

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

No. 1 SHP 2020

**JESSICA K. ALTMAN, INSURANCE COMMISSIONER
OF THE COMMONWEALTH OF PENNSYLVANIA,**

Petitioner,

v.

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA,

Respondent.

**NOTICE OF
PRIMERICA LIFE INSURANCE COMPANY
PURSUANT TO THE COURT'S ORDER
OF FEBRUARY 25, 2021**

**SAUL EWING ARNSTEIN &
LEHR LLP**

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*Attorneys for Primerica Life Insurance
Company*

Pursuant to Paragraph 1 of this Court's Order dated February 25, 2021, Primerica Life Insurance Company ("Primerica"), through its undersigned counsel, hereby provides notice of its continued intention not to attend the hearing on the Amended Plan for Senior Health Insurance Company of Pennsylvania (in Rehabilitation) as follows:

1. On January 23, 2020, Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania (the "Commissioner") filed an Application for Order Placing Senior Health Insurance Company of Pennsylvania ("SHIP") in Rehabilitation on January 23, 2020 (the "Petition for Rehabilitation").

2. By order of this Court, effective January 29, 2020, SHIP was placed into rehabilitation in accordance with 40 P.S. §§ 221.1-221.63. The Commissioner was appointed rehabilitator of SHIP and directed to rehabilitate the business of SHIP, take possession of the assets of SHIP and to administer the assets of SHIP in accordance with the Court's Order.

3. On April 22, 2020, the Commissioner filed an Application for Approval of the Plan of Rehabilitation for SHIP, and a Proposed Rehabilitation Plan (the "Original Proposed Plan").

4. The Original Proposed Plan specifically identified the Primerica policies that were fully reinsured and administered by SHIP and explicitly addressed SHIP's obligations with respect to those policies in the context of the

Rehabilitation. Proposed Rehabilitation Plan at 81 (reference to Primerica policies); *id.* at 83 (proposed treatment of “assumed LTCI policies”). The original Proposed Plan (and now the current Amended Plan of Rehabilitation (“Amended Plan”)) affects 55 Primerica policies with claim and active life reserves aggregating approximately three million dollars (\$3,000,000). Under the Original Proposed Plan, Primerica policyholders were to be treated as direct policyholders of SHIP for the purposes of the Original Proposed Plan. Original Proposed Plan, at 83.

5. On July 31, 2020, Primerica filed an application to intervene in this matter to ensure that its interests are adequately represented and protected and in furtherance of the protection of those interests and those of its policyholders to enable it to participate fully in any discovery or hearing related to the Original Proposed Plan.

6. Also in late July, the Special Deputy Rehabilitator notified Primerica through its counsel that the Original Proposed Plan would be amended and that Primerica policyholders would not be treated as direct policyholders as originally provided under the Original Proposed Plan and that an amendment to the Original Proposed Plan would be filed that would detail how such policyholders and Primerica’s reinsurance claims would be treated.

7. On September 15, 2020, the Court entered an order allowing Primerica to intervene as party in the Rehabilitation proceedings.

8. On September 15, 2020, Primerica filed Formal Comments to the Original Plan, which did not object to the Original Plan but reserved its rights to supplement its Formal Comments in the event that prospective amendments to the Plan violated the law, or Primerica's rights or the rights of its policyholders.

9. On October 22, 2020, the Rehabilitator filed the Amended Plan, which provided that Primerica policyholder claims would not be paid directly by SHIP. It did not mention how the ceded reinsurance claims of Primerica would be handled.

10. On November 30, 2020, Primerica filed an Amended Formal Comment and a Statement Regarding Witnesses and Exhibits.

11. Prior to filing the Amended Formal Comment and the Statement Regarding Witnesses and Exhibits, the Special Deputy Rehabilitator confirmed both orally and in writing that under the Amended Plan, Primerica would be able to submit its assumed reinsurance claims in the ordinary course, and that subject to any defenses under the reinsurance agreement, permissible limitations provided by the Amended Plan, and the availability of assets, such assumed reinsurance claims will be eligible to be paid pro rata after all direct policyholder claims have been paid or fully reserved.

12. Based on the representations received from the Special Deputy Rehabilitator Primerica's Amended Formal Comments and its Statement Regarding Witnesses and Exhibits informed the Court that Primerica would not attend the hearing on the Amended Plan, and would not present witnesses or exhibits. However, both filings reserved the right to participate in hearings on the Amended Plan and to present witnesses and evidence should the Amended Plan provisions or the above representations relating to it and its policyholders be materially changed prior to any such hearing.

13. On February 25, 2021 the Court issued an Order that required "all parties [to]...file pre-hearing memoranda with witness narratives, exhibit lists and copies of exhibits by April 5, 2021".

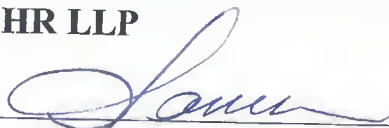
14. To date, there have been no changes to the Amended Plan, or to the representations upon which Primerica's decision not to attend or present witnesses or exhibits was based. Accordingly, Primerica re-affirms its intention not to attend the hearing, or present witnesses and exhibits. Therefore, it will not be filing any pre-hearing memorandum, witness narratives, exhibit lists and copies of exhibits.

15. However, this Court's Order of February 25, 2021, as amended on March 4, 2021, allows the Rehabilitator to file additional amendments to the Amended Plan up to and including May 3, 2021. Consequently, Primerica continues to reserve the right to participate in hearings on the Amended Plan and to

present witnesses and evidence should any of the amendments to the Amended Plan filed on May 3, 2021, materially alter Primerica's rights or those of its policyholders, or materially deviate from the above representations relating to Primerica's and/or its policyholders' claims.

Respectfully submitted,

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*Attorneys for Primerica Life
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Dated: April 5, 2021

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of April, 2021, the undersigned served copies of the foregoing *Notice of Primerica Life Insurance Company Pursuant to the Courts Order of February 25, 2021* on the following persons and parties via electronic mail, which satisfies the requirements of the Court's Case Management order for Comments and Hearing on the Proposed Plan of Rehabilitation dated June 12, 2020 and Pa. R. App. P. 121:

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Date: April 5, 2021