Filing at a Glance

Company:	Blue Cross of Northeastern Pennsylvania
Product Name:	Long-Term Care
State:	Pennsylvania
TOI:	LTC03G Group Long Term Care
Sub-TOI:	LTC03G.001 Qualified
Filing Type:	Rate - Other (Not M.U. or G.I. Product)
Date Submitted:	01/28/2020
SERFF Tr Num:	MILL-132021720
SERFF Status:	Assigned
State Tr Num:	MILL-132021720
State Status:	Received Review in Progress
Co Tr Num:	SERIES 11 GROUP (BCNEPA)
Implementation Date Requested:	On Approval
Author(s):	Missy Gordon, Courtney Williamson, Michael Emmert, Dexter Mosley, Cassi Noel, Derek Lesniak, Matt Mickolichek, Lola Heimlich, Braden McDowell
Reviewer(s):	Jim Laverty (primary)
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

Proposed aggregate 22.1% increase on 10 PA policyholders of BCNEPA's group Series 11 LTC form: GRP11-342-PA-1100.

State: *Pennsylvania* **Filing Company:** *Blue Cross of Northeastern Pennsylvania*
TOI/Sub-TOI: *LTC03G Group Long Term Care/LTC03G.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07*

General Information

Project Name: MedAmerica Nationwide 2020 Rate Increase
Status of Filing in Domicile: Pending
Project Number: 145MAI01-30.07
Date Approved in Domicile:
Requested Filing Mode: Review & Approval
Domicile Status Comments: Pennsylvania is the state of domicile.
Explanation for Combination/Other:
Market Type: Group
Submission Type: New Submission
Group Market Size: Small and Large
Group Market Type: Employer
Overall Rate Impact: 22.1%
Filing Status Changed: 01/30/2020
State Status Changed: 01/30/2020
Deemer Date:
Created By: Kjell Hokanson
Submitted By: Michael Emmert
Corresponding Filing Tracking Number:
State TOI: LTC03G Group Long Term Care
State Sub-TOI: LTC03G.001 Qualified

Filing Description:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing product(s) that provides long-term care coverage on a group basis. The company issued this product(s) in Pennsylvania from August 1, 2002 to November 1, 2002 and is no longer marketed in any jurisdiction. The company is making a similar request on the individual product(s) in a concurrent filing (SERFF Tracking # MILL-132019032).

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

This product(s) was designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner. The product(s) was 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 a concurrent filing(s). These filings use identical pooled nationwide experience of MedAmerica and its affinity partners individual and group business as described in the enclosed actuarial memorandum.

This rate increase request is a follow-up to two prior nationwide requests. However, because this jurisdiction did not allow full implementation of the prior requested increases, the rate level being requested in this follow-up filing was determined to be actuarially equivalent as described in Appendix B to the enclosed actuarial memorandum. As with the prior request, the requested rate increase varies by benefit period. The enclosed cover letter provides the average prior, requested, and cumulative rate increases for the form(s) by benefit period.

The prior increase reflects the cumulative increase of three prior increase(s) that were filed for use in May 2010, September 2017, and December 2018 on the form(s). The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business.

As stated in the enclosed actuarial memorandum, a larger rate increase is justified on this block of business. If it is the Department’s position to only allow future rate increases if experience deteriorates from the current most-likely projections used in this filing, the company respectfully requests that the Department notify them and allow the company to revise the current rate increase request.

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.

Company and Contact

Filing Contact Information

Michael Emmert, Associate Actuary
8500 Normandale Lake Blvd.
Suite 1850
Minneapolis, MN 55437

michael.emmert@milliman.com
952-820-3116 [Phone]

Filing Company Information

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

Blue Cross of Northeastern Pennsylvania
19 North Main Street
Wilkes-Barre, PA 18711
(570) 200-4456 ext. [Phone]

CoCode: 54747
Group Code: 1270
Group Name: Hosp Serv Assn of NEPA Gp
FEIN Number: 24-0615177

State of Domicile: Pennsylvania
Company Type: HMDI
State ID Number:

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07

Rate Information

Rate data applies to filing.

Filing Method: Review and Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 20.000%
Effective Date of Last Rate Revision: 12/04/2018
Filing Method of Last Filing: Review and Approval
SERFF Tracking Number of Last Filing: MILL-131614386

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	22.100%	22.100%	$2,310	10	$10,449	131.200%	22.100%

State: *Pennsylvania* **Filing Company:** *Blue Cross of Northeastern Pennsylvania*
TOI/Sub-TOI: *LTC03G Group Long Term Care/LTC03G.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07*

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Series 11 Group Rate Tables	GRP11-342-PA-1100	Revised	Previous State Filing Number: MILL-131614386 Percent Rate Change Request: 22.1	PA_BCNEPA_Current Premium Rates_Series 11 Group_20200128.pdf, PA_BCNEPA_Proposed Premium Rates_Series 11 Group_20200128.pdf,

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

Comprehensive Tax Qualified Certificate

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

	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	Benefit Period					Benefit Period					Benefit Period				
Issue Age	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*
<22	8	10	12	12	16	4	6	6	8	10	30	38	46	54	68
22	10	10	12	14	18	4	6	6	8	10	30	40	48	54	70
23	10	10	12	14	18	4	6	8	8	12	30	42	50	58	72
24	10	12	14	14	20	4	6	8	10	12	32	42	50	60	74
25	10	12	14	16	20	6	6	8	10	14	34	44	52	60	78
26	10	12	14	16	22	6	8	8	10	14	36	46	56	64	80
27	12	14	16	18	22	6	8	8	10	16	36	46	56	66	84
28	12	14	16	18	24	6	8	10	12	16	36	48	58	68	86
29	12	14	16	20	26	6	8	12	12	16	38	50	62	70	88
30	12	16	18	20	26	8	8	12	14	18	40	52	64	74	94
31	14	16	18	22	28	8	10	12	14	20	40	54	66	76	96
32	14	18	20	22	30	8	10	12	16	20	42	54	68	80	100
33	14	18	22	24	32	10	12	14	16	22	46	58	70	82	102
34	16	20	22	26	34	10	12	16	16	24	46	58	74	84	106
35	16	20	24	28	36	10	14	16	18	26	48	62	76	86	110
36	18	22	26	28	38	10	14	16	20	28	48	64	78	92	114
37	18	22	26	30	40	12	16	20	22	30	52	66	82	94	118
38	20	24	28	32	44	12	16	20	24	30	52	68	84	98	120
39	20	26	30	36	46	14	16	22	24	34	56	70	88	100	126
40	22	28	32	38	50	14	18	24	26	34	56	72	90	104	128
41	24	30	34	40	52	14	20	26	28	38	58	76	94	108	134
42	26	32	38	42	56	16	20	26	32	40	60	78	96	112	138
43	26	34	40	46	60	18	22	28	32	44	64	80	100	116	142
44	28	36	42	50	64	20	24	32	34	46	66	84	104	118	148
45	30	38	46	52	68	20	26	32	38	50	68	88	106	124	152
46	32	40	48	56	74	22	30	36	42	52	70	90	112	128	156
47	34	44	52	60	78	24	30	38	44	58	72	92	114	132	162
48	38	46	56	64	84	24	34	42	48	62	74	98	118	138	168
49	40	50	60	70	90	28	36	44	52	66	76	100	122	140	174
50	42	54	66	76	98	30	38	46	54	70	80	104	126	146	178
51	46	58	70	82	104	32	42	52	58	76	82	106	130	150	184
52	50	62	76	88	112	34	46	56	64	82	84	110	134	156	190
53	54	68	82	94	122	36	48	60	70	86	86	114	140	162	194
54	58	74	88	102	130	40	52	64	74	94	90	116	144	166	202
55	62	80	96	112	142	44	56	70	80	98	94	120	148	170	208
56	68	86	104	120	152	46	60	74	86	108	96	126	154	178	214
57	74	94	114	130	164	48	64	78	94	116	98	128	158	184	222
58	80	102	124	142	178	52	68	84	100	122	102	132	162	188	228
59	86	110	134	154	194	58	74	92	106	130	104	138	168	194	234
60	94	120	146	168	210	62	80	98	116	140	108	142	174	202	242
61	102	130	158	184	228	66	86	106	122	150	112	146	180	206	248
62	110	142	172	200	248	70	92	112	130	158	116	150	184	212	254
63	120	154	188	218	268	74	98	120	138	168	118	154	190	218	262
64	130	168	204	236	290	80	104	128	148	178	122	158	194	226	270
65	142	184	224	258	316	84	110	134	158	190	126	164	200	232	278
66	154	200	242	280	344	90	116	144	168	200	128	168	206	240	284
67	168	216	264	306	372	94	124	152	176	212	130	172	210	244	290
68	182	236	288	332	404	98	130	158	186	222	134	176	214	250	296
69	196	256	312	362	438	104	136	168	194	232	138	178	220	254	302
70	214	278	340	394	474	108	142	176	204	244	140	184	224	260	310
71	232	302	368	428	514	114	148	184	212	256	142	186	230	264	314
72	250	326	400	464	558	118	156	192	222	264	144	190	232	268	316
73	270	354	434	502	604	122	160	198	230	272	146	190	234	272	318
74	292	382	468	544	650	126	166	204	236	282	146	192	236	272	322
75	320	418	512	594	711	130	172	212	246	290	148	194	238	276	322
76	348	456	558	648	773	134	176	218	252	298	148	194	240	276	324
77	378	494	608	707	839	136	182	222	258	306	148	194	240	276	324
78	410	538	660	769	911	140	184	228	264	312	148	194	240	276	324
79	444	584	719	835	989	140	184	228	264	312	148	194	240	276	324
80	484	636	787	915	1,081	140	184	228	264	312	148	194	240	276	324
81	524	691	853	993	1,171	140	184	228	264	312	148	194	240	276	324
82	566	749	923	1,077	1,267	140	184	228	264	312	148	194	240	276	324
83	612	807	999	1,163	1,367	140	184	228	264	312	148	194	240	276	324
84	660	871	1,079	1,257	1,475	140	184	228	264	312	148	194	240	276	324
85	713	939	1,163	1,357	1,589	140	184	228	264	312	148	194	240	276	324

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

Comprehensive Tax Qualified Certificate

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

	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	Benefit Period					Benefit Period					Benefit Period				
Issue Age	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*
<22	14	16	20	22	28	8	10	12	16	22	84	110	134	156	192
22	14	16	20	22	30	8	12	14	18	22	86	112	136	160	196
23	14	18	20	24	32	10	12	16	18	22	88	114	140	162	198
24	16	18	22	24	32	10	14	16	20	26	88	116	142	166	204
25	16	20	24	26	34	10	14	16	20	26	90	118	144	168	208
26	16	20	24	28	36	12	14	18	20	28	94	120	148	170	210
27	18	22	26	30	38	12	14	18	20	30	94	122	150	172	214
28	18	22	26	30	40	12	16	20	24	32	96	126	154	178	218
29	20	24	28	32	42	12	16	22	24	34	96	126	156	180	222
30	20	24	30	34	44	14	20	22	26	36	100	130	158	182	226
31	22	26	32	36	46	14	20	24	28	38	100	132	160	186	230
32	22	28	32	38	50	16	20	26	30	38	104	134	164	190	232
33	24	30	34	40	52	16	20	28	32	42	104	136	168	192	238
34	24	30	36	42	56	18	24	30	34	42	106	140	170	196	240
35	26	32	38	44	58	18	24	32	36	46	108	142	172	200	244
36	28	34	42	48	62	20	26	32	36	48	110	144	174	202	248
37	28	36	44	50	66	22	28	34	40	50	112	146	178	206	252
38	30	38	46	52	68	24	30	36	42	56	114	148	180	210	258
39	32	40	48	56	72	24	32	38	44	58	116	150	184	212	260
40	34	42	52	60	78	26	34	40	46	60	116	154	186	214	262
41	36	46	54	62	82	26	34	44	52	64	118	154	190	220	268
42	38	48	58	66	86	28	38	46	54	68	120	156	192	222	272
43	40	50	62	70	92	30	40	48	58	72	122	160	194	226	274
44	42	54	64	74	96	32	42	52	62	78	124	162	198	230	280
45	44	56	68	80	102	36	46	56	64	82	126	164	202	232	284
46	48	60	72	84	108	36	48	60	68	86	128	166	204	236	286
47	50	64	78	90	114	38	50	62	72	92	130	168	206	238	290
48	54	68	82	94	122	40	54	66	78	96	130	170	210	242	294
49	56	72	88	100	130	44	56	68	82	100	134	174	212	246	296
50	60	76	92	108	138	46	60	74	86	106	134	176	216	248	300
51	64	82	98	114	146	48	64	80	92	114	136	178	218	252	304
52	68	86	106	122	154	52	68	82	96	122	138	182	220	256	310
53	72	92	112	130	164	56	72	88	102	128	140	184	224	258	312
54	76	98	120	138	176	60	76	94	110	134	142	186	226	262	314
55	82	106	128	148	188	62	80	100	116	140	144	186	230	266	318
56	88	112	138	158	200	66	86	104	122	148	144	190	230	268	322
57	94	120	146	170	212	68	90	112	128	158	146	192	234	270	326
58	100	130	158	182	228	74	94	116	136	166	148	192	236	274	328
59	108	138	168	196	242	76	100	124	142	176	148	196	240	276	332
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61	124	160	194	224	278	84	110	138	160	194	152	200	246	284	340
62	132	170	208	242	298	90	118	144	166	202	154	202	248	286	342
63	142	184	224	258	318	94	122	150	176	212	156	204	250	290	346
64	152	196	240	278	342	98	130	158	184	222	158	206	252	292	346
65	164	212	258	300	366	102	136	166	192	232	158	208	256	294	352
66	176	228	278	322	392	108	140	174	202	244	160	210	258	298	354
67	188	244	300	346	422	112	148	180	210	252	162	212	258	300	356
68	202	264	322	374	452	118	152	188	218	262	164	212	262	302	360
69	218	284	346	402	486	120	158	196	228	272	164	214	264	304	362
70	234	306	374	434	524	126	164	202	236	280	166	216	264	306	362
71	252	328	404	468	564	130	172	208	244	288	166	218	266	308	362
72	270	354	434	504	606	134	176	216	250	298	166	218	268	308	364
73	290	380	468	542	650	138	180	222	258	308	166	218	268	310	364
74	312	408	502	584	699	140	186	228	264	314	166	218	268	310	364
75	340	444	544	632	755	142	188	234	272	320	166	218	268	310	364
76	366	480	590	687	817	148	194	238	276	328	166	218	268	310	364
77	396	520	640	745	885	150	196	242	282	332	166	218	268	310	364
78	428	562	693	807	957	152	200	248	286	338	166	218	268	310	364
79	462	608	751	873	1,033	152	200	248	286	338	166	218	268	310	364
80	500	660	815	949	1,121	152	200	248	286	338	166	218	268	310	364
81	540	713	881	1,025	1,211	152	200	248	286	338	166	218	268	310	364
82	582	769	951	1,109	1,305	152	200	248	286	338	166	218	268	310	364
83	626	829	1,025	1,195	1,405	152	200	248	286	338	166	218	268	310	364
84	675	891	1,103	1,289	1,511	152	200	248	286	338	166	218	268	310	364
85	725	959	1,187	1,385	1,623	152	200	248	286	338	166	218	268	310	364

Blue Cross of Northeastern Pennsylvania
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Comprehensive Tax Qualified Certificate

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

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	Benefit Period					Benefit Period					Benefit Period				
Issue Age	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*
<22	10	12	15	15	37	5	7	7	10	23	37	46	56	66	157
22	12	12	15	17	42	5	7	7	10	23	37	49	59	66	162
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25	12	15	17	20	46	7	7	10	12	32	42	54	64	73	181
26	12	15	17	20	51	7	10	10	12	32	44	56	68	78	185
27	15	17	20	22	51	7	10	10	12	37	44	56	68	81	194
28	15	17	20	22	56	7	10	12	15	37	44	59	71	83	199
29	15	17	20	24	60	7	10	15	15	37	46	61	76	86	204
30	15	20	22	24	60	10	10	15	17	42	49	64	78	90	218
31	17	20	22	27	65	10	12	15	17	46	49	66	81	93	222
32	17	22	24	27	69	10	12	15	20	46	51	66	83	98	231
33	17	22	27	29	74	12	15	17	20	51	56	71	86	100	236
34	20	24	27	32	79	12	15	20	20	56	56	71	90	103	245
35	20	24	29	34	83	12	17	20	22	60	59	76	93	105	255
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38	24	29	34	39	102	15	20	24	29	69	64	83	103	120	278
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42	32	39	46	51	130	20	24	32	39	93	73	95	117	137	319
43	32	42	49	56	139	22	27	34	39	102	78	98	122	142	329
44	34	44	51	61	148	24	29	39	42	106	81	103	127	144	343
45	37	46	56	64	157	24	32	39	46	116	83	108	130	152	352
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52	61	76	93	108	259	42	56	68	78	190	103	134	164	191	440
53	66	83	100	115	282	44	59	73	86	199	105	139	171	198	449
54	71	90	108	125	301	49	64	78	90	218	110	142	176	203	467
55	76	98	117	137	329	54	68	86	98	227	115	147	181	208	481
56	83	105	127	147	352	56	73	90	105	250	117	154	188	218	495
57	90	115	139	159	380	59	78	95	115	268	120	156	193	225	514
58	98	125	152	174	412	64	83	103	122	282	125	161	198	230	528
59	105	134	164	188	449	71	90	112	130	301	127	169	205	237	542
60	115	147	178	205	486	76	98	120	142	324	132	174	213	247	560
61	125	159	193	225	528	81	105	130	149	347	137	178	220	252	574
62	134	174	210	244	574	86	112	137	159	366	142	183	225	259	588
63	147	188	230	266	620	90	120	147	169	389	144	188	232	266	606
64	159	205	249	288	671	98	127	156	181	412	149	193	237	276	625
65	174	225	274	315	731	103	134	164	193	440	154	200	244	284	643
66	188	244	296	342	796	110	142	176	205	463	156	205	252	293	657
67	205	264	323	374	861	115	152	186	215	491	159	210	257	298	671
68	222	288	352	406	935	120	159	193	227	514	164	215	262	306	685
69	240	313	381	442	1,014	127	166	205	237	537	169	218	269	310	699
70	262	340	415	481	1,097	132	174	215	249	565	171	225	274	318	717
71	284	369	450	523	1,189	139	181	225	259	592	174	227	281	323	727
72	306	398	489	567	1,291	144	191	235	271	611	176	232	284	327	731
73	330	433	530	613	1,398	149	196	242	281	629	178	232	286	332	736
74	357	467	572	665	1,504	154	203	249	288	653	178	235	288	332	745
75	391	511	626	726	1,643	159	210	259	301	671	181	237	291	337	745
76	425	557	682	792	1,787	164	215	266	308	690	181	237	293	337	750
77	462	604	743	863	1,939	166	222	271	315	708	181	237	293	337	750
78	501	657	807	938	2,106	171	225	279	323	722	181	237	293	337	750
79	543	714	877	1,019	2,286	171	225	279	323	722	181	237	293	337	750
80	591	777	960	1,117	2,499	171	225	279	323	722	181	237	293	337	750
81	640	843	1,041	1,212	2,708	171	225	279	323	722	181	237	293	337	750
82	692	914	1,127	1,315	2,930	171	225	279	323	722	181	237	293	337	750
83	748	985	1,220	1,420	3,161	171	225	279	323	722	181	237	293	337	750
84	807	1,063	1,317	1,535	3,411	171	225	279	323	722	181	237	293	337	750
85	870	1,146	1,420	1,657	3,675	171	225	279	323	722	181	237	293	337	750

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

Comprehensive Tax Qualified Certificate

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

	Certificate: GRP11-342-PA-1100 Base Certificate with No Inflation Protection					Rider: GRP11-SIP-PA-998 Simple Inflation Protection Rider					Rider: GRP11-CIP-PA-998 Compound Inflation Protection Rider				
	Benefit Period					Benefit Period					Benefit Period				
Issue Age	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*	*2 Years*	*3 Years*	*4 Years*	*5 Years*	*Lifetime*
<22	17	20	24	27	65	10	12	15	20	51	103	134	164	191	444
22	17	20	24	27	69	10	15	17	22	51	105	137	166	196	454
23	17	22	24	29	74	12	15	20	22	51	108	139	171	198	458
24	20	22	27	29	74	12	17	20	24	60	108	142	174	203	472
25	20	24	29	32	79	12	17	20	24	60	110	144	176	205	481
26	20	24	29	34	83	15	17	22	24	65	115	147	181	208	486
27	22	27	32	37	88	15	17	22	24	69	115	149	183	210	495
28	22	27	32	37	93	15	20	24	29	74	117	154	188	218	504
29	24	29	34	39	97	15	20	27	29	79	117	154	191	220	514
30	24	29	37	42	102	17	24	27	32	83	122	159	193	222	523
31	27	32	39	44	106	17	24	29	34	88	122	161	196	227	532
32	27	34	39	46	116	20	24	32	37	88	127	164	200	232	537
33	29	37	42	49	120	20	24	34	39	97	127	166	205	235	551
34	29	37	44	51	130	22	29	37	42	97	130	171	208	240	555
35	32	39	46	54	134	22	29	39	44	106	132	174	210	244	565
36	34	42	51	59	143	24	32	39	44	111	134	176	213	247	574
37	34	44	54	61	153	27	34	42	49	116	137	178	218	252	583
38	37	46	56	64	157	29	37	44	51	130	139	181	220	257	597
39	39	49	59	68	167	29	39	46	54	134	142	183	225	259	602
40	42	51	64	73	181	32	42	49	56	139	142	188	227	262	606
41	44	56	66	76	190	32	42	54	64	148	144	188	232	269	620
42	46	59	71	81	199	34	46	56	66	157	147	191	235	271	629
43	49	61	76	86	213	37	49	59	71	167	149	196	237	276	634
44	51	66	78	90	222	39	51	64	76	181	152	198	242	281	648
45	54	68	83	98	236	44	56	68	78	190	154	200	247	284	657
46	59	73	88	103	250	44	59	73	83	199	156	203	249	288	662
47	61	78	95	110	264	46	61	76	88	213	159	205	252	291	671
48	66	83	100	115	282	49	66	81	95	222	159	208	257	296	680
49	68	88	108	122	301	54	68	83	100	231	164	213	259	301	685
50	73	93	112	132	319	56	73	90	105	245	164	215	264	303	694
51	78	100	120	139	338	59	78	98	112	264	166	218	266	308	704
52	83	105	130	149	356	64	83	100	117	282	169	222	269	313	717
53	88	112	137	159	380	68	88	108	125	296	171	225	274	315	722
54	93	120	147	169	407	73	93	115	134	310	174	227	276	320	727
55	100	130	156	181	435	76	98	122	142	324	176	227	281	325	736
56	108	137	169	193	463	81	105	127	149	343	176	232	281	327	745
57	115	147	178	208	491	83	110	137	156	366	178	235	286	330	754
58	122	159	193	222	528	90	115	142	166	384	181	235	288	335	759
59	132	169	205	240	560	93	122	152	174	407	181	240	293	337	768
60	142	181	222	257	602	98	130	159	183	426	183	242	296	342	778
61	152	196	237	274	643	103	134	169	196	449	186	244	301	347	787
62	161	208	254	296	690	110	144	176	203	467	188	247	303	349	791
63	174	225	274	315	736	115	149	183	215	491	191	249	306	354	801
64	186	240	293	340	791	120	159	193	225	514	193	252	308	357	801
65	200	259	315	367	847	125	166	203	235	537	193	254	313	359	815
66	215	279	340	393	907	132	171	213	247	565	196	257	315	364	819
67	230	298	367	423	977	137	181	220	257	583	198	259	315	367	824
68	247	323	393	457	1,046	144	186	230	266	606	200	259	320	369	833
69	266	347	423	491	1,125	147	193	240	279	629	200	262	323	371	838
70	286	374	457	530	1,213	154	200	247	288	648	203	264	323	374	838
71	308	401	494	572	1,305	159	210	254	298	666	203	266	325	376	838
72	330	433	530	616	1,402	164	215	264	306	690	203	266	327	376	842
73	354	464	572	662	1,504	169	220	271	315	713	203	266	327	379	842
74	381	499	613	714	1,615	171	227	279	323	727	203	266	327	379	842
75	415	543	665	772	1,745	174	230	286	332	741	203	266	327	379	842
76	447	587	721	838	1,888	181	237	291	337	759	203	266	327	379	842
77	484	635	782	909	2,046	183	240	296	345	768	203	266	327	379	842
78	523	687	846	985	2,212	186	244	303	349	782	203	266	327	379	842
79	565	743	917	1,066	2,388	186	244	303	349	782	203	266	327	379	842
80	611	807	995	1,158	2,592	186	244	303	349	782	203	266	327	379	842
81	660	870	1,075	1,251	2,800	186	244	303	349	782	203	266	327	379	842
82	711	938	1,161	1,354	3,018	186	244	303	349	782	203	266	327	379	842
83	765	1,012	1,251	1,459	3,249	186	244	303	349	782	203	266	327	379	842
84	824	1,088	1,347	1,574	3,494	186	244	303	349	782	203	266	327	379	842
85	885	1,171	1,449	1,691	3,754	186	244	303	349	782	203	266	327	379	842

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA_Cover Letter_BCNEPA_Group_LRRS_20200128.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_Group_LRRS_20200128.pdf PA_Supplement_BCNEPA_Group_LRRS_20200128.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):	Highmark Inc Letter of Authorization 1-2020.pdf
Item Status:	
Status Date:	

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

State: Pennsylvania **Filing Company:** Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07

Status Date:	

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

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

Bypassed - Item:	Advertisement Compliance Certification
Bypass Reason:	Not applicable as this is not an advertisement 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_Exhibits and Supplement Attachments_MedAmerica_Premier_20200128.xlsb
Item Status:	
Status Date:	

State: Pennsylvania
Filing Company: Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07

Satisfied - Item:	Sample Policyholder Notification Letter
Comments:	
Attachment(s):	CUSTOM BCBS NEPA PH Letter 9.30.19.pdf CUSTOM BCBS NEPA CNF 9.30.19.pdf
Item Status:	
Status Date:	

State:	Pennsylvania	**Filing Company:**	Blue Cross of Northeastern Pennsylvania
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Long-Term Care		
Project Name/Number:	MedAmerica Nationwide 2020 Rate Increase/145MAI01-30.07		

Attachment PA_Exhibits and Supplement Attachments_MedAmerica_Premier_20200128.xlsb is not a PDF document and cannot be reproduced here.

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January 28, 2020

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

Via SERFF

Re: Blue Cross of Northeastern Pennsylvania (BCNEPA)
Company NAIC # 54747
SERFF Tracking # MILL-132021720
Series 11 Group

Comprehensive Form	**GRP11-341-PA-200**
Comprehensive Certificate	**GRP11-342-PA-1100**

Dear Commissioner Altman:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing product(s) that provides long-term care coverage on a group basis. The company issued this product(s) in Pennsylvania from August 1, 2002 to November 1, 2002 and is no longer marketed in any jurisdiction. The company is making a similar request on the individual product(s) in a concurrent filing (SERFF Tracking # MILL-132019032).

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 originally expected.

This product(s) was designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner. The product(s) was 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 a concurrent filing(s). These filings use identical pooled nationwide experience of MedAmerica and its affinity partners individual and group business as described in the enclosed actuarial memorandum.

This rate increase request is a follow-up to two prior nationwide requests. However, because this jurisdiction did not allow full implementation of the prior requested increases, the rate level being requested in this follow-up filing was determined to be actuarially equivalent as described in Appendix B to the enclosed actuarial memorandum. As with the prior request, the requested rate increase varies by benefit period. The following table provides the average prior, requested, and cumulative rate increases for the above-listed form(s) by benefit period.

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 Group	Non-Lifetime	100.1	22.1	144
	Lifetime	100.1	131.2	363
Average[1]		100.1	22.1	144

[1] As of December 31, 2018 and excludes policies assumed to be paid up prior to implementation of the requested rate increase.

The prior increase reflects the cumulative increase of three prior increase(s) that were filed for use in May 2010, September 2017, and December 2018 on the above-listed form(s). The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business.

As stated in the enclosed actuarial memorandum, a larger rate increase is justified on this block of business. If it is the Department's position to only allow future rate increases if experience deteriorates from the current most-likely projections used in this filing, the company respectfully requests that the Department notify them and allow the company to revise the current rate increase request.

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
- exhibits and attachments in Excel
- 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.

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.

The contact person for this filing is:

Michael Emmert, ASA, MAAA
Associate Actuary
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Minneapolis, MN 55437
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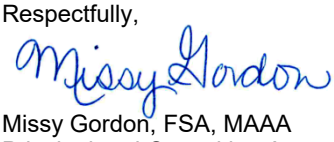
Thank you for your assistance in reviewing this filing.

Respectfully,



Missy Gordon, FSA, MAAA
Principal and Consulting Actuary

MAG/dpl

Enclosures

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.

BLUE CROSS OF NORTHEASTERN PENNSYLVANIA
Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 and Prior Actuarial Memorandum

January 28, 2020

Product	Number
Series 11 Group	
Comprehensive Form	GRP11-341-PA-200
Comprehensive Certificate	GRP11-342-PA-1100

Blue Cross of Northeastern Pennsylvania (BCNEPA) is requesting a rate increase on the above-listed long-term care policy form(s). The company issued this policy form(s) in Pennsylvania from August 2002 through November 2002 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, except where limited by regulatory restrictions or the limited amount of in-force business. This actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) as well as 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 requested 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. The rate increase levels were determined to vary by benefit period to better align the rate increase with the adverse experience. Appendix A to this memorandum provides a description of the development of and justification for the assumptions used in this filing, which were used to analyze the adverse experience.

This rate increase request is a follow-up to two prior nationwide requests. In jurisdictions that did not allow full implementation of the prior requested increases, the company is requesting a follow-up increase to achieve an actuarially equivalent lifetime loss ratio to the prior requests. Appendix B to this memorandum provides additional details on the development of and justification for the requested rate increase, including a detailed description of how actuarial equivalence was determined and a demonstration that the requested rate increase does not recoup past losses.

The table below provides the average prior, requested, and cumulative increases by policy form cohort and benefit period based on the nationwide distribution business. The enclosed cover letter provides similar information based on the jurisdiction-specific distribution and discloses the requested rate increase in this jurisdiction.

Nationwide Average[1] Rate Increase Request

Policy Form Cohort	Benefit Period	Prior Increase	Requested Increase	Cumulative Increase
Prior to Series 11	Non-Lifetime	79.4%	48.0%	166%
	Lifetime	97.0	153.2	399
Series 11 Individual	Non-Lifetime	68.4	57.7	166
	Lifetime	108.2	139.5	399
Series 11 Group	Non-Lifetime	82.0	45.9	166
	Lifetime	91.4	160.6	399
Average		82.0	76.0	220

[1] As of December 31, 2018 and excludes policies assumed to be paid up prior to implementation of the requested rate increase.

While emerging experience supports a larger rate increase, the company is limiting the increase to be an actuarially equivalent follow-up to the prior requests in order to improve equity across jurisdictions. The company plans to continue to monitor experience and request additional rate increases in the future, to the extent justified. However, if it is the Department's position to only allow future rate increases if experience deteriorates from the current most-likely projections used in this filing, the company respectfully requests that the Department notify them and allow the company to revise the current rate increase request.

Corresponding rate tables reflecting the current and proposed rate increases are enclosed with this filing. Please note that the actual rates implemented may vary slightly from those in the enclosed rate tables 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.

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 four years of retrospective improvement to bring the *Guidelines* forward to 2018. 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-5a of Appendix A to this memorandum.

b. Mortality Rates reflect the 2012 Individual Annuitant Mortality (IAM) Basic table. The mortality rates were adjusted based on historical mortality experience by gender, marital status, attained age, and duration. The adjusted 2012IAM table was then brought forward to 2018 using the 2012IAM attained age mortality improvement scale (i.e., G2 projection scale). These adjustment factors can be found in Exhibit A-1a and A-1c of Appendix A to this memorandum.

c. Voluntary Lapse Rates vary by policy duration (ultimate for 10+), attained age (ultimate for 65+), benefit period (lifetime or non-lifetime), inflation protection (auto inflation or none), marital status, policy form cohort, and premium payment option. The table below summarizes the ultimate lapse rates by key characteristics for lifetime-pay policies.

Ultimate Lapse Rates
Lifetime-Pay Policies

	Married				Single			
	Lifetime Benefit Period		Non-Lifetime Benefit Period		Lifetime Benefit Period		Non-Lifetime Benefit Period	
Policy Form Cohort	Auto Inflation	No Inflation	Auto Inflation	No Inflation	Auto Inflation	No Inflation	Auto Inflation	No Inflation
Prior to Series 11	0.4%	0.5%	0.5%	0.7%	0.5%	0.6%	0.6%	0.9%
Series 11 Individual	0.3	0.4	0.4	0.5	0.4	0.5	0.5	0.7
Series 11 Group	0.6	0.7	0.7	1.0	0.8	0.9	0.9	1.2

The durational voluntary lapse rates were adjusted based on the following criteria for the limited-pay options:

- For the ten-pay option, a reduction of 65% of the durational lapse rates is assumed for durations one through four, a reduction of 70% of the durational lapse rates is assumed for durations five through eight, and 0% lapse thereafter.
- For the twenty-pay option, a reduction of 50% of the durational lapse rates is assumed for durations one through eight, a reduction of 75% of the durational 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 2017 *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[1]										
		<65	65	70	75	80	85	90	95	100	105	110+
Female	1	0.0%	0.1%	0.2%	0.3%	0.8%	2.3%	5.4%	9.7%	11.3%	19.3%	20.7%
	2	0.0	0.0	0.1	0.2	0.5	1.6	4.4	8.2	10.7	19.0	20.7
	3	0.0	0.0	0.1	0.2	0.5	1.3	3.4	6.7	9.3	19.0	20.7
	4	0.0	0.0	0.1	0.1	0.3	0.9	2.5	4.8	7.1	17.0	20.7
	5	0.0	0.0	0.0	0.1	0.2	0.6	1.8	3.7	6.3	14.4	20.7
	Lifetime	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	0.1	0.1	0.2	0.5	1.6	4.0	6.9	7.8	11.3	20.7
	2	0.0	0.0	0.1	0.2	0.4	1.1	2.8	5.1	6.0	10.2	20.7
	3	0.0	0.0	0.1	0.1	0.3	0.8	1.9	3.8	4.8	9.1	20.7
	4	0.0	0.0	0.0	0.1	0.2	0.4	1.3	2.4	3.4	7.9	20.7
	5	0.0	0.0	0.0	0.1	0.1	0.3	0.8	2.1	2.9	6.8	20.7
	Lifetime	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

[1] 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 is assumed based on the percentage of policies that elect CBUL and RBO.

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 by requested rate increase levels for lifetime-pay policies. Limited-pay policies are assumed to not elect CBUL or RBO.

Policyholder Behavior Assumptions

Requested Increase	CBUL Election Rate	RBO Election Rate	Approximate Reduction for RBO[1]	Morbidity Increase for Adverse Selection
0.1 – 9.9%	1%	1%	0.0%	0.4%
10.0 – 19.9	3	2	0.3	1.0
20.0 – 39.9	6	5	1.2	2.2
40.0 – 74.9	8	10	4.0	3.4
75.0 – 99.9	10	15	7.8	4.6
100.0 – 149.9	11	20	12.5	5.5
150.0 – 299.9	12	25	19.7	6.5

[1] For display purposes, the approximate reduction for RBO values reflect the midpoint of the requested increase within each range. A detailed description of the calculation can be found in Appendix A. For example, the 20.0% – 39.9% range was calculated using the formula in Appendix A and a rate increase of 30%.

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 4.5%) is used to demonstrate compliance with the minimum loss ratio requirements.

g. Annual Improvement in the mortality and morbidity assumptions is assumed for 10 years starting in 2019. Annual mortality improvement factors vary by attained age and gender based on the G2 improvement scale from the 2012IAM table. Annual morbidity improvement is assumed to be 1.0%.

h. Expenses have not been explicitly projected for the purpose of demonstrating compliance with minimum loss ratio requirements. 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, other similar business issued by MedAmerica (including its affinity partners and acquired blocks of 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 product(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.

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, 2018) are applied to the annual premium (AP):

Premium Mode	Modal Factors	Percent Distribution
Annual	1.00*AP	47%
Semi-Annual	0.52*AP	4
Quarterly	0.26*AP	25
Monthly	0.09*AP	24

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 for the purpose of demonstrating compliance with minimum loss ratio requirements. Claim reserves as of December 31, 2018 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, 2018 has been allocated to the 2018 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 product(s) and similar individual and group products 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 2018 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 January 2010 and April 2019, which average 82% 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, and annual 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 also exceed the minimum loss ratio required by pre-rate stability regulation. The final row corresponds to that shown in Exhibit I.

Nationwide 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	121	104
Series 11 Group	All	107	92
All	Non-Lifetime	97	88
All	Lifetime	159	130
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	$149.1	$257.2	Pass
Series 11 Individual	All	339.4	602.1	Pass
Series 11 Group	All	145.5	226.7	Pass
All	Non-Lifetime	451.5	684.2	Pass
All	Lifetime	182.5	401.8	Pass
All	All	634.0	1,086.0	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.

Nationwide 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	96%	91%	66%	1.46	1.39
Series 11 Individual	All	114	99	58	1.97	1.70
Series 11 Group	All	99	85	70	1.41	1.22
All	Non-Lifetime	90	82	64	1.42	1.29
All	Lifetime	149	124	60	2.50	2.08
All	All	106	94	63	1.69	1.50

Actual and projected experience in the above table is identical to that described in Exhibit I, except historical experience is accumulated at MedAmerica's actual historical earned interest rates, which average 5.4% for this block, and projected experience is discounted at MedAmerica's current most-likely interest rate assumption of 4.75%. This 4.75% rate represents MedAmerica's expectation of its long-term investment earnings rate based on the average net investment earnings rate projected for MedAmerica's 2018 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). Section 2 above describes the nationwide average prior rate increase across the pooled experience.

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.

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 2018 & projections with pricing assumptions[3]	73	16%	145%
Historical experience through 2018 & projections with pricing assumptions except for current:			
Interest	81	12	89
Interest, lapse	85	5	34
Interest, lapse, mortality	108	27	155
Interest, lapse, mortality, morbidity	109	1	3
Interest, lapse, mortality, morbidity, improvement	106	-3	-14
Historical experience through 2018 & projections with all current most-likely assumptions[4]	106	69	395

[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 reflects actual historical experience and pricing assumptions projected from the valuation date, reflecting prior rate increases approved through April 12, 2019.
[4] 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, 2018 In-Force)

The number of insureds and the corresponding average annual premium that will be affected by this and the identical, concurrent rate increase filings are shown in the table(s) below. The values provided in the table(s) below exclude policies assumed to be paid up prior to implementation of the requested rate increase.

Pennsylvania – MedAmerica

Policy Form Cohort	Benefit Period	Number of Insureds	Before Increase Premium	After Requested Increase Premium
Prior to Series 11	Non-Lifetime	87	$2,081	$2,541
	Lifetime	13	4,197	9,704
	Total	100	2,356	3,472
Series 11 Individual	Non-Lifetime	67	3,045	3,718
	Lifetime	30	4,387	10,144
	Total	97	3,460	5,706
Series 11 Group	Non-Lifetime	66	1,969	2,404
	Lifetime	0	0	0
	Total	66	1,969	2,404
Total	Non-Lifetime	220	2,341	2,858
	Lifetime	43	4,329	10,011
	Total	263	2,666	4,028

Pennsylvania – BCNEPA

Policy Form Cohort	Benefit Period	Number of Insureds	Before Increase Premium	After Requested Increase Premium
Series 11 Individual	Non-Lifetime	92	$2,356	$2,877
	Lifetime	1	6,361	14,711
	Total	93	2,399	3,004
Series 11 Group	Non-Lifetime	10	1,045	1,276
	Lifetime	0	0	0
	Total	10	1,045	1,276
Total	Non-Lifetime	102	2,228	2,720
	Lifetime	1	6,361	14,711
	Total	103	2,268	2,837

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, 2018 (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	19
65-69	11
70-74	5
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	11
365-Day	<1

Benefit Period	Percent Distribution
1-Year	<1%
2-Year	18
3-Year	37
4-Year	8
5-Year	18
Lifetime	19

Inflation Option	Percent Distribution
None	39%
Simple for Life	3
Compound for Life	38
Simple for 20 Years	20
GPO	<1

Premium Payment Option	Percent Distribution
Ten-Pay	15%
Twenty-Pay	11
Lifetime-Pay	74

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

22. Number of Insureds and Annualized Premium (Based on December 31, 2018 In-Force)

The number of insureds and annualized premium that will be affected by this and the identical, concurrent rate increase filings are shown in the tables below. The values provided in the tables below exclude policies assumed to be paid up prior to implementation of the requested rate increase.

Pennsylvania – MedAmerica

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Prior to Series 11	Non-Lifetime	87	$181,024
	Lifetime	13	54,555
	Total	100	235,579
Series 11 Individual	Non-Lifetime	67	204,011
	Lifetime	30	131,599
	Total	97	335,610
Series 11 Group	Non-Lifetime	66	129,942
	Lifetime	0	0
	Total	66	129,942
Total	Non-Lifetime	220	514,977
	Lifetime	43	186,154
	Total	263	701,131

Pennsylvania – BCNEPA

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Series 11 Individual	Non-Lifetime	92	$216,767
	Lifetime	1	6,361
	Total	93	223,128
Series 11 Group	Non-Lifetime	10	10,449
	Lifetime	0	0
	Total	10	10,449
Total	Non-Lifetime	102	227,216
	Lifetime	1	6,361
	Total	103	233,577

BLUE CROSS OF NORTHEASTERN PENNSYLVANIA
Address: 19 N Main St, Wilkes-Barre, Pennsylvania 18711

Series 11 and Prior Actuarial Memorandum

January 28, 2020

Nationwide

Policy Form Cohort	Benefit Period	Number of Insureds	Annualized Premium
Prior to Series 11	Non-Lifetime	719	$1,768,076
	Lifetime	332	1,015,415
	Total	1,051	2,783,491
Series 11 Individual	Non-Lifetime	4,807	9,020,569
	Lifetime	1,553	5,273,045
	Total	6,360	14,293,614
Series 11 Group	Non-Lifetime	4,457	7,048,528
	Lifetime	60	162,672
	Total	4,517	7,211,200
Total	Non-Lifetime	9,983	17,837,173
	Lifetime	1,945	6,451,132
	Total	11,928	24,288,305

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

Missy Gordon, FSA, MAAA
Principal and Consulting Actuary

Date: January 28, 2020

Exhibit I-a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,324	0	0%	111	71,586	0	0%
	1993	557,528	112,031	20%	634	2,000,739	390,130	19%
	1994	1,500,482	28,415	2%	1,376	5,000,457	93,904	2%
	1995	2,485,029	109,652	4%	1,943	7,615,872	328,779	4%
	1996	3,452,114	134,262	4%	2,631	9,767,306	363,261	4%
	1997	4,257,921	258,439	6%	2,884	11,351,783	722,059	6%
	1998	5,071,109	631,867	12%	3,447	12,825,438	1,628,343	13%
	1999	6,457,482	1,469,714	23%	4,511	15,508,468	3,549,679	23%
	2000	8,508,577	1,172,992	14%	5,902	19,440,203	2,747,609	14%
	2001	11,453,720	2,031,477	18%	8,144	24,936,673	4,502,841	18%
	2002	15,617,243	4,129,889	26%	11,144	32,444,884	8,685,044	27%
	2003	20,978,007	3,320,983	16%	17,381	41,633,941	6,624,075	16%
	2004	26,599,004	6,241,153	23%	18,793	50,454,166	11,880,541	24%
	2005	28,082,605	6,804,563	24%	19,928	50,952,747	12,396,414	24%
	2006	28,353,106	7,236,076	26%	19,787	49,161,822	12,600,226	26%
	2007	27,938,251	10,582,193	38%	19,852	46,299,524	17,627,243	38%
	2008	27,419,750	8,154,815	30%	19,654	43,441,448	12,987,481	30%
	2009	26,498,424	11,148,740	42%	19,200	40,159,832	16,973,198	42%
	2010	25,187,102	15,825,758	63%	18,231	36,523,397	23,059,195	63%
	2011	24,281,006	13,405,255	55%	17,415	33,692,333	18,672,749	55%
	2012	24,895,541	15,249,799	61%	17,350	33,048,891	20,307,361	61%
	2013	24,058,770	14,358,025	60%	17,027	30,558,715	18,310,572	60%
	2014	22,186,152	22,522,172	102%	16,579	26,966,223	27,465,201	102%
	2015	21,244,350	23,851,868	112%	15,985	24,717,000	27,822,720	113%
	2016	20,937,096	21,675,244	104%	15,787	23,318,481	24,194,874	104%
	2017	20,041,062	26,052,673	130%	14,983	21,376,772	27,828,292	130%
	2018	19,402,841	22,741,293	117%	14,061	19,825,357	23,246,594	117%
Projected Future Experience (60 Years)	2019	19,461,729	23,166,382	119%	13,223	19,046,859	22,663,374	119%
	2020	20,023,354	24,310,398	121%	12,791	18,772,373	22,761,834	121%
	2021	19,960,826	25,929,465	130%	12,374	17,926,967	23,237,065	130%
	2022	19,244,457	27,606,346	143%	11,953	16,557,537	23,680,567	143%
	2023	18,022,232	29,248,218	162%	11,530	14,857,331	24,016,145	162%
	2024	16,784,794	30,964,045	184%	11,105	13,260,358	24,339,070	184%
	2025	15,749,200	32,634,889	207%	10,677	11,924,406	24,557,985	206%
	2026	14,797,267	34,335,105	232%	10,249	10,738,339	24,735,968	230%
	2027	13,893,623	36,063,890	260%	9,820	9,664,199	24,874,838	257%
	2028	12,948,753	37,794,640	292%	9,391	8,632,804	24,959,438	289%
	2029	12,101,915	39,720,881	328%	8,961	7,735,368	25,116,917	325%
	2030	11,279,556	41,803,055	371%	8,529	6,913,386	25,312,175	366%
	2031	10,478,341	43,781,499	418%	8,098	6,159,321	25,388,448	412%
	2032	9,698,877	45,604,621	470%	7,668	5,468,594	25,329,694	463%
	2033	8,944,821	47,259,042	528%	7,240	4,838,617	25,144,496	520%
	2034	8,217,305	48,728,464	593%	6,816	4,265,396	24,838,873	582%
	2035	7,518,460	50,019,525	665%	6,397	3,745,671	24,430,408	652%
	2036	6,849,695	50,963,449	744%	5,984	3,275,962	23,853,424	728%
	2037	6,212,521	51,631,979	831%	5,580	2,853,014	23,162,115	812%
	2038	5,608,663	51,918,869	926%	5,186	2,473,833	22,326,970	903%
	2039	5,039,480	51,851,015	1,029%	4,803	2,135,418	21,378,486	1,001%
	2040	4,505,718	51,385,071	1,140%	4,433	1,834,689	20,316,530	1,107%
	2041	4,008,043	50,533,445	1,261%	4,078	1,568,740	19,162,537	1,222%
	2042	3,547,029	49,280,312	1,389%	3,739	1,334,824	17,926,898	1,343%
	2043	3,122,927	47,722,022	1,528%	3,417	1,130,272	16,655,051	1,474%
	2044	2,735,381	45,977,314	1,681%	3,113	952,403	15,395,863	1,617%
	2045	2,383,539	44,019,092	1,847%	2,827	798,594	14,144,510	1,771%
	2046	2,066,383	41,893,055	2,027%	2,560	666,394	12,918,808	1,939%
	2047	1,782,510	39,549,395	2,219%	2,313	553,452	11,706,409	2,115%
	2048	1,530,278	37,106,161	2,425%	2,084	457,561	10,542,401	2,304%
	2049-2053	4,828,594	147,543,946	3,056%	7,616	1,308,835	37,397,043	2,857%
	2054-2058	2,009,833	89,396,634	4,448%	4,321	454,138	18,567,312	4,088%
	2059-2063	771,465	48,141,856	6,240%	2,358	146,078	8,255,114	5,651%
	2064-2068	273,986	23,286,328	8,499%	1,183	43,909	3,339,224	7,605%
	2069-2073	90,253	9,915,979	10,987%	504	12,401	1,208,539	9,746%
	2074-2078	28,115	3,765,851	13,394%	165	3,346	402,512	12,029%
History		447,481,595	239,249,349	53%	324,740	713,094,057	325,008,384	46%
Future		296,519,925	1,554,852,239	524%	233,084	202,511,389	714,047,042	353%
Lifetime		744,001,520	1,794,101,587	241%	557,824	915,605,446	1,039,055,426	113%

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

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,324	0	0%	111	71,586	0	0%
	1993	557,528	112,031	20%	634	2,000,739	390,130	19%
	1994	1,500,482	28,415	2%	1,376	5,000,457	93,904	2%
	1995	2,485,029	109,652	4%	1,943	7,615,872	328,779	4%
	1996	3,452,114	134,262	4%	2,631	9,767,306	363,261	4%
	1997	4,257,921	258,439	6%	2,884	11,351,783	722,059	6%
	1998	5,071,109	631,867	12%	3,447	12,825,438	1,628,343	13%
	1999	6,457,482	1,469,714	23%	4,511	15,508,468	3,549,679	23%
	2000	8,508,577	1,172,992	14%	5,902	19,440,203	2,747,609	14%
	2001	11,453,720	2,031,477	18%	8,144	24,936,673	4,502,841	18%
	2002	15,617,243	4,129,889	26%	11,144	32,444,884	8,685,044	27%
	2003	20,978,007	3,320,983	16%	17,381	41,633,941	6,624,075	16%
	2004	26,599,004	6,241,153	23%	18,793	50,454,166	11,880,541	24%
	2005	28,082,605	6,804,563	24%	19,928	50,952,747	12,396,414	24%
	2006	28,353,106	7,236,076	26%	19,787	49,161,822	12,600,226	26%
	2007	27,938,251	10,582,193	38%	19,852	46,299,524	17,627,243	38%
	2008	27,419,750	8,154,815	30%	19,654	43,441,448	12,987,481	30%
	2009	26,498,424	11,148,740	42%	19,200	40,159,832	16,973,198	42%
	2010	25,187,102	15,825,758	63%	18,231	36,523,397	23,059,195	63%
	2011	24,281,006	13,405,255	55%	17,415	33,692,333	18,672,749	55%
	2012	24,895,541	15,249,799	61%	17,350	33,048,891	20,307,361	61%
	2013	24,058,770	14,358,025	60%	17,027	30,558,715	18,310,572	60%
	2014	22,186,152	22,522,172	102%	16,579	26,966,223	27,465,201	102%
	2015	21,244,350	23,851,868	112%	15,985	24,717,000	27,822,720	113%
	2016	20,937,096	21,675,244	104%	15,787	23,318,481	24,194,874	104%
	2017	20,041,062	26,052,673	130%	14,983	21,376,772	27,828,292	130%
	2018	19,402,841	22,741,293	117%	14,061	19,825,357	23,246,594	117%
Projected Future Experience (60 Years)	2019	19,461,729	23,166,382	119%	13,223	19,046,859	22,663,374	119%
	2020	21,028,877	24,115,818	115%	12,481	19,714,196	22,579,673	115%
	2021	26,718,828	24,489,540	92%	11,712	23,993,621	21,946,524	91%
	2022	27,808,039	25,587,353	92%	11,247	23,920,585	21,948,323	92%
	2023	26,614,312	26,970,078	101%	10,850	21,932,348	22,145,141	101%
	2024	24,752,840	28,506,186	115%	10,456	19,545,989	22,406,633	115%
	2025	23,209,713	30,009,496	129%	10,059	17,562,797	22,581,834	129%
	2026	21,781,664	31,545,294	145%	9,662	15,795,851	22,725,505	144%
	2027	20,424,550	33,109,254	162%	9,263	14,195,376	22,836,172	161%
	2028	19,000,953	34,682,673	183%	8,864	12,655,542	22,903,437	181%
	2029	17,730,458	36,442,568	206%	8,464	11,320,614	23,042,884	204%
	2030	16,498,332	38,353,413	232%	8,062	10,099,544	23,222,162	230%
	2031	15,299,698	40,177,019	263%	7,660	8,980,972	23,296,831	259%
	2032	14,135,706	41,861,724	296%	7,259	7,958,039	23,249,205	292%
	2033	13,012,186	43,398,250	334%	6,859	7,026,931	23,088,465	329%
	2034	11,930,887	44,769,339	375%	6,462	6,181,540	22,818,574	369%
	2035	10,895,062	45,980,932	422%	6,070	5,416,880	22,455,353	415%
	2036	9,906,729	46,879,281	473%	5,683	4,727,570	21,938,904	464%
	2037	8,967,801	47,525,286	530%	5,304	4,108,466	21,316,513	519%
	2038	8,080,529	47,822,070	592%	4,933	3,554,862	20,561,393	578%
	2039	7,246,672	47,791,286	659%	4,573	3,062,092	19,700,255	643%
	2040	6,466,917	47,391,002	733%	4,225	2,625,339	18,732,331	714%
	2041	5,741,892	46,634,496	812%	3,890	2,240,098	17,678,321	789%
	2042	5,072,058	45,503,796	897%	3,570	1,902,118	16,546,675	870%
	2043	4,457,419	44,094,637	989%	3,265	1,607,296	15,382,042	957%
	2044	3,897,157	42,511,563	1,091%	2,977	1,351,566	14,227,755	1,053%
	2045	3,389,733	40,726,538	1,201%	2,707	1,130,962	13,078,586	1,156%
	2046	2,933,440	38,778,559	1,322%	2,454	941,813	11,950,229	1,269%
	2047	2,525,951	36,617,776	1,450%	2,219	780,594	10,830,552	1,387%
	2048	2,164,677	34,361,464	1,587%	2,002	644,027	9,754,653	1,515%
	2049-2053	6,797,971	136,732,902	2,011%	7,336	1,832,230	34,623,260	1,890%
	2054-2058	2,801,171	82,944,154	2,961%	4,186	628,240	17,212,037	2,740%
	2059-2063	1,059,333	44,783,676	4,228%	2,296	198,772	7,673,173	3,860%
	2064-2068	368,675	21,783,421	5,909%	1,156	58,532	3,119,817	5,330%
	2069-2073	119,182	9,321,449	7,821%	493	16,244	1,133,348	6,977%
	2074-2078	36,840	3,529,658	9,581%	161	4,355	376,018	8,634%
History		447,481,595	239,249,349	53%	324,740	713,094,057	325,008,384	46%
Future		412,337,977	1,438,898,333	349%	222,083	276,762,859	661,745,953	239%
Lifetime		859,819,573	1,678,147,682	195%	546,823	989,856,916	986,754,337	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	676,779,261	x	58%	=	392,531,972
2a	Accumulated value of earned premium	713,094,057				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	36,314,795	x	85%	=	30,867,576
3	Present value of future projected initial earned premium	91,246,289	x	58%	=	52,922,848
4a	Present value of future projected premium	276,762,859				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	185,516,570	x	85%	=	157,689,084
5	**Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b**					**634,011,480**
6a	Accumulated value of incurred claims without the inclusion of active life reserves					325,008,384
6b	Present value of future projected incurred claims without the inclusion of active life reserves					761,007,847
7	**Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b**					**1,086,016,230**
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 *Long-Term Care Guidelines* (*Guidelines*) with adjustments for underwriting selection, all-lives exposure basis, and four years of retrospective improvement to bring the *Guidelines* forward to 2018. 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-5a 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 *Guidelines* and adjusted for MedAmerica's experience available at the time this rate schedule was developed relative to the *Guidelines*. 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**	Mortality rates reflect the 2012 Individual Annuitant Mortality (IAM) Basic table. The mortality rates were adjusted based on historical mortality experience by gender, marital status, attained age, and duration. The adjusted 2012IAM table was then brought forward to 2018 using the 2012IAM attained age mortality improvement scale (i.e., G2 projection scale). These adjustment factors can be found in Exhibit A-1a and A-1c of Appendix A 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.

		Lapse Rates
Current Assumptions	**Series 11 and Prior**	Voluntary lapse rates (excludes benefit expiry) vary by policy duration (ultimate for 10+), attained age (ultimate for 65+), benefit period (lifetime or non-lifetime), inflation protection (auto inflation or none), marital status, policy form cohort, and premium payment option. A summary of the ultimate lapse rates by key characteristics for lifetime-pay policies can be found in Section 6 of the actuarial memorandum. For the ten-pay option, a reduction of 65% of the durational lapse rates is assumed for durations one through four, a reduction of 70% of the durational lapse rates is assumed for durations five through eight, and 0% lapse thereafter. For the twenty-pay option, a reduction of 50% of the durational lapse rates is assumed for durations one through eight, a reduction of 75% of the durational lapse rates is assumed for durations nine through fifteen, and 0% lapse thereafter.

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

Original Assumptions	**Series 11**

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.

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 2017 *Guidelines* with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.
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 4.75%. This rate represents MedAmerica's expectation of its long-term investment earnings rate based on the average net investment earnings rate projected for MedAmerica's 2018 cash flow testing. The maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 5.5% and averages 4.5%.
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 10 years starting in 2019. Annual mortality improvement factors vary by attained age and gender based on the G2 improvement scale from the 2012IAM 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 of and Justification for Current Assumptions

This appendix describes the development of and justification for the current actuarial assumptions used in this filing.

The persistency and morbidity assumptions were developed using historical experience and predictive analytics. Where actual experience was limited or did not exist, industry experience and actuarial judgment 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. Additionally, experience on other blocks of business originally issued by MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of business is also used. For persistency, policy termination experience from January 2008 through December 2017, with runout through March 2018, was used. For morbidity, claim experience from January 2004 through June 2016 was used with six months of runout.

Improvement assumptions for mortality and morbidity were developed based on individual annuitant or industry experience, along with actuarial judgment. The rate increase dependent assumptions were developed using historical experience, and actuarial judgment where experience was limited or did not exist.

The sections that follow provide more detail on the development of and justification for the current assumptions that are material to the projections in this filing.

Persistency

The policy persistency assumptions were developed based on detailed historical experience from January 2008 through December 2017, with runout through March 2018, for MedAmerica's organic (including affinity partners) and acquired business. Experience adjustment factors were developed using predictive analytics as described in the Predictive Analytics section below.

Mortality

The mortality assumption utilizes the 2012 Individual Annuitant Mortality (IAM) Basic table with experience adjustments.

Exhibit A-1 supports the mortality assumption and provides the following information by marital status, gender, issue era (old versus new), policy duration, and attained age. Policies issued prior to January 1, 1998 are treated as "old" and policies issued on or after January 1, 1998 are treated as "new". Prior to Series 11 policies are considered part of the "old" era bucket as the majority of policies were issued prior to January 1, 1998. Series 11 Individual and Group policies are considered part of the "new" era bucket as the majority of policies were issued on or after January 1, 1998.

- Exhibit A-1a – Provides the adjustment factors that are to be applied to the 2012IAM hazard rates; the adjusted hazard rates are converted back into mortality probabilities to create the mortality assumption produced by the predictive model. Attained age adjustment factors are applicable to only policy durations 7 and later.

- Exhibit A-1b – Provides a summary of actual-to-modeled (A:M) mortality experience for all products of MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of business.

    - Policy year exposure [A] reflects the length of time a covered life is exposed to the risk of death (i.e., exact exposure basis).

    - Actual deaths [B]

    - Mortality probabilities underlying actual experience [C], 2012IAM [D], and the modeled assumption [E]. The modeled mortality probabilities capture the adjustment factors from Exhibit A-1a that were produced by the predictive model. Mortality probabilities were calculated by first calculating the hazard rate of mortality, then transforming into a probability. For example, the actual mortality probability [C] = 1 - EXP(-([B] / [A])).

    - A:M ratios are calculated as actual mortality probabilities to the 2012IAM mortality probabilities [F] and to the modeled assumption [G]. The modeled A:M [G] provides an indication of fit. This fit will not be perfect (i.e., ratios deviate 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-1c – Provides an additional attained age adjustment that was developed to better align the composite termination (i.e., mortality and voluntary lapse combined) assumption with actual experience. Similar to the attained age adjustment factors in Exhibit A-1a, the additional adjustments are applicable to only policy durations 7 and later. The adjustment from Exhibit A-1c is excluded from Exhibit A-1b, but it is included with the composite termination assumptions in Exhibit A-3 described below.

For projection purposes, the adjusted 2012IAM table is brought forward to 2018 using the G2 improvement scale.

Lifetime-Pay Voluntary Lapse Assumption

The voluntary lapse assumption reflects the 2017 cash flow testing voluntary lapse assumption with experience adjustments for attained age, benefit period (lifetime or non-lifetime), inflation protection option (auto inflation or none), marital status, and product cohort.

The attained age adjustment factors developed from the predictive model produced a U-shaped pattern (i.e., decreased and then increased) by attained age. However, the attained age adjustment factors are held constant for ages 65 and older to produce an ultimate voluntary lapse assumption that is constant rather than increasing by attained age. The adjustments are held constant after this point because an increasing attained age lapse trend is not widely used in the industry, and this increasing lapse trend may be due to miscoding a death or underreporting of deaths in the Social Security Death Master File. An additional attained age adjustment to mortality was developed (Exhibit A-1c) in order to capture these terminations (i.e., higher lapses at older attained ages) such that the combined mortality and voluntary lapse assumption better aligns with actual experience as described in Exhibit A-3 below.

The ultimate voluntary lapse probabilities are shown in Section 6 of the actuarial memorandum. These ultimate voluntary lapse probabilities are applicable for attained ages 65 and older at policy durations 10 and later. Only these ultimate voluntary lapse probabilities are material to the projections given the age of this cohort.

Exhibit A-2 supports the voluntary lapse assumption. It provides a comparison of A:M voluntary lapse experience for all products of MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of business, and includes the following:

- Policy year exposure [A] reflects the length of time a covered life is exposed to the risk of lapse (i.e., exact exposure basis).

- Actual lapses [B]

- Lapse probabilities underlying actual experience [C], unadjusted [D], and the modeled assumption [E]. The modeled voluntary lapse probabilities capture the assumptions produced by the predictive model (i.e., include the U-shaped attained age adjustments) to demonstrate the fit of the predictive model. The attained-age cap is captured with the composite termination assumptions in Exhibit A-3 as described below. Lapse probabilities were calculated by first calculating the hazard rate of lapse, then transforming into a probability. For example, the actual lapse probability [C] = 1 - EXP(-([B] / [A])).

- A:M ratios are calculated as actual lapse probabilities to the unadjusted lapse probabilities [F] and the modeled assumption [G]. The modeled A:M [G] provides an indication of fit. This fit will not be perfect (i.e., ratios deviate 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.

The experience underlying Exhibit A-2 reflects lifetime-pay policies for policy durations 10 and later to focus on the fit of the ultimate voluntary lapse assumption and excludes "shock" lapses. For certain policies there have been prior rate increases and thus the option to lapse with a contingent benefit (i.e., shock lapse). Additionally, some policy forms offered an optional shortened non-forfeiture benefit. Policies that elected one of these options were not counted as a voluntary lapse; however, their annual policy exposure was valued up to the date of election.

Limited-Pay Voluntary Lapse Assumption

For the limited-pay options, the voluntary lapse assumption is a function of the lifetime-pay voluntary lapse assumption and is similar to that used in original pricing. The smoothed lapse rates are a scalar of the lifetime-pay lapse rates. Approximately 4% of the in-force policies have a limited-pay option that will be subject to the voluntary lapse assumption after the first five years of the projection because they will not yet be paid-up due to the length of

the payment option for these policies. As a result, the impact of the limited-pay voluntary lapse 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.

Composite Termination

Exhibit A-3 supports the composite termination (i.e., mortality and voluntary lapse combined) assumption. It provides a comparison of actual-to-expected (A:E) composite termination experience for all products of MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of business, and includes the following:

- Policy year exposure [A] reflects the length of time a covered life is exposed to the risk of termination (i.e., exact exposure basis).

- Actual composite terminations [B]

- Composite termination probabilities underlying actual experience [C] and the expected assumption [D]. The expected composite termination probabilities capture all of the experience adjustments for mortality (i.e., Exhibits A-1a and A-1c) and voluntary lapse (i.e., attained age cap). Termination probabilities were calculated by first calculating the hazard rate of termination, then transforming into a probability. For example, the actual termination probability [C] = 1 - EXP(-([B] / [A])).

- A:E ratios are calculated as actual termination probabilities to the expected composite termination probabilities [E]. The A:E [E] provides an indication of fit. This fit will not be perfect (i.e., ratios deviate 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.

The experience underlying Exhibit A-3 reflects lifetime-pay policies for policy durations 10 and later to focus on the fit of the ultimate composite termination assumption. It also excludes "shock" lapses as described above for Exhibit A-2.

Benefit Expiry

Benefit expiry probabilities reflect assumed policy lapses due to exhaustion of benefits based on the 2017 Milliman *Long-Term Care Guidelines (Guidelines)* with experience adjustments and vary by attained age, gender, and benefit period. Insureds with lifetime benefits do not have an expiry assumption (i.e., probability of 0%). The final benefit expiry assumptions are provided in Section 6 of the actuarial memorandum.

Exhibit A-4 supports the benefit expiry assumption. It provides a comparison of A:E benefit expiry experience for all products of MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of business, and includes the following:

- Policy year exposure [A] reflects the length of time a covered life is exposed to the risk of benefit expiry (i.e., exact exposure basis).

- Actual benefit expiries [B]

- Benefit expiry probabilities underlying actual experience [C], 2017 *Guidelines* [D], and the expected assumption [E]. The expected benefit expiry probabilities capture the assumptions from Section 6 of the actuarial memorandum. Benefit expiry probabilities were calculated by first calculating the hazard rate of benefit expiry, then transforming into a probability. For example, the actual benefit expiry probability [C] = 1 - EXP(-([B] / [A])).

- A:E ratios are calculated as actual benefit expiry probabilities to the 2017 *Guidelines* probabilities [F] and the expected assumption [G]. The expected A:E [G] provides an indication of fit. This fit will not be perfect (i.e., ratios deviate 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.

The experience underlying Exhibit A-4 excludes lifetime benefit periods because benefit expiry is not applicable. It also excludes ages less than 65 because the assumed benefit expiry assumption is 0% and actual experience reflects less than 2% of actual expiries. The experience underlying Exhibit A-4 reflects policy durations 7 and later.

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 2004 through June 2016, with runout through December 2016. The experience adjustment factors were developed using predictive analytics as described in the Predictive Analytics section below.

- Exhibit A-5a – 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-5b – 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 2016, with runout through December 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* 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.

  - Expected incurred claims [E] are calculated by applying each applicable adjustment from Exhibit A-5a to the 2014 *Guidelines* incurred claims [D].

  - A:E ratios are calculated as actual incurred claims to the 2014 *Guidelines* incurred claims [F] and expected incurred claims [G]. The expected A:E [G] provides an indication of fit. This fit will not be perfect (i.e., ratios deviate 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-5c – provides information similar to Exhibit A-5b, except provides the experience for all products of MedAmerica and its affinity partners, and MedAmerica's other acquired blocks of 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, the 2014 *Guidelines* are brought forward to 2018 using 1% improvement.

Prospective 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 gender. It is applied beginning in the first projection year and continues for 10 projection years.

For projected morbidity improvement, a level of 1.0% is assumed for 10 years beginning January 1, 2019. This assumption is set based on the underlying morbidity improvement from the 2014 *Guidelines*. This level is also reasonable based on the Society of Actuaries (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, *Global Mortality Improvement Experience and Projection Techniques*, 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 and its affinity partners, and MedAmerica's acquired business's combined actual CBUL and RBO election rate experience and actuarial judgment—particularly at the higher rate increase magnitudes where limited experience exists.

Contingent Benefit Upon Lapse Election

The assumed CBUL election rate is based on the requested rate increase and is applied on a seriatim basis. 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 an RBO election rate based on the requested rate increase and it is applied on a seriatim basis. No RBO elections are assumed for limited-pay policies.

The reduction to premium and claims then varies based on the level of the rate increase and can then be determined as follows:

Reduction to premium and claims due to the election of RBO
= 1 – (Average premium level after the rate increase with RBO election / 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.

PoolMorb = AdvSelMorb x (1 – CBUL – RBO) + [(1 – 25%) x AdvSelMorb] x CBUL + [(1 – 12.5%) x AdvSelMorb] x 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 insureds that elect CBUL
RBO =	percentage of insureds that elect RBO

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

Adverse Selection = 1 / (1 – 25% x CBUL – 12.5% x RBO)

Predictive Analytics

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

Appendix A
Development of and Justification for Current Assumptions

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 a penalty to balance minimizing the *k*-fold cross-validation prediction error with the generalizability of the model. This allows for a statistically robust and automated process to determine the amount of weight to give actual experience versus the benchmark assumption.

Exhibit A-1a
Mortality Hazard Rate Adjustment Factors
All Products

Attained Age	Gender		Marital Status	
	Male	Female	Married	Single
<55	0.99	1.00	0.99	1.01
55	0.97	0.99	0.97	1.01
56	0.97	0.98	0.95	1.01
57	0.95	0.97	0.93	1.02
58	0.93	0.96	0.91	1.02
59	0.91	0.93	0.89	1.02
60	0.89	0.89	0.88	1.01
61	0.85	0.86	0.85	1.00
62	0.85	0.86	0.84	1.00
63	0.84	0.85	0.82	1.00
64	0.84	0.84	0.81	1.01
65	0.87	0.84	0.81	1.01
66	0.88	0.85	0.81	1.01
67	0.87	0.82	0.81	1.00
68	0.91	0.82	0.82	1.01
69	0.95	0.85	0.84	1.02
70	0.97	0.85	0.85	1.02
71	0.99	0.84	0.86	1.03
72	1.02	0.85	0.87	1.04
73	1.03	0.85	0.89	1.03
74	1.04	0.85	0.90	1.04
75	1.05	0.86	0.91	1.04
76	1.08	0.87	0.92	1.04
77	1.11	0.92	0.94	1.07
78	1.09	0.94	0.95	1.05
79	1.08	0.94	0.95	1.02
80	1.09	0.93	0.96	1.04
81	1.10	0.95	0.97	1.04
82	1.08	0.93	0.96	1.04
83	1.08	0.91	0.95	1.04
84	1.03	0.89	0.96	1.02
85	1.06	0.92	0.99	1.02
86	1.04	0.93	0.99	1.01
87	1.04	0.90	1.00	0.99
88	1.07	0.90	1.00	0.99
89	1.13	0.94	0.99	1.01
90	1.09	0.95	0.99	1.02
91	1.07	0.96	1.00	1.02
92	1.09	1.00	1.01	1.03
93	1.06	1.01	1.02	1.03
94	1.03	1.00	1.01	1.03
95	1.01	1.00	0.99	1.04
96	1.01	1.01	0.99	1.05
97	1.00	1.02	0.99	1.05
98	1.00	1.04	0.99	1.05
99	0.99	1.04	1.00	1.04
100	0.99	1.03	1.00	1.03
101	0.99	1.02	1.00	1.02
102	0.98	1.01	0.99	1.01
103	0.99	1.01	0.99	1.00
104+	0.99	1.00	1.00	1.01

Duration	Era Bucket	
	Old	New
1	0.99	0.81
2	0.99	0.70
3	0.99	0.63
4	0.99	0.59
5	0.99	0.56
6	0.99	0.66
7	0.99	0.75
8	0.99	0.81
9	0.99	0.84
10	0.99	0.86
11	0.99	0.90
12	0.99	0.92
13	0.99	0.93
14	0.99	0.96
15	1.01	0.98
16	1.01	0.98
17	1.04	0.98
18	1.04	0.98
19	1.04	0.98
20+	1.03	0.98

Exhibit A-1b
Actual-to-Modeled Mortality Experience 2008-2017
Policy Durations 7+
All Products

Policy or Policyholder Characteristic	Policy Year Exposure	Actual		Mortality Probability		Actual-to-Modeled Mortality Probability	
		Deaths	Probability	2012IAM	Modeled	2012IAM	Modeled
	[A]	[B]	[C]	[D]	[E]	[F] = [C] / [D]	[G] = [C] / [E]
Marital Status							
Married	386,931	5,992	1.5%	1.8%	1.6%	0.86	0.99
Single	392,172	9,243	2.3%	2.4%	2.3%	0.97	1.00
Gender							
Female	452,361	7,931	1.7%	2.0%	1.7%	0.88	0.99
Male	326,742	7,304	2.2%	2.3%	2.2%	0.98	1.00
Era							
New	569,023	7,175	1.3%	1.5%	1.3%	0.84	0.99
Old	210,080	8,060	3.8%	3.7%	3.8%	1.02	1.00
Policy Duration							
7-9	204,938	1,429	0.7%	1.0%	0.7%	0.70	0.97
10-14	315,361	4,614	1.5%	1.7%	1.5%	0.87	0.99
15-19	172,971	5,090	2.9%	2.9%	2.9%	1.00	1.01
20-24	69,899	3,138	4.4%	4.3%	4.4%	1.03	1.00
25+	15,933	964	5.9%	5.7%	5.9%	1.03	0.99
Attained Age							
<65	278,751	776	0.3%	0.4%	0.3%	0.71	0.95
65-69	121,892	789	0.6%	0.9%	0.7%	0.70	0.98
70-74	121,461	1,396	1.1%	1.4%	1.2%	0.80	0.99
75-79	111,354	2,505	2.2%	2.4%	2.2%	0.93	1.00
80-84	84,877	3,624	4.2%	4.3%	4.2%	0.97	1.00
85+	60,768	6,145	9.6%	9.5%	9.6%	1.01	1.00
Total	779,103	15,235	1.9%	2.1%	1.9%	0.93	1.00

Exhibit A-1c
Composite Termination Attained Age Mortality Adjustment
For Policy Durations 7+
All Products

Attained Age	Adjustment
<55	1.00
55	1.00
56	1.00
57	1.00
58	1.00
59	1.00
60	1.00
61	1.00
62	1.00
63	1.00
64	1.00
65	1.00
66	1.00
67	1.00
68	1.00
69	1.00
70	1.00
71	1.01
72	1.01
73	1.01
74	1.01

Attained Age	Adjustment
75	1.02
76	1.02
77	1.03
78	1.03
79	1.03
80	1.03
81	1.04
82	1.04
83	1.04
84	1.04
85	1.05
86	1.05
87	1.06
88	1.06
89	1.06
90	1.06
91	1.07
92	1.07
93	1.07
94	1.07
95+	1.07

Exhibit A-2
Actual-to-Modeled Voluntary Lapse Experience 2008-2017
Lifetime-Pay for Policy Durations 10+
All Products

Policy or Policyholder Characteristic	Policy Year Exposure [A]	Actual		Lapse Probability		Actual-to-Modeled Lapse Probability	
		Lapses [B]	Probability [C]	Unadjusted [D]	Modeled [E]	Unadjusted [F] = [C] / [D]	Modeled [G] = [C] / [E]
Marital Status							
Married	226,840	1,757	0.8%	1.0%	0.8%	0.76	0.98
Single	252,968	2,338	0.9%	0.9%	0.9%	1.02	1.01
Benefit Period							
Non-Lifetime	343,952	3,341	1.0%	1.0%	1.0%	0.95	1.01
Lifetime	135,856	754	0.6%	0.8%	0.6%	0.68	0.95
Inflation							
None	177,263	2,052	1.2%	1.0%	1.1%	1.13	1.01
Auto	302,544	2,043	0.7%	0.9%	0.7%	0.73	0.98
Cohort[1]							
Prior to Series 11	19,434	146	0.7%	1.0%	0.8%	0.75	0.90
Series 11 Individual	54,987	326	0.6%	0.6%	0.6%	0.99	1.00
Series 11 Group	19,641	216	1.1%	1.3%	1.1%	0.84	0.98
Attained Age							
<65	113,757	1,078	0.9%	0.9%	0.8%	1.01	1.14
65-69	67,892	376	0.6%	0.9%	0.6%	0.59	0.91
70-74	79,255	523	0.7%	1.0%	0.7%	0.68	0.92
75-79	88,328	649	0.7%	1.0%	0.8%	0.74	0.93
80-84	74,228	677	0.9%	1.0%	0.9%	0.94	0.96
85+	56,348	792	1.4%	1.0%	1.4%	1.45	1.01
Total	479,808	4,095	0.8%	1.0%	0.9%	0.89	1.00

[1] Series characteristic captures the experience of Prior to Series 11, Series 11 Individual, and Series 11 Group policies only, while other characteristics capture the pooled experience of products of MedAmerica, its affinity partners, and MedAmerica's acquired blocks of business.

Exhibit A-3
Actual-to-Expected Composite[1] Termination Experience 2008-2017
Lifetime-Pay for Policy Durations 10+
All Products

Policy or Policyholder Characteristic	Policy Year Exposure [A]	Actual Terminations [B]	Actual Probability [C]	Expected Termination Probability[1] [D]	Actual-to-Expected Termination Probability[1] [E] = [C] / [D]
Marital Status					
Married	226,840	6,737	2.9%	2.9%	1.00
Single	252,968	10,430	4.0%	3.9%	1.03
Gender					
Female	291,631	9,451	3.2%	3.2%	1.01
Male	188,176	7,716	4.0%	3.9%	1.03
Era					
New	291,819	7,978	2.7%	2.6%	1.04
Old	187,989	9,189	4.8%	4.8%	1.00
Benefit Period					
Non-Lifetime	343,952	13,461	3.8%	3.8%	1.02
Lifetime	135,856	3,706	2.7%	2.6%	1.03
Inflation					
None	177,263	9,333	5.1%	4.9%	1.05
Auto	302,544	7,834	2.6%	2.6%	0.99
Cohort[2]					
Prior to Series 11	19,434	1,066	5.3%	5.1%	1.04
Series 11 Individual	54,987	1,715	3.1%	3.0%	1.03
Series 11 Group	19,641	392	2.0%	1.8%	1.09
Policy Duration					
10-14	256,833	6,828	2.6%	2.5%	1.07
15-19	145,062	5,757	3.9%	3.9%	0.99
20-24	62,763	3,496	5.4%	5.4%	1.00
25+	15,150	1,086	6.9%	7.1%	0.98
Attained Age					
<65	113,757	1,466	1.3%	1.2%	1.11
65-69	67,892	883	1.3%	1.3%	0.99
70-74	79,255	1,488	1.9%	1.9%	1.00
75-79	88,328	2,733	3.0%	3.0%	1.01
80-84	74,228	3,966	5.2%	5.1%	1.02
85+	56,348	6,631	11.1%	10.9%	1.01
Total	479,808	17,167	3.5%	3.4%	1.02

[1] Combination of mortality and voluntary lapse
[2] Series characteristic captures the experience of Prior to Series 11, Series 11 Individual, and Series 11 Group policies only, while other characteristics capture the pooled experience of products of MedAmerica, its affinity partners, and MedAmerica's acquired blocks of business.

Exhibit A-4
Actual-to-Expected Benefit Expiry Experience 2008-2017
Policy Durations 7+
All Products

Policy or Policyholder Characteristic	Policy Year Exposure[1] [A]	Actual		Benefit Expiry Probability		Actual-to-Expected Benefit Expiry	
		Benefit Expiry [B]	Probability [C]	2017 Guidelines [D]	Expected[2] [E]	2017 Guidelines [F] = [C] / [D]	Expected[2] [G] = [C] / [E]
Gender							
Female	226,513	1,317	0.6%	0.5%	0.6%	1.07	1.02
Male	162,541	445	0.3%	0.3%	0.3%	0.99	0.97
Benefit Period							
1 Year	21,879	139	0.6%	0.7%	0.7%	0.91	0.88
2 Year	59,932	533	0.9%	0.7%	0.8%	1.20	1.13
3 Year	181,848	722	0.4%	0.4%	0.4%	0.96	0.93
4 Year	52,938	188	0.4%	0.3%	0.4%	1.05	0.99
5 Year	66,951	175	0.3%	0.2%	0.2%	1.19	1.12
6 Year	4,677	5	0.1%	0.0%	0.0%	2.92	2.80
10 Year	830	0	0.0%	0.0%	0.0%	0.00	0.00
Attained Age							
<75	186,976	86	0.0%	0.1%	0.1%	0.64	0.83
75-79	85,088	145	0.2%	0.2%	0.2%	0.73	0.90
80-84	66,442	376	0.6%	0.6%	0.6%	1.01	1.01
85-89	36,785	544	1.5%	1.3%	1.5%	1.10	0.99
90-94	11,698	466	3.9%	3.0%	3.7%	1.30	1.06
95+	2,066	145	6.8%	5.6%	6.3%	1.22	1.07
Total	389,054	1,762	0.5%	0.4%	0.5%	1.05	1.00

[1] Experience excludes lifetime benefit periods and ages less than 65
[2] Expected = Rates in Section 6 of the actuarial memorandum

Exhibit A-5a
MedAmerica and Affinity Partners
Morbidity Adjustment Factors
Series 11 and Prior Policy Forms

	Product-Specific Adjustment Factors		
Duration	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

	Product-Specific Adjustment Factors		
Attained Age	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

	Payment Type Adjustment Factors		
	Series 11 and Prior Individual		Series 11
Attained Age	Non-Tax-Qualified (NTQ)	Tax-Qualified (TQ)	Group
<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

	Non-MANY Adjustment Factor	
Attained Age	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-5b
MedAmerica and Affinity Partners
Actual-to-Expected Morbidity Experience through June 30, 2016 with Claim Runout
Series 11 and Prior Policy Forms

Policy or Policyholder Characteristic	Exposure [A]	Actual Incurred Claims		Incurred Claims		Actual-to-Expected Incurred Claims	
		Count [B]	Dollars [C]	2014 Guidelines [D]	Expected [E]	2014 Guidelines [F] = [C] / [D]	Expected [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-5c
MedAmerica, Affinity Partners, and Acquired Business
Actual-to-Expected Morbidity Experience through June 30, 2016 with Claim Runout
All Products

Policy or Policyholder Characteristic	Exposure [A]	Actual Incurred Claims: Count [B]	Actual Incurred Claims: Dollars [C]	Incurred Claims: 2014 Guidelines [D]	Incurred Claims: Expected [E]	Actual-to-Expected Incurred Claims: 2014 Guidelines [F] = [C] / [D]	Actual-to-Expected Incurred Claims: Expected [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

Appendix B
Justification for and Development of the Requested Rate Increase

This appendix provides details on the development of the current rate increase requests as well as demonstrations of how the requested rate increases are not recouping past losses.

Actuarial Equivalent Rate Increase Development

This rate increase request is a follow-up to two prior nationwide requests for the Prior to Series 11, Series 11 Individual, and Series 11 Group policy forms. Table B-1 provides the originally requested rate increases by benefit period. In jurisdictions that did not allow full implementation of the prior requested increases, the company is requesting a follow-up increase to achieve an actuarially equivalent lifetime loss ratio to the prior requests.

Table B-1
Originally Requested Nationwide Rate Increases
Series 11 and Prior Policy Forms

Benefit Period	2009 Request	2017 Request	Cumulative Request
Non-Lifetime	39.0%	69.1%	135%
Lifetime	39.0	187.1	299
All[1]	39.0	96.8	174

[1] Average as of December 31, 2018 and excludes policies assumed to be paid up prior to implementation of the requested rate increase.

Exhibit B-1 provides the lifetime loss ratio that would have been achieved if all jurisdictions had implemented the originally requested rate increases. This exhibit is similar to Exhibit I-b except that it reflects premiums that have been restated to assume implementation of the originally requested rate increases shown in Table B-1 and is split by benefit period. Table B-2 summarizes the lifetime loss ratios from Exhibit B-1, which are the targets for determining actuarial equivalence.

Table B-2
Target Lifetime Loss Ratio for Actuarial Equivalence
Series 11 and Prior Policy Forms

Benefit Period	Lifetime Loss Ratio
Non-Lifetime	88%
Lifetime	130

The average nationwide requested rate increases shown in Section 2 were developed to produce a lifetime loss ratio that is equivalent to that in Table B-2. This equivalence is demonstrated by comparing the after increase lifetime loss ratios from Section 15 to those in Table B-2.

The requested rate increases in this jurisdiction, shown in the enclosed cover letter, were developed to produce lifetime loss ratios that are equivalent to those in Table B-2. This equivalence is demonstrated by comparing the lifetime loss ratios from Exhibit B-2 to those in Table B-2. Exhibit B-2 provides similar information as Exhibit B-1 except that premiums have been restated to reflect the actual rate increases implemented in this jurisdiction and the requested rate increase shown in the cover letter.

While emerging experience supports a larger rate increase, the company is limiting the increase to be an actuarially equivalent follow-up to the prior requests in order to improve equity across jurisdictions. The company plans to continue to monitor experience and request additional rate increases in the future, to the extent justified. However, if it is the Department's position to only allow future rate increases if experience deteriorates from the current most-likely projections used in this filing, the company respectfully requests that the Department notify them and allow the company to revise the current rate increase request.

Demonstrations the Requested Increase does not Recoup Past Losses

A number of methods exist to quantify or demonstrate whether an increase may be recouping past losses and offer the following for consideration.

Appendix B
Justification for and Development of the Requested Rate Increase

Capped Historical Incurred Claims

The 2014 Long-Term Care Model Regulation (Model Regulation) contemplates recouping past losses in Section 20.1.C for newly issued policies. Specifically, recouping past losses is limited by not allowing past actual claims in excess of expected claims by calendar year in the minimum loss ratio test (Section 20.1.C(2)).

While Section 20.1.C is not applicable to these policies, to demonstrate that the nationwide rate increase request is not recouping past losses we capped actual historical claims by those expected in pricing by calendar year in demonstrating compliance with the applicable minimum loss ratio requirements for these policies. Expected claims are calculated as earned premium multiplied by expected loss ratio for each calendar year.

Tables B-3 and B-4 reflect the capped historical incurred claims and demonstrate compliance with the applicable minimum loss ratio requirements for the pre- and post-rate stability regulation (Model Regulation Sections 19 and 20), respectively. Tables B-3 and B-4 provide similar information as that in Section 15 of the actuarial memorandum, except for capping historical incurred claims at that expected.

Table B-3
Nationwide Lifetime Loss Ratios with Capped Historical Incurred Claims
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	117	100
Series 11 Group	All	106	91
All	Non-Lifetime	95	86
All	Lifetime	147	120
All	All	110	96

Table B-4
58%/85% Test with Capped Historical Incurred Claims
by Policy Form Cohort and Benefit Period

Policy Form Cohort	Benefit Period	Item 5[1]	Item 7[2][3]	Result[4]
Prior to Series 11	All	$149.1	$256.8	Pass
Series 11 Individual	All	339.4	581.9	Pass
Series 11 Group	All	145.5	225.0	Pass
All	Non-Lifetime	451.5	674.5	Pass
All	Lifetime	182.5	373.5	Pass
All	All	634.0	1,054.2	Pass

[1] Item 5 is the Lifetime Earned Premium (in millions) Times Prescribed Factor.
[2] Item 7 is Lifetime Incurred Claims with Rate Increase (in millions). The historical incurred claims by calendar year reflect the lesser of actual and expected pricing claims. The future projected incurred claims were increased by 15% to reflect assumptions with moderately adverse experience.
[3] The capped historical incurred claims are calculated for each indicated cohort. The difference results in the sum of the cohort and/or benefit period not tying to the totals.
[4] Test of whether Item 7 is not less than Item 5.

HATF Discussion and Lifetime Premium Equivalence

One approach that was considered by the NAIC Health Actuarial Task Force (HATF) during discussions for the development of the Model Regulation was that past losses should be defined as past premium inadequacies given current, updated information. A company would demonstrate this approach by restating premiums to the proposed rate level from inception and demonstrating compliance with minimum loss ratio tests.

This approach was determined by HATF to not be a realistic method to define past losses because in reality there is no opportunity for the company to have perfect knowledge from policy inception and this approach greatly expands

the risk on the product. Ultimately, HATF settled on the approach that past losses should be defined as any excess of actual past claims over expected claims, which led to the approach outlined in Section 20.1.C of the Model Regulation and described above. For additional background on HATF's review of methods of defining past losses please see the article 'Recouping Past LTC Losses' in the April 2017 issue of the Society of Actuaries Long-Term Care Section newsletter, Long-Term Care News.

While it is not appropriate to use this restrictive method of restating premiums to the proposed rate level from inception to determine the rate increase, we can use it to confirm that current policyholders are not paying more over their lifetime than what they would have if the company had perfect knowledge.

With perfect knowledge, the company would have charged 95% higher rates from issue to reproduce the original pricing loss ratio of 63%. To avoid recouping premium on past policies that will not receive the rate increase, we compare lifetime premiums on a present value basis for the subset of policies that are in-force with lifetime-pay. These policies would have paid $588 million in the history and $812 million over the lifetime if the company had perfect knowledge and charged 95% higher premiums from issue. In contrast, the actual premium paid by these policies has been $327 million in the history and is projected to be $589 million over the lifetime including the requested rate increase. Therefore, these in-force policies will pay less over their lifetime than what they would have paid if the company had perfect knowledge at issue.

Table B-5 below provides a summary of the present value of lifetime premiums under the scenario discussed above by cohort and benefit period.

Table B-5
Lifetime Premium Equivalence
In-force Policies

Policy Form Cohort	Benefit Period	Original Pricing Loss Ratios	Increase Needed from Inception	Present Value of Lifetime Premium (Millions) with:	
				Perfect Knowledge at Issue[1]	Actual History and Requested Increase in Future
Prior to Series 11	All	66%	54%	$99	$82
Series 11 Individual	All	58	129	553	343
Series 11 Group	All	70	79	198	164
All	Non-Lifetime	64	63	499	417
All	Lifetime	60	190	318	172
All	All	63	95	812	589

[1] The increase needed from inception is calculated for each indicated cohort for all lives while the present value of premium is calculated based on lifetime-pay policies currently in force. The difference results in the sum of the cohort and/or benefit period not tying to the totals.

Exhibit B-1a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience Restated to Assume Implementation of the Originally Requested Rate Increases
Series 11 and Prior Policy Forms with a Non-Lifetime Benefit Period

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,107	0	0%	109	70,691	0	0%
	1993	548,363	112,031	20%	618	1,968,133	390,130	20%
	1994	1,422,762	28,415	2%	1,328	4,743,366	93,904	2%
	1995	2,303,659	103,954	5%	1,804	7,074,477	310,846	4%
	1996	3,056,353	37,966	1%	2,352	8,681,349	104,007	1%
	1997	3,508,641	258,439	7%	2,382	9,405,579	722,059	8%
	1998	3,868,205	631,867	16%	2,680	9,845,945	1,628,343	17%
	1999	4,639,240	1,009,169	22%	3,364	11,206,370	2,463,156	22%
	2000	5,901,199	1,121,780	19%	4,372	13,542,501	2,631,992	19%
	2001	7,826,358	1,379,844	18%	5,994	17,090,117	3,095,051	18%
	2002	10,551,853	2,694,010	26%	8,319	21,963,845	5,686,110	26%
	2003	14,450,349	1,632,121	11%	13,894	28,712,002	3,282,919	11%
	2004	18,607,419	4,081,354	22%	14,961	35,319,853	7,791,705	22%
	2005	19,782,715	4,516,825	23%	16,067	35,912,350	8,251,874	23%
	2006	20,097,050	4,734,626	24%	15,962	34,852,938	8,263,665	24%
	2007	19,834,507	6,850,962	35%	16,091	32,866,805	11,437,260	35%
	2008	19,643,967	5,323,056	27%	15,980	31,108,187	8,491,987	27%
	2009	19,085,365	7,968,212	42%	15,608	28,908,046	12,141,446	42%
	2010	18,224,371	9,450,936	52%	14,772	26,409,637	13,787,545	52%
	2011	17,829,171	10,200,270	57%	14,090	24,720,670	14,214,151	57%
	2012	21,284,416	10,167,657	48%	14,112	28,226,925	13,541,527	48%
	2013	20,563,594	10,637,364	52%	13,859	26,091,492	13,567,908	52%
	2014	19,228,654	15,688,299	82%	13,493	23,348,968	19,134,334	82%
	2015	18,262,265	12,902,717	71%	13,044	21,229,405	15,049,880	71%
	2016	17,495,763	13,612,856	78%	12,945	19,470,208	15,194,627	78%
	2017	16,590,002	16,273,957	98%	12,230	17,686,085	17,381,210	98%
	2018	16,584,881	14,915,919	90%	11,453	16,943,109	15,246,960	90%
Projected Future Experience (60 Years)	2019	21,635,093	13,854,242	64%	10,815	21,177,662	13,553,978	64%
	2020	21,259,154	14,528,844	68%	10,478	19,940,272	13,605,341	68%
	2021	20,250,144	15,374,313	76%	10,141	18,201,734	13,781,855	76%
	2022	19,223,445	16,303,022	85%	9,804	16,559,956	13,991,101	84%
	2023	17,927,764	17,248,973	96%	9,467	14,804,433	14,172,897	96%
	2024	16,660,658	18,238,088	109%	9,129	13,191,034	14,348,879	109%
	2025	15,616,201	19,235,735	123%	8,791	11,855,549	14,491,777	122%
	2026	14,665,392	20,259,628	138%	8,452	10,676,913	14,616,283	137%
	2027	13,770,472	21,312,281	155%	8,113	9,614,426	14,724,869	153%
	2028	12,812,749	22,381,518	175%	7,775	8,578,524	14,809,931	173%
	2029	11,985,579	23,585,415	197%	7,435	7,698,060	14,948,152	194%
	2030	11,186,480	24,895,126	223%	7,095	6,893,647	15,114,083	219%
	2031	10,409,197	26,166,420	251%	6,753	6,155,836	15,219,605	247%
	2032	9,652,801	27,373,655	284%	6,412	5,479,241	15,256,362	278%
	2033	8,921,121	28,511,895	320%	6,071	4,861,568	15,229,389	313%
	2034	8,214,129	29,533,389	360%	5,733	4,298,373	15,121,086	352%
	2035	7,533,382	30,400,729	404%	5,397	3,786,339	14,922,657	394%
	2036	6,880,243	31,079,561	452%	5,065	3,322,207	14,628,581	440%
	2037	6,256,310	31,563,926	505%	4,738	2,902,986	14,248,853	491%
	2038	5,663,227	31,856,337	563%	4,418	2,525,858	13,795,357	546%
	2039	5,102,293	31,904,775	625%	4,106	2,188,000	13,256,458	606%
	2040	4,574,551	31,756,564	694%	3,804	1,886,638	12,662,159	671%
	2041	4,080,925	31,368,975	769%	3,512	1,619,122	12,005,053	741%
	2042	3,622,199	30,775,862	850%	3,232	1,382,919	11,307,393	818%
	2043	3,198,744	29,946,245	936%	2,965	1,175,517	10,564,898	899%
	2044	2,810,339	28,983,971	1,031%	2,712	994,380	9,819,749	988%
	2045	2,456,408	27,839,876	1,133%	2,474	837,058	9,059,673	1,082%
	2046	2,136,091	26,536,951	1,242%	2,250	701,212	8,296,488	1,183%
	2047	1,848,174	25,091,168	1,358%	2,041	584,598	7,538,210	1,289%
	2048	1,591,211	23,529,960	1,479%	1,847	485,101	6,794,076	1,401%
	2049-2053	5,053,403	93,601,788	1,852%	6,840	1,399,513	24,206,999	1,730%
	2054-2058	2,122,719	58,478,222	2,755%	3,981	492,401	12,475,618	2,534%
	2059-2063	823,609	33,879,985	4,114%	2,230	160,900	6,003,697	3,731%
	2064-2068	297,925	17,741,329	5,955%	1,141	49,435	2,635,697	5,332%
	2069-2073	100,887	8,207,544	8,135%	491	14,342	1,034,831	7,215%
	2074-2078	32,623	3,281,626	10,059%	162	3,988	362,893	9,099%
History		341,208,228	156,334,605	46%	261,883	537,399,053	213,904,596	40%
Future		300,375,643	966,627,936	322%	195,869	206,499,741	438,604,929	212%
Lifetime		641,583,871	1,122,962,541	175%	457,752	743,898,793	652,509,525	88%

Exhibit B-1b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience Restated to Assume Implementation of the Originally Requested Rate Increases
Series 11 and Prior Policy Forms with a Lifetime Benefit Period

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	217	0	0%	2	895	0	0%
	1993	9,165	0	0%	16	32,606	0	0%
	1994	77,720	0	0%	48	257,091	0	0%
	1995	181,369	5,697	3%	139	541,395	17,932	3%
	1996	395,761	96,296	24%	279	1,085,958	259,253	24%
	1997	749,280	0	0%	502	1,946,204	0	0%
	1998	1,202,904	0	0%	767	2,979,493	0	0%
	1999	1,818,242	460,544	25%	1,147	4,302,098	1,086,524	25%
	2000	2,607,379	51,212	2%	1,530	5,897,702	115,617	2%
	2001	3,627,362	651,632	18%	2,150	7,846,556	1,407,790	18%
	2002	5,065,390	1,435,880	28%	2,825	10,481,039	2,998,934	29%
	2003	6,527,659	1,688,863	26%	3,487	12,921,939	3,341,157	26%
	2004	7,991,585	2,159,800	27%	3,832	15,134,313	4,088,836	27%
	2005	8,299,890	2,287,738	28%	3,861	15,040,397	4,144,540	28%
	2006	8,256,056	2,501,450	30%	3,825	14,308,884	4,336,561	30%
	2007	8,103,745	3,731,231	46%	3,761	13,432,719	6,189,984	46%
	2008	7,775,784	2,831,760	36%	3,674	12,333,260	4,495,494	36%
	2009	7,413,059	3,180,528	43%	3,592	11,251,787	4,831,753	43%
	2010	6,930,855	6,374,822	92%	3,459	10,067,325	9,271,650	92%
	2011	6,649,615	3,204,986	48%	3,325	9,243,405	4,458,597	48%
	2012	7,779,749	5,082,142	65%	3,238	10,349,072	6,765,834	65%
	2013	7,123,928	3,720,661	52%	3,168	9,068,863	4,742,664	52%
	2014	6,250,581	6,833,873	109%	3,086	7,614,698	8,330,868	109%
	2015	5,700,309	10,949,151	192%	2,941	6,646,014	12,772,840	192%
	2016	5,193,157	8,062,388	155%	2,842	5,795,023	9,000,247	155%
	2017	4,845,653	9,778,716	202%	2,753	5,175,536	10,447,081	202%
	2018	5,657,873	7,825,374	138%	2,608	5,783,470	7,999,634	138%
Projected Future Experience (60 Years)	2019	9,994,972	9,547,413	96%	2,416	9,777,925	9,339,612	96%
	2020	10,104,471	10,080,578	100%	2,338	9,460,462	9,436,639	100%
	2021	9,643,083	10,753,094	112%	2,258	8,640,772	9,632,882	111%
	2022	9,165,259	11,437,097	125%	2,175	7,860,037	9,804,663	125%
	2023	8,651,547	12,097,810	140%	2,091	7,101,067	9,924,785	140%
	2024	8,105,980	12,787,456	158%	2,004	6,367,863	10,039,293	158%
	2025	7,627,284	13,427,405	176%	1,916	5,734,851	10,088,367	176%
	2026	7,160,041	14,069,678	197%	1,826	5,152,756	10,116,535	196%
	2027	6,701,832	14,708,870	219%	1,736	4,616,344	10,121,632	219%
	2028	6,250,434	15,336,461	245%	1,646	4,121,027	10,100,142	245%
	2029	5,807,077	16,021,179	276%	1,556	3,664,840	10,097,915	276%
	2030	5,372,549	16,766,095	312%	1,465	3,245,583	10,113,806	312%
	2031	4,948,993	17,447,129	353%	1,375	2,861,927	10,073,242	352%
	2032	4,538,869	18,036,065	397%	1,286	2,512,669	9,967,045	397%
	2033	4,143,913	18,531,017	447%	1,198	2,196,153	9,802,246	446%
	2034	3,766,190	18,966,378	504%	1,112	1,910,904	9,603,486	503%
	2035	3,407,516	19,373,481	569%	1,028	1,655,321	9,390,350	567%
	2036	3,068,603	19,623,229	639%	947	1,427,312	9,105,349	638%
	2037	2,749,793	19,792,357	720%	868	1,224,735	8,792,183	718%
	2038	2,451,790	19,775,892	807%	792	1,045,739	8,410,970	804%
	2039	2,175,110	19,650,285	903%	720	888,497	8,002,548	901%
	2040	1,919,412	19,328,603	1,007%	651	750,963	7,538,156	1,004%
	2041	1,684,497	18,861,848	1,120%	586	631,306	7,044,872	1,116%
	2042	1,470,098	18,208,703	1,239%	526	527,815	6,513,734	1,234%
	2043	1,275,849	17,491,120	1,371%	469	438,885	5,992,324	1,365%
	2044	1,101,186	16,725,251	1,519%	416	362,977	5,487,527	1,512%
	2045	945,174	15,922,071	1,685%	368	298,570	5,003,118	1,676%
	2046	806,961	15,108,727	1,872%	324	244,312	4,546,683	1,861%
	2047	685,405	14,223,098	2,075%	284	198,901	4,099,038	2,061%
	2048	579,358	13,354,606	2,305%	247	161,158	3,685,649	2,287%
	2049-2053	1,755,258	53,115,699	3,026%	813	437,302	12,980,720	2,968%
	2054-2058	672,474	30,354,030	4,514%	358	135,425	5,980,342	4,416%
	2059-2063	226,739	13,823,464	6,097%	136	36,685	2,183,125	5,951%
	2064-2068	65,200	5,314,747	8,151%	45	8,439	674,647	7,994%
	2069-2073	16,361	1,616,340	9,879%	14	1,710	164,627	9,627%
	2074-2078	3,810	460,490	12,085%	4	335	37,953	11,343%
History		126,234,286	82,914,744	66%	62,857	199,537,741	111,103,788	56%
Future		139,043,089	582,137,764	419%	37,993	95,701,567	273,896,206	286%
Lifetime		265,277,376	665,052,508	251%	100,850	295,239,307	384,999,994	130%

Exhibit B-2a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience Restated to Reflect Pennsylvania-Specific Rate Increase History and Request
Series 11 and Prior Policy Forms with a Non-Lifetime Benefit Period

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,107	0	0%	109	70,691	0	0%
	1993	548,363	112,031	20%	618	1,968,133	390,130	20%
	1994	1,422,762	28,415	2%	1,328	4,743,366	93,904	2%
	1995	2,303,659	103,954	5%	1,804	7,074,477	310,846	4%
	1996	3,056,353	37,966	1%	2,352	8,681,349	104,007	1%
	1997	3,508,641	258,439	7%	2,382	9,405,579	722,059	8%
	1998	3,868,205	631,867	16%	2,680	9,845,945	1,628,343	17%
	1999	4,639,240	1,009,169	22%	3,364	11,206,370	2,463,156	22%
	2000	5,901,199	1,121,780	19%	4,372	13,542,501	2,631,992	19%
	2001	7,826,358	1,379,844	18%	5,994	17,090,117	3,095,051	18%
	2002	10,551,853	2,694,010	26%	8,319	21,963,845	5,686,110	26%
	2003	14,450,349	1,632,121	11%	13,894	28,712,002	3,282,919	11%
	2004	18,607,419	4,081,354	22%	14,961	35,319,853	7,791,705	22%
	2005	19,782,715	4,516,825	23%	16,067	35,912,350	8,251,874	23%
	2006	20,097,050	4,734,626	24%	15,962	34,852,938	8,263,665	24%
	2007	19,834,507	6,850,962	35%	16,091	32,866,805	11,437,260	35%
	2008	19,643,967	5,323,056	27%	15,980	31,108,187	8,491,987	27%
	2009	19,085,365	7,968,212	42%	15,608	28,908,046	12,141,446	42%
	2010	18,306,690	9,450,936	52%	14,772	26,529,050	13,787,545	52%
	2011	18,285,568	10,200,270	56%	14,090	25,352,144	14,214,151	56%
	2012	19,129,837	10,167,657	53%	14,112	25,369,061	13,541,527	53%
	2013	19,963,074	10,637,364	53%	13,859	25,329,114	13,567,908	54%
	2014	19,227,671	15,688,299	82%	13,493	23,347,774	19,134,334	82%
	2015	18,261,332	12,902,717	71%	13,044	21,228,321	15,049,880	71%
	2016	17,494,869	13,612,856	78%	12,945	19,469,213	15,194,627	78%
	2017	16,589,478	16,273,957	98%	12,230	17,685,527	17,381,210	98%
	2018	16,459,725	14,915,919	91%	11,453	16,814,642	15,246,960	91%
Projected Future Experience (60 Years)	2019	17,513,868	13,952,604	80%	10,911	17,143,807	13,650,231	80%
	2020	18,871,627	14,539,196	77%	10,259	17,701,289	13,615,108	77%
	2021	19,864,099	15,009,723	76%	9,737	17,855,872	13,455,110	75%
	2022	19,071,050	15,859,914	83%	9,415	16,430,349	13,610,942	83%
	2023	17,770,716	16,776,521	94%	9,094	14,676,856	13,784,867	94%
	2024	16,499,513	17,736,162	107%	8,772	13,065,985	13,954,227	107%
	2025	15,459,115	18,705,014	121%	8,450	11,739,169	14,092,285	120%
	2026	14,515,312	19,699,144	136%	8,127	10,570,798	14,212,390	134%
	2027	13,628,792	20,720,731	152%	7,804	9,518,824	14,316,773	150%
	2028	12,676,039	21,757,781	172%	7,482	8,490,353	14,397,979	170%
	2029	11,858,024	22,928,739	193%	7,158	7,619,596	14,532,916	191%
	2030	11,068,252	24,199,948	219%	6,833	6,824,321	14,693,185	215%
	2031	10,300,213	25,434,851	247%	6,507	6,094,950	14,795,478	243%
	2032	9,552,820	26,609,194	279%	6,181	5,426,051	14,831,985	273%
	2033	8,829,959	27,717,556	314%	5,855	4,815,418	14,807,100	307%
	2034	8,131,494	28,712,442	353%	5,531	4,258,595	14,703,105	345%
	2035	7,458,928	29,559,063	396%	5,210	3,752,288	14,512,220	387%
	2036	6,813,589	30,223,006	444%	4,892	3,293,274	14,228,500	432%
	2037	6,197,051	30,697,932	495%	4,579	2,878,601	13,861,381	482%
	2038	5,610,909	30,987,496	552%	4,272	2,505,477	13,422,942	536%
	2039	5,056,419	31,040,908	614%	3,973	2,171,109	12,901,718	594%
	2040	4,534,619	30,903,391	681%	3,682	1,872,766	12,326,518	658%
	2041	4,046,405	30,532,233	755%	3,402	1,607,831	11,689,670	727%
	2042	3,592,538	29,960,585	834%	3,133	1,373,803	11,012,961	802%
	2043	3,173,404	29,158,070	919%	2,876	1,168,215	10,292,130	881%
	2044	2,788,806	28,227,147	1,012%	2,632	988,576	9,568,750	968%
	2045	2,438,197	27,116,869	1,112%	2,402	832,476	8,829,824	1,061%
	2046	2,120,756	25,850,173	1,219%	2,186	697,620	8,087,155	1,159%
	2047	1,835,322	24,443,040	1,332%	1,985	581,802	7,348,754	1,263%
	2048	1,580,485	22,922,489	1,450%	1,798	482,941	6,623,755	1,372%
	2049-2053	5,022,153	91,143,862	1,815%	6,671	1,394,452	23,593,752	1,692%
	2054-2058	2,112,973	56,915,743	2,694%	3,900	491,674	12,157,823	2,473%
	2059-2063	822,735	33,041,853	4,016%	2,194	161,312	5,864,946	3,636%
	2064-2068	299,171	17,394,595	5,814%	1,126	49,832	2,588,563	5,195%
	2069-2073	101,624	8,083,510	7,954%	485	14,496	1,020,301	7,038%
	2074-2078	32,791	3,225,799	9,837%	160	4,020	357,001	8,882%
History		338,863,355	156,334,605	46%	261,883	534,397,399	213,904,596	40%
Future		291,249,768	941,787,282	323%	189,675	198,554,800	427,742,345	215%
Lifetime		630,113,123	1,098,121,887	174%	451,558	732,952,199	641,646,941	88%

Exhibit B-2b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience Restated to Reflect Pennsylvania-Specific Rate Increase History and Request
Series 11 and Prior Policy Forms with a Lifetime Benefit Period

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	217	0	0%	2	895	0	0%
	1993	9,165	0	0%	16	32,606	0	0%
	1994	77,720	0	0%	48	257,091	0	0%
	1995	181,369	5,697	3%	139	541,395	17,932	3%
	1996	395,761	96,296	24%	279	1,085,958	259,253	24%
	1997	749,280	0	0%	502	1,946,204	0	0%
	1998	1,202,904	0	0%	767	2,979,493	0	0%
	1999	1,818,242	460,544	25%	1,147	4,302,098	1,086,524	25%
	2000	2,607,379	51,212	2%	1,530	5,897,702	115,617	2%
	2001	3,627,362	651,632	18%	2,150	7,846,556	1,407,790	18%
	2002	5,065,390	1,435,880	28%	2,825	10,481,039	2,998,934	29%
	2003	6,527,659	1,688,863	26%	3,487	12,921,939	3,341,157	26%
	2004	7,991,585	2,159,800	27%	3,832	15,134,313	4,088,836	27%
	2005	8,299,890	2,287,738	28%	3,861	15,040,397	4,144,540	28%
	2006	8,256,056	2,501,450	30%	3,825	14,308,884	4,336,561	30%
	2007	8,103,745	3,731,231	46%	3,761	13,432,719	6,189,984	46%
	2008	7,775,784	2,831,760	36%	3,674	12,333,260	4,495,494	36%
	2009	7,413,059	3,180,528	43%	3,592	11,251,787	4,831,753	43%
	2010	6,962,184	6,374,822	92%	3,459	10,112,872	9,271,650	92%
	2011	6,927,030	3,204,986	46%	3,325	9,629,307	4,458,597	46%
	2012	7,066,341	5,082,142	72%	3,238	9,400,201	6,765,834	72%
	2013	6,922,721	3,720,661	54%	3,168	8,812,794	4,742,664	54%
	2014	6,250,261	6,833,873	109%	3,086	7,614,309	8,330,868	109%
	2015	5,700,017	10,949,151	192%	2,941	6,645,673	12,772,840	192%
	2016	5,192,892	8,062,388	155%	2,842	5,794,726	9,000,247	155%
	2017	4,845,639	9,778,716	202%	2,753	5,175,521	10,447,081	202%
	2018	5,002,268	7,825,374	156%	2,608	5,113,293	7,999,634	156%
Projected Future Experience (60 Years)	2019	5,407,733	9,618,823	178%	2,483	5,290,325	9,409,477	178%
	2020	6,287,917	10,152,494	161%	2,300	5,887,214	9,504,000	161%
	2021	9,267,212	10,180,099	110%	2,129	8,304,145	9,119,644	110%
	2022	9,310,568	10,720,630	115%	2,052	7,984,903	9,190,548	115%
	2023	8,781,418	11,337,172	129%	1,973	7,207,968	9,300,896	129%
	2024	8,216,010	11,983,613	146%	1,892	6,454,658	9,408,374	146%
	2025	7,728,568	12,583,334	163%	1,809	5,811,402	9,454,419	163%
	2026	7,254,441	13,187,963	182%	1,726	5,221,119	9,482,836	182%
	2027	6,790,344	13,793,275	203%	1,642	4,677,762	9,491,926	203%
	2028	6,333,288	14,389,981	227%	1,557	4,176,118	9,477,212	227%
	2029	5,884,465	15,045,948	256%	1,473	3,714,150	9,483,675	255%
	2030	5,444,691	15,754,705	289%	1,388	3,289,636	9,504,181	289%
	2031	5,016,186	16,408,770	327%	1,303	2,901,250	9,474,253	327%
	2032	4,601,440	16,978,147	369%	1,220	2,547,763	9,382,970	368%
	2033	4,202,165	17,457,743	415%	1,137	2,227,464	9,235,097	415%
	2034	3,820,392	17,876,553	468%	1,056	1,938,824	9,052,246	467%
	2035	3,457,873	18,275,983	529%	977	1,680,179	8,858,962	527%
	2036	3,115,337	18,529,487	595%	901	1,449,419	8,598,401	593%
	2037	2,793,105	18,712,861	670%	826	1,244,368	8,313,195	668%
	2038	2,491,831	18,720,375	751%	755	1,063,131	7,962,582	749%
	2039	2,212,037	18,626,667	842%	687	903,866	7,586,195	839%
	2040	1,953,388	18,344,292	939%	622	764,513	7,154,737	936%
	2041	1,715,644	17,924,943	1,045%	560	643,209	6,695,331	1,041%
	2042	1,498,538	17,320,471	1,156%	502	538,230	6,196,310	1,151%
	2043	1,301,728	16,653,094	1,279%	449	447,965	5,705,440	1,274%
	2044	1,124,631	15,934,224	1,417%	399	370,859	5,228,100	1,410%
	2045	966,308	15,182,983	1,571%	353	305,377	4,770,909	1,562%
	2046	825,917	14,421,213	1,746%	310	250,162	4,339,780	1,735%
	2047	702,325	13,582,615	1,934%	272	203,902	3,914,425	1,920%
	2048	594,394	12,757,166	2,146%	237	165,414	3,520,651	2,128%
	2049-2053	1,807,689	50,785,150	2,809%	782	450,463	12,408,869	2,755%
	2054-2058	699,585	29,148,775	4,167%	345	140,825	5,739,186	4,075%
	2059-2063	240,226	13,431,571	5,591%	132	38,812	2,119,167	5,460%
	2064-2068	70,869	5,214,124	7,357%	44	9,161	661,504	7,221%
	2069-2073	18,111	1,595,546	8,810%	13	1,895	162,462	8,574%
	2074-2078	4,267	456,888	10,708%	4	377	37,675	10,003%
History		124,971,918	82,914,744	66%	62,857	198,093,030	111,103,788	56%
Future		131,940,640	553,087,679	419%	36,311	88,306,829	259,945,636	294%
Lifetime		256,912,558	636,002,423	248%	99,168	286,399,859	371,049,423	130%

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Supplement to the Series 11 and Prior Actuarial Memorandum

January 28, 2020

Product	Number
Series 11 Group	
Comprehensive Form	GRP11-341-PA-200
Comprehensive Certificate	GRP11-342-PA-1100

The experience provided in 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. Section 15 of the actuarial memorandum provides a description as to the appropriateness of pooling the experience of these policy forms. Pennsylvania-specific experience is not considered fully credible, but is being provided as required.

A. Purpose of Supplement

This supplement has been prepared for the purpose of demonstrating that the requested rate increase is in compliance 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.

B. 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.

C. 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, 2018, 143 of the 366 policies that are in force and subject to the requested rate increase in Pennsylvania for MedAmerica and its affinity partners were issued on or after September 16, 2002 (approximately 39%). 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.

This rate increase request is a follow-up to two prior nationwide requests. However, because this jurisdiction did not allow full implementation of the prior requested increases, the rate level being requested in this follow-up filing was determined to be actuarially equivalent as described in Appendix B to 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.

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Supplement to the Series 11 and Prior Actuarial Memorandum

January 28, 2020

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

Exhibit I of the actuarial memorandum provides nationwide earned premium and incurred claim actual and projected experience using current assumptions, as described in Section 6 of the 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 4.5%).

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 three rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase is 100% and has been implemented on the individual and group policy forms. The most recent rate increase was filed for use by the Department on December 4, 2018.

(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 LTC-LBP8-MA-PA LTC-CD5-2PA LTC-CD8-MA-PA	<71 71-79 80+	45-78% 40-68 35-58	10-21% 8-18 5-15	0-5% 0-5 0-5
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 NTQ11-337-MA-PA-998 HTQ11-338-MA-PA-998 LTQ11-336-MA-PA-601 HTQ11-338-MA-PA-601 NTQ11-337-MA-PA-601	<75 75+	30-50 20-40	5-10 5-10	0-10 0-10
FLQ11-336-PA-998 FLQ11-336-MA-PA-601	<75 75+	25-45 15-35	0-5 0-5	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 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.

D. Description of Attachments and Enclosures

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:	Nationwide Actual and Projected Written Premium and Paid Claims
Attachment 2:	Pennsylvania-Specific Actual and Projected Experience
Attachment 3:	Pennsylvania-Specific Actual and Projected Written Premium and Paid Claims
Attachment 4:	Nationwide and Pennsylvania-Specific Claims and Reserves Balance
Attachment 5:	Nationwide Actual and Projected Experience by Policy Year
Attachment 6:	Pennsylvania-Specific Actual and Projected Experience by Policy Year

Enclosure: Exhibits and Attachments in Excel

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

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Written Premium	Paid Claims	Loss Ratio	End of Year Lives	Written Premium	Paid Claims	Loss Ratio
Historical Experience	1992	127,778	0	0%	111	528,014	0	0%
	1993	820,223	435	0%	634	2,892,148	1,704	0%
	1994	1,860,053	45,498	2%	1,376	6,186,565	151,506	2%
	1995	2,807,204	63,694	2%	1,943	8,461,960	200,468	2%
	1996	3,860,398	75,596	2%	2,631	10,841,396	222,763	2%
	1997	4,389,921	67,538	2%	2,884	11,679,201	183,531	2%
	1998	5,364,467	119,007	2%	3,447	13,542,968	293,855	2%
	1999	6,974,010	465,964	7%	4,511	16,721,331	1,147,579	7%
	2000	9,116,370	970,921	11%	5,902	20,807,941	2,284,255	11%
	2001	12,304,751	1,099,511	9%	8,144	26,766,424	2,473,974	9%
	2002	16,753,833	1,409,215	8%	11,144	34,790,343	3,015,109	9%
	2003	22,861,236	2,447,610	11%	17,381	45,353,474	4,965,502	11%
	2004	27,076,694	2,961,056	11%	18,793	51,352,517	5,685,432	11%
	2005	28,194,082	4,173,584	15%	19,928	51,151,960	7,628,087	15%
	2006	28,224,166	5,080,854	18%	19,787	48,919,589	8,864,030	18%
	2007	27,867,712	6,524,442	23%	19,852	46,164,208	10,882,302	24%
	2008	27,181,390	8,229,180	30%	19,654	43,055,810	13,122,401	30%
	2009	26,260,881	8,193,848	31%	19,200	39,794,144	12,490,954	31%
	2010	24,818,211	9,020,531	36%	18,231	35,982,914	13,150,630	37%
	2011	24,333,772	11,119,523	46%	17,415	33,762,341	15,503,281	46%
	2012	24,926,454	12,962,544	52%	17,350	33,084,474	17,284,350	52%
	2013	23,349,718	15,145,324	65%	17,027	29,653,540	19,317,615	65%
	2014	21,831,062	17,042,823	78%	16,579	26,532,111	20,785,577	78%
	2015	21,109,970	19,884,954	94%	15,985	24,558,913	23,203,645	94%
	2016	20,713,370	20,495,043	99%	15,787	23,067,887	22,882,053	99%
	2017	19,849,697	22,045,813	111%	14,983	21,172,900	23,551,277	111%
	2018	19,401,093	23,700,530	122%	14,061	19,823,580	24,226,943	122%
Projected Future Experience (60 Years)	2019	19,528,687	24,421,664	125%	13,223	19,112,488	23,891,131	125%
	2020	20,077,894	23,240,437	116%	12,791	18,823,912	21,758,892	116%
	2021	19,811,910	25,414,033	128%	12,374	17,793,400	22,772,536	128%
	2022	18,954,715	24,600,757	130%	11,953	16,308,937	21,098,433	129%
	2023	17,600,131	26,419,277	150%	11,530	14,510,777	21,687,475	149%
	2024	16,504,273	28,115,328	170%	11,105	13,039,771	22,092,328	169%
	2025	15,480,769	29,752,161	192%	10,677	11,722,299	22,379,542	191%
	2026	14,561,918	31,431,403	216%	10,249	10,568,592	22,633,546	214%
	2027	13,612,117	33,171,917	244%	9,820	9,468,364	22,868,373	242%
	2028	12,726,546	34,965,560	275%	9,391	8,485,730	23,078,085	272%
	2029	11,888,563	36,801,695	310%	8,961	7,600,140	23,256,428	306%
	2030	11,074,471	38,715,122	350%	8,529	6,788,891	23,425,874	345%
	2031	10,280,786	40,680,993	396%	8,098	6,044,421	23,570,921	390%
	2032	9,509,480	42,653,522	449%	7,668	5,363,050	23,667,115	441%
	2033	8,763,718	44,590,357	509%	7,240	4,741,899	23,696,226	500%
	2034	8,044,995	46,451,976	577%	6,816	4,177,191	23,644,873	566%
	2035	7,355,167	48,206,595	655%	6,397	3,665,533	23,506,192	641%
	2036	6,695,601	49,799,651	744%	5,984	3,203,448	23,264,596	726%
	2037	6,067,784	51,191,569	844%	5,580	2,787,689	22,914,741	822%
	2038	5,473,642	52,340,035	956%	5,186	2,415,373	22,452,047	930%
	2039	4,914,271	53,209,679	1,083%	4,803	2,083,396	21,876,532	1,050%
	2040	4,390,218	53,765,987	1,225%	4,433	1,788,630	21,189,679	1,185%
	2041	3,902,164	53,981,748	1,383%	4,078	1,528,203	20,396,533	1,335%
	2042	3,450,634	53,834,586	1,560%	3,739	1,299,380	19,504,364	1,501%
	2043	3,035,809	53,322,910	1,756%	3,417	1,099,497	18,527,187	1,685%
	2044	2,657,113	52,475,082	1,975%	3,113	925,832	17,487,684	1,889%
	2045	2,313,709	51,316,604	2,218%	2,827	775,805	16,405,006	2,115%
	2046	2,004,461	49,878,882	2,488%	2,560	646,960	15,297,790	2,365%
	2047	1,727,948	48,178,671	2,788%	2,313	536,979	14,177,989	2,640%
	2048	1,482,485	46,249,003	3,120%	2,084	443,678	13,060,432	2,944%
	2049-2053	4,670,504	196,724,866	4,212%	7,616	1,267,350	49,448,439	3,902%
	2054-2058	1,939,223	134,686,083	6,945%	4,321	438,785	27,676,277	6,307%
	2059-2063	743,203	80,759,946	10,866%	2,358	140,992	13,628,825	9,666%
	2064-2068	264,083	43,467,975	16,460%	1,183	42,421	6,071,806	14,313%
	2069-2073	87,167	20,910,758	23,989%	504	12,001	2,446,130	20,382%
	2074-2078	27,174	9,028,238	33,223%	165	3,239	899,992	27,784%
History		452,378,514	193,345,039	43%	324,740	726,648,653	253,518,823	35%
Future		291,623,334	1,734,755,070	595%	233,084	199,655,053	735,754,020	369%
Lifetime		744,001,848	1,928,100,109	259%	557,824	926,303,706	989,272,843	107%

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

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Written Premium	Paid Claims	Loss Ratio	End of Year Lives	Written Premium	Paid Claims	Loss Ratio
Historical Experience	1992	127,778	0	0%	111	528,014	0	0%
	1993	820,223	435	0%	634	2,892,148	1,704	0%
	1994	1,860,053	45,498	2%	1,376	6,186,565	151,506	2%
	1995	2,807,204	63,694	2%	1,943	8,461,960	200,468	2%
	1996	3,860,398	75,596	2%	2,631	10,841,396	222,763	2%
	1997	4,389,921	67,538	2%	2,884	11,679,201	183,531	2%
	1998	5,364,467	119,007	2%	3,447	13,542,968	293,855	2%
	1999	6,974,010	465,964	7%	4,511	16,721,331	1,147,579	7%
	2000	9,116,370	970,921	11%	5,902	20,807,941	2,284,255	11%
	2001	12,304,751	1,099,511	9%	8,144	26,766,424	2,473,974	9%
	2002	16,753,833	1,409,215	8%	11,144	34,790,343	3,015,109	9%
	2003	22,861,236	2,447,610	11%	17,381	45,353,474	4,965,502	11%
	2004	27,076,694	2,961,056	11%	18,793	51,352,517	5,685,432	11%
	2005	28,194,082	4,173,584	15%	19,928	51,151,960	7,628,087	15%
	2006	28,224,166	5,080,854	18%	19,787	48,919,589	8,864,030	18%
	2007	27,867,712	6,524,442	23%	19,852	46,164,208	10,882,302	24%
	2008	27,181,390	8,229,180	30%	19,654	43,055,810	13,122,401	30%
	2009	26,260,881	8,193,848	31%	19,200	39,794,144	12,490,954	31%
	2010	24,818,211	9,020,531	36%	18,231	35,982,914	13,150,630	37%
	2011	24,333,772	11,119,523	46%	17,415	33,762,341	15,503,281	46%
	2012	24,926,454	12,962,544	52%	17,350	33,084,474	17,284,350	52%
	2013	23,349,718	15,145,324	65%	17,027	29,653,540	19,317,615	65%
	2014	21,831,062	17,042,823	78%	16,579	26,532,111	20,785,577	78%
	2015	21,109,970	19,884,954	94%	15,985	24,558,913	23,203,645	94%
	2016	20,713,370	20,495,043	99%	15,787	23,067,887	22,882,053	99%
	2017	19,849,697	22,045,813	111%	14,983	21,172,900	23,551,277	111%
	2018	19,401,093	23,700,530	122%	14,061	19,823,580	24,226,943	122%
Projected Future Experience (60 Years)	2019	19,529,713	24,421,664	125%	13,223	19,113,492	23,891,131	125%
	2020	22,377,837	23,199,234	104%	12,481	20,978,581	21,720,319	104%
	2021	27,377,705	25,064,780	92%	11,712	24,585,682	22,459,525	91%
	2022	27,711,554	23,885,634	86%	11,247	23,837,570	20,484,911	86%
	2023	25,978,086	25,303,746	97%	10,850	21,410,010	20,771,352	97%
	2024	24,333,078	26,635,837	109%	10,456	19,215,929	20,929,232	109%
	2025	22,806,367	27,945,605	123%	10,059	17,259,138	21,019,976	122%
	2026	21,427,098	29,329,643	137%	9,662	15,540,157	21,119,305	136%
	2027	19,996,297	30,803,306	154%	9,263	13,897,435	21,234,612	153%
	2028	18,664,959	32,355,767	173%	8,864	12,433,211	21,354,606	172%
	2029	17,407,669	33,969,194	195%	8,464	11,116,094	21,465,407	193%
	2030	16,188,033	35,671,561	220%	8,062	9,911,262	21,583,104	218%
	2031	15,000,871	37,436,772	250%	7,660	8,807,262	21,689,904	246%
	2032	13,849,464	39,220,460	283%	7,259	7,798,626	21,760,793	279%
	2033	12,738,806	40,982,331	322%	6,859	6,881,037	21,777,267	316%
	2034	11,671,210	42,684,823	366%	6,462	6,048,723	21,725,561	359%
	2035	10,649,451	44,297,466	416%	6,070	5,296,458	21,598,063	408%
	2036	9,675,429	45,769,261	473%	5,683	4,618,841	21,379,504	463%
	2037	8,750,988	47,062,478	538%	5,304	4,010,731	21,063,921	525%
	2038	7,878,696	48,137,008	611%	4,933	3,467,595	20,646,246	595%
	2039	7,059,865	48,958,917	693%	4,573	2,984,599	20,125,659	674%
	2040	6,294,897	49,494,894	786%	4,225	2,556,862	19,502,747	763%
	2041	5,584,449	49,718,884	890%	3,890	2,179,938	18,781,701	862%
	2042	4,928,909	49,608,826	1,006%	3,570	1,849,598	17,968,673	971%
	2043	4,328,208	49,163,329	1,136%	3,265	1,561,766	17,076,666	1,093%
	2044	3,781,179	48,408,273	1,280%	2,977	1,312,304	16,126,557	1,229%
	2045	3,286,363	47,366,173	1,441%	2,707	1,097,332	15,135,754	1,379%
	2046	2,841,854	46,064,386	1,621%	2,454	913,168	14,121,049	1,546%
	2047	2,445,310	44,516,276	1,820%	2,219	756,341	13,093,009	1,731%
	2048	2,094,084	42,751,803	2,042%	2,002	623,608	12,065,377	1,935%
	2049-2053	6,564,650	182,025,176	2,773%	7,336	1,771,336	45,715,837	2,581%
	2054-2058	2,696,669	124,792,505	4,628%	4,186	605,708	25,617,857	4,229%
	2059-2063	1,017,239	74,926,836	7,366%	2,296	191,287	12,632,522	6,604%
	2064-2068	354,090	40,465,506	11,428%	1,156	56,373	5,646,759	10,017%
	2069-2073	114,832	19,559,428	17,033%	493	15,690	2,284,565	14,560%
	2074-2078	35,584	8,469,068	23,800%	161	4,214	842,128	19,984%
History		452,378,514	193,345,039	43%	324,740	726,648,653	253,518,823	35%
Future		407,441,492	1,610,466,850	395%	222,083	274,707,954	686,411,599	250%
Lifetime		859,820,006	1,803,811,889	210%	546,823	1,001,356,608	939,930,422	94%

Attachment 2-a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,324	0	0%	111	71,586	0	0%
	1993	547,119	112,031	20%	580	1,964,618	390,130	20%
	1994	1,333,538	28,415	2%	1,190	4,448,749	93,904	2%
	1995	1,802,548	55,039	3%	1,165	5,625,311	173,228	3%
	1996	1,608,703	5,871	0%	1,055	4,748,422	17,599	0%
	1997	1,439,865	114,890	8%	953	4,045,710	327,984	8%
	1998	1,347,126	235,553	17%	912	3,606,337	647,151	18%
	1999	1,286,732	377,829	29%	872	3,277,009	963,438	29%
	2000	1,267,260	481,212	38%	859	3,064,161	1,177,031	38%
	2001	1,235,696	713,556	58%	895	2,838,559	1,625,076	57%
	2002	1,431,381	745,816	52%	1,036	3,097,925	1,652,554	53%
	2003	1,554,846	464,534	30%	1,078	3,191,638	973,026	30%
	2004	1,652,124	958,964	58%	1,139	3,221,077	1,853,988	58%
	2005	1,597,784	656,165	41%	1,089	2,969,432	1,257,626	42%
	2006	1,498,700	751,072	50%	1,021	2,658,309	1,353,897	51%
	2007	1,403,330	940,403	67%	983	2,375,585	1,626,310	68%
	2008	1,324,472	815,074	62%	906	2,140,929	1,331,566	62%
	2009	1,241,850	777,589	63%	858	1,917,009	1,223,373	64%
	2010	1,132,473	817,263	72%	720	1,668,206	1,236,321	74%
	2011	1,041,535	1,478,296	142%	664	1,463,678	2,101,336	144%
	2012	1,071,361	1,289,377	120%	605	1,438,423	1,741,098	121%
	2013	1,063,820	974,481	92%	553	1,364,684	1,268,109	93%
	2014	996,939	1,541,550	155%	516	1,221,778	1,895,619	155%
	2015	911,937	2,274,579	249%	472	1,067,859	2,654,582	249%
	2016	835,842	454,863	54%	440	935,274	510,184	55%
	2017	774,903	1,455,496	188%	408	828,771	1,559,288	188%
	2018	741,932	520,614	70%	366	758,712	532,890	70%
Projected Future Experience (60 Years)	2019	792,713	872,369	110%	339	775,209	852,776	110%
	2020	824,116	863,021	105%	320	770,809	806,362	105%
	2021	772,016	868,006	112%	302	690,717	775,433	112%
	2022	717,452	882,917	123%	286	614,090	754,348	123%
	2023	659,363	896,733	136%	270	539,966	732,900	136%
	2024	570,064	918,101	161%	255	446,641	717,899	161%
	2025	474,417	943,584	199%	241	355,616	705,939	199%
	2026	436,976	978,344	224%	227	313,461	700,417	223%
	2027	399,384	1,016,242	254%	214	274,080	696,210	254%
	2028	366,157	1,057,483	289%	201	240,434	693,346	288%
	2029	336,019	1,112,585	331%	189	211,156	698,165	331%
	2030	307,518	1,169,245	380%	178	184,938	702,243	380%
	2031	280,524	1,218,791	434%	166	161,453	700,561	434%
	2032	254,935	1,261,027	495%	155	140,420	693,782	494%
	2033	230,690	1,303,467	565%	145	121,607	686,344	564%
	2034	207,772	1,332,322	641%	135	104,821	671,514	641%
	2035	186,186	1,366,666	734%	125	89,897	659,339	733%
	2036	165,905	1,382,265	833%	115	76,666	638,308	833%
	2037	146,943	1,380,982	940%	106	64,989	610,488	939%
	2038	129,315	1,364,125	1,055%	97	54,738	577,319	1,055%
	2039	113,036	1,326,467	1,173%	89	45,794	537,417	1,174%
	2040	98,122	1,271,448	1,296%	81	38,046	493,167	1,296%
	2041	84,533	1,201,383	1,421%	73	31,370	446,131	1,422%
	2042	72,246	1,128,895	1,563%	66	25,660	401,354	1,564%
	2043	61,243	1,058,993	1,729%	60	20,818	360,479	1,732%
	2044	51,479	994,916	1,933%	53	16,748	324,251	1,936%
	2045	42,887	924,564	2,156%	47	13,353	288,472	2,160%
	2046	35,406	855,816	2,417%	42	10,550	255,635	2,423%
	2047	28,964	785,668	2,713%	37	8,259	224,668	2,720%
	2048	23,475	717,949	3,058%	32	6,406	196,536	3,068%
	2049-2053	62,019	2,530,429	4,080%	105	15,170	615,738	4,059%
	2054-2058	16,595	1,051,174	6,334%	42	3,271	206,935	6,326%
	2059-2063	3,294	299,687	9,099%	13	524	47,541	9,076%
	2064-2068	450	57,859	12,858%	3	58	7,406	12,822%
	2069-2073	36	6,549	18,293%	0	4	678	18,188%
	2074-2078	1	372	29,754%	0	0	31	29,607%
History		32,161,140	19,040,533	59%	21,446	66,009,753	30,187,308	46%
Future		8,952,251	36,400,442	407%	4,808	6,467,737	18,480,134	286%
Lifetime		41,113,391	55,440,975	135%	26,254	72,477,491	48,667,442	67%

Attachment 2-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Pennsylvania-Specific Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Earned Premium	Incurred Claims	Incurred Loss Ratio
Historical Experience	1992	17,324	0	0%	111	71,586	0	0%
	1993	547,119	112,031	20%	580	1,964,618	390,130	20%
	1994	1,333,538	28,415	2%	1,190	4,448,749	93,904	2%
	1995	1,802,548	55,039	3%	1,165	5,625,311	173,228	3%
	1996	1,608,703	5,871	0%	1,055	4,748,422	17,599	0%
	1997	1,439,865	114,890	8%	953	4,045,710	327,984	8%
	1998	1,347,126	235,553	17%	912	3,606,337	647,151	18%
	1999	1,286,732	377,829	29%	872	3,277,009	963,438	29%
	2000	1,267,260	481,212	38%	859	3,064,161	1,177,031	38%
	2001	1,235,696	713,556	58%	895	2,838,559	1,625,076	57%
	2002	1,431,381	745,816	52%	1,036	3,097,925	1,652,554	53%
	2003	1,554,846	464,534	30%	1,078	3,191,638	973,026	30%
	2004	1,652,124	958,964	58%	1,139	3,221,077	1,853,988	58%
	2005	1,597,784	656,165	41%	1,089	2,969,432	1,257,626	42%
	2006	1,498,700	751,072	50%	1,021	2,658,309	1,353,897	51%
	2007	1,403,330	940,403	67%	983	2,375,585	1,626,310	68%
	2008	1,324,472	815,074	62%	906	2,140,929	1,331,566	62%
	2009	1,241,850	777,589	63%	858	1,917,009	1,223,373	64%
	2010	1,132,473	817,263	72%	720	1,668,206	1,236,321	74%
	2011	1,041,535	1,478,296	142%	664	1,463,678	2,101,336	144%
	2012	1,071,361	1,289,377	120%	605	1,438,423	1,741,098	121%
	2013	1,063,820	974,481	92%	553	1,364,684	1,268,109	93%
	2014	996,939	1,541,550	155%	516	1,221,778	1,895,619	155%
	2015	911,937	2,274,579	249%	472	1,067,859	2,654,582	249%
	2016	835,842	454,863	54%	440	935,274	510,184	55%
	2017	774,903	1,455,496	188%	408	828,771	1,559,288	188%
	2018	741,932	520,614	70%	366	758,712	532,890	70%
Projected Future Experience (60 Years)	2019	792,713	872,369	110%	339	775,209	852,776	110%
	2020	871,806	855,397	98%	310	815,439	799,232	98%
	2021	981,324	826,649	84%	286	878,061	738,476	84%
	2022	928,965	835,210	90%	270	795,196	713,584	90%
	2023	856,958	846,886	99%	256	701,846	692,155	99%
	2024	746,841	865,375	116%	242	585,210	676,665	116%
	2025	628,971	887,229	141%	228	471,533	663,768	141%
	2026	582,169	917,671	158%	215	417,673	656,966	157%
	2027	535,162	950,593	178%	203	367,322	651,216	177%
	2028	493,438	985,956	200%	191	324,074	646,424	199%
	2029	455,404	1,033,471	227%	180	286,235	648,487	227%
	2030	419,253	1,082,292	258%	169	252,186	649,979	258%
	2031	384,794	1,124,330	292%	158	221,512	646,217	292%
	2032	351,876	1,159,358	329%	148	193,859	637,795	329%
	2033	320,415	1,194,529	373%	138	168,943	628,926	372%
	2034	290,384	1,217,634	419%	128	146,533	613,655	419%
	2035	261,800	1,245,767	476%	119	126,435	600,961	475%
	2036	234,648	1,257,650	536%	110	108,457	580,717	535%
	2037	208,975	1,255,132	601%	101	92,444	554,819	600%
	2038	184,835	1,239,080	670%	93	78,255	524,377	670%
	2039	162,284	1,205,104	743%	85	65,759	488,240	742%
	2040	141,396	1,156,025	818%	78	54,835	448,404	818%
	2041	122,165	1,094,161	896%	71	45,343	406,335	896%
	2042	104,609	1,030,742	985%	64	37,159	366,489	986%
	2043	88,752	970,778	1,094%	57	30,173	330,491	1,095%
	2044	74,584	916,048	1,228%	52	24,267	298,592	1,230%
	2045	62,048	855,718	1,379%	46	19,320	267,038	1,382%
	2046	51,095	796,223	1,558%	41	15,226	237,880	1,562%
	2047	41,652	734,322	1,763%	36	11,878	210,029	1,768%
	2048	33,610	673,102	2,003%	31	9,172	184,300	2,009%
	2049-2053	87,560	2,384,251	2,723%	102	21,429	580,240	2,708%
	2054-2058	22,817	1,001,261	4,388%	41	4,499	197,119	4,381%
	2059-2063	4,437	288,047	6,492%	13	706	45,694	6,473%
	2064-2068	587	56,137	9,567%	3	75	7,185	9,535%
	2069-2073	44	6,451	14,794%	0	5	668	14,678%
	2074-2078	1	371	26,158%	0	0	31	26,028%
History		32,161,140	19,040,533	59%	21,446	66,009,753	30,187,308	46%
Future		11,528,372	33,821,319	293%	4,606	8,146,268	17,245,929	212%
Lifetime		43,689,512	52,861,852	121%	26,052	74,156,021	47,433,237	64%

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

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Written Premium	Paid Claims	Loss Ratio	End of Year Lives	Written Premium	Paid Claims	Loss Ratio
Historical Experience	1992	127,778	0	0%	111	528,014	0	0%
	1993	771,602	435	0%	580	2,723,433	1,704	0%
	1994	1,646,826	45,498	3%	1,190	5,481,903	151,506	3%
	1995	1,722,034	63,694	4%	1,165	5,342,668	200,468	4%
	1996	1,554,699	57,268	4%	1,055	4,581,861	171,662	4%
	1997	1,395,175	34,233	2%	953	3,919,636	97,726	2%
	1998	1,334,369	1,801	0%	912	3,570,919	4,896	0%
	1999	1,284,526	169,733	13%	872	3,266,671	442,693	14%
	2000	1,267,362	413,900	33%	859	3,060,933	1,013,310	33%
	2001	1,240,506	488,498	39%	895	2,840,696	1,133,516	40%
	2002	1,491,708	609,346	41%	1,036	3,218,709	1,347,361	42%
	2003	1,584,734	748,375	47%	1,078	3,246,745	1,585,637	49%
	2004	1,622,837	647,095	40%	1,139	3,161,126	1,288,007	41%
	2005	1,563,977	660,435	42%	1,089	2,905,534	1,245,652	43%
	2006	1,461,395	842,743	58%	1,021	2,590,405	1,506,285	58%
	2007	1,384,149	909,721	66%	983	2,342,450	1,557,986	67%
	2008	1,305,785	953,070	73%	906	2,110,532	1,569,764	74%
	2009	1,225,767	769,442	63%	858	1,891,874	1,208,555	64%
	2010	1,088,587	781,353	72%	720	1,601,919	1,171,564	73%
	2011	1,044,143	922,011	88%	664	1,467,006	1,317,398	90%
	2012	1,065,337	1,110,217	104%	605	1,430,477	1,511,244	106%
	2013	1,052,019	1,400,952	133%	553	1,349,191	1,814,559	134%
	2014	970,770	1,346,909	139%	516	1,189,655	1,661,167	140%
	2015	882,638	1,276,318	145%	472	1,033,315	1,501,042	145%
	2016	818,490	1,151,366	141%	440	915,718	1,290,368	141%
	2017	757,550	1,067,878	141%	408	810,160	1,143,200	141%
	2018	745,820	1,098,408	147%	366	762,675	1,123,511	147%
Projected Future Experience (60 Years)	2019	812,133	943,655	116%	339	794,213	922,626	116%
	2020	806,830	902,288	112%	320	754,692	843,238	112%
	2021	752,328	964,716	128%	302	673,167	861,836	128%
	2022	693,421	904,626	130%	286	593,585	772,631	130%
	2023	642,383	933,804	145%	270	526,134	762,610	145%
	2024	544,827	953,277	175%	255	426,921	744,535	174%
	2025	460,359	969,016	210%	241	345,139	723,923	210%
	2026	425,079	987,827	232%	227	304,982	706,013	231%
	2027	387,011	1,011,720	261%	214	265,596	691,870	260%
	2028	355,777	1,040,564	292%	201	233,654	680,953	291%
	2029	326,235	1,074,221	329%	189	205,038	672,774	328%
	2030	298,271	1,113,370	373%	178	179,402	667,384	372%
	2031	271,778	1,156,058	425%	166	156,440	663,275	424%
	2032	246,637	1,199,839	486%	155	135,866	658,917	485%
	2033	222,830	1,244,138	558%	145	117,477	653,996	557%
	2034	200,353	1,286,212	642%	135	101,089	647,183	640%
	2035	179,217	1,326,492	740%	125	86,541	638,905	738%
	2036	159,383	1,362,402	855%	115	73,659	628,141	853%
	2037	140,882	1,391,064	987%	106	62,314	613,945	985%
	2038	123,727	1,410,219	1,140%	97	52,378	595,818	1,138%
	2039	107,927	1,417,498	1,313%	89	43,728	573,328	1,311%
	2040	93,470	1,410,954	1,510%	81	36,245	546,329	1,507%
	2041	80,314	1,389,571	1,730%	73	29,807	515,099	1,728%
	2042	68,460	1,354,820	1,979%	66	24,317	480,802	1,977%
	2043	57,867	1,309,849	2,264%	60	19,672	445,030	2,262%
	2044	48,481	1,258,253	2,595%	53	15,773	409,287	2,595%
	2045	40,251	1,200,787	2,983%	47	12,533	373,954	2,984%
	2046	33,107	1,138,666	3,439%	42	9,865	339,499	3,441%
	2047	26,968	1,072,650	3,977%	37	7,691	306,187	3,981%
	2048	21,770	1,003,722	4,611%	32	5,941	274,299	4,617%
	2049-2053	56,814	3,904,025	6,872%	105	13,903	945,717	6,802%
	2054-2058	14,748	2,136,832	14,489%	42	2,909	417,917	14,365%
	2059-2063	2,789	882,645	31,642%	13	444	139,260	31,362%
	2064-2068	356	277,276	77,891%	3	46	35,261	77,066%
	2069-2073	25	65,630	263,604%	0	3	6,725	258,926%
	2074-2078	1	11,698	1,583,175%	0	0	966	1,547,404%
History		32,410,582	17,570,699	54%	21,446	67,344,225	27,060,780	40%
Future		8,702,809	42,010,382	483%	4,808	6,311,165	19,960,233	316%
Lifetime		41,113,391	59,581,082	145%	26,254	73,655,390	47,021,014	64%

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

		Loss Ratio Demonstration						
		Without Interest				With Max. Val. Interest		
		A	B	C = B / A	D	E	F	G = F / E
	Calendar Year	Written Premium	Paid Claims	Loss Ratio	End of Year Lives	Written Premium	Paid Claims	Loss Ratio
Historical Experience	1992	127,778	0	0%	111	528,014	0	0%
	1993	771,602	435	0%	580	2,723,433	1,704	0%
	1994	1,646,826	45,498	3%	1,190	5,481,903	151,506	3%
	1995	1,722,034	63,694	4%	1,165	5,342,668	200,468	4%
	1996	1,554,699	57,268	4%	1,055	4,581,861	171,662	4%
	1997	1,395,175	34,233	2%	953	3,919,636	97,726	2%
	1998	1,334,369	1,801	0%	912	3,570,919	4,896	0%
	1999	1,284,526	169,733	13%	872	3,266,671	442,693	14%
	2000	1,267,362	413,900	33%	859	3,060,933	1,013,310	33%
	2001	1,240,506	488,498	39%	895	2,840,696	1,133,516	40%
	2002	1,491,708	609,346	41%	1,036	3,218,709	1,347,361	42%
	2003	1,584,734	748,375	47%	1,078	3,246,745	1,585,637	49%
	2004	1,622,837	647,095	40%	1,139	3,161,126	1,288,007	41%
	2005	1,563,977	660,435	42%	1,089	2,905,534	1,245,652	43%
	2006	1,461,395	842,743	58%	1,021	2,590,405	1,506,285	58%
	2007	1,384,149	909,721	66%	983	2,342,450	1,557,986	67%
	2008	1,305,785	953,070	73%	906	2,110,532	1,569,764	74%
	2009	1,225,767	769,442	63%	858	1,891,874	1,208,555	64%
	2010	1,088,587	781,353	72%	720	1,601,919	1,171,564	73%
	2011	1,044,143	922,011	88%	664	1,467,006	1,317,398	90%
	2012	1,065,337	1,110,217	104%	605	1,430,477	1,511,244	106%
	2013	1,052,019	1,400,952	133%	553	1,349,191	1,814,559	134%
	2014	970,770	1,346,909	139%	516	1,189,655	1,661,167	140%
	2015	882,638	1,276,318	145%	472	1,033,315	1,501,042	145%
	2016	818,490	1,151,366	141%	440	915,718	1,290,368	141%
	2017	757,550	1,067,878	141%	408	810,160	1,143,200	141%
	2018	745,820	1,098,408	147%	366	762,675	1,123,511	147%
Projected Future Experience (60 Years)	2019	812,172	943,655	116%	339	794,251	922,626	116%
	2020	921,967	900,767	98%	310	862,418	841,816	98%
	2021	969,655	954,495	98%	286	867,680	852,702	98%
	2022	899,170	886,008	99%	270	769,769	756,725	98%
	2023	835,764	906,897	109%	256	684,576	740,627	108%
	2024	715,552	919,165	128%	242	560,758	717,879	128%
	2025	611,324	928,418	152%	228	458,379	693,574	151%
	2026	567,149	941,204	166%	215	406,966	672,668	165%
	2027	519,546	959,366	185%	203	356,614	656,040	184%
	2028	480,217	982,556	205%	191	315,438	642,960	204%
	2029	442,851	1,010,225	228%	180	278,385	632,657	227%
	2030	407,288	1,042,902	256%	169	245,022	625,101	255%
	2031	373,368	1,078,719	289%	158	214,962	618,855	288%
	2032	340,911	1,115,402	327%	148	187,841	612,493	326%
	2033	309,912	1,152,429	372%	138	163,424	605,731	371%
	2034	280,354	1,187,380	424%	128	141,487	597,393	422%
	2035	252,260	1,220,689	484%	119	121,841	587,883	483%
	2036	225,609	1,250,174	554%	110	104,290	576,336	553%
	2037	200,470	1,273,393	635%	101	88,690	561,953	634%
	2038	176,888	1,288,394	728%	93	74,898	544,296	727%
	2039	154,925	1,293,132	835%	85	62,782	522,984	833%
	2040	134,607	1,285,893	955%	78	52,206	497,874	954%
	2041	115,922	1,265,813	1,092%	71	43,029	469,204	1,090%
	2042	98,936	1,234,261	1,248%	64	35,146	438,012	1,246%
	2043	83,635	1,194,211	1,428%	57	28,434	405,748	1,427%
	2044	69,989	1,148,840	1,641%	52	22,772	373,715	1,641%
	2045	57,971	1,098,692	1,895%	46	18,051	342,187	1,896%
	2046	47,513	1,044,643	2,199%	41	14,159	311,501	2,200%
	2047	38,523	987,090	2,562%	36	10,986	281,804	2,565%
	2048	30,925	926,551	2,996%	31	8,440	253,252	3,001%
	2049-2053	79,385	3,630,953	4,574%	102	19,437	879,588	4,525%
	2054-2058	19,995	2,008,204	10,044%	41	3,946	392,806	9,955%
	2059-2063	3,690	836,375	22,665%	13	588	131,981	22,459%
	2064-2068	455	264,333	58,061%	3	59	33,620	57,427%
	2069-2073	30	62,837	212,118%	0	3	6,440	208,028%
	2074-2078	1	11,238	1,337,846%	0	0	928	1,307,784%
History		32,410,582	17,570,699	54%	21,446	67,344,225	27,060,780	40%
Future		11,278,930	39,235,304	348%	4,606	8,017,727	18,801,960	235%
Lifetime		43,689,512	56,806,003	130%	26,052	75,361,952	45,862,740	61%

Attachment 4
MedAmerica and Affinity Partners
Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2018
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	112,031	112,031	0		0	
1994	28,415	28,415	0		0	
1995	109,652	109,652	0		0	
1996	134,262	134,262	0		0	
1997	258,439	258,439	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	2,031,477	2,031,477	0		0	
2002	4,129,889	3,997,455	132,434		132,434	
2003	3,320,983	3,293,738	27,245		27,245	
2004	6,241,153	6,241,153	0		0	
2005	6,804,563	6,731,365	73,198		73,198	
2006	7,236,076	7,090,556	145,520		145,520	
2007	10,582,193	10,392,876	189,317		189,317	
2008	8,154,815	8,104,854	49,961		49,961	
2009	11,148,740	10,848,203	300,536		300,536	
2010	15,825,758	14,811,026	1,014,732		1,014,732	
2011	13,405,255	13,034,288	370,967		370,967	
2012	15,249,799	14,331,794	918,005		918,005	
2013	14,358,025	13,489,692	868,333		868,333	
2014	22,522,172	19,333,729	3,188,443		3,188,443	
2015	23,851,868	15,548,243	8,303,625		8,303,625	
2016	21,675,244	12,688,209	8,987,035		8,987,035	
2017	26,052,673	8,940,139	17,112,534		17,112,534	
2018	22,741,293	2,229,329	16,130,518	4,381,446	20,511,964	367,206,640

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	112,031	112,031	0		0	
1994	28,415	28,415	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	751,072	751,072	0		0	
2007	940,403	940,403	0		0	
2008	815,074	815,074	0		0	
2009	777,589	777,589	0		0	
2010	817,263	817,263	0		0	
2011	1,478,296	1,419,341	58,955		58,955	
2012	1,289,377	1,289,377	0		0	
2013	974,481	974,481	0		0	
2014	1,541,550	1,371,110	170,440		170,440	
2015	2,274,579	1,317,942	956,637		956,637	
2016	454,863	350,229	104,634		104,634	
2017	1,455,496	600,554	854,942		854,942	
2018	520,614	89,750	279,884	150,980	430,864	7,953,277

[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
Actual and Projected Experience using Current Assumptions by Policy Year
Nationwide Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	Loss Ratio Demonstration				
	A	B	C	D	E
Policy Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	39,718,176	1,747,697	4%	26,142	4%
2	36,464,683	1,769,811	5%	24,550	5%
3	34,637,458	3,134,306	9%	23,446	6%
4	33,269,635	7,731,617	23%	22,466	10%
5	32,327,154	6,090,854	19%	21,811	11%
6	31,468,971	9,289,834	30%	21,151	14%
7	30,749,469	9,041,797	29%	20,527	15%
8	30,227,128	14,806,631	49%	19,836	19%
9	29,838,979	15,293,304	51%	19,167	21%
10	30,111,226	13,689,648	45%	18,587	23%
11	23,344,686	15,864,982	68%	17,974	25%
12	22,911,796	19,492,712	85%	17,400	28%
13	22,357,648	19,306,762	86%	16,768	31%
14	21,830,738	19,279,958	88%	16,127	33%
15	21,307,001	24,587,726	115%	15,251	36%
16	21,068,252	24,567,034	117%	14,563	38%
17	20,854,312	23,540,758	113%	13,955	40%
18	20,520,118	29,030,001	141%	13,386	43%
19	20,011,880	28,719,099	144%	12,881	45%
20	19,429,656	29,927,701	154%	12,388	48%
21	17,683,174	31,750,929	180%	11,894	50%
22	16,776,847	33,839,731	202%	11,382	53%
23	15,800,891	35,768,668	226%	10,901	55%
24	14,836,082	37,979,437	256%	10,414	58%
25	13,862,339	40,631,481	293%	9,931	60%
26	12,902,087	42,643,110	331%	9,449	63%
27	11,950,198	44,975,327	376%	8,964	66%
28	11,014,325	47,285,258	429%	8,478	69%
29	10,102,855	49,401,522	489%	7,993	72%
30	9,222,298	51,245,903	556%	7,511	74%
31	8,376,802	52,825,542	631%	7,034	77%
32	7,569,986	54,153,701	715%	6,564	80%
33	6,804,890	55,116,152	810%	6,104	83%
34	6,083,913	55,769,194	917%	5,656	85%
35	5,409,196	55,930,630	1,034%	5,222	88%
36	4,782,507	55,619,622	1,163%	4,803	91%
37	4,204,525	54,852,122	1,305%	4,403	93%
38	3,675,251	53,670,929	1,460%	4,021	95%
39	3,194,249	52,096,326	1,631%	3,661	97%
40	2,760,445	50,220,434	1,819%	3,322	99%
41	2,372,145	48,046,211	2,025%	3,005	101%
42	2,027,211	45,677,793	2,253%	2,710	102%
43	1,723,062	43,175,389	2,506%	2,437	104%
44	1,456,876	40,501,308	2,780%	2,187	105%
45	1,225,643	37,669,560	3,073%	1,957	106%
46-50	3,664,050	146,871,972	4,008%	7,015	110%
51-55	1,385,187	87,090,041	6,287%	3,833	112%
56-60	486,525	44,398,432	9,126%	2,001	113%
61-65	155,103	19,642,542	12,664%	949	113%
66-70	42,929	7,487,981	17,443%	367	113%
71-75	9,977	2,186,102	21,912%	99	114%
Total	744,010,534	1,795,435,579	241%	542,641	114%

Attachment 5-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Nationwide Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Loss Ratio Demonstration				
	A	B	C	D	E
Policy Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	39,718,176	1,747,697	4%	26,142	4%
2	36,464,683	1,769,811	5%	24,550	5%
3	34,641,605	3,134,258	9%	23,444	6%
4	33,303,326	7,731,201	23%	22,459	10%
5	32,395,258	6,090,069	19%	21,800	11%
6	31,604,573	9,288,006	29%	21,129	14%
7	30,927,101	9,038,674	29%	20,500	15%
8	30,446,683	14,801,671	49%	19,802	19%
9	30,138,933	15,284,378	51%	19,123	21%
10	30,524,337	13,673,607	45%	18,528	23%
11	23,834,017	15,840,537	66%	17,912	25%
12	23,459,261	19,459,084	83%	17,334	28%
13	23,002,642	19,260,907	84%	16,695	30%
14	22,654,952	19,212,155	85%	16,043	32%
15	22,322,901	24,485,396	110%	15,150	35%
16	22,451,586	24,403,556	109%	14,415	38%
17	23,097,916	23,237,984	101%	13,672	40%
18	24,297,750	28,440,180	117%	12,969	42%
19	25,254,902	27,797,884	110%	12,379	44%
20	25,779,644	28,606,571	111%	11,827	46%
21	24,285,929	29,968,434	123%	11,296	48%
22	23,781,864	31,641,851	133%	10,780	50%
23	22,823,513	33,206,559	145%	10,310	52%
24	21,655,811	35,083,299	162%	9,841	53%
25	20,388,349	37,409,594	183%	9,382	56%
26	19,045,242	39,140,107	206%	8,927	58%
27	17,672,530	41,225,324	233%	8,472	60%
28	16,295,238	43,322,192	266%	8,019	62%
29	14,945,529	45,254,948	303%	7,566	64%
30	13,634,380	46,950,048	344%	7,117	67%
31	12,374,937	48,412,853	391%	6,671	69%
32	11,173,913	49,653,394	444%	6,232	71%
33	10,035,948	50,564,549	504%	5,801	73%
34	8,964,646	51,192,297	571%	5,381	76%
35	7,963,116	51,370,460	645%	4,973	78%
36	7,033,908	51,120,983	727%	4,580	80%
37	6,177,889	50,456,239	817%	4,203	82%
38	5,394,874	49,415,671	916%	3,844	83%
39	4,684,039	48,018,635	1,025%	3,503	85%
40	4,043,600	46,345,274	1,146%	3,182	87%
41	3,470,880	44,398,990	1,279%	2,882	88%
42	2,962,603	42,260,428	1,426%	2,603	89%
43	2,514,857	39,989,056	1,590%	2,344	91%
44	2,123,391	37,547,585	1,768%	2,105	92%
45	1,783,697	34,955,666	1,960%	1,887	93%
46-50	5,308,862	136,721,530	2,575%	6,786	96%
51-55	1,988,230	81,359,548	4,092%	3,730	98%
56-60	691,114	41,543,563	6,011%	1,958	99%
61-65	217,912	18,442,502	8,463%	932	99%
66-70	59,967	7,047,672	11,753%	362	99%
71-75	14,095	2,055,883	14,586%	97	99%
Total	859,831,113	1,679,378,762	195%	531,638	99%

Attachment 6-a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Series 11 and Prior Policy Forms

	Loss Ratio Demonstration				
	A	B	C	D	E
Policy Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	3,430,753	140,446	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	295,943	14%	1,347	5%
6	2,002,605	851,190	43%	1,293	10%
7	1,895,650	924,528	49%	1,228	13%
8	1,785,541	1,026,236	57%	1,159	17%
9	1,694,587	814,771	48%	1,084	19%
10	1,603,044	905,217	56%	1,015	21%
11	1,491,168	838,834	56%	946	23%
12	1,409,267	1,987,531	141%	879	27%
13	1,319,189	1,131,795	86%	831	29%
14	1,253,345	912,183	73%	778	31%
15	1,195,061	1,806,052	151%	724	34%
16	1,136,448	1,163,122	102%	656	36%
17	1,092,768	763,716	70%	588	36%
18	1,057,149	1,934,914	183%	521	39%
19	1,026,823	1,368,533	133%	480	41%
20	981,326	1,729,958	176%	444	43%
21	786,250	1,408,742	179%	403	44%
22	707,247	1,149,586	163%	363	46%
23	628,006	944,214	150%	328	46%
24	570,513	1,309,440	230%	301	48%
25	522,813	1,389,870	266%	278	49%
26	485,978	1,300,413	268%	258	50%
27	446,957	1,274,234	285%	238	51%
28	404,621	1,304,653	322%	220	52%
29	362,733	1,331,847	367%	203	54%
30	323,928	1,352,513	418%	186	55%
31	288,349	1,370,693	475%	171	56%
32	255,819	1,397,350	546%	156	57%
33	226,244	1,420,544	628%	143	58%
34	199,434	1,438,867	721%	130	59%
35	175,135	1,446,013	826%	118	60%
36	153,153	1,447,213	945%	107	60%
37	133,317	1,426,729	1,070%	97	61%
38	115,408	1,385,391	1,200%	87	62%
39	99,247	1,329,493	1,340%	78	63%
40	84,738	1,269,554	1,498%	70	63%
41	71,790	1,199,024	1,670%	62	64%
42	60,270	1,131,763	1,878%	55	64%
43	50,089	1,055,303	2,107%	48	65%
44	41,184	974,098	2,365%	42	65%
45	33,476	889,172	2,656%	36	66%
46-50	87,735	3,062,614	3,491%	113	67%
51-55	21,919	1,198,020	5,466%	43	67%
56-60	3,810	320,434	8,409%	12	67%
61-65	424	57,021	13,456%	2	67%
66-70	24	5,787	23,866%	0	67%
71-75	0	256	53,027%	0	67%
Total	41,113,391	55,440,979	135%	24,756	67%

Attachment 6-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Pennsylvania-Specific Experience After Requested Rate Increase
Series 11 and Prior Policy Forms

	Loss Ratio Demonstration				
	A	B	C	D	E
Policy Year	Earned Premium	Incurred Claims	Incurred Loss Ratio	End of Year Lives	Cumulative Loss Ratio w/ Max. Val. Interest
1	3,430,753	140,446	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	295,943	14%	1,347	5%
6	2,002,605	851,190	43%	1,293	10%
7	1,895,650	924,528	49%	1,228	13%
8	1,785,541	1,026,236	57%	1,159	17%
9	1,694,587	814,771	48%	1,084	19%
10	1,603,044	905,217	56%	1,015	21%
11	1,491,168	838,834	56%	946	23%
12	1,409,267	1,987,531	141%	879	27%
13	1,319,189	1,131,795	86%	831	29%
14	1,253,541	912,184	73%	778	31%
15	1,196,196	1,806,050	151%	724	34%
16	1,144,106	1,163,170	102%	656	36%
17	1,119,020	763,096	68%	586	36%
18	1,121,662	1,929,965	172%	516	39%
19	1,128,801	1,357,416	120%	471	41%
20	1,140,540	1,706,764	150%	432	43%
21	929,284	1,378,680	148%	392	44%
22	853,400	1,112,045	130%	352	45%
23	774,737	899,058	116%	317	46%
24	712,368	1,258,223	177%	291	47%
25	658,425	1,333,029	202%	267	48%
26	617,518	1,236,804	200%	247	49%
27	578,900	1,200,614	207%	227	50%
28	534,243	1,220,843	229%	209	51%
29	488,088	1,238,779	254%	192	52%
30	439,901	1,253,246	285%	177	53%
31	394,681	1,265,779	321%	162	54%
32	352,921	1,285,901	364%	149	55%
33	314,548	1,303,300	414%	136	55%
34	279,364	1,317,013	471%	124	56%
35	247,078	1,321,100	535%	113	57%
36	217,511	1,320,258	607%	102	58%
37	190,512	1,300,659	683%	93	58%
38	165,840	1,262,805	761%	83	59%
39	143,309	1,212,483	846%	75	60%
40	122,860	1,159,170	943%	67	60%
41	104,431	1,097,081	1,051%	59	61%
42	87,889	1,038,059	1,181%	52	61%
43	73,162	970,749	1,327%	46	62%
44	60,214	898,385	1,492%	40	62%
45	48,958	822,080	1,679%	35	62%
46-50	127,994	2,850,520	2,227%	110	63%
51-55	31,629	1,128,568	3,568%	42	64%
56-60	5,404	305,362	5,650%	12	64%
61-65	584	55,030	9,425%	2	64%
66-70	32	5,684	17,996%	0	64%
71-75	1	257	46,749%	0	64%
Total	43,689,512	52,861,855	121%	24,554	64%

<INSERT LETTERHEAD>

Letter of Authorization

To: Department of Insurance

MedAmerica Insurance Company ("MedAmerica") has entered into a service agreement with Milliman, Inc. ("Milliman") effective October 3, 2016, 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 as directed by MedAmerica. Milliman is also authorized to receive, on MedAmerica's behalf, written and oral communication from each state department of insurance for the purpose of completing the rate increase filing process.

MedAmerica is the reinsurer and/or administrator of a block of long-term care policies originally issued by the company.

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

<Name>, <Title>
<Company Name>
Thomas A Doran
CFO, Highmark Inc

1-27-20
Date

BlueCross of Northeastern Pennsylvania

An Independent Licensee of the Blue Cross and Blue Shield Association
®Registered Mark of the Blue Cross and Blue Shield Association

Home Office: Wilkes-Barre, PA

***Time-Sensitive!* Action Needed - 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>>
<<STREET_ADDRESS1>>
<<STREET_ADDRESS2>>
<<CITY>> <<STATE>> <<ZIP>>

<<DATE>>
Billing Account ID: <<POLICY_NUMBER>>

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** between the hours of 8:30 a.m. and 5 p.m. EST, Monday through Friday.

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

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

Enclosure

BlueCross of Northeastern Pennsylvania

An Independent Licensee of the Blue Cross and Blue Shield Association
®Registered Mark of the Blue Cross and Blue Shield Association

Home Office: Wilkes-Barre, PA

Contingent Non-Forfeiture Benefit Election Form

<<FIRST_NAME>> <<LAST_NAME>>
<<STREET_ADDRESS1>>
<<STREET_ADDRESS2>>
<<CITY>> <<STATE>> <<ZIP>>

<<DATE>>
Billing Account ID: <<POLICY_NUMBER>>

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. This option is not a cash refund. 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.