Filing at a Glance

Company:	Highmark Inc
Product Name:	Long-Term Care
State:	Pennsylvania
TOI:	LTC03I Individual Long Term Care
Sub-TOI:	LTC03I.001 Qualified
Filing Type:	Rate - Other (Not M.U. or G.I. Product)
Date Submitted:	01/28/2020
SERFF Tr Num:	MILL-132029492
SERFF Status:	Assigned
State Tr Num:	MILL-132029492
State Status:	Received Review in Progress
Co Tr Num:	SIMPLICITY(HIGHMARK BS)
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 36.9% increase on 344 policyholders of SPL-336-HMBSPA and FSPL-336-HMBSPA.

State: *Pennsylvania* **Filing Company:** *Highmark Inc*
TOI/Sub-TOI: *LTC03I Individual Long Term Care/LTC03I.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08*

General Information

Project Name: MedAmerica Nationwide 2020 Rate Increase
Project Number: 145MAI01-60.08
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact: 36.9%

Deemer Date:
Submitted By: Michael Emmert

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: Pennsylvania is the state of domicile.

Market Type: Individual
Individual Market Type:
Filing Status Changed: 01/30/2020
State Status Changed: 01/30/2020
Created By: Kjell Hokanson
Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:

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

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

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

This rate increase request is a follow-up to three 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 issue age and inflation protection option. The enclosed cover letter provides the requested rate increase in this jurisdiction by issue age and inflation protection option.

The cover letter provides the average prior, requested, and cumulative rate increases for the form(s) by issue age and inflation protection option.

The prior increase reflects the cumulative increase of six prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, September 2017, and December 2018. The company is seeking this 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. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

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

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)

Highmark Inc
120 Fifth Avenue
Suite 1736
Pittsburgh, PA 15222
(412) 544-3673 ext. [Phone]

CoCode: 54771
Group Code: 812
Group Name: Highmark Grp
FEIN Number: 23-1294723

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

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: *Pennsylvania* **Filing Company:** *Highmark Inc*
TOI/Sub-TOI: *LTC03I Individual Long Term Care/LTC03I.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08*

Rate Information

Rate data applies to filing.

Filing Method:	Review and Approval
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	19.900%
Effective Date of Last Rate Revision:	12/05/2018
Filing Method of Last Filing:	Review and Approval
SERFF Tracking Number of Last Filing:	MILL-131545017

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Highmark Inc	36.900%	36.900%	$376,896	344	$1,021,769	46.300%	7.700%

State: *Pennsylvania* **Filing Company:** *Highmark Inc*
TOI/Sub-TOI: *LTC03I Individual Long Term Care/LTC03I.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08*

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Tables	SPL-336-HMBSPA, FSPL-336-HMBSPA	Revised	Previous State Filing Number: MILL-131545017 Percent Rate Change Request: 36.9	PA_Highmark BS_Simplicity_Current Premium Rates_20200128.pdf, PA_Highmark BS_Simplicity_Proposed Premium Rates_20200128.pdf,

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	80.00	108.00	130.00	152.00	179.00	251.00
30	86.00	113.00	138.00	157.00	188.00	262.00
31	86.00	119.00	141.00	160.00	193.00	270.00
32	88.00	119.00	146.00	163.00	199.00	276.00
33	91.00	124.00	149.00	171.00	204.00	284.00
34	94.00	127.00	152.00	177.00	210.00	298.00
35	97.00	130.00	160.00	182.00	215.00	304.00
36	99.00	135.00	163.00	188.00	224.00	312.00
37	102.00	138.00	166.00	193.00	229.00	323.00
38	105.00	141.00	174.00	199.00	237.00	328.00
39	108.00	144.00	179.00	204.00	240.00	337.00
40	108.00	149.00	181.00	205.00	243.00	340.00
41	111.00	151.00	186.00	211.00	246.00	351.00
42	113.00	157.00	192.00	216.00	254.00	359.00
43	116.00	159.00	194.00	224.00	262.00	370.00
44	122.00	165.00	203.00	227.00	270.00	381.00
45	122.00	163.00	194.00	223.00	267.00	378.00
46	124.00	168.00	202.00	231.00	275.00	389.00
47	124.00	174.00	207.00	236.00	282.00	399.00
48	130.00	174.00	212.00	243.00	290.00	409.00
49	132.00	181.00	218.00	251.00	298.00	420.00
50	131.00	179.00	217.00	249.00	297.00	418.00
51	139.00	184.00	227.00	260.00	307.00	433.00
52	139.00	189.00	232.00	265.00	315.00	446.00
53	144.00	194.00	237.00	272.00	328.00	459.00
54	146.00	199.00	244.00	277.00	335.00	469.00
55	145.00	195.00	243.00	276.00	331.00	462.00
56	148.00	200.00	243.00	276.00	331.00	469.00
57	150.00	202.00	248.00	283.00	340.00	483.00
58	155.00	209.00	257.00	293.00	350.00	495.00
59	157.00	214.00	262.00	300.00	359.00	509.00
60	158.00	214.00	261.00	301.00	359.00	511.00
61	165.00	223.00	274.00	314.00	377.00	533.00
62	172.00	234.00	285.00	330.00	395.00	558.00
63	178.00	243.00	299.00	343.00	410.00	582.00
64	185.00	254.00	310.00	355.00	428.00	607.00
65	176.00	242.00	300.00	344.00	414.00	592.00
66	184.00	253.00	311.00	356.00	431.00	619.00
67	190.00	263.00	321.00	371.00	447.00	644.00
68	197.00	269.00	333.00	383.00	466.00	669.00
69	201.00	277.00	346.00	397.00	482.00	698.00
70	195.00	269.00	333.00	386.00	470.00	683.00
71	201.00	279.00	343.00	400.00	486.00	710.00
72	205.00	285.00	353.00	411.00	503.00	735.00
73	209.00	291.00	361.00	423.00	517.00	761.00
74	211.00	296.00	371.00	431.00	532.00	786.00
75	218.00	310.00	389.00	458.00	571.00	865.00
76	220.00	311.00	393.00	464.00	581.00	887.00
77	218.00	313.00	396.00	469.00	592.00	908.00
78	218.00	313.00	398.00	472.00	599.00	931.00
79	216.00	311.00	398.00	474.00	606.00	948.00
80	215.00	313.00	403.00	484.00	N/A	N/A
81	211.00	308.00	401.00	483.00	N/A	N/A
82	204.00	301.00	394.00	476.00	N/A	N/A
83	195.00	292.00	384.00	471.00	N/A	N/A
84	185.00	279.00	372.00	457.00	N/A	N/A
85	176.00	273.00	372.00	465.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	8.00	8.00	11.00	17.00	19.00	30.00
30	8.00	11.00	14.00	17.00	19.00	30.00
31	8.00	14.00	14.00	17.00	19.00	33.00
32	8.00	14.00	17.00	17.00	22.00	36.00
33	8.00	14.00	17.00	19.00	25.00	36.00
34	11.00	14.00	17.00	22.00	28.00	41.00
35	14.00	14.00	19.00	22.00	30.00	41.00
36	11.00	17.00	22.00	22.00	33.00	44.00
37	14.00	19.00	22.00	28.00	33.00	50.00
38	14.00	19.00	28.00	30.00	36.00	47.00
39	14.00	19.00	28.00	33.00	39.00	50.00
40	16.00	24.00	30.00	35.00	41.00	54.00
41	16.00	27.00	32.00	38.00	38.00	59.00
42	19.00	30.00	35.00	38.00	43.00	62.00
43	19.00	30.00	35.00	43.00	46.00	68.00
44	24.00	32.00	41.00	41.00	49.00	70.00
45	26.00	34.00	36.00	41.00	52.00	75.00
46	28.00	36.00	41.00	47.00	54.00	80.00
47	28.00	39.00	44.00	52.00	60.00	88.00
48	31.00	36.00	47.00	52.00	65.00	96.00
49	34.00	41.00	52.00	57.00	67.00	101.00
50	33.00	45.00	53.00	60.00	71.00	106.00
51	38.00	48.00	58.00	66.00	81.00	113.00
52	38.00	50.00	60.00	68.00	86.00	121.00
53	40.00	55.00	66.00	78.00	93.00	131.00
54	43.00	58.00	71.00	83.00	101.00	141.00
55	45.00	60.00	76.00	88.00	102.00	145.00
56	50.00	67.00	81.00	90.00	107.00	155.00
57	52.00	69.00	86.00	98.00	114.00	164.00
58	57.00	76.00	93.00	105.00	124.00	176.00
59	62.00	81.00	98.00	112.00	136.00	190.00
60	65.00	85.00	103.00	118.00	140.00	198.00
61	69.00	94.00	114.00	129.00	154.00	219.00
62	76.00	105.00	125.00	143.00	169.00	239.00
63	85.00	112.00	138.00	156.00	185.00	261.00
64	91.00	125.00	149.00	169.00	203.00	285.00
65	91.00	126.00	153.00	176.00	209.00	300.00
66	101.00	137.00	168.00	190.00	228.00	329.00
67	108.00	149.00	180.00	207.00	248.00	360.00
68	118.00	159.00	197.00	224.00	271.00	393.00
69	124.00	172.00	213.00	244.00	294.00	428.00
70	127.00	174.00	215.00	248.00	298.00	441.00
71	137.00	187.00	230.00	267.00	324.00	478.00
72	144.00	199.00	246.00	287.00	349.00	517.00
73	152.00	213.00	263.00	306.00	374.00	558.00
74	162.00	224.00	279.00	326.00	400.00	599.00
75	173.00	244.00	306.00	360.00	448.00	689.00
76	180.00	254.00	320.00	377.00	472.00	732.00
77	185.00	265.00	334.00	393.00	497.00	773.00
78	190.00	272.00	344.00	408.00	517.00	815.00
79	192.00	277.00	355.00	420.00	538.00	853.00
80	195.00	284.00	367.00	441.00	N/A	N/A
81	195.00	285.00	372.00	446.00	N/A	N/A
82	192.00	285.00	372.00	450.00	N/A	N/A
83	187.00	279.00	368.00	450.00	N/A	N/A
84	180.00	270.00	362.00	443.00	N/A	N/A
85	173.00	268.00	363.00	455.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	17.00	25.00	30.00	39.00	50.00	75.00
30	19.00	28.00	33.00	41.00	50.00	77.00
31	19.00	30.00	36.00	44.00	52.00	80.00
32	22.00	30.00	41.00	44.00	58.00	86.00
33	22.00	33.00	41.00	50.00	58.00	91.00
34	25.00	33.00	44.00	52.00	63.00	97.00
35	28.00	33.00	47.00	52.00	66.00	99.00
36	28.00	41.00	50.00	55.00	69.00	105.00
37	30.00	41.00	52.00	58.00	72.00	110.00
38	30.00	44.00	55.00	63.00	77.00	113.00
39	30.00	47.00	58.00	66.00	80.00	119.00
40	32.00	49.00	59.00	68.00	84.00	127.00
41	38.00	51.00	62.00	73.00	84.00	132.00
42	38.00	54.00	68.00	76.00	89.00	140.00
43	41.00	54.00	68.00	81.00	95.00	149.00
44	46.00	59.00	73.00	81.00	97.00	154.00
45	44.00	60.00	70.00	80.00	98.00	158.00
46	47.00	65.00	75.00	88.00	109.00	166.00
47	47.00	67.00	80.00	93.00	114.00	174.00
48	52.00	65.00	83.00	96.00	119.00	181.00
49	54.00	73.00	88.00	104.00	124.00	192.00
50	53.00	73.00	88.00	106.00	129.00	197.00
51	58.00	78.00	93.00	113.00	136.00	207.00
52	58.00	81.00	101.00	116.00	144.00	217.00
53	60.00	86.00	106.00	123.00	151.00	227.00
54	63.00	88.00	113.00	129.00	159.00	237.00
55	64.00	90.00	114.00	131.00	162.00	243.00
56	69.00	93.00	117.00	133.00	164.00	250.00
57	71.00	98.00	121.00	140.00	171.00	262.00
58	74.00	102.00	129.00	148.00	181.00	274.00
59	79.00	107.00	133.00	155.00	190.00	288.00
60	80.00	109.00	136.00	158.00	194.00	292.00
61	85.00	118.00	145.00	169.00	207.00	312.00
62	89.00	127.00	154.00	181.00	221.00	335.00
63	96.00	132.00	165.00	192.00	234.00	355.00
64	103.00	143.00	174.00	203.00	250.00	375.00
65	99.00	139.00	174.00	203.00	248.00	377.00
66	106.00	147.00	184.00	213.00	263.00	400.00
67	112.00	155.00	195.00	226.00	279.00	424.00
68	118.00	164.00	205.00	238.00	296.00	449.00
69	122.00	172.00	215.00	253.00	311.00	476.00
70	121.00	170.00	213.00	250.00	308.00	476.00
71	127.00	177.00	222.00	263.00	326.00	503.00
72	131.00	185.00	232.00	275.00	343.00	528.00
73	135.00	191.00	242.00	287.00	359.00	556.00
74	138.00	199.00	252.00	298.00	374.00	583.00
75	147.00	211.00	270.00	324.00	412.00	657.00
76	149.00	216.00	277.00	332.00	426.00	685.00
77	151.00	220.00	284.00	339.00	439.00	713.00
78	152.00	223.00	289.00	348.00	450.00	739.00
79	152.00	225.00	292.00	353.00	464.00	765.00
80	154.00	228.00	299.00	367.00	N/A	N/A
81	151.00	227.00	301.00	368.00	N/A	N/A
82	147.00	225.00	299.00	368.00	N/A	N/A
83	142.00	218.00	296.00	367.00	N/A	N/A
84	137.00	209.00	289.00	360.00	N/A	N/A
85	128.00	206.00	289.00	370.00	N/A	N/A

HIGHMARK BLUE SHIELD
120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222
Form Number: SPL-336-HMBSPA
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PREMIUMS PER $300 FACILITY MONTHLY BENEFIT
LONG TERM CARE POLICIES

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

Indexing: None
Individual Underwriting
Rate Class II

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	19.00	25.00	28.00	28.00	33.00	41.00
30	19.00	25.00	28.00	30.00	36.00	44.00
31	22.00	25.00	30.00	33.00	39.00	47.00
32	22.00	28.00	30.00	36.00	39.00	50.00
33	25.00	28.00	33.00	36.00	41.00	52.00
34	25.00	30.00	36.00	39.00	44.00	55.00
35	25.00	33.00	36.00	41.00	47.00	61.00
36	28.00	33.00	39.00	44.00	50.00	63.00
37	28.00	36.00	41.00	47.00	52.00	66.00
38	30.00	39.00	44.00	50.00	55.00	75.00
39	33.00	41.00	47.00	52.00	61.00	80.00
40	32.00	41.00	49.00	54.00	62.00	81.00
41	35.00	43.00	51.00	57.00	70.00	86.00
42	38.00	46.00	54.00	62.00	73.00	92.00
43	41.00	51.00	59.00	65.00	78.00	97.00
44	41.00	54.00	62.00	73.00	84.00	105.00
45	41.00	54.00	67.00	75.00	85.00	106.00
46	44.00	57.00	70.00	78.00	91.00	114.00
47	49.00	62.00	75.00	83.00	96.00	122.00
48	52.00	70.00	80.00	91.00	104.00	130.00
49	54.00	73.00	85.00	96.00	111.00	140.00
50	58.00	76.00	91.00	101.00	116.00	146.00
51	60.00	81.00	96.00	106.00	123.00	156.00
52	68.00	88.00	103.00	116.00	131.00	166.00
53	73.00	93.00	111.00	123.00	141.00	179.00
54	78.00	100.00	118.00	133.00	151.00	193.00
55	81.00	105.00	121.00	136.00	157.00	200.00
56	83.00	109.00	129.00	145.00	167.00	209.00
57	90.00	119.00	140.00	157.00	181.00	226.00
58	98.00	129.00	150.00	169.00	195.00	245.00
59	104.00	137.00	164.00	182.00	209.00	263.00
60	109.00	145.00	172.00	192.00	221.00	277.00
61	120.00	158.00	187.00	210.00	241.00	301.00
62	132.00	172.00	205.00	227.00	263.00	328.00
63	139.00	184.00	217.00	243.00	280.00	349.00
64	148.00	194.00	232.00	260.00	298.00	371.00
65	164.00	215.00	255.00	286.00	329.00	410.00
66	177.00	235.00	278.00	313.00	361.00	447.00
67	191.00	251.00	299.00	336.00	386.00	480.00
68	203.00	269.00	320.00	359.00	411.00	513.00
69	219.00	289.00	342.00	384.00	443.00	549.00
70	236.00	312.00	372.00	417.00	481.00	595.00
71	255.00	339.00	405.00	453.00	524.00	648.00
72	278.00	370.00	441.00	494.00	569.00	706.00
73	302.00	402.00	480.00	538.00	621.00	769.00
74	328.00	435.00	521.00	585.00	675.00	836.00
75	417.00	557.00	668.00	753.00	872.00	1,085.00
76	455.00	609.00	732.00	825.00	957.00	1,190.00
77	494.00	660.00	795.00	898.00	1,041.00	1,295.00
78	527.00	708.00	853.00	963.00	1,119.00	1,389.00
79	564.00	759.00	915.00	1,034.00	1,200.00	1,491.00
80	619.00	836.00	1,009.00	1,141.00	N/A	N/A
81	662.00	896.00	1,082.00	1,226.00	N/A	N/A
82	704.00	952.00	1,151.00	1,306.00	N/A	N/A
83	750.00	1,016.00	1,230.00	1,394.00	N/A	N/A
84	795.00	1,082.00	1,310.00	1,487.00	N/A	N/A
85	929.00	1,270.00	1,548.00	1,763.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	72.00	96.90	116.70	136.60	161.50	226.00
30	77.00	101.80	124.20	141.60	168.90	236.00
31	77.00	106.80	126.70	144.10	173.90	243.40
32	79.50	106.80	131.70	146.60	178.80	248.40
33	82.00	111.80	134.10	154.00	183.80	255.90
34	84.50	114.30	136.60	159.00	188.80	268.30
35	86.90	116.70	144.10	163.90	193.80	273.20
36	89.40	121.70	146.60	168.90	201.20	280.70
37	91.90	124.20	149.00	173.90	206.20	290.60
38	94.40	126.70	156.50	178.80	213.60	295.60
39	96.90	129.20	161.50	183.80	216.10	303.00
40	97.20	133.70	162.80	184.70	218.70	306.20
41	99.60	136.10	167.70	189.50	221.10	315.90
42	102.10	140.90	172.50	194.40	228.40	323.20
43	104.50	143.40	175.00	201.70	235.70	332.90
44	109.40	148.20	182.30	204.10	243.00	342.60
45	109.60	146.90	174.80	200.50	240.10	340.30
46	111.90	151.50	181.80	207.50	247.10	349.70
47	111.90	156.20	186.50	212.10	254.10	359.00
48	116.60	156.20	191.10	219.10	261.10	368.30
49	118.90	163.20	195.80	226.10	268.10	377.60
50	117.90	161.00	195.00	224.50	267.60	376.50
51	124.70	165.60	204.10	233.60	276.70	390.10
52	124.70	170.10	208.70	238.10	283.50	401.40
53	129.30	174.60	213.20	244.90	294.80	412.80
54	131.50	179.20	220.00	249.50	301.60	421.80
55	130.70	175.60	218.50	248.50	297.70	415.50
56	132.80	179.90	218.50	248.50	297.70	422.00
57	134.90	182.10	222.80	254.90	306.30	434.80
58	139.20	188.50	231.30	263.50	314.90	445.50
59	141.40	192.80	235.60	269.90	323.40	458.40
60	142.50	192.70	234.80	270.90	323.10	459.60
61	148.50	200.70	246.90	283.00	339.20	479.70
62	154.50	210.70	256.90	297.00	355.20	501.80
63	160.60	218.80	268.90	309.10	369.30	523.80
64	166.60	228.80	279.00	319.10	385.30	545.90
65	158.40	218.00	270.10	309.30	372.60	532.80
66	165.80	227.30	279.50	320.40	387.50	557.00
67	171.40	236.60	288.80	333.50	402.40	579.40
68	177.00	242.20	299.90	344.70	419.20	601.70
69	180.70	249.60	311.10	357.70	434.10	627.80
70	175.50	242.20	300.10	347.50	423.00	614.30
71	180.80	251.00	308.90	359.80	437.00	638.80
72	184.30	256.20	317.70	370.30	452.80	661.60
73	187.80	261.50	324.70	380.80	465.10	684.50
74	189.50	266.80	333.50	387.90	479.10	707.30
75	196.20	278.70	350.30	412.60	513.80	778.50
76	197.70	280.30	353.40	417.30	523.20	798.70
77	196.20	281.80	356.60	421.90	532.50	817.40
78	196.20	281.80	358.10	425.10	538.70	837.70
79	194.60	280.30	358.10	426.60	545.00	853.20
80	193.10	281.80	362.80	436.00	N/A	N/A
81	190.00	277.10	361.20	434.40	N/A	N/A
82	183.70	270.90	355.00	428.20	N/A	N/A
83	175.90	263.10	345.70	423.50	N/A	N/A
84	166.60	250.70	334.80	411.00	N/A	N/A
85	158.80	246.00	334.80	418.80	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	7.50	7.50	9.90	14.90	17.40	27.30
30	7.50	9.90	12.40	14.90	17.40	27.30
31	7.50	12.40	12.40	14.90	17.40	29.80
32	7.50	12.40	14.90	14.90	19.90	32.30
33	7.50	12.40	14.90	17.40	22.40	32.30
34	9.90	12.40	14.90	19.90	24.80	37.30
35	12.40	12.40	17.40	19.90	27.30	37.30
36	9.90	14.90	19.90	19.90	29.80	39.70
37	12.40	17.40	19.90	24.80	29.80	44.70
38	12.40	17.40	24.80	27.30	32.30	42.20
39	12.40	17.40	24.80	29.80	34.80	44.70
40	14.60	21.90	26.70	31.60	36.50	48.60
41	14.60	24.30	29.20	34.00	34.00	53.50
42	17.00	26.70	31.60	34.00	38.90	55.90
43	17.00	26.70	31.60	38.90	41.30	60.80
44	21.90	29.20	36.50	36.50	43.70	63.20
45	23.30	30.30	32.60	37.30	46.60	67.60
46	25.60	32.60	37.30	42.00	49.00	72.30
47	25.60	35.00	39.60	46.60	53.60	79.30
48	28.00	32.60	42.00	46.60	58.30	86.20
49	30.30	37.30	46.60	51.30	60.60	90.90
50	29.50	40.80	47.60	54.40	63.50	95.30
51	34.00	43.10	52.20	59.00	72.60	102.10
52	34.00	45.40	54.40	61.20	77.10	108.90
53	36.30	49.90	59.00	70.30	83.90	117.90
54	38.60	52.20	63.50	74.80	90.70	127.00
55	40.70	53.60	68.50	79.30	92.10	130.70
56	45.00	60.00	72.80	81.40	96.40	139.20
57	47.10	62.10	77.10	87.80	102.80	147.80
58	51.40	68.50	83.50	94.20	111.40	158.50
59	55.70	72.80	87.80	100.70	122.10	171.40
60	58.20	76.30	92.30	106.40	126.40	178.60
61	62.20	84.30	102.40	116.40	138.50	196.70
62	68.20	94.30	112.40	128.40	152.50	214.70
63	76.30	100.40	124.40	140.50	166.60	234.80
64	82.30	112.40	134.50	152.50	182.60	256.90
65	82.00	113.60	137.90	158.40	188.20	270.10
66	91.30	123.00	150.90	171.40	204.90	296.20
67	96.90	134.10	162.10	186.30	223.60	324.20
68	106.20	143.50	177.00	201.20	244.10	354.00
69	111.80	154.60	191.90	219.80	264.50	385.60
70	114.10	156.20	193.10	222.90	268.50	396.60
71	122.90	168.50	207.10	240.40	291.30	430.00
72	129.90	179.00	221.10	258.00	314.10	465.10
73	136.90	191.30	236.90	275.50	337.00	501.90
74	145.70	201.80	251.00	293.10	359.80	538.80
75	155.70	219.50	275.60	323.90	403.30	619.70
76	161.90	228.90	288.00	339.40	425.10	658.60
77	166.60	238.20	300.50	353.40	446.90	696.00
78	171.30	244.40	309.80	367.50	465.50	733.30
79	172.80	249.10	319.20	378.40	484.20	767.60
80	175.90	255.30	330.10	397.00	N/A	N/A
81	175.90	256.90	334.80	401.70	N/A	N/A
82	172.80	256.90	334.80	404.80	N/A	N/A
83	168.20	250.70	331.60	404.80	N/A	N/A
84	161.90	242.90	325.40	398.60	N/A	N/A
85	155.70	241.30	327.00	409.50	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	14.90	22.40	27.30	34.80	44.70	67.10
30	17.40	24.80	29.80	37.30	44.70	69.60
31	17.40	27.30	32.30	39.70	47.20	72.00
32	19.90	27.30	37.30	39.70	52.20	77.00
33	19.90	29.80	37.30	44.70	52.20	82.00
34	22.40	29.80	39.70	47.20	57.10	86.90
35	24.80	29.80	42.20	47.20	59.60	89.40
36	24.80	37.30	44.70	49.70	62.10	94.40
37	27.30	37.30	47.20	52.20	64.60	99.40
38	27.30	39.70	49.70	57.10	69.60	101.80
39	27.30	42.20	52.20	59.60	72.00	106.80
40	29.20	43.70	53.50	60.80	75.30	114.20
41	34.00	46.20	55.90	65.60	75.30	119.10
42	34.00	48.60	60.80	68.00	80.20	126.40
43	36.50	48.60	60.80	72.90	85.10	133.70
44	41.30	53.50	65.60	72.90	87.50	138.50
45	39.60	53.60	62.90	72.30	88.60	142.20
46	42.00	58.30	67.60	79.30	97.90	149.20
47	42.00	60.60	72.30	83.90	102.60	156.20
48	46.60	58.30	74.60	86.20	107.20	163.20
49	49.00	65.30	79.30	93.20	111.90	172.50
50	47.60	65.80	79.40	95.30	115.70	176.90
51	52.20	70.30	83.90	102.10	122.50	186.00
52	52.20	72.60	90.70	104.30	129.30	195.00
53	54.40	77.10	95.30	111.10	136.10	204.10
54	56.70	79.40	102.10	115.70	142.90	213.20
55	57.80	81.40	102.80	117.80	145.70	218.50
56	62.10	83.50	105.00	120.00	147.80	224.90
57	64.30	87.80	109.20	126.40	154.20	235.60
58	66.40	92.10	115.70	132.80	162.80	246.30
59	70.70	96.40	120.00	139.20	171.40	259.20
60	72.30	98.30	122.40	142.50	174.60	262.90
61	76.30	106.40	130.50	152.50	186.70	281.00
62	80.30	114.40	138.50	162.60	198.70	301.10
63	86.30	118.40	148.50	172.60	210.70	319.10
64	92.30	128.40	156.50	182.60	224.80	337.20
65	89.40	124.80	156.50	182.60	223.60	339.10
66	95.00	132.30	165.80	191.90	236.60	359.60
67	100.60	139.70	175.10	203.10	251.50	381.90
68	106.20	147.20	184.40	214.20	266.40	404.30
69	109.90	154.60	193.80	227.30	279.50	428.50
70	108.80	152.70	191.30	224.60	277.30	428.20
71	114.10	159.70	200.10	236.90	293.10	452.80
72	117.60	166.70	208.80	247.50	308.90	475.60
73	121.10	172.00	217.60	258.00	322.90	500.20
74	124.60	179.00	226.40	268.50	337.00	524.70
75	132.30	190.00	242.90	291.20	370.60	591.70
76	133.90	194.60	249.10	298.90	383.00	616.60
77	135.50	197.70	255.30	305.20	395.50	641.50
78	137.00	200.90	260.00	313.00	404.80	664.80
79	137.00	202.40	263.10	317.60	417.30	688.20
80	138.60	205.50	269.40	330.10	N/A	N/A
81	135.50	204.00	270.90	331.60	N/A	N/A
82	132.30	202.40	269.40	331.60	N/A	N/A
83	127.70	196.20	266.20	330.10	N/A	N/A
84	123.00	188.40	260.00	323.90	N/A	N/A
85	115.20	185.30	260.00	333.20	N/A	N/A

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

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

Indexing: None
Individual Underwriting
Rate Class II

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	17.40	22.40	24.80	24.80	29.80	37.30
30	17.40	22.40	24.80	27.30	32.30	39.70
31	19.90	22.40	27.30	29.80	34.80	42.20
32	19.90	24.80	27.30	32.30	34.80	44.70
33	22.40	24.80	29.80	32.30	37.30	47.20
34	22.40	27.30	32.30	34.80	39.70	49.70
35	22.40	29.80	32.30	37.30	42.20	54.60
36	24.80	29.80	34.80	39.70	44.70	57.10
37	24.80	32.30	37.30	42.20	47.20	59.60
38	27.30	34.80	39.70	44.70	49.70	67.10
39	29.80	37.30	42.20	47.20	54.60	72.00
40	29.20	36.50	43.70	48.60	55.90	72.90
41	31.60	38.90	46.20	51.00	63.20	77.80
42	34.00	41.30	48.60	55.90	65.60	82.60
43	36.50	46.20	53.50	58.30	70.50	87.50
44	36.50	48.60	55.90	65.60	75.30	94.80
45	37.30	49.00	60.60	67.60	76.90	95.60
46	39.60	51.30	62.90	69.90	81.60	102.60
47	44.30	55.90	67.60	74.60	86.20	109.60
48	46.60	62.90	72.30	81.60	93.20	116.60
49	49.00	65.30	76.90	86.20	100.20	125.90
50	52.20	68.00	81.60	90.70	104.30	131.50
51	54.40	72.60	86.20	95.30	111.10	140.60
52	61.20	79.40	93.00	104.30	117.90	149.70
53	65.80	83.90	99.80	111.10	127.00	161.00
54	70.00	90.40	106.20	119.70	135.50	173.90
55	72.80	94.20	109.20	122.10	141.40	179.90
56	75.00	98.50	115.70	130.70	149.90	188.50
57	81.40	107.10	126.40	141.40	162.80	203.50
58	87.80	115.70	134.90	152.10	175.60	220.60
59	93.90	123.70	147.20	164.20	187.70	236.80
60	98.30	130.50	154.50	172.60	198.70	248.90
61	108.40	142.50	168.60	188.70	216.80	270.90
62	118.40	154.50	184.60	204.70	236.80	295.00
63	125.00	166.00	195.30	218.70	251.90	314.40
64	132.90	174.70	208.90	233.60	267.80	334.20
65	147.20	193.80	229.10	257.10	296.20	368.90
66	159.40	211.40	250.30	281.80	324.50	402.30
67	171.90	226.10	269.50	302.10	347.30	432.40
68	182.50	242.20	287.80	322.90	370.30	461.60
69	196.70	259.90	307.80	345.40	398.40	494.20
70	212.10	281.10	334.90	375.30	432.50	535.20
71	229.80	304.70	364.60	407.90	471.20	582.80
72	250.30	332.70	396.90	444.70	512.20	635.70
73	272.00	361.60	431.70	483.80	558.70	692.30
74	294.80	391.50	468.80	526.80	607.30	752.30
75	375.20	501.40	601.00	677.30	784.70	976.20
76	409.50	548.10	658.60	742.70	861.00	1,071.20
77	444.30	594.40	715.20	808.10	936.50	1,165.60
78	474.60	637.30	768.10	867.00	1,006.90	1,250.30
79	508.00	682.80	823.20	930.80	1,080.20	1,341.60
80	557.50	752.60	908.10	1,026.90	N/A	N/A
81	596.20	806.40	973.40	1,103.00	N/A	N/A
82	633.20	856.40	1,036.20	1,175.10	N/A	N/A
83	674.70	914.30	1,107.10	1,254.40	N/A	N/A
84	715.50	973.40	1,178.60	1,337.90	N/A	N/A
85	836.10	1,143.10	1,393.10	1,586.30	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	114.00	153.00	185.00	216.00	256.00	358.00
30	122.00	161.00	197.00	224.00	267.00	373.00
31	122.00	169.00	200.00	228.00	275.00	385.00
32	126.00	169.00	208.00	232.00	283.00	393.00
33	130.00	177.00	212.00	244.00	291.00	405.00
34	134.00	181.00	216.00	252.00	299.00	425.00
35	138.00	185.00	228.00	259.00	307.00	432.00
36	142.00	193.00	232.00	267.00	318.00	444.00
37	145.00	197.00	236.00	275.00	326.00	460.00
38	149.00	200.00	248.00	283.00	338.00	468.00
39	153.00	204.00	256.00	291.00	342.00	480.00
40	157.00	216.00	263.00	299.00	354.00	495.00
41	161.00	220.00	271.00	307.00	358.00	511.00
42	165.00	228.00	279.00	314.00	370.00	523.00
43	169.00	232.00	283.00	326.00	381.00	539.00
44	177.00	240.00	295.00	330.00	393.00	554.00
45	178.00	239.00	284.00	326.00	390.00	553.00
46	179.00	242.00	291.00	332.00	395.00	559.00
47	176.00	245.00	293.00	333.00	399.00	564.00
48	180.00	241.00	295.00	338.00	403.00	568.00
49	179.00	246.00	295.00	340.00	404.00	569.00
50	182.00	248.00	301.00	346.00	413.00	581.00
51	191.00	253.00	312.00	357.00	423.00	596.00
52	189.00	258.00	317.00	362.00	431.00	610.00
53	195.00	263.00	321.00	369.00	444.00	621.00
54	197.00	268.00	329.00	373.00	451.00	631.00
55	207.00	278.00	346.00	393.00	471.00	658.00
56	207.00	280.00	340.00	387.00	464.00	657.00
57	208.00	280.00	343.00	392.00	471.00	669.00
58	211.00	285.00	350.00	399.00	476.00	674.00
59	211.00	288.00	352.00	403.00	483.00	684.00
60	227.00	307.00	374.00	432.00	515.00	732.00
61	230.00	311.00	383.00	439.00	526.00	743.00
62	233.00	318.00	387.00	448.00	535.00	756.00
63	234.00	319.00	392.00	451.00	539.00	764.00
64	237.00	325.00	396.00	453.00	547.00	776.00
65	242.00	334.00	413.00	473.00	570.00	815.00
66	248.00	340.00	418.00	479.00	580.00	833.00
67	249.00	344.00	420.00	485.00	586.00	843.00
68	250.00	343.00	424.00	488.00	593.00	851.00
69	249.00	344.00	429.00	494.00	599.00	866.00
70	253.00	349.00	432.00	500.00	609.00	885.00
71	257.00	357.00	439.00	511.00	621.00	908.00
72	260.00	361.00	448.00	522.00	638.00	932.00
73	261.00	364.00	452.00	530.00	647.00	952.00
74	261.00	368.00	460.00	535.00	660.00	975.00
75	305.00	433.00	544.00	641.00	798.00	1,210.00
76	300.00	426.00	537.00	634.00	795.00	1,213.00
77	293.00	420.00	532.00	629.00	794.00	1,219.00
78	287.00	412.00	524.00	622.00	788.00	1,226.00
79	281.00	404.00	517.00	616.00	786.00	1,231.00
80	273.00	399.00	513.00	617.00	N/A	N/A
81	264.00	384.00	501.00	603.00	N/A	N/A
82	249.00	366.00	480.00	579.00	N/A	N/A
83	233.00	349.00	458.00	561.00	N/A	N/A
84	217.00	327.00	437.00	536.00	N/A	N/A
85	203.00	314.00	427.00	535.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	12.00	12.00	16.00	24.00	28.00	43.00
30	12.00	16.00	20.00	24.00	28.00	43.00
31	12.00	20.00	20.00	24.00	28.00	47.00
32	12.00	20.00	24.00	24.00	31.00	51.00
33	12.00	20.00	24.00	28.00	35.00	51.00
34	16.00	20.00	24.00	31.00	39.00	59.00
35	20.00	20.00	28.00	31.00	43.00	59.00
36	16.00	24.00	31.00	31.00	47.00	63.00
37	20.00	28.00	31.00	39.00	47.00	71.00
38	20.00	28.00	39.00	43.00	51.00	67.00
39	20.00	28.00	39.00	47.00	55.00	71.00
40	24.00	35.00	43.00	51.00	59.00	79.00
41	24.00	39.00	47.00	55.00	55.00	86.00
42	28.00	43.00	51.00	55.00	63.00	90.00
43	28.00	43.00	51.00	63.00	67.00	98.00
44	35.00	47.00	59.00	59.00	71.00	102.00
45	38.00	49.00	53.00	61.00	76.00	110.00
46	41.00	52.00	60.00	67.00	78.00	116.00
47	40.00	55.00	62.00	73.00	84.00	124.00
48	43.00	50.00	65.00	72.00	90.00	133.00
49	46.00	56.00	70.00	77.00	91.00	137.00
50	45.00	63.00	73.00	84.00	98.00	147.00
51	52.00	66.00	80.00	90.00	111.00	156.00
52	52.00	69.00	83.00	93.00	117.00	165.00
53	55.00	75.00	89.00	106.00	126.00	177.00
54	58.00	78.00	95.00	112.00	136.00	190.00
55	64.00	85.00	109.00	125.00	146.00	207.00
56	70.00	93.00	113.00	127.00	150.00	217.00
57	72.00	96.00	119.00	135.00	158.00	227.00
58	78.00	104.00	126.00	143.00	168.00	240.00
59	83.00	109.00	131.00	150.00	182.00	256.00
60	93.00	121.00	147.00	169.00	201.00	285.00
61	96.00	131.00	159.00	180.00	215.00	305.00
62	103.00	142.00	169.00	194.00	230.00	324.00
63	111.00	146.00	181.00	205.00	243.00	342.00
64	117.00	160.00	191.00	217.00	259.00	365.00
65	125.00	174.00	211.00	242.00	288.00	413.00
66	137.00	184.00	226.00	256.00	307.00	443.00
67	141.00	195.00	236.00	271.00	325.00	472.00
68	150.00	203.00	250.00	285.00	345.00	501.00
69	154.00	213.00	265.00	303.00	365.00	532.00
70	164.00	225.00	278.00	321.00	387.00	571.00
71	175.00	240.00	294.00	342.00	414.00	611.00
72	183.00	252.00	312.00	364.00	443.00	655.00
73	190.00	266.00	330.00	383.00	469.00	698.00
74	201.00	278.00	346.00	404.00	496.00	743.00
75	242.00	341.00	428.00	503.00	627.00	963.00
76	246.00	348.00	438.00	516.00	646.00	1,000.00
77	248.00	355.00	448.00	527.00	666.00	1,038.00
78	251.00	358.00	453.00	538.00	681.00	1,073.00
79	249.00	359.00	461.00	546.00	699.00	1,107.00
80	249.00	361.00	467.00	562.00	N/A	N/A
81	244.00	356.00	464.00	557.00	N/A	N/A
82	234.00	347.00	453.00	548.00	N/A	N/A
83	223.00	332.00	439.00	536.00	N/A	N/A
84	211.00	317.00	424.00	520.00	N/A	N/A
85	199.00	308.00	417.00	523.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	24.00	35.00	43.00	55.00	71.00	106.00
30	28.00	39.00	47.00	59.00	71.00	110.00
31	28.00	43.00	51.00	63.00	75.00	114.00
32	31.00	43.00	59.00	63.00	83.00	122.00
33	31.00	47.00	59.00	71.00	83.00	130.00
34	35.00	47.00	63.00	75.00	90.00	138.00
35	39.00	47.00	67.00	75.00	94.00	142.00
36	39.00	59.00	71.00	79.00	98.00	149.00
37	43.00	59.00	75.00	83.00	102.00	157.00
38	43.00	63.00	79.00	90.00	110.00	161.00
39	43.00	67.00	83.00	94.00	114.00	169.00
40	47.00	71.00	86.00	98.00	122.00	185.00
41	55.00	75.00	90.00	106.00	122.00	193.00
42	55.00	79.00	98.00	110.00	130.00	204.00
43	59.00	79.00	98.00	118.00	138.00	216.00
44	67.00	86.00	106.00	118.00	142.00	224.00
45	64.00	87.00	102.00	118.00	144.00	231.00
46	67.00	93.00	108.00	127.00	156.00	238.00
47	66.00	95.00	113.00	132.00	161.00	245.00
48	72.00	90.00	115.00	133.00	165.00	252.00
49	74.00	98.00	119.00	140.00	168.00	260.00
50	73.00	101.00	122.00	147.00	178.00	273.00
51	80.00	107.00	128.00	156.00	187.00	284.00
52	79.00	110.00	138.00	158.00	196.00	296.00
53	82.00	116.00	143.00	167.00	205.00	307.00
54	85.00	119.00	153.00	173.00	214.00	319.00
55	92.00	129.00	163.00	187.00	231.00	346.00
56	97.00	130.00	164.00	187.00	230.00	350.00
57	99.00	135.00	168.00	194.00	237.00	362.00
58	100.00	139.00	175.00	201.00	246.00	373.00
59	105.00	144.00	179.00	208.00	256.00	387.00
60	115.00	157.00	195.00	227.00	278.00	419.00
61	118.00	165.00	202.00	236.00	289.00	435.00
62	121.00	172.00	209.00	245.00	299.00	454.00
63	126.00	173.00	217.00	252.00	307.00	465.00
64	131.00	182.00	222.00	259.00	319.00	479.00
65	137.00	191.00	240.00	279.00	342.00	519.00
66	142.00	198.00	248.00	287.00	354.00	538.00
67	146.00	203.00	255.00	295.00	366.00	556.00
68	150.00	208.00	261.00	303.00	377.00	572.00
69	152.00	213.00	267.00	314.00	386.00	591.00
70	157.00	220.00	275.00	323.00	399.00	617.00
71	162.00	227.00	284.00	337.00	417.00	644.00
72	166.00	235.00	294.00	349.00	435.00	670.00
73	168.00	239.00	303.00	359.00	449.00	696.00
74	172.00	247.00	312.00	370.00	464.00	723.00
75	206.00	295.00	377.00	452.00	576.00	919.00
76	203.00	296.00	378.00	454.00	582.00	937.00
77	202.00	295.00	381.00	455.00	590.00	957.00
78	201.00	294.00	381.00	458.00	592.00	973.00
79	198.00	292.00	380.00	458.00	602.00	993.00
80	196.00	291.00	381.00	467.00	N/A	N/A
81	188.00	283.00	376.00	460.00	N/A	N/A
82	179.00	274.00	364.00	449.00	N/A	N/A
83	169.00	260.00	353.00	437.00	N/A	N/A
84	160.00	246.00	339.00	422.00	N/A	N/A
85	147.00	236.00	332.00	425.00	N/A	N/A

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

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

Indexing: None
Individual Underwriting
Rate Class II

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	22.00	28.00	31.00	31.00	38.00	47.00
30	22.00	28.00	31.00	35.00	41.00	50.00
31	25.00	28.00	35.00	38.00	44.00	53.00
32	25.00	31.00	35.00	41.00	44.00	57.00
33	28.00	31.00	38.00	41.00	47.00	60.00
34	28.00	35.00	41.00	44.00	50.00	63.00
35	28.00	38.00	41.00	47.00	53.00	69.00
36	31.00	38.00	44.00	50.00	57.00	72.00
37	31.00	41.00	47.00	53.00	60.00	75.00
38	35.00	44.00	50.00	57.00	63.00	85.00
39	38.00	47.00	53.00	60.00	69.00	91.00
40	38.00	47.00	57.00	63.00	72.00	94.00
41	41.00	50.00	60.00	66.00	82.00	101.00
42	44.00	53.00	63.00	72.00	85.00	107.00
43	47.00	60.00	69.00	75.00	91.00	113.00
44	47.00	63.00	72.00	85.00	97.00	123.00
45	49.00	64.00	79.00	88.00	100.00	124.00
46	51.00	66.00	80.00	89.00	104.00	131.00
47	56.00	70.00	85.00	94.00	108.00	138.00
48	57.00	78.00	89.00	101.00	115.00	144.00
49	59.00	79.00	93.00	104.00	121.00	152.00
50	64.00	84.00	101.00	112.00	129.00	162.00
51	67.00	89.00	105.00	117.00	136.00	172.00
52	74.00	96.00	113.00	127.00	143.00	182.00
53	79.00	101.00	120.00	134.00	153.00	194.00
54	84.00	108.00	127.00	144.00	163.00	209.00
55	92.00	119.00	138.00	155.00	179.00	228.00
56	93.00	123.00	144.00	163.00	187.00	235.00
57	100.00	132.00	155.00	174.00	200.00	250.00
58	106.00	140.00	163.00	184.00	213.00	267.00
59	113.00	148.00	177.00	197.00	225.00	284.00
60	125.00	166.00	197.00	220.00	253.00	317.00
61	134.00	176.00	209.00	233.00	268.00	335.00
62	143.00	186.00	223.00	247.00	285.00	356.00
63	150.00	199.00	234.00	262.00	302.00	377.00
64	160.00	210.00	251.00	280.00	321.00	401.00
65	180.00	237.00	280.00	314.00	362.00	451.00
66	191.00	254.00	300.00	338.00	389.00	483.00
67	206.00	271.00	323.00	363.00	417.00	519.00
68	219.00	291.00	345.00	388.00	444.00	554.00
69	236.00	312.00	369.00	415.00	478.00	593.00
70	254.00	337.00	402.00	450.00	519.00	642.00
71	276.00	366.00	438.00	490.00	565.00	699.00
72	300.00	399.00	476.00	534.00	615.00	763.00
73	326.00	434.00	518.00	581.00	670.00	831.00
74	354.00	470.00	563.00	632.00	729.00	903.00
75	466.00	622.00	746.00	841.00	974.00	1,212.00
76	497.00	665.00	799.00	902.00	1,045.00	1,300.00
77	533.00	713.00	858.00	970.00	1,124.00	1,399.00
78	569.00	765.00	922.00	1,040.00	1,208.00	1,500.00
79	610.00	819.00	988.00	1,117.00	1,296.00	1,610.00
80	669.00	903.00	1,090.00	1,232.00	N/A	N/A
81	715.00	968.00	1,168.00	1,324.00	N/A	N/A
82	760.00	1,028.00	1,243.00	1,410.00	N/A	N/A
83	810.00	1,097.00	1,329.00	1,505.00	N/A	N/A
84	859.00	1,168.00	1,414.00	1,605.00	N/A	N/A
85	1,003.00	1,372.00	1,672.00	1,904.00	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	102.60	138.00	166.30	194.60	230.00	322.00
30	109.70	145.10	176.90	201.70	240.60	336.10
31	109.70	152.10	180.40	205.20	247.70	346.70
32	113.20	152.10	187.50	208.70	254.70	353.80
33	116.80	159.20	191.10	219.40	261.80	364.40
34	120.30	162.80	194.60	226.40	268.90	382.10
35	123.80	166.30	205.20	233.50	276.00	389.20
36	127.40	173.40	208.70	240.60	286.60	399.80
37	130.90	176.90	212.30	247.70	293.70	414.00
38	134.40	180.40	222.90	254.70	304.30	421.00
39	138.00	184.00	230.00	261.80	307.80	431.60
40	141.50	194.60	237.10	268.90	318.40	445.80
41	145.10	198.10	244.10	276.00	322.00	460.00
42	148.60	205.20	251.20	283.00	332.60	470.60
43	152.10	208.70	254.70	293.70	343.20	484.70
44	159.20	215.80	265.40	297.20	353.80	498.90
45	160.40	214.90	255.90	293.40	351.40	498.10
46	161.00	218.00	261.60	298.50	355.50	503.00
47	158.20	220.80	263.60	299.90	359.20	507.40
48	161.80	216.90	265.40	304.30	362.50	511.40
49	161.10	221.10	265.40	306.40	363.30	511.80
50	163.80	223.60	270.80	311.80	371.60	522.80
51	171.60	227.80	280.80	321.40	380.70	536.70
52	170.50	232.60	285.30	325.60	387.60	548.80
53	175.10	236.50	288.70	331.70	399.30	559.00
54	177.00	241.10	296.10	335.70	405.90	567.70
55	186.20	250.30	311.30	354.00	424.20	592.10
56	186.20	252.30	306.40	348.40	417.50	591.70
57	186.80	252.00	308.30	352.80	423.90	601.80
58	189.50	256.60	314.90	358.70	428.70	606.50
59	189.90	258.90	316.50	362.50	434.40	615.70
60	204.30	276.20	336.60	388.40	463.20	658.90
61	207.20	279.90	344.30	394.70	473.10	669.00
62	209.60	285.80	348.40	402.80	481.70	680.40
63	210.70	287.10	353.00	405.70	484.70	687.50
64	213.00	292.50	356.70	408.00	492.70	698.00
65	218.10	300.20	372.10	426.00	513.20	733.90
66	223.20	305.90	376.20	431.30	521.60	749.80
67	224.50	309.80	378.20	436.70	527.00	758.80
68	225.30	308.30	381.80	438.80	533.60	766.10
69	224.40	310.00	386.30	444.20	539.00	779.60
70	227.40	313.90	388.90	450.30	548.10	796.10
71	231.30	321.10	395.20	460.30	559.10	817.30
72	233.70	325.00	402.90	469.70	574.30	839.20
73	235.00	327.30	406.40	476.70	582.10	856.70
74	235.10	330.90	413.70	481.20	594.40	877.40
75	274.30	389.70	489.90	577.00	718.50	1,088.60
76	270.30	383.20	483.20	570.50	715.20	1,092.00
77	263.30	378.30	478.60	566.30	714.70	1,097.10
78	258.40	371.20	471.70	559.90	709.60	1,103.40
79	252.70	363.90	465.00	554.00	707.60	1,107.90
80	245.90	358.90	462.00	555.20	N/A	N/A
81	237.20	346.00	451.00	542.40	N/A	N/A
82	223.70	329.80	432.20	521.20	N/A	N/A
83	209.80	313.80	412.10	505.00	N/A	N/A
84	195.50	294.20	392.90	482.40	N/A	N/A
85	182.40	282.60	384.50	481.10	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	10.60	10.60	14.20	21.20	24.80	38.90
30	10.60	14.20	17.70	21.20	24.80	38.90
31	10.60	17.70	17.70	21.20	24.80	42.50
32	10.60	17.70	21.20	21.20	28.30	46.00
33	10.60	17.70	21.20	24.80	31.80	46.00
34	14.20	17.70	21.20	28.30	35.40	53.10
35	17.70	17.70	24.80	28.30	38.90	53.10
36	14.20	21.20	28.30	28.30	42.50	56.60
37	17.70	24.80	28.30	35.40	42.50	63.70
38	17.70	24.80	35.40	38.90	46.00	60.10
39	17.70	24.80	35.40	42.50	49.50	63.70
40	21.20	31.80	38.90	46.00	53.10	70.80
41	21.20	35.40	42.50	49.50	49.50	77.80
42	24.80	38.90	46.00	49.50	56.60	81.40
43	24.80	38.90	46.00	56.60	60.10	88.50
44	31.80	42.50	53.10	53.10	63.70	92.00
45	34.10	44.40	47.80	54.60	68.20	98.90
46	36.90	46.90	53.70	60.40	70.40	104.00
47	36.20	49.40	56.00	65.90	75.80	112.00
48	38.80	45.30	58.30	64.70	80.90	119.80
49	41.10	50.50	63.20	69.50	82.10	123.20
50	40.90	56.70	66.10	75.60	88.20	132.30
51	46.80	59.30	71.80	81.10	99.80	140.40
52	46.50	62.00	74.40	83.70	105.40	148.80
53	49.10	67.60	79.90	95.20	113.60	159.70
54	51.90	70.20	85.50	100.70	122.10	170.90
55	58.00	76.30	97.70	112.90	131.20	186.20
56	63.10	84.10	102.10	114.10	135.20	195.20
57	65.20	86.00	106.70	121.50	142.30	204.60
58	70.00	93.30	113.70	128.30	151.60	215.80
59	74.80	97.80	118.00	135.20	164.00	230.20
60	83.40	109.30	132.30	152.50	181.30	256.10
61	86.80	117.60	142.80	162.40	193.20	274.30
62	92.50	127.90	152.40	174.20	206.80	291.20
63	100.10	131.70	163.30	184.40	218.60	308.20
64	105.20	143.70	171.90	195.00	233.50	328.50
65	112.90	156.50	189.90	218.10	259.20	372.10
66	122.90	165.50	203.10	230.70	275.90	398.70
67	126.90	175.70	212.30	244.00	292.80	424.50
68	135.20	182.60	225.30	256.10	310.70	450.60
69	138.80	192.00	238.30	273.00	328.50	478.90
70	147.80	202.40	250.20	288.90	348.00	514.00
71	157.20	215.60	264.90	307.60	372.70	550.10
72	164.70	227.00	280.50	327.20	398.40	589.90
73	171.30	239.40	296.60	344.90	421.80	628.30
74	180.70	250.40	311.40	363.60	446.30	668.40
75	217.70	307.00	385.40	452.90	563.90	866.60
76	221.40	312.90	393.80	464.10	581.10	900.40
77	223.60	319.70	403.30	474.40	599.80	934.10
78	225.60	322.00	408.10	484.00	613.20	966.00
79	224.40	323.50	414.50	491.30	628.80	996.70
80	224.10	325.20	420.40	505.60	N/A	N/A
81	219.70	320.80	418.00	501.60	N/A	N/A
82	210.40	312.70	407.50	492.80	N/A	N/A
83	200.50	298.90	395.40	482.70	N/A	N/A
84	190.00	285.10	381.90	467.80	N/A	N/A
85	178.80	277.20	375.60	470.40	N/A	N/A

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

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

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

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	21.20	31.80	38.90	49.50	63.70	95.50
30	24.80	35.40	42.50	53.10	63.70	99.10
31	24.80	38.90	46.00	56.60	67.20	102.60
32	28.30	38.90	53.10	56.60	74.30	109.70
33	28.30	42.50	53.10	63.70	74.30	116.80
34	31.80	42.50	56.60	67.20	81.40	123.80
35	35.40	42.50	60.10	67.20	84.90	127.40
36	35.40	53.10	63.70	70.80	88.50	134.40
37	38.90	53.10	67.20	74.30	92.00	141.50
38	38.90	56.60	70.80	81.40	99.10	145.10
39	38.90	60.10	74.30	84.90	102.60	152.10
40	42.50	63.70	77.80	88.50	109.70	166.30
41	49.50	67.20	81.40	95.50	109.70	173.40
42	49.50	70.80	88.50	99.10	116.80	184.00
43	53.10	70.80	88.50	106.10	123.80	194.60
44	60.10	77.80	95.50	106.10	127.40	201.70
45	58.00	78.50	92.10	105.80	129.60	208.10
46	60.40	83.80	97.20	114.00	140.80	214.60
47	59.30	85.70	102.10	118.60	145.00	220.80
48	64.70	80.90	103.60	119.80	148.90	226.60
49	66.30	88.50	107.40	126.40	151.60	233.80
50	66.10	91.30	110.20	132.30	160.60	245.60
51	71.80	96.70	115.40	140.40	168.50	255.80
52	71.30	99.20	124.00	142.60	176.70	266.70
53	73.70	104.40	129.00	150.50	184.30	276.40
54	76.30	106.80	137.30	155.70	192.30	286.90
55	82.40	116.00	146.50	167.90	207.50	311.30
56	87.10	117.10	147.20	168.20	207.20	315.40
57	88.90	121.50	151.20	174.90	213.50	326.10
58	90.40	125.40	157.50	180.80	221.60	335.30
59	94.90	129.50	161.10	187.00	230.20	348.10
60	103.60	141.00	175.50	204.30	250.30	376.90
61	106.40	148.40	182.00	212.80	260.30	391.90
62	108.90	155.10	187.80	220.40	269.40	408.20
63	113.30	155.40	194.90	226.50	276.60	418.80
64	118.00	164.20	200.20	233.50	287.40	431.10
65	123.20	171.90	215.60	251.50	307.90	467.00
66	127.90	178.10	223.20	258.30	318.50	484.00
67	131.70	183.00	229.30	265.90	329.40	500.10
68	135.20	187.40	234.80	272.70	339.20	514.70
69	136.50	192.00	240.60	282.20	347.00	532.10
70	141.00	197.90	247.90	291.10	359.40	555.00
71	145.90	204.30	256.00	303.10	375.00	579.30
72	149.10	211.50	264.90	313.80	391.80	603.20
73	151.60	215.30	272.40	322.90	404.20	626.10
74	154.60	222.10	280.90	333.10	418.00	651.00
75	185.10	265.60	339.70	407.20	518.20	827.40
76	183.10	266.10	340.60	408.70	523.70	843.00
77	181.80	265.40	342.70	409.60	530.80	861.00
78	180.50	264.60	342.50	412.20	533.20	875.70
79	177.90	262.80	341.70	412.40	541.80	893.60
80	176.50	261.70	343.00	420.40	N/A	N/A
81	169.10	254.70	338.30	414.10	N/A	N/A
82	161.10	246.40	327.90	403.70	N/A	N/A
83	152.20	233.90	317.50	393.60	N/A	N/A
84	144.40	221.10	305.20	380.10	N/A	N/A
85	132.30	212.80	298.70	382.70	N/A	N/A

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

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

Indexing: None
Individual Underwriting
Rate Class II

	Premium Rates					
Issue Age	**24 Month Plan**	**36 Month Plan**	**48 Month Plan**	**60 Month Plan**	**84 Month Plan**	**Unlimited Plan**
<30	19.80	25.50	28.30	28.30	33.90	42.40
30	19.80	25.50	28.30	31.10	36.80	45.30
31	22.60	25.50	31.10	33.90	39.60	48.10
32	22.60	28.30	31.10	36.80	39.60	50.90
33	25.50	28.30	33.90	36.80	42.40	53.70
34	25.50	31.10	36.80	39.60	45.30	56.60
35	25.50	33.90	36.80	42.40	48.10	62.20
36	28.30	33.90	39.60	45.30	50.90	65.10
37	28.30	36.80	42.40	48.10	53.70	67.90
38	31.10	39.60	45.30	50.90	56.60	76.40
39	33.90	42.40	48.10	53.70	62.20	82.00
40	33.90	42.40	50.90	56.60	65.10	84.90
41	36.80	45.30	53.70	59.40	73.50	90.50
42	39.60	48.10	56.60	65.10	76.40	96.20
43	42.40	53.70	62.20	67.90	82.00	101.80
44	42.40	56.60	65.10	76.40	87.70	110.30
45	43.70	57.40	71.00	79.20	90.10	112.00
46	45.60	59.00	72.40	80.50	93.90	118.00
47	50.00	63.20	76.40	84.30	97.50	123.80
48	51.70	69.80	80.20	90.50	103.40	129.30
49	53.10	70.80	83.40	93.50	108.70	136.50
50	57.90	75.50	90.60	100.70	115.80	146.00
51	60.00	79.90	94.90	104.90	122.40	154.90
52	66.90	86.80	101.60	114.00	128.90	163.60
53	71.30	91.00	108.20	120.50	137.70	174.60
54	75.60	97.60	114.70	129.30	146.40	187.90
55	83.00	107.30	124.40	139.10	161.00	204.90
56	84.00	110.40	129.60	146.50	168.10	211.30
57	90.10	118.60	139.90	156.50	180.20	225.30
58	95.60	126.00	147.00	165.60	191.30	240.30
59	101.40	133.60	159.00	177.40	202.70	255.70
60	112.90	149.70	177.40	198.10	228.10	285.70
61	120.70	158.70	187.80	210.10	241.40	301.80
62	128.50	167.70	200.30	222.10	256.90	320.10
63	135.00	179.30	210.90	236.20	272.10	339.60
64	143.60	188.70	225.60	252.30	289.20	361.00
65	162.00	213.30	252.30	283.00	326.10	406.10
66	172.20	228.30	270.30	304.40	350.40	434.50
67	185.60	244.20	291.10	326.30	375.10	466.90
68	197.10	261.60	310.80	348.80	399.90	498.50
69	212.40	280.70	332.40	373.10	430.30	533.70
70	229.00	303.50	361.70	405.30	467.10	578.00
71	248.20	329.10	393.80	440.60	508.90	629.40
72	270.40	359.30	428.70	480.30	553.20	686.60
73	293.80	390.60	466.20	522.50	603.40	747.70
74	318.40	422.80	506.30	568.90	655.90	812.50
75	419.30	560.20	671.60	756.80	876.90	1,090.90
76	447.40	598.80	719.50	811.40	940.70	1,170.30
77	479.80	642.00	772.40	872.70	1,011.50	1,258.90
78	512.50	688.30	829.60	936.30	1,087.50	1,350.30
79	548.60	737.40	889.00	1,005.20	1,166.60	1,448.90
80	602.10	812.80	980.70	1,109.10	N/A	N/A
81	643.90	870.90	1,051.30	1,191.30	N/A	N/A
82	683.90	925.00	1,119.00	1,269.20	N/A	N/A
83	728.70	987.50	1,195.70	1,354.80	N/A	N/A
84	772.70	1,051.20	1,272.80	1,444.90	N/A	N/A
85	903.00	1,234.50	1,504.60	1,713.20	N/A	N/A

State: Pennsylvania **Filing Company:** Highmark Inc
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA_Cover Letter_Highmark BS_Simplicity_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_Act Memo_Highmark BS_Simplicity_LRRS_20200128.pdf PA_Supplement_Highmark BS_Simplicity_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:** *Highmark Inc*
TOI/Sub-TOI: *LTC03I Individual Long Term Care/LTC03I.001 Qualified*
Product Name: *Long-Term Care*
Project Name/Number: *MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08*

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_Simplicity_20200128.xlsb
Item Status:	
Status Date:	

State: Pennsylvania **Filing Company:** Highmark Inc
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long-Term Care
Project Name/Number: MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08

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

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

State:	Pennsylvania	**Filing Company:**	Highmark Inc
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long-Term Care		
Project Name/Number:	MedAmerica Nationwide 2020 Rate Increase/145MAI01-60.08		

Attachment PA_Exhibits and Supplement Attachments_MedAmerica_Simplicity_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: Highmark Blue Shield (Highmark BS)
Company NAIC # 54771
SERFF Tracking # MILL-132029492
Tax-Qualified Long-Term Care Policy Form SPL-336-HMBSPA
Tax-Qualified Franchise Long-Term Care Policy Form FSPL-336-HMBSPA

Dear Commissioner Altman:

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

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

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

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

This rate increase request is a follow-up to three 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 issue age and inflation protection option. The following table provides the requested rate increase in this jurisdiction by issue age and inflation protection option.

This work product was prepared solely to provide assistance to MedAmerica. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.

Pennsylvania – Highmark BS
Rate Increase Request[1]

Issue Age	No Inflation	Auto Inflation
<40	13.6%	42.2%
40 - 45	16.5	45.8
45	16.9	46.3
46	15.0	44.0
47	13.1	41.2
48	10.8	38.9
49	8.4	35.5
50	11.0	38.7
51	10.2	37.5
52	9.0	36.8
53	8.2	35.2
54	8.0	34.4
55	13.7	42.2
56	12.0	40.1
57	10.8	38.0
58	8.7	35.9
59	8.0	34.3
60	14.8	43.6
61	11.3	39.5
62	8.6	35.5
63	7.9	31.4
64	8.0	27.9

Issue Age	No Inflation	Auto Inflation
65	10.0%	37.4%
66	7.8	34.5
67	8.0	30.7
68	8.3	27.3
69	7.8	23.9
70	8.0	29.6
71	8.1	27.5
72	8.2	26.5
73	7.8	25.0
74	7.8	23.9
75	11.7	40.0
76	9.4	37.2
77	8.2	34.3
78	8.2	31.9
79	7.8	30.2
80	8.0	27.3
81	8.1	25.0
82	7.7	22.1
83	7.8	19.2
84	8.0	17.5
85	8.1	15.2

[1] The requested rate increases achieve cumulative rate levels that decrease by issue age as shown in the table below.

The following table provides the average prior, requested, and cumulative rate increases for the above-listed form(s) by issue age and inflation protection option.

Pennsylvania – Highmark BS
Average[1] Rate Increase Request

Issue Ages	Prior Increase	Requested Increase		Cumulative Increase	
		No Inflation	Auto Inflation	No Inflation	Auto Inflation
<40	176.5%	13.6%	42.2%	214%	293%
40-44	169.6	16.5	45.8	214	293
45-49	159.1	10.8	40.8	187	265
50-54	152.3	9.0	36.3	175	244
55-59	138.4	10.7	38.2	164	229
60-64	122.5	8.5	37.4	134	206
65-69	106.0	7.9	27.6	119	165
70-74	91.1	8.2	27.1	98	148
75+	72.8	9.4	27.3	89	120
Average	141.3	9.0	38.0	128	235

[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 six prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, September 2017, and December 2018. The company is seeking this 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

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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. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

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

The following electronic items are included with this submission:

- cover letter
- letter from the company authorizing submission of this filing on its behalf
- claims and administration processing plan, as provided by MedAmerica
- actuarial memorandum
- supplement to the actuarial memorandum
- 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.

The contact person for this filing is:

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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

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

Simplicity Actuarial Memorandum

January 28, 2020

Product	Number
Tax-Qualified Long-Term Care Policy Form	SPL-336-HMBSPA
Tax-Qualified Franchise Long-Term Care Policy Form	FSPL-336-HMBSPA

Highmark Blue Shield (Highmark BS) 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 2006 through April 2010 and is no longer marketing it in any jurisdiction. As described in the enclosed cover letter, the affinity partner MedAmerica Insurance Company (MedAmerica) designed, priced, administers, and manages the above-listed policy form(s).

Nationwide, MedAmerica and its affinity partners are requesting a premium rate increase that varies by issue age and inflation option, 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) and similar policy forms issued nationwide by MedAmerica and its affinity partners.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the 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 issue age and inflation option. The rate increase levels were determined to vary by issue age and inflation protection option 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 three 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 actuarially equivalent nationwide cumulative increases.

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

Simplicity Actuarial Memorandum

January 28, 2020

Nationwide Cumulative Rate Increase[1]

Issue Age	No Inflation	Auto Inflation
< 45	235%	326%
45	223	311
46	217	304
47	212	297
48	206	290
49	199	280
50	198	279
51	196	276
52	193	273
53	191	270
54	189	267
55	189	267
56	184	262
57	181	257
58	176	251
59	173	246
60	173	246
61	165	237
62	158	228
63	150	217
64	143	209

Issue Age	No Inflation	Auto Inflation
65	143%	209%
66	137	202
67	131	194
68	124	185
69	119	178
70	115	174
71	113	170
72	110	168
73	108	164
74	106	162
75	106	162
76	101	156
77	98	152
78	94	147
79	91	143
80	87	139
81	84	134
82	79	128
83	76	123
84	73	120
85	69	115

[1] Reflects the nationwide average actuarially equivalent cumulative rate increase request. Due to differences in rate increase history in each jurisdiction, the actual cumulative rate level will vary from jurisdiction to jurisdiction. The enclosed cover letter provides the jurisdiction-specific rate increase request; it also provides the average cumulative request.

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

Nationwide Average[1] Rate Increase Request

Issue Ages	Prior Increase	Requested Increase		Cumulative Increase	
		No Inflation	Auto Inflation	No Inflation	Auto Inflation
<40	108.3%	76.9%	102.1%	235%	326%
40-44	104.4	67.6	107.7	235	326
45-49	98.4	55.9	98.5	210	294
50-54	95.8	48.8	90.4	193	273
55-59	90.7	45.5	87.0	180	256
60-64	80.5	40.6	83.1	157	229
65-69	63.5	40.2	82.4	132	197
70-74	54.7	34.9	76.2	111	169
75+	46.9	33.8	71.8	96	157
Average	85.7	43.9	89.1	157	254

[1] As of December 31, 2018 and excludes policies assumed to be paid up prior to implementation of the requested rate increase. The enclosed cover letter provides the jurisdiction-specific distribution.

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 proposed rate increases for the policy form(s) affected by this rate increase are enclosed with this filing. Please note that the actual rates implemented may vary 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

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

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

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

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

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

4. Renewability

These policies are guaranteed renewable for life.

5. Applicability

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

6. Actuarial Assumptions

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

a. Morbidity reflects claim costs developed using the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments for underwriting selection, an all-lives exposure basis, and four years of retrospective improvement to bring the *Guidelines* forward to 2018. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-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 option (auto inflation or none), marital status, 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

Inflation Option	Married		Single	
	Benefit Period		Benefit Period	
	Lifetime	Non-Lifetime	Lifetime	Non-Lifetime
Auto Inflation	0.5%	0.5%	0.6%	0.7%
No Inflation	0.5	0.7	0.6	0.9

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 paid up at age 65 option, a reduction of 50% of the durational lapse rates is assumed until age 55, a reduction of 75% of the durational lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter.
- For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the durational lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the durational lapse rates thereafter.

d. Benefit Expiry Rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 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	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
	7	0.0	0.0	0.0	0.1	0.1	0.3	0.9	2.6	3.9	8.5	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	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
	7	0.0	0.0	0.0	0.0	0.1	0.1	0.4	1.2	2.1	4.5	9.4
	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 4.5% and averages 4.2%) 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 policy form(s) were taken into consideration. Appendix A to this memorandum provides a description of the development of and justification for the assumptions used in this filing.

The company is not currently marketing long-term care products. As a result, the requirement to reflect on any assumptions that deviate from those used for pricing other forms currently available for sale is not applicable.

7. Marketing Method

Agents and brokers of the company marketed this product.

8. Underwriting Description

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

9. Premiums

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

10. Issue Age Range

Issue ages are from 18 to 85.

11. Area Factors

Area factors are not used for this product.

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	46%
Semi-Annual	0.52*AP	7
Quarterly	0.26*AP	25
Monthly	0.09*AP	22

13. Reserves

Active life reserves and reserves for the election of a CBUL have not been used in the experience exhibits for this rate increase analysis 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 form(s) and similar policy forms issued nationwide by MedAmerica and its affinity partners. The pooled experience is appropriate because the products issued are identical, the marketing and distribution employed is similar, and the same company (MedAmerica) administers and manages the entire block (including underwriting and claims

handling). MedAmerica has 50% to 100% of the risk of the affinity partner forms via reinsurance arrangements with each affinity partner.

Exhibit I provides actual and projected experience using current assumptions. Actual experience is provided from inception through 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 December 2012 and June 2019, which average 86% 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 nationwide lifetime loss ratios by issue age and inflation option also exceed the minimum loss ratio required by pre-rate stability regulation. The final row corresponds to that shown in Exhibit I.

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

Inflation Option	Issue Age Band	Before Increase	After Increase
All	<45	156%	115%
All	45-49	135	100
All	50-54	119	91
All	55-59	104	80
All	60-64	85	68
All	65-69	78	66
All	70-74	90	83
All	75+	76	74
No Inflation	All	82	72
Auto Inflation	All	115	87
All	All	109	85

Exhibit II provides a demonstration that the nationwide requested rate increase meets the 58%/85% test required by post-rate stability regulation. This exhibit shows that the sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times 58%,
2. 85% of the accumulated value of prior premium rate schedule increases,
3. Present value of projected initial earned premium times 58%, and
4. 85% of the present value of projected premium in excess of the projected initial earned premium.

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

The projected incurred claims in Exhibit II were increased by 15% from the current assumptions described in Section 6 to reflect assumptions that include moderately adverse conditions.

16. Actual-to-Expected Experience

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

Nationwide Actual and Expected Loss Ratios by Issue Age and Inflation Option

Inflation Option	Issue Age Band	Lifetime Loss Ratio			Actual-to-Expected	
		Before Increase	After Increase	Expected	Before Increase	After Increase
All	<45	130%	98%	60%	2.17	1.63
All	45-49	117	89	61	1.91	1.44
All	50-54	106	82	60	1.77	1.37
All	55-59	95	74	57	1.66	1.30
All	60-64	79	64	53	1.48	1.20
All	65-69	74	63	55	1.34	1.15
All	70-74	87	80	56	1.56	1.44
All	75+	74	72	49	1.50	1.47
No Inflation	All	77	68	49	1.58	1.41
Auto Inflation	All	102	79	59	1.72	1.33
All	All	97	77	57	1.70	1.34

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 5.2% 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 morbidity, higher persistency, and lower interest.

The following table provides a comparison of actual and projected nationwide experience to that expected in pricing with respect to morbidity, mortality, lapse (combination of voluntary lapse and benefit expiry), interest, and improvement. The current and original pricing assumptions are provided in Exhibit III.

Impact of Changing from Pricing to Current Assumptions

Scenario	Lifetime Loss Ratio (LLR)	Incremental Impact on the LLR[1]	Increase Needed[2]
Original pricing assumptions	57%	N/A	N/A
Historical experience through 2018 & projections with pricing assumptions[3]	55	-5%	-18%
Historical experience through 2018 & projections with pricing assumptions except for current:			
Interest	65	19	68
Interest, lapse	70	8	27
Interest, lapse, mortality	82	17	51
Interest, lapse, mortality, morbidity	101	23	72
Interest, lapse, mortality, morbidity, improvement	97	-4	-11
Historical experience through 2018 & projections with all current most-likely assumptions[4]	97	70	211

[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 assumption projected from the valuation date, reflecting prior rate increases approved through June 26, 2019.
[4] This row is calculated in regards to the pricing lifetime loss ratio of 57%.

In 2012, a nationwide requested increase was determined such that the company was able to certify that rates would remain stable under moderately adverse experience (MAE). The company's threshold for MAE was defined as a lifetime loss ratio of 85%. To determine whether experience has deteriorated beyond this threshold, experience was restated to reflect the timing and rate level of the 2012 requested increase and projected using current most-likely assumptions. As the resulting lifetime loss ratio was 105%, the MAE threshold was crossed and additional rate increases could be considered. A comparison of the current assumptions used in this filing and the assumptions used in the 2012 nationwide request is provided in Exhibit IV.

19. Average Annual Premium in Pennsylvania (Based on December 31, 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.

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

Simplicity Actuarial Memorandum

January 28, 2020

Pennsylvania – MedAmerica

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	15	$2,284	$3,236
All	40-44	19	2,087	2,971
All	45-49	42	2,895	4,023
All	50-54	73	3,209	4,322
All	55-59	60	3,846	5,190
All	60-64	37	4,220	5,649
All	65-69	19	6,032	7,368
All	70-74	10	7,423	8,472
All	75+	0	0	0
No Inflation	All	53	3,046	3,329
Auto Inflation	All	222	3,802	5,217
All	All	275	3,656	4,853

Pennsylvania – Highmark Blue Cross Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	34	$1,128	$1,591
All	40-44	33	2,052	2,984
All	45-49	53	2,803	3,941
All	50-54	83	3,295	4,478
All	55-59	90	3,295	4,499
All	60-64	46	3,816	5,247
All	65-69	7	5,075	6,447
All	70-74	0	0	0
All	75+	1	6,774	7,410
No Inflation	All	34	1,365	1,507
Auto Inflation	All	313	3,182	4,411
All	All	347	3,004	4,127

Pennsylvania – Highmark BS

Inflation Option	Issue Age Band	Number of Insureds	Before Increase Premium	After Requested Increase Premium
All	<40	26	$975	$1,381
All	40-44	19	1,980	2,885
All	45-49	56	2,683	3,776
All	50-54	96	2,890	3,932
All	55-59	88	3,418	4,699
All	60-64	48	3,842	5,214
All	65-69	7	3,684	4,473
All	70-74	3	5,348	6,466
All	75+	1	4,074	4,456
No Inflation	All	21	1,875	2,043
Auto Inflation	All	323	3,041	4,197
All	All	344	2,970	4,066

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 after 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	7%
40-44	8
45-49	13
50-54	22
55-59	25
60-64	16
65-69	7
70-74	2
75+	<1

Elimination Period	Percent Distribution
30-Day	21%
60-Day	13
90-Day	65
180-Day	1

Benefit Period	Percent Distribution
2-Year	10%
3-Year	33
4-Year	18
5-Year	20
7-Year	11
Lifetime	8

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

Premium Payment Option	Percent Distribution
Ten-Pay	14%
Pay to Age 65	4
Reduced at Age 70	0
Reduced at Age 65	<1
Lifetime-Pay	82

Coverage Type	Percent Distribution
Facility Only	4%
Comprehensive	95
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

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	15	$34,257
All	40-44	19	39,645
All	45-49	42	121,596
All	50-54	73	234,287
All	55-59	60	230,758
All	60-64	37	156,155
All	65-69	19	114,611
All	70-74	10	74,228
All	75+	0	0
No Inflation	All	53	161,418
Auto Inflation	All	222	844,119
All	All	275	1,005,537

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

Simplicity Actuarial Memorandum

January 28, 2020

Pennsylvania – Highmark Blue Cross Blue Shield

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	34	$38,368
All	40-44	33	67,722
All	45-49	53	148,562
All	50-54	83	273,471
All	55-59	90	296,521
All	60-64	46	175,546
All	65-69	7	35,528
All	70-74	0	0
All	75+	1	6,774
No Inflation	All	34	46,424
Auto Inflation	All	313	996,068
All	All	347	1,042,492

Pennsylvania – Highmark BS

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	26	$25,347
All	40-44	19	37,611
All	45-49	56	150,221
All	50-54	96	277,486
All	55-59	88	300,779
All	60-64	48	184,418
All	65-69	7	25,789
All	70-74	3	16,044
All	75+	1	4,074
No Inflation	All	21	39,367
Auto Inflation	All	323	982,402
All	All	344	1,021,769

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

Simplicity Actuarial Memorandum

January 28, 2020

Nationwide

Inflation Option	Issue Age Band	Number of Insureds	Annualized Premium
All	<40	968	$1,201,644
All	40-44	958	1,771,927
All	45-49	1,687	3,858,087
All	50-54	2,689	7,326,483
All	55-59	3,321	10,193,026
All	60-64	2,272	7,990,663
All	65-69	1,007	3,981,844
All	70-74	362	1,630,869
All	75+	55	308,038
No Inflation	All	3,214	7,264,432
Auto Inflation	All	10,105	30,998,149
All	All	13,319	38,262,581

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
Individual Simplicity 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	2004	1,944,204	299,291	15%	3,084	3,680,681	566,604	15%
	2005	11,092,052	704,251	6%	8,665	20,094,713	1,275,843	6%
	2006	21,602,601	127,494	1%	16,065	36,847,398	221,026	1%
	2007	32,553,826	1,233,078	4%	20,864	52,445,074	1,991,993	4%
	2008	37,075,014	2,692,008	7%	21,432	57,103,216	4,251,105	7%
	2009	36,622,544	1,971,445	5%	20,617	54,108,660	2,933,713	5%
	2010	35,876,003	3,507,186	10%	20,165	50,858,403	4,999,069	10%
	2011	35,545,109	4,694,341	13%	19,804	48,353,241	6,401,410	13%
	2012	35,553,440	5,043,773	14%	19,770	46,408,337	6,649,173	14%
	2013	36,436,418	6,885,091	19%	19,561	45,601,290	8,620,047	19%
	2014	37,239,109	11,123,679	30%	18,835	44,726,422	13,401,646	30%
	2015	36,318,526	9,236,803	25%	18,266	41,856,982	10,704,267	26%
	2016	33,877,266	11,560,229	34%	17,173	37,486,652	12,816,476	34%
	2017	31,075,952	14,970,654	48%	16,172	33,027,910	15,938,163	48%
	2018	31,648,756	13,956,432	44%	15,528	32,298,838	14,253,722	44%
Projected Future Experience (60 Years)	2019	33,863,186	12,777,791	38%	14,901	33,181,038	12,515,388	38%
	2020	34,337,103	14,061,113	41%	14,646	32,303,148	13,212,931	41%
	2021	33,783,616	15,722,494	47%	14,390	30,515,160	14,173,819	46%
	2022	32,796,527	17,722,424	54%	14,123	28,443,242	15,327,826	54%
	2023	31,645,087	20,012,409	63%	13,844	26,347,947	16,606,487	63%
	2024	30,626,081	22,613,641	74%	13,552	24,482,548	18,005,354	74%
	2025	29,655,490	25,458,648	86%	13,245	22,763,794	19,451,221	85%
	2026	28,661,941	28,566,162	100%	12,925	21,127,027	20,943,713	99%
	2027	27,657,062	32,010,290	116%	12,589	19,576,949	22,521,582	115%
	2028	26,598,847	35,818,384	135%	12,237	18,081,611	24,185,994	134%
	2029	25,510,367	40,163,804	157%	11,869	16,654,956	26,032,694	156%
	2030	24,429,793	45,003,133	184%	11,481	15,318,705	28,002,002	183%
	2031	23,299,318	50,125,429	215%	11,075	14,032,755	29,942,022	213%
	2032	22,144,904	55,396,933	250%	10,651	12,811,416	31,770,945	248%
	2033	20,972,812	60,771,123	290%	10,209	11,655,490	33,467,291	287%
	2034	19,756,450	66,065,782	334%	9,751	10,547,655	34,938,477	331%
	2035	18,537,872	71,177,300	384%	9,279	9,508,614	36,149,828	380%
	2036	17,311,338	75,953,836	439%	8,795	8,531,491	37,048,767	434%
	2037	16,074,175	80,305,695	500%	8,302	7,611,978	37,624,638	494%
	2038	14,837,861	84,075,739	567%	7,802	6,752,048	37,838,893	560%
	2039	13,634,591	87,045,442	638%	7,300	5,962,584	37,635,961	631%
	2040	12,454,147	89,115,903	716%	6,798	5,234,276	37,019,672	707%
	2041	11,309,547	90,240,309	798%	6,302	4,568,461	36,017,638	788%
	2042	10,208,502	90,508,569	887%	5,814	3,963,741	34,709,124	876%
	2043	9,160,976	89,978,287	982%	5,338	3,419,210	33,154,533	970%
	2044	8,171,552	88,758,123	1,086%	4,878	2,931,913	31,425,661	1,072%
	2045	7,244,245	86,827,722	1,199%	4,436	2,498,739	29,541,667	1,182%
	2046	6,383,665	84,181,067	1,319%	4,016	2,116,884	27,524,358	1,300%
	2047	5,591,458	80,930,877	1,447%	3,620	1,782,632	25,428,412	1,426%
	2048	4,870,679	77,219,223	1,585%	3,248	1,492,977	23,316,173	1,562%
	2049	4,219,105	73,193,741	1,735%	2,902	1,243,443	21,239,671	1,708%
	2050	3,636,053	69,021,162	1,898%	2,583	1,030,348	19,248,267	1,868%
	2051	3,117,977	64,781,310	2,078%	2,290	849,536	17,361,811	2,044%
	2052	2,660,789	60,525,479	2,275%	2,023	697,073	15,588,313	2,236%
	2053	2,260,697	56,238,105	2,488%	1,780	569,474	13,921,053	2,445%
	2054	1,912,214	52,022,856	2,721%	1,562	463,159	12,378,060	2,673%
	2055	1,611,473	47,867,865	2,970%	1,365	375,300	10,949,943	2,918%
	2056	1,353,005	43,774,553	3,235%	1,189	302,978	9,628,565	3,178%
	2057	1,131,906	39,695,967	3,507%	1,033	243,709	8,395,173	3,445%
	2058	943,657	35,840,318	3,798%	894	195,356	7,287,258	3,730%
	2059-2063	2,770,517	129,503,579	4,674%	2,900	518,324	23,675,313	4,568%
	2064-2068	1,008,230	64,811,375	6,428%	1,270	155,540	9,817,744	6,312%
	2069-2073	335,586	25,949,378	7,733%	499	42,935	3,281,788	7,644%
	2074-2078	103,118	8,479,163	8,223%	170	11,003	901,178	8,191%
History		454,460,819	88,005,754	19%	256,001	604,897,817	105,024,260	17%
Future		628,593,519	2,490,312,500	396%	309,875	410,917,169	999,207,210	243%
Lifetime		1,083,054,338	2,578,318,254	238%	565,876	1,015,814,986	1,104,231,469	109%

Exhibit I-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Nationwide Experience After Requested Rate Increase
Individual Simplicity 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	2004	1,944,204	299,291	15%	3,084	3,680,681	566,604	15%
	2005	11,092,052	704,251	6%	8,665	20,094,713	1,275,843	6%
	2006	21,602,601	127,494	1%	16,065	36,847,398	221,026	1%
	2007	32,553,826	1,233,078	4%	20,864	52,445,074	1,991,993	4%
	2008	37,075,014	2,692,008	7%	21,432	57,103,216	4,251,105	7%
	2009	36,622,544	1,971,445	5%	20,617	54,108,660	2,933,713	5%
	2010	35,876,003	3,507,186	10%	20,165	50,858,403	4,999,069	10%
	2011	35,545,109	4,694,341	13%	19,804	48,353,241	6,401,410	13%
	2012	35,553,440	5,043,773	14%	19,770	46,408,337	6,649,173	14%
	2013	36,436,418	6,885,091	19%	19,561	45,601,290	8,620,047	19%
	2014	37,239,109	11,123,679	30%	18,835	44,726,422	13,401,646	30%
	2015	36,318,526	9,236,803	25%	18,266	41,856,982	10,704,267	26%
	2016	33,877,266	11,560,229	34%	17,173	37,486,652	12,816,476	34%
	2017	31,075,952	14,970,654	48%	16,172	33,027,910	15,938,163	48%
	2018	31,648,756	13,956,432	44%	15,528	32,298,838	14,253,722	44%
Projected Future Experience (60 Years)	2019	33,863,186	12,777,791	38%	14,901	33,181,038	12,515,388	38%
	2020	36,393,547	13,935,200	38%	14,199	34,237,974	13,094,644	38%
	2021	47,594,005	14,830,138	31%	13,384	43,002,951	13,369,235	31%
	2022	49,737,790	16,401,983	33%	13,111	43,156,170	14,185,584	33%
	2023	47,762,977	18,472,636	39%	12,847	39,785,653	15,328,388	39%
	2024	46,278,318	20,829,353	45%	12,575	37,012,422	16,584,197	45%
	2025	44,842,522	23,416,020	52%	12,292	34,440,752	17,890,047	52%
	2026	43,352,316	26,239,813	61%	11,995	31,976,511	19,237,532	60%
	2027	41,874,900	29,365,230	70%	11,685	29,663,247	20,659,955	70%
	2028	40,315,483	32,814,161	81%	11,360	27,429,111	22,156,724	81%
	2029	38,702,459	36,745,945	95%	11,019	25,291,260	23,816,559	94%
	2030	37,109,424	41,120,715	111%	10,661	23,293,444	25,585,328	110%
	2031	35,440,499	45,743,832	129%	10,285	21,369,139	27,323,624	128%
	2032	33,737,713	50,494,152	150%	9,893	19,542,055	28,957,848	148%
	2033	32,009,912	55,334,192	173%	9,484	17,812,876	30,471,594	171%
	2034	30,204,481	60,096,321	199%	9,060	16,148,785	31,779,723	197%
	2035	28,394,817	64,684,528	228%	8,623	14,587,128	32,850,026	225%
	2036	26,571,796	68,963,611	260%	8,175	13,117,187	33,636,471	256%
	2037	24,723,916	72,853,154	295%	7,718	11,729,343	34,130,019	291%
	2038	22,868,998	76,212,172	333%	7,255	10,427,010	34,296,495	329%
	2039	21,064,463	78,843,098	374%	6,790	9,231,041	34,085,732	369%
	2040	19,286,927	80,660,900	418%	6,325	8,123,989	33,503,196	412%
	2041	17,562,386	81,624,372	465%	5,864	7,111,179	32,574,062	458%
	2042	15,896,518	81,807,799	515%	5,411	6,188,143	31,367,111	507%
	2043	14,307,408	81,273,344	568%	4,970	5,354,804	29,940,905	559%
	2044	12,801,132	80,126,480	626%	4,543	4,606,617	28,362,642	616%
	2045	11,384,619	78,351,038	688%	4,132	3,939,373	26,649,916	677%
	2046	10,065,381	75,938,598	754%	3,742	3,349,173	24,820,954	741%
	2047	8,846,845	72,988,914	825%	3,373	2,830,806	22,924,187	810%
	2048	7,733,459	69,629,700	900%	3,028	2,379,759	21,015,297	883%
	2049	6,722,570	65,995,314	982%	2,706	1,989,543	19,141,077	962%
	2050	5,814,379	62,227,053	1,070%	2,409	1,654,972	17,343,389	1,048%
	2051	5,003,821	58,400,816	1,167%	2,136	1,369,842	15,641,315	1,142%
	2052	4,285,395	54,556,529	1,273%	1,887	1,128,366	14,040,382	1,244%
	2053	3,653,710	50,685,138	1,387%	1,661	925,317	12,536,102	1,355%
	2054	3,100,892	46,880,452	1,512%	1,457	755,340	11,144,626	1,475%
	2055	2,621,343	43,133,564	1,645%	1,274	614,158	9,857,795	1,605%
	2056	2,207,185	39,443,508	1,787%	1,110	497,378	8,667,591	1,743%
	2057	1,851,235	35,763,964	1,932%	964	401,230	7,556,126	1,883%
	2058	1,546,837	32,286,592	2,087%	835	322,447	6,558,117	2,034%
	2059-2063	4,560,530	116,614,265	2,557%	2,707	859,644	21,299,459	2,478%
	2064-2068	1,668,378	58,294,431	3,494%	1,186	259,629	8,824,617	3,399%
	2069-2073	558,852	23,202,066	4,152%	466	72,182	2,930,461	4,060%
	2074-2078	173,625	7,540,654	4,343%	159	18,697	799,424	4,276%
History		454,460,819	88,005,754	19%	256,001	604,897,817	105,024,260	17%
Future		924,496,952	2,257,599,536	244%	289,663	591,187,684	909,453,866	154%
Lifetime		1,378,957,771	2,345,605,290	170%	545,664	1,196,085,501	1,014,478,126	85%

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

1	Accumulated value of initial earned premium	573,423,238	x	58%	=	332,585,478
2a	Accumulated value of earned premium	604,897,817				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	31,474,579	x	85%	=	26,753,392
3	Present value of future projected initial earned premium	175,824,645	x	58%	=	101,978,294
4a	Present value of future projected premium	591,187,684				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	415,363,039	x	85%	=	353,058,583
5	**Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b**					**814,375,748**
6a	Accumulated value of incurred claims without the inclusion of active life reserves					105,024,260
6b	Present value of future projected incurred claims without the inclusion of active life reserves					1,045,871,946
7	**Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b**					**1,150,896,206**
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 4.5%.
Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.
The future projected incurred claims (item 6b) were increased by 15% to reflect assumptions with moderately adverse experience.

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

Current Assumptions	Original Pricing Assumptions
Mortality	
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.	1983 GAM Table without selection was assumed in all jurisdictions except for in California where the 1994 GAM Table was used.

Lapse Rates

Voluntary lapse rates (excludes benefit expiry) vary by policy duration (ultimate for 10+), attained age (ultimate for 65+), benefit period (lifetime or non-lifetime), inflation protection option (auto inflation or none), marital status, 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 paid up at age 65 option, a reduction of 50% of the durational lapse rates is assumed until age 55, a reduction of 75% of the durational lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter. For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the durational lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the durational lapse rates thereafter.

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

Lifetime-Pay Lapse Rates

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

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

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

Current Assumptions	Original Pricing Assumptions
Benefit Expiry Rates	
Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2017 Milliman *Long-Term Care Guidelines* (*Guidelines*) with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.	Benefit expiry was not separated from the lapse assumption.
Morbidity	
Expected claim costs are developed using the 2014 *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 attained age, duration, 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 expected claim costs were developed using the 2002 *Guidelines* with best-estimate (with no explicit margin) adjustments for an all-lives exposure basis. The claim costs were further adjusted based on MedAmerica's available experience at the time.
Interest Rate	
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 4.5% and averages 4.2%.	In all jurisdictions except California, an original earnings rate assumption of 6.5% was assumed for issue ages less than 60, decreasing by 12.5 basis points for each age over 59 and less than 75. For example, at issue age 65 the assumed rate was 5.75%. For issue ages 75 and over, 4.5% was assumed. In California, 5.25% was assumed for all issue ages.
Improvement	
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%.	No mortality improvement was assumed. Morbidity improvement of 1.0% was assumed for 20 years for both females and males.

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

Current Assumptions	2012 Nationwide Rate Increase Assumptions
Mortality	
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.	1994 GAM Table adjusted by gender using durational factors which reflect the impact of both mortality selection and improvement. The durational adjustment factors were developed for MAPA; MAPA's two sister companies, MAFL and MANY (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners based on historical experience from inception through December 31, 2011 on all policy forms, except the recently priced FlexCare policy form.

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

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

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

Current Assumptions	2012 Nationwide Rate Increase Assumptions

Lapse Rates

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 option (auto inflation or none), marital status, 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 paid up at age 65 option, a reduction of 50% of the durational lapse rates is assumed until age 55, a reduction of 75% of the durational lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter. For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the durational lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the durational lapse rates thereafter.

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

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

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

Benefit Expiry Rates

Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2017 Milliman *Long-Term Care Guidelines* (*Guidelines*) with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.

Benefit expiry was not separated from the lapse assumption.

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

Current Assumptions	2012 Nationwide Rate Increase Assumptions
Morbidity	
Expected claim costs are developed using the 2014 *Guidelines* with adjustments for underwriting selection, all-lives exposure basis, and four years of retrospective improvement to bring the *Guidelines* forward to 2018. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-5a of Appendix A of the actuarial memorandum.	Expected claim costs are the original pricing claim costs, adjusted to an all-lives exposure base. The claim costs are further adjusted based on historical claim experience on a durational basis, to the extent credible.
Interest Rate	
The current most-likely earnings rate assumption is 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 4.5% and averages 4.2%.	The prior earnings rate assumption was 5.25%.
Improvement	
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%.	No mortality improvement was assumed; however, the ultimate mortality level was determined by assuming mortality improvement of 1.0% for males and 0.5% for females for 15 years. Embedded in the original pricing claim costs is a morbidity improvement assumption of 1.0% per year for 20 years for both females and males.

Appendix A
Development 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, policy duration, and attained age.

- 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. Less than 2% 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, paid-up at age 65, reduced after age 65, and reduced after age 70 payment options, the scalars were developed from a comparison of the lifetime-pay derived lapse rates to the limited-pay option's derived lapse rates based on MedAmerica and its affinity partners' experience on all products combined. The relationships derived

from this analysis were used to develop the smoothed lapse assumptions as shown in Section 6 of the actuarial memorandum.

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.

Appendix A
Development of and Justification for Current Assumptions

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 Simplicity and Simplicity ii individual policy forms.

- Exhibit A-5b – provides a summary of A:E experience for the Simplicity and Simplicity ii individual policy forms.

    - Exposure [A] reflects the length of time a covered life is in force (i.e., an exact exposure basis).

    - Actual incurred claim counts [B] and dollars [C] are based on historical claim experience from inception through June 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.

Appendix A
Development of and Justification for Current Assumptions

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).

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	Factor
1	0.81
2	0.70
3	0.63
4	0.59
5	0.56
6	0.66
7	0.75
8	0.81
9	0.84
10	0.86
11	0.90
12	0.92
13	0.93
14	0.96
15	0.98
16	0.98
17	0.98
18	0.98
19	0.98
20+	0.98

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

Policy or Policyholder Characteristic	Policy Year Exposure [A]	Actual		Mortality Probability		Actual-to-Modeled Mortality Probability	
		Deaths [B]	Probability [C]	2012IAM [D]	Modeled [E]	2012IAM [F] = [C] / [D]	Modeled [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
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]							
Simplicity Individual	34,774	314	0.9%	0.6%	0.7%	1.50	1.30
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 Simplicity Individual 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
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]					
Simplicity Individual	34,774	604	1.7%	1.6%	1.11
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 Simplicity Individual 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
Simplicity and Simplicity ii Individual Policy Forms Combined

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

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

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

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

Exhibit A-5b
MedAmerica and Affinity Partners
Actual-to-Expected Morbidity Experience through June 30, 2016 with Claim Runout
Simplicity and Simplicity ii Individual Policy Forms Combined

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

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

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 three prior nationwide requests for the Simplicity policy forms. Table B-1 provides the average originally requested rate increases by inflation protection option (none vs. auto). 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
Simplicity Policy Forms

Inflation Option	2012 Request	2015 Request	2017 Request	Cumulative Request
No Inflation	29.6%	72.6%	0.0%	124%
Auto Inflation	37.9	75.7	25.0	203
All[1]	36.3	75.1	20.4	187

[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 inflation protection option. 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
Simplicity Policy Forms

Inflation Option	Lifetime Loss Ratio
No Inflation	72%
Auto Inflation	87

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.

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.

Table B-3 and Exhibit B-3 reflect nationwide experience with 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. Values in Table B-3 and Exhibit B-3 are accumulated and discounted at the maximum valuation interest rate applicable to the year of issue.

Table B-3
Nationwide Lifetime Loss Ratios with Capped Historical Incurred Claims at the Maximum Valuation Interest Rate by Inflation Option

Inflation Option	Before Increase	After Increase
No Inflation	73	64
Auto Inflation	114	86
All	106	83

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 114% higher rates from issue to reproduce the original pricing loss ratio of 57%. 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 $729 million in the history and $1,194 million over the lifetime if the company had perfect knowledge and charged 114% higher premiums from issue. In contrast, the actual premium paid by these policies has been $365 million in the history and is projected to be $908 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-4 below provides a summary of the present value of lifetime premiums under the scenario discussed above by inflation protection option.

Table B-4
Lifetime Premium Equivalence
In-force Policies

Inflation Option	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
No Inflation	49%	92%	$209	$156
Auto Inflation	59	118	982	752
All	57	114	1,194	908

[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 inflation options not tying to the total.

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
Individual Simplicity Policy Forms with No Inflation

		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	2004	533,140	299,291	56%	925	1,009,316	566,604	56%
	2005	2,834,822	685,374	24%	2,593	5,135,653	1,241,645	24%
	2006	5,011,872	61,408	1%	4,509	8,574,801	106,458	1%
	2007	6,835,579	1,123,397	16%	5,524	11,062,669	1,815,981	16%
	2008	7,408,396	734,238	10%	5,416	11,463,648	1,160,863	10%
	2009	7,144,569	767,152	11%	5,166	10,603,781	1,154,829	11%
	2010	6,902,749	1,064,788	15%	4,955	9,827,064	1,518,542	15%
	2011	6,821,397	2,737,621	40%	4,855	9,312,653	3,751,836	40%
	2012	6,810,018	2,636,553	39%	4,809	8,915,220	3,452,818	39%
	2013	6,835,265	2,901,342	42%	4,720	8,576,425	3,648,070	43%
	2014	7,454,568	4,192,451	56%	4,511	8,970,662	5,031,370	56%
	2015	7,771,920	4,537,371	58%	4,317	8,973,708	5,261,488	59%
	2016	7,077,578	4,293,499	61%	4,003	7,842,728	4,765,251	61%
	2017	6,809,639	5,154,680	76%	3,710	7,243,397	5,495,896	76%
	2018	9,046,069	3,928,042	43%	3,517	9,234,299	4,012,185	43%
Projected Future Experience (60 Years)	2019	8,970,663	3,661,023	41%	3,434	8,788,031	3,585,261	41%
	2020	8,667,314	3,856,058	44%	3,349	8,148,832	3,621,643	44%
	2021	8,348,072	4,099,257	49%	3,261	7,532,781	3,692,309	49%
	2022	8,023,183	4,401,171	55%	3,170	6,948,566	3,801,964	55%
	2023	7,698,016	4,723,816	61%	3,076	6,398,807	3,914,081	61%
	2024	7,359,478	5,065,291	69%	2,979	5,871,665	4,026,080	69%
	2025	7,030,505	5,391,666	77%	2,879	5,384,453	4,111,327	76%
	2026	6,698,614	5,717,210	85%	2,777	4,925,048	4,182,492	85%
	2027	6,364,189	6,040,290	95%	2,672	4,492,256	4,239,490	94%
	2028	6,021,515	6,368,097	106%	2,565	4,080,867	4,288,647	105%
	2029	5,685,474	6,708,565	118%	2,456	3,699,578	4,335,911	117%
	2030	5,350,164	7,083,733	132%	2,345	3,342,849	4,394,367	131%
	2031	5,012,532	7,433,137	148%	2,231	3,007,552	4,426,099	147%
	2032	4,682,101	7,751,592	166%	2,117	2,697,879	4,431,002	164%
	2033	4,357,086	8,022,021	184%	2,001	2,411,225	4,402,859	183%
	2034	4,032,514	8,237,884	204%	1,885	2,143,425	4,341,204	203%
	2035	3,718,112	8,382,416	225%	1,769	1,898,304	4,241,599	223%
	2036	3,412,698	8,461,478	248%	1,654	1,673,669	4,111,346	246%
	2037	3,115,815	8,464,305	272%	1,541	1,467,868	3,949,517	269%
	2038	2,832,149	8,411,943	297%	1,431	1,281,730	3,769,490	294%
	2039	2,561,208	8,288,545	324%	1,323	1,113,542	3,567,161	320%
	2040	2,304,196	8,084,653	351%	1,219	962,454	3,341,655	347%
	2041	2,062,623	7,808,026	379%	1,119	827,706	3,099,983	375%
	2042	1,837,255	7,489,291	408%	1,023	708,309	2,855,748	403%
	2043	1,628,727	7,140,450	438%	933	603,249	2,614,709	433%
	2044	1,436,966	6,770,468	471%	847	511,310	2,380,441	466%
	2045	1,262,203	6,381,985	506%	767	431,471	2,154,023	499%
	2046	1,103,682	5,985,215	542%	692	362,441	1,938,982	535%
	2047	960,855	5,584,565	581%	622	303,112	1,736,104	573%
	2048	832,771	5,170,213	621%	558	252,353	1,542,265	611%
	2049	718,206	4,759,442	663%	499	209,062	1,361,945	651%
	2050	617,389	4,361,375	706%	445	172,610	1,196,946	693%
	2051	528,654	3,974,059	752%	396	141,949	1,045,973	737%
	2052	450,975	3,603,824	799%	351	116,291	909,745	782%
	2053	383,269	3,260,678	851%	310	94,910	789,453	832%
	2054	324,479	2,937,326	905%	273	77,160	682,110	884%
	2055	273,727	2,633,019	962%	240	62,503	586,583	938%
	2056	230,094	2,344,965	1,019%	211	50,451	501,322	994%
	2057	192,747	2,072,774	1,075%	184	40,584	425,353	1,048%
	2058	160,886	1,822,506	1,133%	161	32,532	359,050	1,104%
	2059-2063	473,428	6,057,775	1,280%	533	86,309	1,072,153	1,242%
	2064-2068	174,010	2,689,707	1,546%	246	26,156	392,873	1,502%
	2069-2073	62,287	1,068,038	1,715%	104	7,832	130,083	1,661%
	2074-2078	25,147	424,715	1,689%	40	2,673	43,647	1,633%
History		95,297,580	35,117,205	37%	63,530	126,746,023	42,983,836	34%
Future		137,985,978	238,994,568	173%	62,686	93,392,354	116,594,995	125%
Lifetime		233,283,559	274,111,773	118%	126,216	220,138,378	159,578,831	72%

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
Individual Simplicity Policy Forms with Auto Inflation

		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	2004	1,411,065	0	0%	2,159	2,671,365	0	0%
	2005	8,257,230	18,877	0%	6,072	14,959,060	34,199	0%
	2006	16,590,729	66,086	0%	11,556	28,272,597	114,568	0%
	2007	25,718,247	109,681	0%	15,340	41,382,406	176,012	0%
	2008	29,666,618	1,957,770	7%	16,016	45,639,568	3,090,242	7%
	2009	29,477,975	1,204,293	4%	15,451	43,504,878	1,778,885	4%
	2010	28,973,254	2,442,398	8%	15,210	41,031,339	3,480,527	8%
	2011	28,723,712	1,956,719	7%	14,949	39,040,588	2,649,574	7%
	2012	28,743,422	2,407,221	8%	14,961	37,493,117	3,196,355	9%
	2013	29,276,188	3,983,749	14%	14,841	36,617,826	4,971,977	14%
	2014	33,575,688	6,931,228	21%	14,324	40,293,873	8,370,276	21%
	2015	35,908,611	4,699,433	13%	13,949	41,363,153	5,442,779	13%
	2016	32,146,116	7,266,730	23%	13,170	35,555,013	8,051,225	23%
	2017	29,952,744	9,815,974	33%	12,462	31,826,949	10,442,268	33%
	2018	41,799,698	10,028,390	24%	12,011	42,655,346	10,241,537	24%
Projected Future Experience (60 Years)	2019	48,059,327	9,471,975	20%	11,575	47,095,886	9,278,058	20%
	2020	47,342,699	10,653,603	23%	11,410	44,552,443	10,012,775	22%
	2021	46,213,601	12,107,975	26%	11,240	41,764,753	10,918,458	26%
	2022	44,949,815	13,857,215	31%	11,061	39,011,781	11,989,298	31%
	2023	43,226,371	15,880,746	37%	10,874	36,019,295	13,183,535	37%
	2024	41,968,078	18,207,860	43%	10,675	33,579,650	14,504,002	43%
	2025	40,821,826	20,797,347	51%	10,466	31,367,935	15,897,377	51%
	2026	39,623,391	23,655,635	60%	10,245	29,241,607	17,351,946	59%
	2027	38,426,354	26,858,359	70%	10,010	27,235,952	18,906,230	69%
	2028	37,154,882	30,425,605	82%	9,763	25,294,044	20,554,827	81%
	2029	35,817,901	34,523,627	96%	9,500	23,421,210	22,387,926	96%
	2030	34,483,019	39,089,179	113%	9,220	21,659,312	24,333,856	112%
	2031	33,071,171	43,963,308	133%	8,924	19,954,273	26,273,196	132%
	2032	31,609,292	49,015,297	155%	8,611	18,322,213	28,123,340	153%
	2033	30,107,426	54,213,296	180%	8,281	16,766,389	29,868,123	178%
	2034	28,526,883	59,379,046	208%	7,936	15,263,231	31,414,514	206%
	2035	26,922,731	64,421,014	239%	7,575	13,841,420	32,730,575	236%
	2036	25,290,402	69,177,584	274%	7,202	12,494,398	33,755,414	270%
	2037	23,622,900	73,567,802	311%	6,818	11,216,017	34,479,430	307%
	2038	21,933,674	77,414,631	353%	6,425	10,008,871	34,852,294	348%
	2039	20,275,289	80,508,624	397%	6,026	8,892,867	34,820,553	392%
	2040	18,629,536	82,761,855	444%	5,625	7,854,154	34,390,767	438%
	2041	17,020,497	84,120,272	494%	5,224	6,898,273	33,584,817	487%
	2042	15,455,720	84,649,037	548%	4,828	6,022,516	32,471,402	539%
	2043	13,952,936	84,397,449	605%	4,439	5,227,609	31,107,163	595%
	2044	12,519,920	83,467,488	667%	4,061	4,510,436	29,561,514	655%
	2045	11,164,586	81,839,158	733%	3,697	3,867,827	27,853,865	720%
	2046	9,895,976	79,497,218	803%	3,349	3,297,001	26,002,912	789%
	2047	8,718,936	76,550,285	878%	3,019	2,793,710	24,062,628	861%
	2048	7,639,013	73,154,506	958%	2,709	2,354,180	22,099,860	939%
	2049	6,655,376	69,444,711	1,043%	2,421	1,972,796	20,163,300	1,022%
	2050	5,767,773	65,579,038	1,137%	2,153	1,644,545	18,300,298	1,113%
	2051	4,973,006	61,637,973	1,239%	1,908	1,363,960	16,531,378	1,212%
	2052	4,266,524	57,669,015	1,352%	1,684	1,125,679	14,864,298	1,320%
	2053	3,643,587	53,649,263	1,472%	1,481	924,779	13,291,529	1,437%
	2054	3,097,126	49,691,437	1,604%	1,297	756,208	11,834,098	1,565%
	2055	2,621,771	45,780,995	1,746%	1,132	615,818	10,482,678	1,702%
	2056	2,210,270	41,919,657	1,897%	985	499,424	9,229,804	1,848%
	2057	1,855,820	38,060,350	2,051%	854	403,381	8,057,416	1,997%
	2058	1,552,117	34,407,236	2,217%	738	324,529	7,002,909	2,158%
	2059-2063	4,583,534	124,811,919	2,723%	2,380	866,853	22,835,864	2,634%
	2064-2068	1,677,479	62,746,581	3,741%	1,028	261,989	9,510,234	3,630%
	2069-2073	557,541	25,081,125	4,499%	396	72,255	3,173,509	4,392%
	2074-2078	167,333	8,100,554	4,841%	130	18,069	861,507	4,768%
History		400,221,296	52,888,549	13%	192,471	522,307,079	62,040,423	12%
Future		898,073,407	2,296,206,851	256%	249,377	580,679,537	902,909,480	155%
Lifetime		1,298,294,704	2,349,095,399	181%	441,848	1,102,986,615	964,949,904	87%

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
Individual Simplicity Policy Forms with No Inflation

		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	2004	533,140	299,291	56%	925	1,009,316	566,604	56%
	2005	2,834,822	685,374	24%	2,593	5,135,653	1,241,645	24%
	2006	5,011,872	61,408	1%	4,509	8,574,801	106,458	1%
	2007	6,835,579	1,123,397	16%	5,524	11,062,669	1,815,981	16%
	2008	7,408,396	734,238	10%	5,416	11,463,648	1,160,863	10%
	2009	7,144,569	767,152	11%	5,166	10,603,781	1,154,829	11%
	2010	6,902,749	1,064,788	15%	4,955	9,827,064	1,518,542	15%
	2011	6,821,397	2,737,621	40%	4,855	9,312,653	3,751,836	40%
	2012	6,810,018	2,636,553	39%	4,809	8,915,220	3,452,818	39%
	2013	6,906,954	2,901,342	42%	4,720	8,666,578	3,648,070	42%
	2014	7,380,795	4,192,451	57%	4,511	8,883,804	5,031,370	57%
	2015	7,308,729	4,537,371	62%	4,317	8,439,060	5,261,488	62%
	2016	6,956,337	4,293,499	62%	4,003	7,708,398	4,765,251	62%
	2017	6,842,506	5,154,680	75%	3,710	7,277,753	5,495,896	76%
	2018	7,313,363	3,928,042	54%	3,517	7,465,396	4,012,185	54%
Projected Future Experience (60 Years)	2019	7,826,696	3,606,820	46%	3,360	7,667,361	3,532,178	46%
	2020	8,314,704	3,770,536	45%	3,230	7,817,269	3,541,322	45%
	2021	8,483,759	4,000,080	47%	3,118	7,655,168	3,602,981	47%
	2022	8,223,802	4,292,192	52%	3,031	7,122,334	3,707,827	52%
	2023	7,888,267	4,605,583	58%	2,941	6,556,954	3,816,122	58%
	2024	7,538,663	4,936,889	65%	2,848	6,014,619	3,924,033	65%
	2025	7,199,741	5,253,206	73%	2,753	5,514,069	4,005,766	73%
	2026	6,858,004	5,568,334	81%	2,655	5,042,253	4,073,604	81%
	2027	6,513,788	5,880,846	90%	2,555	4,597,880	4,127,610	90%
	2028	6,160,878	6,197,810	101%	2,453	4,175,355	4,173,998	100%
	2029	5,815,272	6,527,140	112%	2,349	3,784,083	4,218,684	111%
	2030	5,470,609	6,890,047	126%	2,242	3,418,151	4,274,249	125%
	2031	5,123,546	7,227,856	141%	2,134	3,074,215	4,303,899	140%
	2032	4,784,309	7,535,777	158%	2,024	2,756,829	4,307,665	156%
	2033	4,450,903	7,797,308	175%	1,913	2,463,203	4,279,543	174%
	2034	4,117,853	8,005,916	194%	1,802	2,188,850	4,218,975	193%
	2035	3,795,571	8,145,374	215%	1,691	1,937,917	4,121,670	213%
	2036	3,482,680	8,221,269	236%	1,582	1,708,056	3,994,649	234%
	2037	3,178,587	8,223,150	259%	1,474	1,497,503	3,837,006	256%
	2038	2,888,250	8,171,544	283%	1,368	1,307,180	3,661,772	280%
	2039	2,611,034	8,051,180	308%	1,265	1,135,264	3,465,015	305%
	2040	2,348,154	7,852,717	334%	1,166	980,871	3,245,805	331%
	2041	2,101,164	7,583,524	361%	1,070	843,225	3,010,873	357%
	2042	1,870,829	7,273,539	389%	979	721,301	2,773,501	385%
	2043	1,657,796	6,934,378	418%	892	614,060	2,539,270	414%
	2044	1,461,967	6,574,590	450%	810	520,247	2,311,603	444%
	2045	1,283,588	6,196,681	483%	733	438,819	2,091,526	477%
	2046	1,121,854	5,810,537	518%	661	368,442	1,882,446	511%
	2047	976,196	5,420,394	555%	595	307,982	1,685,120	547%
	2048	845,626	5,016,987	593%	533	256,276	1,496,607	584%
	2049	728,870	4,617,061	633%	477	212,192	1,321,245	623%
	2050	626,223	4,229,591	675%	425	175,102	1,160,817	663%
	2051	535,935	3,852,623	719%	378	143,924	1,014,042	705%
	2052	456,951	3,492,578	764%	335	117,848	881,682	748%
	2053	388,158	3,159,159	814%	296	96,134	764,880	796%
	2054	328,471	2,845,123	866%	261	78,120	660,695	846%
	2055	276,985	2,549,702	921%	230	63,256	568,013	898%
	2056	232,754	2,270,357	975%	201	51,041	485,362	951%
	2057	194,922	2,006,578	1,029%	176	41,046	411,757	1,003%
	2058	162,668	1,764,150	1,085%	154	32,896	347,539	1,056%
	2059-2063	478,605	5,864,562	1,225%	509	87,259	1,037,877	1,189%
	2064-2068	176,007	2,610,878	1,483%	235	26,456	381,305	1,441%
	2069-2073	63,054	1,040,867	1,651%	99	7,928	126,739	1,599%
	2074-2078	25,467	414,289	1,627%	38	2,707	42,553	1,572%
History		93,011,224	35,117,205	38%	63,530	124,345,793	42,983,836	35%
Future		139,069,155	232,289,724	167%	60,039	93,621,642	113,429,822	121%
Lifetime		232,080,379	267,406,929	115%	123,569	217,967,435	156,413,659	72%

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
Individual Simplicity Policy Forms with Auto Inflation

		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	2004	1,411,065	0	0%	2,159	2,671,365	0	0%
	2005	8,257,230	18,877	0%	6,072	14,959,060	34,199	0%
	2006	16,590,729	66,086	0%	11,556	28,272,597	114,568	0%
	2007	25,718,247	109,681	0%	15,340	41,382,406	176,012	0%
	2008	29,666,618	1,957,770	7%	16,016	45,639,568	3,090,242	7%
	2009	29,477,975	1,204,293	4%	15,451	43,504,878	1,778,885	4%
	2010	28,973,254	2,442,398	8%	15,210	41,031,339	3,480,527	8%
	2011	28,723,712	1,956,719	7%	14,949	39,040,588	2,649,574	7%
	2012	28,743,422	2,407,221	8%	14,961	37,493,117	3,196,355	9%
	2013	29,647,753	3,983,749	13%	14,841	37,083,753	4,971,977	13%
	2014	32,442,594	6,931,228	21%	14,324	38,946,004	8,370,276	21%
	2015	32,332,487	4,699,433	15%	13,949	37,243,574	5,442,779	15%
	2016	31,140,333	7,266,730	23%	13,170	34,442,454	8,051,225	23%
	2017	29,920,703	9,815,974	33%	12,462	31,790,218	10,442,268	33%
	2018	32,050,943	10,028,390	31%	12,011	32,706,046	10,241,537	31%
Projected Future Experience (60 Years)	2019	34,838,781	9,396,935	27%	11,616	34,140,869	9,204,567	27%
	2020	38,521,317	10,475,700	27%	11,074	36,251,072	9,845,678	27%
	2021	44,728,529	11,591,899	26%	10,619	40,423,732	10,453,329	26%
	2022	44,572,415	13,214,473	30%	10,451	38,687,506	11,433,570	30%
	2023	42,791,816	15,141,758	35%	10,275	35,660,243	12,570,595	35%
	2024	41,517,388	17,357,654	42%	10,089	33,222,161	13,827,489	42%
	2025	40,368,542	19,821,702	49%	9,892	31,023,134	15,152,580	49%
	2026	39,168,038	22,540,889	58%	9,684	28,909,421	16,535,489	57%
	2027	37,974,024	25,589,341	67%	9,464	26,919,449	18,014,424	67%
	2028	36,704,713	28,986,392	79%	9,231	24,991,906	19,584,284	78%
	2029	35,370,064	32,892,733	93%	8,984	23,132,855	21,332,385	92%
	2030	34,043,770	37,243,923	109%	8,721	21,388,010	23,187,550	108%
	2031	32,640,496	41,890,012	128%	8,442	19,699,041	25,036,926	127%
	2032	31,189,290	46,706,779	150%	8,147	18,083,388	26,801,866	148%
	2033	29,700,738	51,667,928	174%	7,836	16,544,490	28,469,099	172%
	2034	28,132,583	56,603,766	201%	7,511	15,056,738	29,949,793	199%
	2035	26,543,517	61,427,734	231%	7,171	13,650,832	31,213,581	229%
	2036	24,927,775	65,985,116	265%	6,819	12,319,471	32,201,706	261%
	2037	23,276,840	70,197,544	302%	6,457	11,055,795	32,904,184	298%
	2038	21,604,037	73,893,667	342%	6,086	9,862,340	33,271,650	337%
	2039	19,964,720	76,872,416	385%	5,710	8,760,327	33,252,616	380%
	2040	18,337,959	79,046,841	431%	5,331	7,734,657	32,851,962	425%
	2041	16,748,334	80,365,433	480%	4,952	6,791,172	32,090,653	473%
	2042	15,202,567	80,887,861	532%	4,577	5,926,867	31,033,408	524%
	2043	13,718,556	80,665,429	588%	4,210	5,142,571	29,736,177	578%
	2044	12,303,623	79,794,163	649%	3,852	4,435,069	28,264,870	637%
	2045	10,965,393	78,252,428	714%	3,507	3,801,160	26,637,260	701%
	2046	9,712,919	76,021,773	783%	3,177	3,238,143	24,870,043	768%
	2047	8,550,972	73,206,532	856%	2,865	2,741,816	23,015,211	839%
	2048	7,485,333	69,956,408	935%	2,571	2,308,547	21,137,102	916%
	2049	6,515,110	66,402,748	1,019%	2,297	1,932,760	19,283,053	998%
	2050	5,640,196	62,695,883	1,112%	2,043	1,609,536	17,498,292	1,087%
	2051	4,857,404	58,915,822	1,213%	1,810	1,333,454	15,803,389	1,185%
	2052	4,162,193	55,107,864	1,324%	1,598	1,099,200	14,205,782	1,292%
	2053	3,549,919	51,253,305	1,444%	1,405	901,911	12,699,220	1,408%
	2054	3,013,483	47,460,119	1,575%	1,230	736,561	11,303,753	1,535%
	2055	2,547,626	43,715,194	1,716%	1,074	599,060	10,010,566	1,671%
	2056	2,145,020	40,019,983	1,866%	934	485,233	8,812,373	1,816%
	2057	1,798,844	36,328,785	2,020%	810	391,456	7,691,602	1,965%
	2058	1,502,776	32,837,333	2,185%	700	314,590	6,684,098	2,125%
	2059-2063	4,428,138	119,092,716	2,689%	2,258	838,537	21,793,484	2,599%
	2064-2068	1,617,747	59,878,457	3,701%	976	252,960	9,079,242	3,589%
	2069-2073	538,043	23,899,716	4,442%	376	69,799	3,025,064	4,334%
	2074-2078	161,683	7,705,678	4,766%	124	17,473	819,499	4,690%
History		385,097,065	52,888,549	14%	192,471	506,206,966	62,040,423	12%
Future		864,083,227	2,193,008,830	254%	236,955	552,485,312	862,589,462	156%
Lifetime		1,249,180,292	2,245,897,379	180%	429,426	1,058,692,278	924,629,885	87%

Exhibit B-3
Demonstration that the Requested Cumulative Rate Increase Passes the 58%/85% Loss Ratio Minimum
MedAmerica and Affinity Partners' Combined Nationwide Experience with Prior Approved Increases and Capped Historical Incurred Claims
Individual Simplicity Policy Forms

1	Accumulated value of initial earned premium	573,423,238	x	58%	=	332,585,478
2a	Accumulated value of earned premium	604,897,817				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	31,474,579	x	85%	=	26,753,392
3	Present value of future projected initial earned premium	175,824,645	x	58%	=	101,978,294
4a	Present value of future projected premium	591,187,684				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	415,363,039	x	85%	=	353,058,583
5	**Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b**					**814,375,748**
6a	Accumulated value of incurred claims without the inclusion of active life reserves					80,700,211
6b	Present value of future projected incurred claims without the inclusion of active life reserves					1,045,871,946
7	**Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b**					**1,126,572,157**
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 4.5%.
Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.
The future projected incurred claims (item 6b) were increased by 15% to reflect assumptions with moderately adverse experience.

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

Supplement to the Simplicity Actuarial Memorandum

January 28, 2020

Product	Number
Tax-Qualified Long-Term Care Policy Form	SPL-336-HMBSPA
Tax-Qualified Franchise Long-Term Care Policy Form	FSPL-336-HMBSPA

The experience provided in this supplement to the actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) and similar policy forms issued nationwide by MedAmerica Insurance Company (MedAmerica) and its affinity partners. 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 Filing

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):* This rate increase filing complies with loss ratio requirements (i.e., the 58%/85% test), as specified in Reg. 89a.118.(c)(2). Demonstration of satisfaction of this requirement is discussed in Section 15 of the enclosed actuarial memorandum.

(*2):* Section 3 of the actuarial memorandum provides a description of benefits. A copy of the affected policy forms may be provided upon request.

(2)(i): The primary reason why these forms are in need of a premium rate increase is due to emerging experience running more adverse than expected in pricing.

This rate increase request is a follow-up to three 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 cumulative rate increase levels were determined to vary by issue age and inflation option to better align the rate increase with the adverse experience. The table in Section 2 of the enclosed actuarial memorandum provides the average prior, requested, and cumulative increase by issue age band and inflation option based on the nationwide distribution of business. The enclosed cover letter provides similar information on a Pennsylvania-specific distribution.

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

Exhibit I of the actuarial memorandum provides nationwide earned premium and incurred claim actual and projected experience using current assumptions, as described in Section 6 of the enclosed actuarial memorandum. Attachment 1 to this supplement provides nationwide written premium and paid claim actual and projected experience using current assumptions. Values in Exhibit I and Attachment 1 are shown both before and after the requested rate increase. The interest values used in Exhibit I and Attachment 1 to accumulate and discount values is the maximum valuation interest rate for contract reserves applicable for the year of issue (which ranges from 3.5% to 4.5%, and averages 4.2%).

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

(2)(ii)(A): There have been six rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase varied by issue age and inflation option from 47% to 176% and averaged 141%. The most recent rate increase was filed for use by the Department on December 5, 2018.

(2)(ii)(B): Table 1 shows the original pricing commission scales by issue age and duration for lifetime-pay policies. The actual commission scales will differ slightly from those that appear in Table 1 as the company adjusts renewal commission rates so that the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

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

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

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

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

(2)(ii)(C)(II): Attachment 4 to this supplement provides a breakdown of historical incurred claims and active life reserve balance, including a description of the calculation basis, for both nationwide and Pennsylvania-specific experience.

Attachment 5 to this supplement provides actual and projected experience on a durational basis using current assumptions. Included are policy year earned premiums, incurred claims, durational loss ratios, end of year lives, and cumulative loss ratios with interest. Values in Attachment 5 are shown both before and after the requested rate increase. The number of durations shown was chosen to capture the majority of the durations underlying Exhibit I. Similar to Exhibit I and Attachments 1 through 3, the values used to calculate the cumulative loss ratios are accumulated and discounted at the maximum valuation interest rate.

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

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

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

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

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
Individual Simplicity 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	2004	4,477,175	41,559	1%	3,084	8,475,987	78,677	1%
	2005	13,864,104	142,647	1%	8,665	25,116,651	258,425	1%
	2006	24,601,047	295,873	1%	16,065	41,722,946	512,930	1%
	2007	34,711,459	423,473	1%	20,864	55,818,954	694,921	1%
	2008	37,173,678	752,446	2%	21,432	57,238,904	1,176,454	2%
	2009	36,444,269	1,360,620	4%	20,617	53,839,058	2,037,985	4%
	2010	35,789,556	1,701,866	5%	20,165	50,733,010	2,453,661	5%
	2011	35,507,507	2,923,248	8%	19,804	48,298,119	4,015,268	8%
	2012	35,808,922	3,591,057	10%	19,770	46,736,131	4,718,944	10%
	2013	36,788,796	5,019,382	14%	19,561	46,031,979	6,331,778	14%
	2014	36,911,604	5,893,153	16%	18,835	44,324,246	7,102,414	16%
	2015	35,795,309	7,243,434	20%	18,266	41,244,035	8,378,575	20%
	2016	32,976,740	8,830,620	27%	17,173	36,493,014	9,798,078	27%
	2017	30,669,055	10,247,340	33%	16,172	32,597,130	10,907,129	33%
	2018	32,321,750	13,003,453	40%	15,528	32,985,945	13,277,065	40%
Projected Future Experience (60 Years)	2019	34,120,967	11,300,587	33%	14,901	33,433,492	11,067,554	33%
	2020	34,291,458	12,477,266	36%	14,646	32,260,280	11,722,426	36%
	2021	33,491,544	13,617,110	41%	14,390	30,251,720	12,273,431	41%
	2022	32,452,492	14,955,039	46%	14,123	28,145,142	12,932,155	46%
	2023	31,313,090	16,567,740	53%	13,844	26,070,921	13,745,555	53%
	2024	30,347,400	18,404,505	61%	13,552	24,260,698	14,650,719	60%
	2025	29,367,667	20,490,454	70%	13,245	22,543,933	15,651,095	69%
	2026	28,374,381	22,880,988	81%	12,925	20,916,269	16,770,437	80%
	2027	27,358,912	25,596,761	94%	12,589	19,367,328	18,003,159	93%
	2028	26,282,095	28,654,538	109%	12,237	17,867,791	19,340,826	108%
	2029	25,197,340	32,083,986	127%	11,869	16,452,187	20,783,930	126%
	2030	24,104,422	35,927,134	149%	11,481	15,116,393	22,338,945	148%
	2031	22,968,437	40,170,792	175%	11,075	13,835,301	23,976,564	173%
	2032	21,807,704	44,765,963	205%	10,651	12,618,232	25,650,592	203%
	2033	20,631,044	49,655,042	241%	10,209	11,467,516	27,316,650	238%
	2034	19,408,737	54,754,918	282%	9,751	10,363,990	28,922,805	279%
	2035	18,190,981	59,970,285	330%	9,279	9,332,694	30,418,784	326%
	2036	16,961,428	65,191,939	384%	8,795	8,361,050	31,755,508	380%
	2037	15,729,772	70,308,065	447%	8,302	7,450,865	32,891,303	441%
	2038	14,498,612	75,197,378	519%	7,802	6,599,585	33,788,020	512%
	2039	13,303,505	79,714,200	599%	7,300	5,819,649	34,404,430	591%
	2040	12,132,231	83,715,466	690%	6,798	5,100,709	34,708,522	680%
	2041	11,001,264	87,075,732	792%	6,302	4,445,592	34,682,281	780%
	2042	9,915,099	89,714,077	905%	5,814	3,851,341	34,329,968	891%
	2043	8,884,324	91,586,555	1,031%	5,338	3,317,348	33,671,650	1,015%
	2044	7,913,001	92,686,894	1,171%	4,878	2,840,411	32,740,680	1,153%
	2045	7,004,354	93,015,733	1,328%	4,436	2,417,126	31,570,442	1,306%
	2046	6,163,520	92,572,602	1,502%	4,016	2,044,879	30,191,229	1,476%
	2047	5,391,181	91,378,952	1,695%	3,620	1,719,649	28,637,198	1,665%
	2048	4,689,978	89,486,931	1,908%	3,248	1,438,337	26,948,928	1,874%
	2049	4,057,597	86,973,741	2,143%	2,902	1,196,483	25,169,856	2,104%
	2050	3,492,782	83,943,315	2,403%	2,583	990,287	23,345,321	2,357%
	2051	2,991,843	80,502,758	2,691%	2,290	815,618	21,515,647	2,638%
	2052	2,550,521	76,751,865	3,009%	2,023	668,556	19,713,638	2,949%
	2053	2,165,091	72,766,183	3,361%	1,780	545,694	17,961,891	3,292%
	2054	1,829,685	68,619,621	3,750%	1,562	443,414	16,279,154	3,671%
	2055	1,540,712	64,374,157	4,178%	1,365	359,017	14,678,584	4,089%
	2056	1,292,620	60,076,292	4,648%	1,189	289,612	13,167,408	4,547%
	2057	1,080,628	55,752,497	5,159%	1,033	232,793	11,746,651	5,046%
	2058	900,380	51,456,370	5,715%	894	186,496	10,422,198	5,588%
	2059-2063	2,639,808	197,150,913	7,468%	2,900	494,164	35,815,646	7,248%
	2064-2068	959,374	113,086,579	11,788%	1,270	148,123	16,947,321	11,441%
	2069-2073	319,599	54,878,706	17,171%	499	40,936	6,819,012	16,658%
	2074-2078	98,229	22,266,661	22,668%	170	10,495	2,305,928	21,972%
History		463,840,972	61,470,171	13%	256,001	621,656,110	71,742,304	12%
Future		619,215,809	2,692,517,290	435%	309,875	406,132,118	981,774,038	242%
Lifetime		1,083,056,781	2,753,987,461	254%	565,876	1,027,788,228	1,053,516,343	103%

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

		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	2004	4,477,175	41,559	1%	3,084	8,475,987	78,677	1%
	2005	13,864,104	142,647	1%	8,665	25,116,651	258,425	1%
	2006	24,601,047	295,873	1%	16,065	41,722,946	512,930	1%
	2007	34,711,459	423,473	1%	20,864	55,818,954	694,921	1%
	2008	37,173,678	752,446	2%	21,432	57,238,904	1,176,454	2%
	2009	36,444,269	1,360,620	4%	20,617	53,839,058	2,037,985	4%
	2010	35,789,556	1,701,866	5%	20,165	50,733,010	2,453,661	5%
	2011	35,507,507	2,923,248	8%	19,804	48,298,119	4,015,268	8%
	2012	35,808,922	3,591,057	10%	19,770	46,736,131	4,718,944	10%
	2013	36,788,796	5,019,382	14%	19,561	46,031,979	6,331,778	14%
	2014	36,911,604	5,893,153	16%	18,835	44,324,246	7,102,414	16%
	2015	35,795,309	7,243,434	20%	18,266	41,244,035	8,378,575	20%
	2016	32,976,740	8,830,620	27%	17,173	36,493,014	9,798,078	27%
	2017	30,669,055	10,247,340	33%	16,172	32,597,130	10,907,129	33%
	2018	32,321,750	13,003,453	40%	15,528	32,985,945	13,277,065	40%
Projected Future Experience (60 Years)	2019	34,121,420	11,300,587	33%	14,901	33,433,935	11,067,554	33%
	2020	39,123,946	12,451,717	32%	14,199	36,806,245	11,698,424	32%
	2021	49,200,748	13,406,977	27%	13,384	44,456,561	12,083,976	27%
	2022	49,197,077	14,465,471	29%	13,111	42,686,961	12,508,653	29%
	2023	47,237,588	15,792,790	33%	12,847	39,345,072	13,102,339	33%
	2024	45,880,045	17,349,332	38%	12,575	36,695,246	13,810,364	38%
	2025	44,418,833	19,155,274	43%	12,292	34,116,929	14,630,748	43%
	2026	42,938,158	21,259,859	50%	11,995	31,672,829	15,581,650	49%
	2027	41,444,744	23,677,668	57%	11,685	29,360,629	16,652,720	57%
	2028	39,850,895	26,419,155	66%	11,360	27,115,246	17,831,281	66%
	2029	38,247,651	29,504,737	77%	11,019	24,996,447	19,112,284	76%
	2030	36,637,863	32,969,023	90%	10,661	23,000,024	20,498,729	89%
	2031	34,958,407	36,796,769	105%	10,285	21,081,227	21,961,707	104%
	2032	33,245,572	40,941,367	123%	9,893	19,259,876	23,457,968	122%
	2033	31,511,027	45,349,818	144%	9,484	17,538,241	24,946,895	142%
	2034	29,694,537	49,946,030	168%	9,060	15,879,178	26,381,097	166%
	2035	27,885,660	54,642,338	196%	8,623	14,328,668	27,714,478	193%
	2036	26,054,605	59,339,258	228%	8,175	12,865,011	28,902,510	225%
	2037	24,214,132	63,935,404	264%	7,718	11,490,598	29,907,619	260%
	2038	22,364,924	68,321,093	305%	7,255	10,200,196	30,695,533	301%
	2039	20,571,046	72,364,692	352%	6,790	9,017,705	31,229,209	346%
	2040	18,804,667	75,937,778	404%	6,325	7,923,586	31,480,282	397%
	2041	17,099,058	78,928,034	462%	5,864	6,926,256	31,433,014	454%
	2042	15,454,224	81,261,810	526%	5,411	6,018,428	31,091,098	517%
	2043	13,888,228	82,900,536	597%	4,970	5,200,186	30,473,168	586%
	2044	12,407,801	83,841,610	676%	4,543	4,467,145	29,610,474	663%
	2045	11,017,926	84,088,911	763%	4,132	3,814,355	28,534,222	748%
	2046	9,727,388	83,643,961	860%	3,742	3,238,364	27,272,222	842%
	2047	8,537,878	82,527,134	967%	3,373	2,733,396	25,855,424	946%
	2048	7,453,199	80,786,058	1,084%	3,028	2,294,779	24,320,381	1,060%
	2049	6,470,802	78,491,021	1,213%	2,706	1,916,116	22,706,170	1,185%
	2050	5,589,823	75,734,965	1,355%	2,409	1,591,974	21,053,194	1,322%
	2051	4,805,044	72,613,871	1,511%	2,136	1,316,197	19,397,457	1,474%
	2052	4,110,623	69,216,329	1,684%	1,887	1,082,988	17,768,025	1,641%
	2053	3,501,250	65,609,890	1,874%	1,661	887,233	16,185,070	1,824%
	2054	2,968,471	61,860,935	2,084%	1,457	723,512	14,665,371	2,027%
	2055	2,507,064	58,025,351	2,314%	1,274	587,726	13,220,718	2,249%
	2056	2,109,046	54,144,708	2,567%	1,110	475,534	11,857,462	2,494%
	2057	1,767,407	50,241,880	2,843%	964	383,277	10,576,222	2,759%
	2058	1,475,684	46,364,922	3,142%	835	307,785	9,382,193	3,048%
	2059-2063	4,342,963	177,580,602	4,089%	2,707	819,136	32,228,568	3,934%
	2064-2068	1,586,196	101,796,821	6,418%	1,186	247,034	15,241,351	6,170%
	2069-2073	531,993	49,291,282	9,265%	466	68,788	6,118,424	8,895%
	2074-2078	165,379	19,924,367	12,048%	159	17,831	2,059,877	11,552%
History		463,840,972	61,470,171	13%	256,001	621,656,110	71,742,304	12%
Future		915,120,991	2,444,202,136	267%	289,663	588,388,448	896,306,125	152%
Lifetime		1,378,961,963	2,505,672,308	182%	545,664	1,210,044,558	968,048,430	80%

Attachment 2-a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Individual Simplicity 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	2004	69,238	0	0%	79	131,078	0	0%
	2005	340,141	0	0%	234	616,211	0	0%
	2006	828,549	0	0%	845	1,397,985	0	0%
	2007	1,454,576	3,929	0%	1,075	2,321,547	6,519	0%
	2008	1,854,353	3,596	0%	1,428	2,831,096	5,428	0%
	2009	2,251,035	0	0%	1,579	3,294,649	0	0%
	2010	2,450,306	54,466	2%	1,573	3,442,637	78,940	2%
	2011	2,410,676	16,428	1%	1,518	3,253,918	22,557	1%
	2012	2,344,343	0	0%	1,472	3,040,299	0	0%
	2013	2,273,077	17,499	1%	1,357	2,832,468	21,711	1%
	2014	2,406,036	124,522	5%	1,300	2,880,656	149,993	5%
	2015	2,436,491	452,573	19%	1,250	2,801,545	525,960	19%
	2016	2,358,456	177,565	8%	1,186	2,605,372	197,197	8%
	2017	2,416,379	446,673	18%	1,131	2,565,142	473,748	18%
	2018	2,708,108	184,758	7%	1,094	2,762,590	188,671	7%
Projected Future Experience (60 Years)	2019	2,874,112	657,589	23%	1,057	2,817,376	644,290	23%
	2020	2,900,851	718,854	25%	1,038	2,732,296	676,139	25%
	2021	2,841,094	796,610	28%	1,023	2,571,365	719,331	28%
	2022	2,779,243	888,058	32%	1,008	2,417,070	769,899	32%
	2023	2,710,134	991,244	37%	992	2,264,878	825,188	36%
	2024	2,633,490	1,111,891	42%	975	2,114,868	888,990	42%
	2025	2,566,691	1,254,775	49%	957	1,980,799	963,685	49%
	2026	2,499,917	1,421,818	57%	939	1,854,053	1,049,078	57%
	2027	2,425,475	1,615,686	67%	920	1,728,751	1,145,438	66%
	2028	2,357,687	1,839,039	78%	899	1,615,042	1,252,925	78%
	2029	2,287,558	2,106,391	92%	878	1,506,079	1,379,248	92%
	2030	2,214,158	2,413,979	109%	855	1,401,127	1,519,341	108%
	2031	2,137,255	2,757,839	129%	831	1,299,970	1,668,484	128%
	2032	2,056,874	3,138,396	153%	805	1,202,561	1,825,138	152%
	2033	1,972,950	3,551,476	180%	778	1,108,790	1,985,119	179%
	2034	1,885,148	3,992,437	212%	749	1,018,411	2,144,918	211%
	2035	1,793,314	4,468,710	249%	719	931,296	2,307,325	248%
	2036	1,699,198	4,948,189	291%	687	848,284	2,455,451	289%
	2037	1,598,244	5,410,397	339%	654	767,019	2,580,438	336%
	2038	1,495,002	5,853,514	392%	620	689,728	2,683,436	389%
	2039	1,394,067	6,248,795	448%	585	618,315	2,753,330	445%
	2040	1,292,178	6,590,045	510%	549	550,992	2,790,747	506%
	2041	1,190,149	6,866,557	577%	512	487,900	2,794,480	573%
	2042	1,088,965	7,074,793	650%	476	429,200	2,766,829	645%
	2043	989,667	7,214,027	729%	439	375,025	2,711,066	723%
	2044	893,146	7,277,673	815%	403	325,409	2,628,208	808%
	2045	800,285	7,255,440	907%	368	280,352	2,518,211	898%
	2046	711,838	7,144,314	1,004%	333	239,776	2,383,271	994%
	2047	628,522	6,930,536	1,103%	301	203,576	2,222,187	1,092%
	2048	550,911	6,635,114	1,204%	270	171,588	2,045,057	1,192%
	2049	479,463	6,294,093	1,313%	240	143,606	1,864,774	1,299%
	2050	414,372	5,912,977	1,427%	213	119,355	1,683,937	1,411%
	2051	355,650	5,513,680	1,550%	188	98,519	1,509,341	1,532%
	2052	303,205	5,102,124	1,683%	166	80,778	1,342,562	1,662%
	2053	256,869	4,686,527	1,824%	145	65,819	1,185,453	1,801%
	2054	216,282	4,271,682	1,975%	126	53,303	1,038,698	1,949%
	2055	181,024	3,858,479	2,131%	110	42,912	902,054	2,102%
	2056	150,647	3,452,331	2,292%	95	34,350	775,998	2,259%
	2057	124,688	3,056,870	2,452%	82	27,348	660,577	2,415%
	2058	102,697	2,680,679	2,610%	70	21,668	556,874	2,570%
	2059-2063	291,641	8,949,528	3,069%	224	55,725	1,675,238	3,006%
	2064-2068	101,828	4,057,428	3,985%	96	16,042	628,330	3,917%
	2069-2073	34,891	1,567,207	4,492%	38	4,528	201,319	4,446%
	2074-2078	11,569	542,045	4,685%	13	1,236	57,678	4,666%
History		28,601,764	1,482,010	5%	17,121	36,777,194	1,670,724	5%
Future		58,292,951	179,119,838	307%	23,425	37,317,082	69,180,081	185%
Lifetime		86,894,715	180,601,848	208%	40,546	74,094,275	70,850,805	96%

Attachment 2-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Calendar Year
Pennsylvania-Specific Experience After Requested Rate Increase
Individual Simplicity 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	2004	69,238	0	0%	79	131,078	0	0%
	2005	340,141	0	0%	234	616,211	0	0%
	2006	828,549	0	0%	845	1,397,985	0	0%
	2007	1,454,576	3,929	0%	1,075	2,321,547	6,519	0%
	2008	1,854,353	3,596	0%	1,428	2,831,096	5,428	0%
	2009	2,251,035	0	0%	1,579	3,294,649	0	0%
	2010	2,450,306	54,466	2%	1,573	3,442,637	78,940	2%
	2011	2,410,676	16,428	1%	1,518	3,253,918	22,557	1%
	2012	2,344,343	0	0%	1,472	3,040,299	0	0%
	2013	2,273,077	17,499	1%	1,357	2,832,468	21,711	1%
	2014	2,406,036	124,522	5%	1,300	2,880,656	149,993	5%
	2015	2,436,491	452,573	19%	1,250	2,801,545	525,960	19%
	2016	2,358,456	177,565	8%	1,186	2,605,372	197,197	8%
	2017	2,416,379	446,673	18%	1,131	2,565,142	473,748	18%
	2018	2,708,108	184,758	7%	1,094	2,762,590	188,671	7%
Projected Future Experience (60 Years)	2019	2,874,112	657,589	23%	1,057	2,817,376	644,290	23%
	2020	3,024,614	714,312	24%	1,006	2,848,892	671,864	24%
	2021	3,476,169	772,830	22%	968	3,146,306	697,833	22%
	2022	3,472,181	858,196	25%	953	3,019,909	743,974	25%
	2023	3,385,835	956,958	28%	938	2,829,792	796,602	28%
	2024	3,289,249	1,072,280	33%	922	2,641,724	857,269	32%
	2025	3,206,621	1,208,607	38%	906	2,474,898	928,171	38%
	2026	3,124,356	1,368,015	44%	888	2,317,409	1,009,317	44%
	2027	3,031,390	1,552,825	51%	870	2,160,846	1,100,800	51%
	2028	2,948,556	1,765,593	60%	851	2,020,015	1,202,803	60%
	2029	2,862,824	2,020,275	71%	830	1,885,029	1,322,763	70%
	2030	2,772,903	2,313,398	83%	809	1,754,892	1,455,924	83%
	2031	2,678,495	2,641,042	99%	786	1,629,347	1,597,697	98%
	2032	2,579,601	3,003,693	116%	762	1,508,327	1,746,662	116%
	2033	2,476,114	3,397,420	137%	736	1,391,699	1,898,850	136%
	2034	2,367,551	3,817,927	161%	709	1,279,134	2,050,982	160%
	2035	2,253,658	4,272,460	190%	680	1,170,459	2,205,787	188%
	2036	2,136,877	4,730,315	221%	650	1,066,871	2,347,096	220%
	2037	2,010,689	5,171,715	257%	619	965,028	2,466,334	256%
	2038	1,881,452	5,594,838	297%	587	868,078	2,564,554	295%
	2039	1,755,583	5,972,217	340%	553	778,710	2,631,136	338%
	2040	1,628,341	6,297,851	387%	519	694,379	2,666,643	384%
	2041	1,500,764	6,561,430	437%	485	615,275	2,669,891	434%
	2042	1,374,098	6,758,985	492%	450	541,615	2,642,862	488%
	2043	1,249,657	6,890,010	551%	416	473,575	2,588,787	547%
	2044	1,128,571	6,948,298	616%	381	411,212	2,508,696	610%
	2045	1,011,964	6,924,127	684%	348	354,530	2,402,608	678%
	2046	900,791	6,814,956	757%	315	303,445	2,272,746	749%
	2047	795,964	6,607,929	830%	284	257,829	2,118,051	821%
	2048	698,215	6,323,148	906%	255	217,485	1,948,174	896%
	2049	608,131	5,994,849	986%	227	182,160	1,775,356	975%
	2050	525,971	5,627,743	1,070%	202	151,514	1,601,923	1,057%
	2051	451,763	5,242,764	1,161%	178	125,155	1,434,383	1,146%
	2052	385,407	4,846,064	1,257%	156	102,689	1,274,386	1,241%
	2053	326,708	4,446,103	1,361%	137	83,723	1,123,855	1,342%
	2054	275,228	4,047,794	1,471%	119	67,839	983,503	1,450%
	2055	230,453	3,652,051	1,585%	103	54,636	853,079	1,561%
	2056	191,828	3,264,358	1,702%	89	43,746	733,081	1,676%
	2057	158,784	2,888,140	1,819%	77	34,831	623,509	1,790%
	2058	130,765	2,530,887	1,935%	66	27,593	525,209	1,903%
	2059-2063	370,869	8,428,645	2,273%	211	70,874	1,576,073	2,224%
	2064-2068	128,927	3,800,141	2,948%	90	20,314	587,900	2,894%
	2069-2073	44,022	1,458,592	3,313%	35	5,713	187,244	3,278%
	2074-2078	14,582	501,942	3,442%	12	1,558	53,397	3,427%
History		28,601,764	1,482,010	5%	17,121	36,777,194	1,670,724	5%
Future		71,740,635	170,719,315	238%	22,237	45,416,430	66,092,062	146%
Lifetime		100,342,400	172,201,324	172%	39,358	82,193,624	67,762,786	82%

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
Individual Simplicity 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	2004	119,848	0	0%	79	226,891	0	0%
	2005	416,507	0	0%	234	754,557	0	0%
	2006	1,012,387	0	0%	845	1,697,875	0	0%
	2007	1,547,318	4,198	0%	1,075	2,466,582	6,965	0%
	2008	1,999,464	0	0%	1,428	3,049,944	0	0%
	2009	2,358,115	3,696	0%	1,579	3,450,068	5,365	0%
	2010	2,449,376	17,353	1%	1,573	3,441,260	24,985	1%
	2011	2,401,817	42,900	2%	1,518	3,241,965	59,381	2%
	2012	2,334,250	13,258	1%	1,472	3,027,182	17,649	1%
	2013	2,294,566	18,149	1%	1,357	2,859,188	22,518	1%
	2014	2,437,583	0	0%	1,300	2,918,385	0	0%
	2015	2,428,163	144,160	6%	1,250	2,791,243	166,534	6%
	2016	2,331,678	227,903	10%	1,186	2,575,838	252,766	10%
	2017	2,495,051	246,449	10%	1,131	2,648,600	262,454	10%
	2018	2,791,342	281,615	10%	1,094	2,847,503	287,490	10%
Projected Future Experience (60 Years)	2019	2,851,578	283,439	10%	1,057	2,795,256	277,680	10%
	2020	2,884,013	413,490	14%	1,038	2,716,437	388,881	14%
	2021	2,819,492	524,048	19%	1,023	2,551,816	473,173	19%
	2022	2,762,677	630,770	23%	1,008	2,402,679	546,805	23%
	2023	2,689,868	738,600	27%	992	2,247,954	614,755	27%
	2024	2,614,570	850,797	33%	975	2,099,696	679,982	32%
	2025	2,548,059	971,132	38%	957	1,966,448	745,395	38%
	2026	2,476,873	1,104,586	45%	939	1,836,980	814,348	44%
	2027	2,405,595	1,255,289	52%	920	1,714,615	889,040	52%
	2028	2,337,791	1,426,973	61%	899	1,601,451	971,021	61%
	2029	2,267,024	1,625,257	72%	878	1,492,599	1,062,762	71%
	2030	2,192,864	1,854,665	85%	855	1,387,691	1,165,578	84%
	2031	2,115,221	2,117,482	100%	831	1,286,607	1,279,095	99%
	2032	2,034,049	2,415,522	119%	805	1,189,253	1,402,595	118%
	2033	1,949,208	2,748,970	141%	778	1,095,482	1,534,387	140%
	2034	1,859,640	3,116,835	168%	749	1,004,660	1,672,318	166%
	2035	1,768,028	3,519,156	199%	719	918,196	1,814,963	198%
	2036	1,673,219	3,950,217	236%	687	835,344	1,958,211	234%
	2037	1,571,631	4,399,555	280%	654	754,276	2,096,275	278%
	2038	1,468,012	4,857,615	331%	620	677,304	2,224,669	328%
	2039	1,366,877	5,311,042	389%	585	606,283	2,337,882	386%
	2040	1,264,930	5,746,597	454%	549	539,400	2,431,348	451%
	2041	1,163,100	6,150,985	529%	512	476,838	2,501,267	525%
	2042	1,062,483	6,513,229	613%	476	418,789	2,545,503	608%
	2043	963,987	6,825,010	708%	439	365,319	2,563,448	702%
	2044	868,397	7,078,597	815%	403	316,418	2,555,056	807%
	2045	776,669	7,266,049	936%	368	272,103	2,520,494	926%
	2046	689,628	7,379,972	1,070%	333	232,317	2,460,291	1,059%
	2047	607,851	7,412,291	1,219%	301	196,901	2,374,879	1,206%
	2048	531,837	7,360,665	1,384%	270	165,665	2,266,630	1,368%
	2049	462,061	7,230,921	1,565%	240	138,410	2,140,162	1,546%
	2050	398,651	7,030,814	1,764%	213	114,839	2,000,136	1,742%
	2051	341,564	6,771,056	1,982%	188	94,627	1,851,490	1,957%
	2052	290,716	6,462,854	2,223%	166	77,459	1,698,675	2,193%
	2053	245,903	6,117,454	2,488%	145	63,015	1,545,568	2,453%
	2054	206,697	5,744,883	2,779%	126	50,945	1,395,209	2,739%
	2055	172,694	5,353,129	3,100%	110	40,940	1,249,749	3,053%
	2056	143,435	4,948,961	3,450%	95	32,708	1,110,717	3,396%
	2057	118,490	4,538,338	3,830%	82	25,990	979,198	3,768%
	2058	97,425	4,127,684	4,237%	70	20,556	856,184	4,165%
	2059-2063	275,525	14,980,194	5,437%	224	52,653	2,791,688	5,302%
	2064-2068	95,771	7,755,526	8,098%	96	15,089	1,191,927	7,900%
	2069-2073	32,804	3,475,542	10,595%	38	4,257	441,547	10,373%
	2074-2078	10,856	1,372,704	12,645%	13	1,160	144,323	12,443%
History		29,417,465	998,979	3%	17,121	37,997,082	1,105,179	3%
Future		57,477,764	191,758,894	334%	23,425	36,897,425	66,565,307	180%
Lifetime		86,895,229	192,757,873	222%	40,546	74,894,507	67,670,486	90%

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
Individual Simplicity 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	2004	119,848	0	0%	79	226,891	0	0%
	2005	416,507	0	0%	234	754,557	0	0%
	2006	1,012,387	0	0%	845	1,697,875	0	0%
	2007	1,547,318	4,198	0%	1,075	2,466,582	6,965	0%
	2008	1,999,464	0	0%	1,428	3,049,944	0	0%
	2009	2,358,115	3,696	0%	1,579	3,450,068	5,365	0%
	2010	2,449,376	17,353	1%	1,573	3,441,260	24,985	1%
	2011	2,401,817	42,900	2%	1,518	3,241,965	59,381	2%
	2012	2,334,250	13,258	1%	1,472	3,027,182	17,649	1%
	2013	2,294,566	18,149	1%	1,357	2,859,188	22,518	1%
	2014	2,437,583	0	0%	1,300	2,918,385	0	0%
	2015	2,428,163	144,160	6%	1,250	2,791,243	166,534	6%
	2016	2,331,678	227,903	10%	1,186	2,575,838	252,766	10%
	2017	2,495,051	246,449	10%	1,131	2,648,600	262,454	10%
	2018	2,791,342	281,615	10%	1,094	2,847,503	287,490	10%
Projected Future Experience (60 Years)	2019	2,851,596	283,439	10%	1,057	2,795,274	277,680	10%
	2020	3,143,337	412,567	13%	1,006	2,960,768	388,012	13%
	2021	3,503,484	518,150	15%	968	3,171,024	467,841	15%
	2022	3,452,290	618,543	18%	953	3,002,626	536,188	18%
	2023	3,360,896	720,287	21%	938	2,808,961	599,484	21%
	2024	3,266,260	826,526	25%	922	2,623,284	660,542	25%
	2025	3,184,070	940,698	30%	906	2,457,524	721,984	29%
	2026	3,095,546	1,067,512	34%	888	2,296,055	786,953	34%
	2027	3,007,179	1,210,887	40%	870	2,143,625	857,521	40%
	2028	2,924,390	1,374,335	47%	851	2,003,501	935,119	47%
	2029	2,837,809	1,563,162	55%	830	1,868,601	1,022,065	55%
	2030	2,746,888	1,781,675	65%	809	1,738,472	1,119,602	64%
	2031	2,651,501	2,032,041	77%	786	1,612,970	1,227,367	76%
	2032	2,551,560	2,315,998	91%	762	1,491,973	1,344,676	90%
	2033	2,446,870	2,633,739	108%	736	1,375,302	1,469,926	107%
	2034	2,335,884	2,984,366	128%	709	1,262,058	1,601,083	127%
	2035	2,222,365	3,367,988	152%	680	1,154,244	1,736,822	150%
	2036	2,104,658	3,779,197	180%	650	1,050,819	1,873,232	178%
	2037	1,977,617	4,207,981	213%	619	949,189	2,004,772	211%
	2038	1,847,848	4,645,173	251%	587	852,607	2,127,126	249%
	2039	1,721,670	5,077,975	295%	553	763,700	2,235,010	293%
	2040	1,594,301	5,493,713	345%	519	679,895	2,324,046	342%
	2041	1,466,922	5,879,629	401%	485	601,433	2,390,579	397%
	2042	1,340,919	6,225,068	464%	450	528,569	2,432,502	460%
	2043	1,217,440	6,521,947	536%	416	461,398	2,449,195	531%
	2044	1,097,485	6,762,809	616%	381	399,916	2,440,602	610%
	2045	982,264	6,940,048	707%	348	344,156	2,406,894	699%
	2046	872,827	7,046,659	807%	315	294,053	2,348,613	799%
	2047	769,908	7,075,044	919%	284	249,415	2,266,222	909%
	2048	674,143	7,023,093	1,042%	255	210,010	2,162,034	1,029%
	2049	586,145	6,896,447	1,177%	227	175,595	2,040,485	1,162%
	2050	506,085	6,702,452	1,324%	202	145,802	1,906,007	1,307%
	2051	433,924	6,451,249	1,487%	178	120,227	1,763,298	1,467%
	2052	369,574	6,153,577	1,665%	156	98,481	1,616,621	1,642%
	2053	312,792	5,820,352	1,861%	137	80,165	1,469,730	1,833%
	2054	263,051	5,461,394	2,076%	119	64,843	1,325,584	2,044%
	2055	219,859	5,084,537	2,313%	103	52,128	1,186,276	2,276%
	2056	182,648	4,696,453	2,571%	89	41,655	1,053,299	2,529%
	2057	150,889	4,303,028	2,852%	77	33,101	927,711	2,803%
	2058	124,046	3,910,402	3,152%	66	26,176	810,437	3,096%
	2059-2063	350,327	14,159,756	4,042%	211	66,958	2,636,350	3,937%
	2064-2068	121,229	7,298,598	6,020%	90	19,102	1,120,462	5,866%
	2069-2073	41,382	3,254,626	7,865%	35	5,370	413,029	7,691%
	2074-2078	13,681	1,279,008	9,349%	12	1,462	134,353	9,191%
History		29,417,465	998,979	3%	17,121	37,997,082	1,105,179	3%
Future		70,925,559	182,802,127	258%	22,237	45,082,486	63,617,332	141%
Lifetime		100,343,024	183,801,106	183%	39,358	83,079,568	64,722,510	78%

Attachment 4
MedAmerica and Affinity Partners
Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2018
Individual Simplicity Policy Forms

Nationwide Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve[3]
	Incurred Claims[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve[2]	
2004	299,291	299,291	0		0	
2005	704,251	704,251	0		0	
2006	127,494	127,494	0		0	
2007	1,233,078	1,233,078	0		0	
2008	2,692,008	2,692,008	0		0	
2009	1,971,445	1,759,148	212,298		212,298	
2010	3,507,186	3,468,116	39,070		39,070	
2011	4,694,341	4,689,498	4,842		4,842	
2012	5,043,773	4,777,573	266,200		266,200	
2013	6,885,091	6,016,118	868,973		868,973	
2014	11,123,679	8,855,683	2,267,995		2,267,995	
2015	9,236,803	7,150,755	2,086,048		2,086,048	
2016	11,560,229	7,642,540	3,917,689		3,917,689	
2017	14,970,654	6,045,691	8,924,962		8,924,962	
2018	13,956,432	2,219,507	9,609,425	2,127,500	11,736,925	408,734,745

Pennsylvania-Specific Experience

Incurred Year	Discounted to the Year of Incurral					Year-End Active Life Reserve[3]
	Incurred Claims[1]	Paid Claims	Disabled Life Reserve	IBNR Reserve	Total Claim Reserve[2]	
2004	0	0	0		0	
2005	0	0	0		0	
2006	0	0	0		0	
2007	3,929	3,929	0		0	
2008	3,596	3,596	0		0	
2009	0	0	0		0	
2010	54,466	54,466	0		0	
2011	16,428	16,428	0		0	
2012	0	0	0		0	
2013	17,499	17,499	0		0	
2014	124,522	124,522	0		0	
2015	452,573	349,686	102,887		102,887	
2016	177,565	177,565	0		0	
2017	446,673	207,440	239,234		239,234	
2018	184,758	5,569	71,154	108,035	179,189	25,845,236

[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
Individual Simplicity 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	45,075,503	1,602,120	4%	25,214	4%
2	42,738,757	1,166,918	3%	23,614	3%
3	40,984,232	2,978,747	7%	22,489	4%
4	39,555,908	3,153,017	8%	21,557	5%
5	38,311,738	3,181,587	8%	20,781	6%
6	37,551,692	4,793,842	13%	20,091	7%
7	37,039,412	7,057,569	19%	19,341	8%
8	37,284,934	6,957,383	19%	18,699	9%
9	37,786,809	8,864,153	23%	18,056	10%
10	38,503,373	14,541,655	38%	17,254	13%
11	29,343,925	9,291,932	32%	16,369	14%
12	30,320,556	15,525,236	51%	15,752	16%
13	31,523,083	14,042,100	45%	15,251	17%
14	32,617,036	15,742,765	48%	14,814	19%
15	33,125,032	14,793,904	45%	14,491	20%
16	32,664,573	16,770,378	51%	14,212	21%
17	31,875,838	19,006,381	60%	13,936	22%
18	30,942,959	21,599,014	70%	13,647	24%
19	29,988,192	24,411,176	81%	13,344	26%
20	29,006,680	27,496,232	95%	13,025	27%
21	27,959,213	30,903,049	111%	12,691	29%
22	26,911,136	34,665,976	129%	12,341	31%
23	25,841,192	38,967,457	151%	11,973	34%
24	24,703,149	43,674,471	177%	11,586	36%
25	23,575,774	48,687,310	207%	11,181	39%
26	22,418,813	53,987,524	241%	10,757	42%
27	21,216,843	59,584,601	281%	10,315	45%
28	19,993,685	65,004,462	325%	9,856	48%
29	18,763,526	70,276,621	375%	9,381	51%
30	17,528,075	75,218,519	429%	8,894	55%
31	16,283,690	79,811,459	490%	8,396	58%
32	15,034,171	83,901,768	558%	7,891	62%
33	13,809,129	87,229,114	632%	7,382	65%
34	12,603,478	89,691,091	712%	6,874	69%
35	11,435,091	91,119,788	797%	6,369	72%
36	10,314,865	91,627,845	888%	5,873	76%
37	9,243,205	91,204,115	987%	5,390	79%
38	8,233,218	89,971,817	1,093%	4,922	82%
39	7,286,074	88,081,730	1,209%	4,473	85%
40	6,408,885	85,519,767	1,334%	4,046	87%
41	5,605,075	82,318,249	1,469%	3,642	90%
42	4,872,581	78,563,478	1,612%	3,265	92%
43	4,212,401	74,509,033	1,769%	2,914	94%
44	3,622,192	70,215,334	1,938%	2,590	96%
45	3,098,841	65,794,519	2,123%	2,294	97%
46	2,639,006	61,358,756	2,325%	2,024	99%
47	2,236,751	56,997,293	2,548%	1,779	100%
48	1,888,535	52,715,253	2,791%	1,558	102%
49	1,588,333	48,517,764	3,055%	1,361	103%
50	1,331,121	44,439,252	3,338%	1,184	104%
51-55	3,967,904	164,985,516	4,158%	3,901	107%
56-60	1,499,569	90,074,544	6,007%	1,761	108%
61-65	515,218	40,089,379	7,781%	706	109%
66-70	158,431	13,942,469	8,800%	242	109%
Total	1,083,039,401	2,576,625,432	238%	551,748	109%

Attachment 5-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Nationwide Experience After Requested Rate Increase
Individual Simplicity 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	45,075,503	1,602,120	4%	25,214	4%
2	42,738,757	1,166,918	3%	23,614	3%
3	40,984,232	2,978,747	7%	22,489	4%
4	39,555,908	3,153,017	8%	21,557	5%
5	38,311,738	3,181,587	8%	20,781	6%
6	37,551,692	4,793,842	13%	20,091	7%
7	37,079,435	7,057,267	19%	19,338	8%
8	37,759,905	6,950,234	18%	18,666	9%
9	39,714,508	8,828,654	22%	17,978	10%
10	41,164,272	14,474,291	35%	17,155	12%
11	31,590,146	9,194,771	29%	16,255	13%
12	32,902,287	15,397,923	47%	15,617	15%
13	34,786,388	13,857,052	40%	15,050	17%
14	37,737,351	15,433,777	41%	14,422	18%
15	41,730,460	14,230,666	34%	13,855	19%
16	44,690,640	15,843,701	35%	13,355	20%
17	46,611,912	17,620,287	38%	12,963	21%
18	46,316,955	19,873,422	43%	12,671	22%
19	45,115,446	22,402,215	50%	12,387	23%
20	43,708,240	25,191,920	58%	12,093	24%
21	42,141,695	28,272,300	67%	11,784	25%
22	40,571,824	31,671,758	78%	11,461	27%
23	38,985,265	35,556,297	91%	11,121	29%
24	37,305,509	39,803,765	107%	10,764	30%
25	35,639,767	44,324,046	124%	10,389	32%
26	33,922,372	49,099,886	145%	9,997	34%
27	32,135,281	54,140,798	168%	9,589	37%
28	30,308,174	59,017,816	195%	9,164	39%
29	28,481,528	63,759,897	224%	8,725	42%
30	26,642,549	68,199,645	256%	8,273	44%
31	24,785,479	72,318,590	292%	7,812	47%
32	22,913,665	75,983,369	332%	7,345	49%
33	21,078,422	78,955,167	375%	6,873	52%
34	19,266,478	81,143,955	421%	6,402	54%
35	17,510,267	82,399,092	471%	5,934	57%
36	15,824,037	82,819,457	523%	5,474	59%
37	14,204,567	82,399,037	580%	5,025	62%
38	12,677,785	81,249,447	641%	4,590	64%
39	11,241,031	79,518,859	707%	4,173	66%
40	9,909,337	77,190,515	779%	3,776	68%
41	8,685,923	74,289,865	855%	3,400	70%
42	7,567,392	70,898,746	937%	3,049	72%
43	6,556,854	67,241,905	1,026%	2,722	73%
44	5,650,790	63,371,213	1,121%	2,420	75%
45	4,845,186	59,390,679	1,226%	2,144	76%
46	4,135,088	55,396,984	1,340%	1,892	77%
47	3,512,032	51,473,129	1,466%	1,663	78%
48	2,970,870	47,620,070	1,603%	1,457	79%
49	2,502,856	43,841,795	1,752%	1,273	80%
50	2,100,660	40,172,199	1,912%	1,108	80%
51-55	6,279,580	149,236,506	2,377%	3,650	83%
56-60	2,382,402	81,448,716	3,419%	1,648	84%
61-65	822,706	36,110,771	4,389%	661	84%
66-70	254,590	12,511,970	4,915%	227	84%
Total	1,378,937,736	2,344,060,658	170%	531,537	84%

Attachment 6-a
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Pennsylvania-Specific Experience Before Requested Rate Increase
Individual Simplicity 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	2,699,589	0	0%	1,715	0%
2	2,586,142	3,596	0%	1,633	0%
3	2,488,477	3,929	0%	1,596	0%
4	2,447,138	10,190	0%	1,556	0%
5	2,434,128	55,549	2%	1,502	1%
6	2,408,432	0	0%	1,418	0%
7	2,410,490	116,204	5%	1,328	1%
8	2,460,507	142,675	6%	1,254	2%
9	2,578,069	336,881	13%	1,202	3%
10	2,807,433	109,340	4%	1,157	3%
11	2,306,802	612,743	27%	1,115	4%
12	2,516,945	356,006	14%	1,080	5%
13	2,668,284	506,805	19%	1,054	6%
14	2,764,728	595,336	22%	1,037	7%
15	2,806,977	775,558	28%	1,020	8%
16	2,750,125	893,008	32%	1,003	9%
17	2,694,907	1,014,944	38%	987	10%
18	2,630,070	1,156,446	44%	970	12%
19	2,557,873	1,315,975	51%	952	13%
20	2,490,408	1,499,575	60%	933	15%
21	2,414,617	1,717,701	71%	913	16%
22	2,345,442	1,974,156	84%	892	18%
23	2,272,890	2,271,845	100%	870	20%
24	2,196,774	2,606,756	119%	847	22%
25	2,116,871	2,969,000	140%	822	25%
26	2,033,075	3,362,969	165%	795	27%
27	1,945,466	3,792,392	195%	767	30%
28	1,854,217	4,239,929	229%	737	33%
29	1,758,290	4,704,690	268%	706	36%
30	1,660,522	5,176,748	312%	673	39%
31	1,560,236	5,640,620	362%	639	43%
32	1,450,162	6,075,248	419%	604	46%
33	1,346,801	6,444,513	479%	568	50%
34	1,243,056	6,747,443	543%	532	53%
35	1,139,822	6,975,889	612%	495	57%
36	1,038,075	7,139,016	688%	458	60%
37	938,831	7,222,526	769%	422	64%
38	843,124	7,220,732	856%	386	67%
39	751,795	7,153,510	952%	352	70%
40	665,456	7,010,805	1,054%	318	73%
41	584,691	6,783,447	1,160%	287	76%
42	509,981	6,478,523	1,270%	257	78%
43	441,669	6,124,978	1,387%	229	81%
44	379,847	5,740,188	1,511%	203	83%
45	324,467	5,342,256	1,646%	179	85%
46	275,305	4,927,547	1,790%	157	86%
47	232,041	4,510,108	1,944%	138	88%
48	194,310	4,089,445	2,105%	120	89%
49	161,733	3,674,775	2,272%	104	90%
50	133,878	3,285,826	2,454%	90	91%
51-55	382,495	11,404,184	2,982%	293	94%
56-60	132,213	5,422,518	4,101%	127	95%
61-65	43,720	2,116,566	4,841%	49	96%
66-70	14,329	712,138	4,970%	16	96%
Total	86,893,725	180,563,747	208%	39,559	96%

Attachment 6-b
MedAmerica and Affinity Partners
Actual and Projected Experience using Current Assumptions by Policy Year
Pennsylvania-Specific Experience After Requested Rate Increase
Individual Simplicity 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	2,699,589	0	0%	1,715	0%
2	2,586,142	3,596	0%	1,633	0%
3	2,488,477	3,929	0%	1,596	0%
4	2,447,138	10,190	0%	1,556	0%
5	2,434,128	55,549	2%	1,502	1%
6	2,408,432	0	0%	1,418	0%
7	2,410,490	116,204	5%	1,328	1%
8	2,460,507	142,675	6%	1,254	2%
9	2,578,069	336,881	13%	1,202	3%
10	2,807,433	109,340	4%	1,157	3%
11	2,317,608	612,460	26%	1,112	4%
12	2,605,909	353,675	14%	1,069	5%
13	2,872,391	500,717	17%	1,034	6%
14	3,114,630	583,778	19%	999	7%
15	3,337,130	755,893	23%	973	8%
16	3,361,585	866,651	26%	952	9%
17	3,340,841	981,077	29%	935	10%
18	3,279,567	1,115,501	34%	918	11%
19	3,193,756	1,267,601	40%	901	12%
20	3,110,640	1,442,706	46%	883	13%
21	3,015,923	1,650,497	55%	864	15%
22	2,931,522	1,894,879	65%	844	16%
23	2,842,849	2,178,780	77%	823	18%
24	2,749,645	2,498,221	91%	801	20%
25	2,651,607	2,843,445	107%	777	22%
26	2,548,578	3,218,666	126%	752	24%
27	2,440,634	3,627,680	149%	726	26%
28	2,327,964	4,054,308	174%	697	29%
29	2,209,036	4,497,875	204%	668	32%
30	2,087,802	4,948,659	237%	637	34%
31	1,963,200	5,391,787	275%	605	37%
32	1,824,805	5,806,482	318%	572	40%
33	1,695,940	6,158,476	363%	538	43%
34	1,566,408	6,446,464	412%	503	46%
35	1,437,346	6,662,412	464%	469	49%
36	1,309,984	6,815,276	520%	434	52%
37	1,185,618	6,892,148	581%	399	55%
38	1,065,560	6,887,758	646%	366	58%
39	950,870	6,821,305	717%	333	61%
40	842,334	6,682,405	793%	301	63%
41	740,696	6,462,402	872%	271	66%
42	646,571	6,168,012	954%	243	68%
43	560,402	5,827,160	1,040%	216	70%
44	482,327	5,456,428	1,131%	192	72%
45	412,301	5,073,496	1,231%	169	73%
46	350,059	4,675,186	1,336%	149	74%
47	295,215	4,275,360	1,448%	130	76%
48	247,323	3,873,820	1,566%	114	77%
49	205,921	3,478,816	1,689%	99	78%
50	170,480	3,108,911	1,824%	85	79%
51-55	486,775	10,776,706	2,214%	277	81%
56-60	167,676	5,107,865	3,046%	119	82%
61-65	55,235	1,983,027	3,590%	45	82%
66-70	18,077	662,584	3,665%	15	82%
Total	100,341,144	172,165,718	172%	38,371	82%

<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

MedAmerica Claim Administration and Processing Documentation

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

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

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

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

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

HIGHMARK BLUE SHIELD

An Independent Licensee of the Blue Cross and Blue Shield Association

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 **Maximum Monthly Benefit** amounts in effect at the time of lapse will be payable, but the **Lifetime Maximum** will be equal to the greater of the items a) or b) below:

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

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

Important facts to know about this reduced benefit are:

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

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

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

HIGHMARK BLUE SHIELD

An Independent Licensee of the Blue Cross and Blue Shield Association

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** the maximum monthly benefit in effect at the time my policy lapses, whichever is greater; and
- The Contingent Non-Forfeiture Benefit is significantly less than the benefit provided if I chose to keep paying my premium; and
- The Contingent Non-Forfeiture Benefit is only available if I satisfy the requirements for Benefit Eligibility as defined in my policy or certificate; and
- The Contingent Non-Forfeiture Benefit will be payable up to my Daily Benefit Amount in effect on the date of this change; and
- All riders, with the exception of Community Only and Facility Only riders, will be terminated; and
- All other terms, conditions, limitations and exclusions in my current coverage apply to the Contingent Non-Forfeiture Benefit.

Signature:
I request my current long term care insurance coverage be reduced to the Contingent Non-Forfeiture Benefit offered by the company. This option becomes effective as of my current paid through date. 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**

An Independent Licensee of the Blue Cross and Blue Shield Association

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