	51%
	2032	309,984	1,128,508	364%	51%
	2033	281,233	1,154,948	411%	52%
	2034	253,901	1,180,946	465%	53%
	2035	228,067	1,206,803	529%	53%
	2036	203,655	1,229,976	604%	54%
	2037	180,685	1,247,779	691%	55%
	2038	159,206	1,258,206	790%	55%
	2039	139,240	1,259,405	904%	56%
	2040	120,847	1,249,804	1,034%	57%
	2041	104,075	1,228,480	1,180%	57%
	2042	88,905	1,196,730	1,346%	58%
	2043	75,316	1,157,368	1,537%	58%
	2044	63,253	1,113,441	1,760%	59%
2045	52,641	1,065,427	2,024%	59%	
2046	43,412	1,014,164	2,336%	60%	
2047	35,461	959,966	2,707%	60%	
2048-2052	95,303	3,883,746	4,075%	61%	
2053-2057	26,094	2,284,367	8,754%	62%	
2058-2062	5,376	1,027,736	19,119%	62%	
2063-2067	778	356,166	45,785%	62%	
2068-2072	61	93,889	154,878%	62%	
2073-2077	3	18,654	704,457%	62%	

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

History	63,514,860	25,010,392	39%
Future	8,265,714	19,611,028	237%
Lifetime	71,780,574	44,621,421	62%

Attachment 4
MedAmerica and Affinity Partners
Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2017
Series 11 and Prior Policy Forms

Nationwide Experience						
Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
1992	0	0	0		0	
1993	112,935	112,935	0		0	
1994	28,746	28,746	0		0	
1995	109,652	109,652	0		0	
1996	134,262	134,262	0		0	
1997	264,541	264,541	0		0	
1998	631,867	631,867	0		0	
1999	1,469,714	1,469,714	0		0	
2000	1,172,992	1,172,992	0		0	
2001	2,210,887	2,210,887	0		0	
2002	4,269,807	4,064,255	205,552		205,552	
2003	3,540,618	3,458,785	81,833		81,833	
2004	6,347,428	6,347,428	0		0	
2005	6,751,292	6,696,149	55,142		55,142	
2006	7,395,470	7,250,654	144,815		144,815	
2007	10,644,803	10,436,770	208,033		208,033	
2008	8,302,139	8,054,916	247,223		247,223	
2009	11,107,735	10,753,245	354,490		354,490	
2010	15,851,176	14,586,415	1,264,761		1,264,761	
2011	14,100,771	12,993,675	1,107,096		1,107,096	
2012	16,193,346	14,615,192	1,578,154		1,578,154	
2013	14,635,134	12,960,808	1,674,325		1,674,325	
2014	23,851,886	18,031,891	5,819,995		5,819,995	
2015	24,822,983	12,768,901	12,054,082		12,054,082	
2016	22,803,799	8,083,382	14,720,417		14,720,417	
2017	24,920,645	2,347,721	18,261,410	4,311,514	22,572,924	364,824,332

Pennsylvania-Specific Experience						
Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve ^[3]
	Incurred Claims ^[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve ^[2]	
1992	0	0	0		0	
1993	112,935	112,935	0		0	
1994	28,746	28,746	0		0	
1995	55,039	55,039	0		0	
1996	5,871	5,871	0		0	
1997	114,890	114,890	0		0	
1998	235,553	235,553	0		0	
1999	377,829	377,829	0		0	
2000	481,212	481,212	0		0	
2001	713,556	713,556	0		0	
2002	745,816	745,816	0		0	
2003	464,534	464,534	0		0	
2004	958,964	958,964	0		0	
2005	656,165	656,165	0		0	
2006	747,377	747,377	0		0	
2007	934,486	934,486	0		0	
2008	806,835	806,835	0		0	
2009	771,521	771,521	0		0	
2010	811,757	811,757	0		0	
2011	1,452,008	1,387,348	64,660		64,660	
2012	1,319,481	1,319,481	0		0	
2013	974,543	974,543	0		0	
2014	1,467,384	1,289,703	177,681		177,681	
2015	2,584,558	1,076,139	1,508,419		1,508,419	
2016	525,602	333,238	192,364		192,364	
2017	1,243,392	179,432	900,732	163,229	1,063,960	7,914,795

[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 and Projections by Policy Year - Before Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	40,275,560	1,790,212	4%	26,501	4%
2	37,032,678	1,729,579	5%	24,979	5%
3	35,321,458	3,355,869	10%	23,897	6%
4	34,016,996	7,663,584	23%	22,928	10%
5	33,082,266	6,111,353	18%	22,287	11%
6	32,236,859	9,180,833	28%	21,670	13%
7	31,566,303	9,263,909	29%	21,045	15%
8	31,036,982	14,824,301	48%	20,354	18%
9	30,607,480	15,252,383	50%	19,680	21%
10	30,850,832	14,088,046	46%	19,090	23%
11	23,940,528	15,743,219	66%	18,461	25%
12	23,458,850	19,515,154	83%	17,881	28%
13	22,909,980	20,069,844	88%	17,285	30%
14	22,357,195	20,948,952	94%	16,619	33%
15	21,880,393	25,206,442	115%	15,928	36%
16	21,635,429	26,143,634	121%	15,240	38%
17	21,254,521	25,845,168	122%	14,662	41%
18	20,619,386	29,805,039	145%	14,092	44%
19	19,748,712	29,473,692	149%	13,547	46%
20	18,873,510	31,469,623	167%	12,989	49%
21	16,976,069	33,022,731	195%	12,419	51%
22	15,935,403	34,346,390	216%	11,884	54%
23	14,904,863	36,462,246	245%	11,340	57%
24	13,912,995	39,088,811	281%	10,812	59%
25	12,949,490	41,031,726	317%	10,284	62%
26	12,004,731	43,060,339	359%	9,759	65%
27	11,076,341	45,085,790	407%	9,237	68%
28	10,177,589	46,959,068	461%	8,721	71%
29	9,314,782	48,608,638	522%	8,212	74%
30	8,491,031	50,027,930	589%	7,712	77%
31	7,708,194	51,300,127	666%	7,223	80%
32	6,966,224	52,430,692	753%	6,743	82%
33	6,264,675	53,290,986	851%	6,275	85%
34	5,605,543	53,914,070	962%	5,820	88%
35	4,990,495	54,114,933	1,084%	5,381	90%
36	4,419,959	53,881,883	1,219%	4,958	93%
37	3,893,685	53,221,693	1,367%	4,552	95%
38	3,411,321	52,170,072	1,529%	4,166	98%
39	2,972,835	50,746,406	1,707%	3,801	100%
40	2,577,401	49,033,101	1,902%	3,457	102%
41	2,223,063	47,018,934	2,115%	3,135	104%
42	1,907,594	44,802,883	2,349%	2,834	105%
43	1,628,555	42,442,056	2,606%	2,556	107%
44	1,383,668	39,918,797	2,885%	2,299	108%
45	1,170,353	37,252,023	3,183%	2,063	109%
46	985,666	34,542,256	3,504%	1,848	111%
47	826,717	31,870,919	3,855%	1,652	112%
48	690,769	29,295,161	4,241%	1,474	112%
49	575,177	26,866,556	4,671%	1,313	113%
50	477,448	24,526,559	5,137%	1,168	114%
51-55	1,390,243	89,798,673	6,459%	4,129	116%
56-60	506,612	47,819,793	9,439%	2,186	117%
61-65	169,793	22,337,374	13,156%	1,053	117%
66-70	50,688	9,094,629	17,942%	416	117%
Total	741,245,890	1,796,865,085	242%	560,016	117%

Attachment 5-b
MedAmerica and Affinity Partners
Nationwide Experience and Projections by Policy Year - After Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	40,275,560	1,790,212	4%	26,501	4%
2	37,032,678	1,729,579	5%	24,979	5%
3	35,325,127	3,355,832	9%	23,895	6%
4	34,043,332	7,663,302	23%	22,921	10%
5	33,168,899	6,110,456	18%	22,270	11%
6	32,359,669	9,179,241	28%	21,648	13%
7	31,714,439	9,261,471	29%	21,017	15%
8	31,230,351	14,820,139	47%	20,317	18%
9	30,892,348	15,245,091	49%	19,631	21%
10	31,214,055	14,077,314	45%	19,038	23%
11	24,372,761	15,728,501	65%	18,407	25%
12	23,994,041	19,495,312	81%	17,821	28%
13	23,581,204	20,042,339	85%	17,218	30%
14	23,244,407	20,903,051	90%	16,531	33%
15	23,233,806	25,106,897	108%	15,791	35%
16	24,058,554	25,892,054	108%	14,981	38%
17	25,307,317	25,324,752	100%	14,229	40%
18	26,275,375	28,933,831	110%	13,536	42%
19	26,395,659	28,212,589	107%	12,942	44%
20	25,946,825	29,841,524	115%	12,369	46%
21	23,724,464	31,054,673	131%	11,801	48%
22	22,686,237	32,085,897	141%	11,278	50%
23	21,452,085	33,936,297	158%	10,758	52%
24	20,111,279	36,338,236	181%	10,261	54%
25	18,743,428	38,102,273	203%	9,764	57%
26	17,421,578	39,957,754	229%	9,267	59%
27	16,113,418	41,824,754	260%	8,778	61%
28	14,814,421	43,569,499	294%	8,294	64%
29	13,557,474	45,122,755	333%	7,817	66%
30	12,356,165	46,472,337	376%	7,348	68%
31	11,213,581	47,692,789	425%	6,888	71%
32	10,130,214	48,788,032	482%	6,437	73%
33	9,105,893	49,636,816	545%	5,996	75%
34	8,143,738	50,267,911	617%	5,567	78%
35	7,246,215	50,506,233	697%	5,152	80%
36	6,413,990	50,345,252	785%	4,752	82%
37	5,646,673	49,785,553	882%	4,368	84%
38	4,943,648	48,859,057	988%	4,001	86%
39	4,304,811	47,583,820	1,105%	3,654	88%
40	3,728,891	46,033,892	1,235%	3,327	89%
41	3,212,985	44,200,051	1,376%	3,020	91%
42	2,753,869	42,166,870	1,531%	2,734	92%
43	2,347,921	39,989,892	1,703%	2,468	93%
44	1,991,805	37,649,638	1,890%	2,222	95%
45	1,681,781	35,167,458	2,091%	1,996	96%
46	1,413,549	32,639,171	2,309%	1,790	97%
47	1,182,938	30,143,905	2,548%	1,601	98%
48	985,991	27,729,768	2,812%	1,430	98%
49	818,835	25,450,309	3,108%	1,275	99%
50	677,797	23,248,079	3,430%	1,135	99%
51-55	1,958,005	85,149,266	4,349%	4,023	101%
56-60	702,875	45,295,819	6,444%	2,139	102%
61-65	232,436	21,137,730	9,094%	1,034	103%
66-70	68,519	8,598,533	12,549%	410	103%
Total	855,553,917	1,699,243,810	199%	548,825	103%

Attachment 6-a
MedAmerica and BCNEPA
Pennsylvania-Specific Experience and Projections by Policy Year - Before Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	3,430,753	141,681	4%	1,862	4%
2	2,690,162	35,491	1%	1,638	3%
3	2,388,306	71,375	3%	1,512	3%
4	2,220,615	148,292	7%	1,423	4%
5	2,098,971	295,852	14%	1,347	5%
6	2,002,605	849,104	42%	1,293	10%
7	1,895,650	920,877	49%	1,228	13%
8	1,785,541	1,024,625	57%	1,159	17%
9	1,694,587	814,502	48%	1,084	19%
10	1,603,044	900,193	56%	1,015	21%
11	1,491,289	821,530	55%	946	23%
12	1,409,043	2,291,972	163%	879	29%
13	1,319,121	1,119,196	85%	832	31%
14	1,257,597	846,335	67%	779	32%
15	1,189,458	1,791,491	151%	725	35%
16	1,119,389	1,288,212	115%	659	37%
17	1,053,440	947,196	90%	588	39%
18	986,070	1,798,403	182%	522	41%
19	930,786	1,450,592	156%	481	43%
20	880,008	1,686,415	192%	444	45%
21	704,040	1,457,929	207%	403	47%
22	626,550	1,174,940	188%	363	49%
23	551,883	982,597	178%	328	50%
24	496,470	1,543,166	311%	304	52%
25	452,920	1,285,888	284%	280	53%
26	414,767	1,257,166	303%	258	54%
27	373,997	1,270,255	340%	238	56%
28	334,726	1,283,427	383%	219	57%
29	298,523	1,294,137	434%	201	58%
30	265,477	1,298,849	489%	184	59%
31	235,400	1,302,025	553%	169	60%
32	208,078	1,315,925	632%	154	61%
33	183,325	1,328,723	725%	140	63%
34	160,968	1,338,096	831%	127	64%
35	140,832	1,337,987	950%	116	65%
36	122,713	1,332,745	1,086%	104	66%
37	106,422	1,308,820	1,230%	94	67%
38	91,802	1,267,639	1,381%	85	67%
39	78,733	1,215,393	1,544%	76	68%
40	67,098	1,160,844	1,730%	68	69%
41	56,796	1,098,083	1,933%	60	70%
42	47,707	1,039,156	2,178%	53	70%
43	39,730	972,647	2,448%	47	71%
44	32,785	902,515	2,753%	41	71%
45	26,796	829,189	3,094%	35	72%
46	21,676	747,872	3,450%	30	72%
47	17,341	659,519	3,803%	26	72%
48	13,713	577,813	4,214%	22	73%
49	10,715	497,037	4,639%	19	73%
50	8,269	422,650	5,111%	15	73%
51-55	18,937	1,187,780	6,272%	44	73%
56-60	3,532	348,231	9,859%	14	74%
61-65	429	71,887	16,767%	3	74%
66-70	26	9,290	35,113%	0	74%
Total	39,659,611	54,363,553	137%	24,736	74%

Attachment 6-b
MedAmerica and BCNEPA
Pennsylvania-Specific Experience and Projections by Policy Year - After Requested Rate Increase
Series 11 and Prior Policy Forms

Policy Year	Actual and Projected Experience using Current Assumptions				
	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	3,430,753	141,681	4%	1,862	4%
2	2,690,162	35,491	1%	1,638	3%
3	2,388,306	71,375	3%	1,512	3%
4	2,220,615	148,292	7%	1,423	4%
5	2,098,971	295,852	14%	1,347	5%
6	2,002,605	849,104	42%	1,293	10%
7	1,895,650	920,877	49%	1,228	13%
8	1,785,541	1,024,625	57%	1,159	17%
9	1,694,587	814,502	48%	1,084	19%
10	1,603,044	900,193	56%	1,015	21%
11	1,491,289	821,530	55%	946	23%
12	1,409,346	2,291,973	163%	879	29%
13	1,320,534	1,119,202	85%	832	31%
14	1,260,169	846,328	67%	779	32%
15	1,205,700	1,791,432	149%	724	35%
16	1,170,871	1,287,074	110%	657	37%
17	1,158,052	943,009	81%	582	38%
18	1,162,410	1,788,862	154%	512	41%
19	1,163,541	1,433,950	123%	471	43%
20	1,126,593	1,665,574	148%	434	45%
21	904,721	1,432,110	158%	393	46%
22	821,739	1,145,181	139%	353	48%
23	739,033	949,158	128%	318	48%
24	676,361	1,505,801	223%	294	50%
25	632,476	1,242,882	197%	270	51%
26	599,497	1,206,719	201%	248	52%
27	558,391	1,214,188	217%	228	53%
28	507,082	1,223,914	241%	210	54%
29	455,919	1,232,212	270%	192	55%
30	408,652	1,234,874	302%	177	56%
31	365,299	1,236,021	338%	162	57%
32	325,568	1,247,249	383%	148	58%
33	289,213	1,257,649	435%	135	59%
34	256,007	1,265,028	494%	122	60%
35	225,740	1,263,806	560%	111	61%
36	198,173	1,258,021	635%	101	62%
37	173,080	1,235,160	714%	91	63%
38	150,280	1,196,398	796%	82	64%
39	129,654	1,147,521	885%	73	64%
40	111,077	1,096,622	987%	65	65%
41	94,458	1,038,323	1,099%	58	65%
42	79,653	983,706	1,235%	51	66%
43	66,549	921,922	1,385%	45	66%
44	55,058	856,534	1,556%	40	67%
45	45,086	787,919	1,748%	34	67%
46	36,515	711,659	1,949%	30	68%
47	29,228	628,438	2,150%	25	68%
48	23,116	551,216	2,385%	22	68%
49	18,055	474,685	2,629%	18	68%
50	13,923	404,083	2,902%	15	68%
51-55	31,759	1,139,746	3,589%	43	69%
56-60	5,835	336,534	5,767%	14	69%
61-65	689	70,102	10,178%	3	69%
66-70	39	9,182	23,466%	0	69%
Total	43,306,666	52,695,485	122%	24,546	69%

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



Home Office: Wilkes-Barre, PA

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 reduced Contingent Non-Forfeiture Benefit.

I understand the following:

- No future premium is due; and
- I will have a reduced lifetime benefit equal to the sum of all premiums paid and applied to date, **OR** thirty (30) times the Daily Benefit Amount, 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 Daily Benefit Amount in effect on the date of this change; and
- All riders and inflation options 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 having 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 change 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 **Daily Benefit Amount** in effect at the time of the lapse will be payable, but the **Lifetime Benefit Amount** 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) Thirty (30) times the **Daily Benefit Amount**

The total of all benefits paid under your policy will not exceed the **Lifetime Benefit Amount** 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 Benefit Amount** is significantly less than the benefit provided if you choose to continue paying your premium.
- All riders and inflation options will be terminated.
- All other terms, conditions, limitations and exclusions in your current coverage apply to the Contingent Non-Forfeiture Benefit.

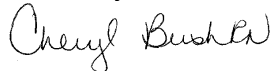
IMPORTANT NOTE: If your policy includes a Spousal Benefit Transfer Rider, both you and your spouse must continue to maintain identical coverage. You must both select the same option regarding this rate increase.

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