

**In Re: Senior Health Insurance :
Company of Pennsylvania :
(in Rehabilitation) : No. 1 SHP 2020**

Pursuant to the Court’s order and Pa. R.C.P. 206, the Acting Superintendent of Insurance of the State of Maine (“Maine Superintendent”) and the Insurance Commissioner of the State of Washington (“Washington Commissioner”) (the “Respondent Regulators” or “Regulators”) hereby answer the Rule to Show Cause Order dated June 2, 2022 (the “RTSC Order”) issued at the request of the Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Rehabilitator (“Rehabilitator”) of Senior Health Insurance Company of Pennsylvania (“SHIP”). The Rehabilitator’s Rule to Show Cause is an improper attempt to undo completed administrative proceedings in Maine and Washington and to prevent the insurance regulators in those state from expressing their views or taking action in their own states under their own states’ laws.

This Court did not enjoin actions in other states, and it cannot now sit in review of those proceedings. The Regulators were not enjoined from proceeding against SHIP, a regulated insurer, with respect to violations of their states' laws concerning policies issued in their states. If the Rehabilitator believed this Court's

orders somehow precluded those proceedings, the Rehabilitator should have raised that argument in those proceedings. Where SHIP – under control of the Rehabilitator – deliberately chose not to appear and present argument, the issue is waived. The Maine and Washington orders are now final and binding, and they are themselves entitled to preclusive effect under Maine and Washington law and the Full Faith and Credit Clause. The Rehabilitator may not seek review of those proceedings – which it could have appealed to Maine and Washington courts under those states’ laws – in this Court.

For these and the other reasons set forth below, the Court should dismiss this Rule to Show Cause proceeding.

Factual Background.

1. Filings and Orders.

The background of filings and orders in various proceedings pertinent to the RTSC is as follows:

The SHIP Rehabilitation Proceeding. On January 29, 2020, the Court issued an Order of Rehabilitation placing SHIP in rehabilitation and appointing the Pennsylvania Commissioner as Rehabilitator. Ex. 1 (1 SHP 2020 Docket) at 16. The Order did not include any injunction concerning the ability of state insurance regulators to bring proceedings against SHIP. Paragraph 12 of the Order stayed actions “currently or hereafter pending against SHIP in the Commonwealth of

Pennsylvania” for 90 days, and Paragraph 13 directed the Rehabilitator “to review all litigation pending outside the courts of the Commonwealth of Pennsylvania and petition these other courts or tribunals” for a 90-day stay. *See* Ex. 1 at 18-19 ¶¶ 12, 13.

On March 9, 2020, the Rehabilitator consented to an order of suspension of SHIP’s Maine certificate of authority. Exhibit 32 at 2. That order stipulates in relevant part that SHIP “may not transact any new insurance business in Maine, but will be allowed to continue to renew and service existing business. [SHIP] must continue to make required filings and pay all required fees and taxes.”

On December 21, 2020, the Washington Commissioner issued an order suspending SHIP’s certificate of authority to issue new policies but directing that SHIP continue existing coverages, make required filings, and pay fees/taxes. Exhibit 31. SHIP (by the Rehabilitator) did not demand a hearing on the order.

The Rehabilitator filed her Application for Approval of Plan of Rehabilitation on April 22, 2020. On June 12, 2020, the Court issued a Case Management Order for Comments and Hearing on the Proposed Plan of Rehabilitation. Exhibit 1 at 22. The Case Management Order provided a process for persons interested in the proposed plan to submit comments and to seek intervention.

By application filed July 31, 2020 and joinder filed September 15, 2020, the Superintendent of Insurance of the State of Maine, the Commissioner of Insurance of the Commonwealth of Massachusetts, and the Insurance Commissioner of the State of Washington (the “State Insurance Regulators”) applied to intervene for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator’s application for approval of the proposed plan and appealing from orders concerning the proposed plan. Exhibits 2, 3. The Court allowed the State Insurance Regulators to intervene for that limited purpose by orders entered September 15 and 18, 2020. Exhibit 1 at 29, 31. The Court’s orders did not condition intervention or impose any restrictions on the State Insurance Regulator’s regulation of SHIP.

On April 28, 2021, the Rehabilitator filed an Application for Injunction and Stay Order seeking injunctions that would have enjoined and stayed proceedings against SHIP across the country (“whether in this Commonwealth or elsewhere”) for 180 days that also would have required any action for relief against SHIP to be brought in the Commonwealth Court and enjoined any interference with SHIP’s rehabilitation or rehabilitation proceedings. *See* Exhibit 4 at 11-12 (Application for Relief, proposed order ¶¶ 3, 5-6). In its Order dated April 30, 2021, however, the Court only granted a 180-day stay as to matters pending in Pennsylvania. Exhibit 1 at 47 (Order ¶ 2). As to matters outside Pennsylvania, the Court directed

the Rehabilitator “to review all litigation pending outside the courts of the Commonwealth of Pennsylvania” and, as to such matters to “petition these courts or tribunals” for an additional stay. Exhibit 1 at 47 (Order ¶ 3). The Court did not grant the broader relief requested.

After a hearing on the Second Amended Plan of Rehabilitation Plan (“Plan”) from May 17 to May 21, 2021, the Court issued its Memorandum Opinion and the Order granting the Rehabilitator’s Application and approving the Plan (“Approval Order”) on August 24, 2021. Exhibit 1 at 55. The Memorandum Opinion was amended on November 4, 2021, and the Regulators refer to the amended version herein as the “Opinion.”

On September 21, 2021, the State Insurance Regulators appealed to the Pennsylvania Supreme Court from the Approval Order. Exhibit 1 at 57. On October 1, 2021, the State Insurance Regulators applied to the Commonwealth Court for a stay pending appeal, which the Court denied on November 4, 2021. Exhibit 1 at 58.¹

On December 21, 2021, the Rehabilitator filed an Application for Order Regarding Actuarial Memorandum and Premium Rates for Phase One. *See* Exhibit 1 at 60. On February 2, 2022, the Court issued an order granting the

¹ On November 8, 2021, the State Insurance Regulators applied to the Pennsylvania Supreme Court for a stay pending appeal which was denied on January 31, 2022. Exhibit 6 at 14, 18.

application and authorizing the Rehabilitator to use the rates for Phase One.

Exhibit 1 at 61.

The State Insurance Regulators and the Rehabilitator have filed their briefs with the Pennsylvania Supreme Court. *See* Exhibit 6. In her brief, the Rehabilitator contended that the State Insurance Regulators lacked standing to be heard. Exhibit 7 (Brief of Appellee-Statutory Rehabilitator pp. 15-17 (February 4, 2022)).

The Louisiana and South Carolina Litigation. The Rehabilitator's Annual Report noted litigation in Louisiana and South Carolina. Exhibit 5 (Rehabilitator's Annual Report dated March 31, 2021) at 6-7. The Louisiana Insurance Commissioner initially brought an action against SHIP and the Rehabilitator on September 11, 2020, and then on December 3, 2021. *See* www.shipltc.com/related-proceed-la. After a hearing on January 25, 2022, at which the Rehabilitator's Pennsylvania counsel appeared and argued, the Louisiana court entered a preliminary injunction on February 3, 2022. Exhibit 8 at 1. The preliminary injunction barred SHIP and the Rehabilitator from enforcing rates under the Plan against Louisiana policyholders without complying with Louisiana law. The Rehabilitator filed an appeal.

The Director of the South Carolina Department of Insurance brought an action against SHIP, the Rehabilitator, and the Special Deputy Rehabilitator on

December 10, 2020. *See* www.shipltc.com-related-proceeding-scccp. After a hearing on December 15, 2021, at which the Rehabilitator's Pennsylvania counsel appeared and argued, the South Carolina court issued a temporary injunction on January 20, 2022. Exhibit 9 at 2. The temporary injunction enjoined the defendants from notifying South Carolina policyholders of rates or benefits not authorized by the South Carolina regulator. The Rehabilitator has appealed.

The Other State Litigation. The Rehabilitator's Annual Report also noted litigation in four other states. Exhibit 5 at 7. In early 2022, the chief insurance regulators of Iowa, New Jersey, North Carolina, and North Dakota commenced litigation against SHIP and the Rehabilitator concerning policyholders in their states. The Rehabilitator removed those actions from state courts to federal courts and sought to have them transferred and consolidated by the United States Judicial Panel on Multidistrict Litigation. *See* Exhibit 10 at n. 2 & Schedule A. After the North Carolina federal court remanded that action, the Judicial Panel denied transfer of the remaining federal cases on June 1, 2022. Exhibit 10.

Administrative Orders in Ten Other Jurisdictions. The Rehabilitator's Annual Report also noted administrative proceedings in other jurisdictions. Exhibit 5 at 7. The chief insurance regulators of Alaska (on March 7, 2022), Arkansas (March 3, 2022), Connecticut (February 15, 2022), the District of Columbia (February 15, 2022), Maryland (February 15, 2022), Montana (March 2,

2022), New Hampshire (March 18, 2022), Ohio (February 17, 2022), Utah (February 22, 2022) and Vermont (March 6, 2022) issued orders against SHIP (and in some instances the Rehabilitator and Special Deputy Rehabilitator) with respect to policyholders in their states. Exhibits 11-20. The orders generally prohibit SHIP from notifying policyholders of the jurisdiction of rates that have not been approved by the regulator as required by the law of the jurisdiction.

The Maine Proceeding. On February 8, 2022, the Maine Bureau of Insurance Staff submitted a Verified Complaint to the Superintendent alleging that SHIP is transacting business in Maine in a manner that is causing or reasonably expected to cause injury to Maine policyholders. Exhibit 22. The Superintendent issued an Emergency Cease and Desist Order directed to SHIP on February 8, 2022 that, among other things, notified SHIP that an adjudicatory proceeding was being initiated and setting a hearing date of February 18, 2022 in accordance with Maine law. Exhibit 23 at 2-3. The proceeding was designated Maine Bureau of Insurance Docket No. INS-22-200.

On February 15, 2022, the Superintendent issued an order designating a hearing officer and delegating the power to act as decision maker in the adjudication to the hearing officer. Exhibit 24.

On February 17, 2022, counsel for SHIP sent the Hearing Officer a letter stating that SHIP would not appear in the administrative proceeding.² Exhibit 25.

On February 18, 2022, the Hearing Officer conducted the hearing at which testimonial and documentary evidence was offered and admitted and official notice was taken of certain materials.³ On March 17, 2022, the Hearing Officer issued a Decision and Order (the “Maine Order”) based on the record of that hearing. Exhibit 26. Among other things, the Maine Order barred SHIP from changing rates or benefits without filing the new rates and benefits for review by the Superintendent under Maine law, and barred SHIP from notifying Maine policyholders of proposed changes to rates or benefits unless the notice has been reviewed by the Superintendent for compliance with Maine’s statutory notice requirements.

The Maine Order notified SHIP of its right to appeal the order to the Maine Superior Court within 30 days under Maine law. Exhibit 26 at 15. SHIP (or the Rehabilitator acting for SHIP) did not take any appeal within the 30-day appeal period.

² The letter recited that counsel also represented SHIP’s Rehabilitator and Special Deputy Rehabilitator, and that neither of them was subject to jurisdiction in Maine. They were never named as parties to the Maine proceeding, nor did Maine ever attempt to assert jurisdiction over either of them.

³ The record contains the sworn testimony by one of SHIP’s Maine policyholders and the daughter of another Maine policyholder, as well as the Maine Bureau of Insurance actuary in charge of reviewing long-term care insurance rate filings on behalf of the Maine Superintendent. The policyholder who appeared as a witness turned 93 shortly after the hearing and the other policyholder was 90 years old. Among other matters, the testimony demonstrated that these policyholders found SHIP’s election package to be “very confusing” and that the policyholder “was just overwhelmed with the [election] decision that she was going to have to make.” See Exhibit 26 (Maine Order) at 6.

The Washington Order. On March 1, 2022, the Washington Commissioner issued an Order to Cease and Desist (the “Washington Order”) to SHIP. Exhibit 27. Among other things, the Washington Order prohibited SHIP from charging Washington policyholders additional premium without authorization of the Washington Commissioner.

The Washington Order notified SHIP of its right to demand a hearing within 90 days and that the right to a hearing is waived if not requested within 90 days. Exhibit 27 at 8. SHIP (or the Rehabilitator acting for SHIP) did not request a hearing within the 90-day period.

2. The Rehabilitator’s Delayed Implementation of the Plan

At first, the Rehabilitator sought to implement the Plan. The Rehabilitator successfully opposed the State Insurance Regulators’ applications for stay pending appeal in this Court and the Pennsylvania Supreme Court.

According to the Rehabilitator’s Annual Report, the Rehabilitator made a first mailing of policyholder election packages in January 2022 to approximately 21,000 policyholders in 36 states. *See* Exhibit 5 at 11 (Exhibit B). This mailing included Maine and Washington policyholders. *See* Exhibit 29 (Report attached to Rehabilitator’s April 12, 2022 letter to other regulators) at 1. As of the April 12 date of the Rehabilitator’s letter, the Rehabilitator intended to make a mailing to approximately 2,200 policyholders in 5 additional states in May 2022 and a

mailing to additional policyholders in 4 more states and the District of Columbia in June 2022. *See* Exhibit 5 at 11; Exhibit 29 at 2. Mailing in the final four states (Iowa, North Dakota, Louisiana, and South Carolina) had not yet been determined. *See* Exhibit 29 at 2.

As of April 10, 2022, 86% of the policyholders had responded from the 36 states where election packages had been mailed in January. Exhibit 29 at 1. This included 81% of the policyholders in Maine, and 84% of the policyholders in Washington. *Id.* The default provisions of the Plan will assign an option to the remaining policyholders.

Under the Plan as presented to the Court, the Phase One elections and defaults were to be implemented in the spring of 2022. *See* Opinion at 47, 77 (eight months from approval). The election packages notified policyholders that if they chose to keep their current benefits, “The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.” Exhibit 30 (sample election mailing package) at 7 (Option 4). Policyholders were advised which reduced-benefit options would protect them from possible Phase Two rate increases. *Id.* at 2 (coverage election form), 6 (policyholder guide), 7, 10 (Q7 & Q8), 15 (brochure), 19 (Q7 & Q8).

However, in March 2022, the Rehabilitator decided to delay implementation of Phase One policy modifications “until the earlier of October 1, 2022, or the date of the final order of the Supreme Court.” Exhibit 5 (Rehabilitator’s Annual Report) at 8 and Exhibit C. In April 2022, the Rehabilitator decided to delay Phase Two of the Plan for at least five years. *See* Exhibit 28 (Rehabilitator’s April 12, 2022 Letter) at 1. The average age of SHIP’s policyholders is 88. *Id.*

RESPONSE TO RULE TO SHOW CAUSE

I. RESPONSE TO RTSC PARAGRAPH 1

In the Rule to Show Cause Order, the Court directed the Maine Superintendent and the Washington Commissioner to show several points. RTSC Order ¶ 1(a)-(e). However, the points (a), (b), (d) and (e) all hinge on point (c), so the Regulators address that point first.

A. THE MAINE AND WASHINGTON PROCEEDINGS DO NOT VIOLATE ANY ORDER OF THIS COURT (POINT 1(c)).

In Point 1(c), the Court directed the Regulators to show “Why each Administrative Action and any related proceedings are not in violation of this Court’s orders.” The Maine and Washington administrative proceedings do not violate this Court’s orders for the reasons as set forth below.

**1. The Court's Orders Do Not Enjoin Proceedings
Against SHIP in Other States.**

In the Petition for RTSC, the Rehabilitator assumes that the Maine and Washington proceedings somehow violate the Court's orders without ever clearly identifying an actual provision that has been violated. There is none. The Court has not issued any order barring the Maine Superintendent or the Washington Commissioner from bringing administrative proceedings against SHIP for violations of Maine or Washington law in its dealings with policyholders issued policies in those states. The Maine Superintendent is charged with enforcing the provisions of the Maine insurance laws, including by cease and desist orders. *See* 24-A M.R.S. § 211; 24-A M.R.S. § 12-A. The Washington Commissioner is charged with enforcing the Washington insurance code, including by cease and desist orders. *See* R.C.W. 48.02.060, 48.02.080.

**a. The Court has refrained from addressing
proceedings in other states.**

Before turning to the Court's orders respecting the Plan, it is worth noting that none of the Court's other orders is directed at actions in other states. To the contrary, consistent with the direction of the Pennsylvania insurer rehabilitation statutes, the Court has carefully refrained from attempting to exercise jurisdiction over actions outside of Pennsylvania.

The statutes do not authorize the Rehabilitator or Commonwealth Court to stay or enjoin litigation outside Pennsylvania. They direct courts “in this State” to stay any action or proceeding by or against an insurer that is pending before them when a rehabilitation order is entered. 40 P.S. § 221.17(a), first sentence. They further authorize the Commonwealth Court to order the Rehabilitator to take such action respecting the pending litigation as the court deems necessary. *Id.*, second sentence. However, with respect to “litigation pending outside this Commonwealth,” the Rehabilitator is to “petition the courts having jurisdiction over that litigation for stays.” *Id.*, third sentence. The Court’s general injunctive authority under 40 P.S. § 221.5(a) is similarly limited. While § 221.5(a) provides the Commonwealth Court with authority to issue injunctions for various reasons, § 221.5(b) recognizes the territorial limitations on the Commonwealth Court’s power, especially with respect to insurance licenses issued by regulators. It provides: “The receiver may apply to any court outside of the Commonwealth for the relief described in subsection (a) or suspension of any insurance licenses issued by the commissioner.” 40 P.S. §221.5(b).

The Court carefully observed this limitation of its power to matters in Pennsylvania in orders specifically enjoining or staying litigation or proceedings. In the Order of Rehabilitation, the Court stayed matters in Pennsylvania but directed the Rehabilitator to petition courts or tribunals outside Pennsylvania for

stays in those proceedings. Exhibit 1 at 18-19 ¶¶ 12-13. Similarly, when the Rehabilitator requested a broad stay and injunction against litigation and an order requiring all proceedings against SHIP to be commenced in the Commonwealth Court, the Court granted relief only as to proceedings in Pennsylvania and directed the Rehabilitator to petition courts outside Pennsylvania as to such matters. Exhibit 1 at 47 ¶ 3 (April 30, 2021 Order).

None of the Court's orders concerning the Plan approval process or Plan addresses other proceedings. The Case Management Order merely authorizes Commenters granted intervenor status to participate in the hearing. Exhibit 1 at 23 ¶ 13. The orders allowing the Maine Superintendent and the Washington Commissioner to intervene do not place any limits on the Regulators' ability to otherwise regulate SHIP. Exhibit 1 at 30, 31. The Approval Order and the Actuarial Memorandum Order are silent as to other proceedings. Exhibit 1 at 55, 61. Neither contains any provision that could be construed as enjoining anyone from proceeding against SHIP in another state.

b. The Opinion and Plan do not bar regulatory action in other states.

At bottom, the Rehabilitator's petition for RTSC rests on the assumption that the Court's Opinion and Order approving the Plan enjoins other states from regulating SHIP as to the business it conducts in those jurisdictions. That assumption is incorrect.

As an initial matter, none of the Court's orders respecting the Plan enjoins regulatory action. There is no basis for the Rehabilitator's apparent contention that the Regulators have violated a court order by administrative proceedings in Maine and Washington.⁴

The Opinion and Approval Order only approved the validity of the Plan under Pennsylvania law, as against the objections made by the State Insurance Regulators. As the Court noted in the Opinion, among other things, the State Insurance Regulators objected to the Plan because the Rehabilitator was not authorized by Pennsylvania law to change SHIP's rates and policies without otherwise required regulatory approvals and because the Plan's provision to that effect did not give full faith and credit to other states' laws as required by the Full Faith and Credit Clause and comity. Opinion at 48-49. The Court rejected those contentions, holding that the Rehabilitator had the power under Pennsylvania law to set rates without approval of the issue states, and that the Full Faith and Credit Clause did not require the Rehabilitator to submit rates to those states. Opinion at 60-61, 79, 80.

⁴ If the Court had issued an injunction against proceedings in other states, it would fall outside the ambit of full faith and credit. See *Baker by Thomas v. General Motors Corp.*, 522 U.S. 222, 235 & n.9 (1998); *Robbins v. Reliance Ins. Co.*, 102 S.W.3d 739, 743 (Tex. App. 2001). Local law controls local matters in each state. *Clark v. Willard*, 294 U.S. 211, 213-215 (1935).

The Court ruled that the Plan is authorized under Pennsylvania law and consistent with Full Faith and Credit. This does not have the effect of precluding regulators in other states from investigating and determining that rates and benefit modifications to policies issued in their jurisdictions do not comply with the insurance regulatory laws of their jurisdictions. Those state law issues were not determined by the Court, and regulators remain free to address them.

It is particularly noteworthy that the Court has not reviewed the Rehabilitator's election package communications with the policyholders. The Rehabilitator never asked the Commonwealth Court to review and approve her proposed communications with policyholders, and the Court never addressed them. Indeed, the Rehabilitator did not even obtain the Court's approval of the rates to be used in Phase One before mailing the election packages based on those rates to Maine and Washington policyholders in January 2022. Regulators may properly review communications with policyholders for compliance with the laws of their states, and take action to prevent or cure any violation, as reflected in the decisions of the two other state judges who have considered the question. *See* Exhibits 8, 9.

2. As Contemplated by the Court's Injunctions, Regulators May Bring Proceedings Against SHIP, a Regulated Insurer Which Is in Rehabilitation, Not Liquidation.

As noted above, the general injunctions that were issued by the Court in the rehabilitation, by their terms, do not extend to actions in other states. Instead,

consistent with the rehabilitation statute, the Court directed the Rehabilitator to seek relief as to such proceedings from the courts or other tribunals in those states. *See* 40 P.S. § 221.5(b), §221.17(a); Exhibit 1 at 19 ¶ 13, 47 ¶ 3. The Rehabilitator thus must seek relief in the out-of-state forum, or the out-of-state action properly can proceed. This is particularly true of regulatory matters. The Pennsylvania statutes themselves recognize that the insurer receivership statutes do not limit regulatory authority. *See* 40 P.S. § 221.1(a). Where they do not constrain the Pennsylvania Commissioner’s ability to take action under other Pennsylvania regulatory laws with respect to an insurer’s business in Pennsylvania, the receivership statutes do not authorize the Court to bar action by other regulators with respect to the insurer’s business in other states.

SHIP was authorized to do business in Maine and Washington as is required to do business in those states, *see* 24-A MRS § 404 (requiring certificate of authority); WRC 48.05.030 (same), and it is subject to the law of those states in its dealings with policyholders issued policies in those states. As to Washington, SHIP’s authority to issue new policies is now suspended, but SHIP is required to continue existing coverages and make all reports and filings required by Title 48 RCW. Order 20-0879 (December 21, 2020) (Exhibit 31). As to Maine, although SHIP’s certificate of authority is suspended, SHIP is to renew and service its existing policies and “continue to make required filings” in accordance with Maine

laws governing the transaction of insurance business in the State. Order INS-20-300 (March 9, 2020) (Exhibit 32).

The regulators in Maine and Washington can thus bring proceedings against SHIP if they believe it has violated their laws. There is nothing in the fact of rehabilitation that prevents claimants, including regulators, from bringing suit against an insurer in rehabilitation outside the insurer's domiciliary state. *See Hobbs v. Don Mealey Chevrolet, Inc.*, 642 So.2d 1149, 1158 (Fla. App. 1994); *Smalls v. Weed*, 360 S.E.2d 531, 534 (S.C. App. 1987). Regulatory actions concerning the compliance of SHIP with the laws of Maine and Washington in its transaction of insurance business, including communications with policyholders, in those states do not implicate this Court's *in rem* jurisdiction. "Full faith and credit does not here enable one state . . . to project its laws across state lines so as to preclude the other from prescribing for itself the legal consequences of acts within it." *Pacific Employers Ins. Co. v. Industrial Acc. Comm.*, 306 U.S. 493 (1939).

3. The Rehabilitator Should Have Raised the Purported Preclusive Effect of the Plan Approval in the Administrative Actions, and He is Now Barred from Asserting It Here.

The Rehabilitator failed to appear in the Maine and Washington proceedings or to appeal from the Maine Order or seek a hearing on the Washington Order. The Orders are thus final and binding on SHIP and the Rehabilitator. They have finally determined that (1) SHIP is subject to the regulatory jurisdiction of those

states, notwithstanding the Pennsylvania orders, and (2) SHIP has violated Maine and Washington law, and (3) SHIP is bound to comply with the administrative orders. Those Orders have preclusive effect, and the Rehabilitator cannot seek review of those unappealed decisions in this Court. The RTSC should accordingly be dismissed.

a. The proper forum to address preclusion was the administrative action.

It appears that the Rehabilitator is contending that the Court's Opinion has the effect of precluding regulatory proceedings outside of Pennsylvania. As recognized by the Court's orders directing the Rehabilitator to seek stays from out-of-state tribunals (Exhibit 1 at 19, 47), such matters are properly heard and decided in those proceedings themselves. If the Rehabilitator believed that the Opinion barred the administrative proceedings, the Rehabilitator should have appeared and made that argument in those proceedings. The Rehabilitator's failure to follow the Court's own directive waived the issue.

The Administrative Orders nonetheless addressed the basis for jurisdiction over SHIP in light of the rehabilitation proceeding and concluded that jurisdiction in Maine and Washington was proper. The Maine Order expressly held that SHIP is subject to the jurisdiction of the regulator, that the Approval Order does not deprive the regulator of authority over SHIP and its rates in the state, and that SHIP had violated Maine law. Exhibit 26 at 9-11, 11-14. The Washington Order

identified the basis for jurisdiction over SHIP, noted the Pennsylvania orders and that the election package was not considered by the Commonwealth Court, and ruled that SHIP had violated Washington law. Exhibit 27 at 2-3, 5, 8.

The preclusive effect of a prior decision on a separate action is properly determined in the second action. Res judicata is an affirmative defense to be determined in the subsequent proceeding. *See* Maine R.C.P. 8(c); Wash. R.C.P. 8(c); Pa. R.C.P. 1030(a). If the Rehabilitator sought to prevent the administrative proceedings against SHIP from going forward based upon a preclusion argument, he was required to pursue that contention in the administrative proceedings and on appeal to the Maine and Washington courts.

b. The Administrative Orders are final and binding on the Rehabilitator and preclude this RTSC proceeding.

By failing to appear, object, and appeal, the Rehabilitator is now himself bound by the preclusive effect of the Administrative Orders and the doctrine of administrative finality. He cannot seek review of the Administrative Orders – which were subject to potential review in Maine and Washington – in this Court.

1. Maine. The Rehabilitator did not exercise SHIP’s rights to contest the adjudicatory administrative proceedings or to appeal an adverse decision as provided by Maine law. *See* 24-A M.R.S. § 236 (“In general, judicial review of actions taken by the superintendent . . . must occur in conformity with the provisions set forth in the Maine Administrative Procedures Act.”); 5 M.R.S.

§ 11001 (Maine APA providing for review in Maine Superior Court). SHIP was given notice of the proceeding, and it refused to appear. *See* Exhibit 25 (Counsel’s letter dated February 17, 2022). SHIP was given notice of the Maine Order and its right to appeal to the Maine Superior Court within 30 days. Exhibit 26 at 15. SHIP (acting by the Rehabilitator) did not appeal.

SHIP, and thus the Rehabilitator, is accordingly bound by the Maine Order. The Maine Order, unchallenged by appeal, has preclusive effect. *See State v. Thompson*, 958 A.2d 887, 890-891 (Me. 2008); *Town of Boothbay v. Jenness*, 822 A.2d 1169, 1175-1177 (Me. 2003) (“Since Jenness was given notice of her right and opportunity to appeal the CEO’s decision to the Board, she is precluded from rearguing the interpretation of the ordinance through concepts of administrative res judicata, and she cannot, in the District Court, collaterally attack the CEO’s finding.”)

2. Washington. Similarly, the Rehabilitator did not exercise SHIP’s rights to contest the Washington administrative proceedings as provided by Washington law. SHIP had 90 days to request a hearing on the Washington Order. *See* R.C.W. 48.04.010, WAC 284-02-070, WAC 10-08-110. SHIP was notified of the order and its right to request a hearing within 90 days Exhibit 27 at 8-9. SHIP did not request a hearing within that period. *See* Exhibit 5 at 7-8 (Rehabilitator will not participate in administrative proceedings). It is accordingly conclusively

deemed to have waived that right. *See* R.C.W. 48.04.010(3); R.C.W.

34.05.440(1).⁵ SHIP cannot now challenge the administrative order. *See Dhaliwal v. State, Dept. of Social & Health Services*, 2 Wash. App. 1044 (2018) (unpublished); *Evergreen Washington Healthcare Frontier LLC v. Dept. of Social & Health Services*, 287 P.3d 40, 47-48 (Wash. App. 2012) (dismissing suit where plaintiff had failed to exhaust administrative remedies).

SHIP, and thus the Rehabilitator, is accordingly bound by the Washington Order. The unchallenged Order has preclusive effect. *See Reninger v. State Dept. of Corrections*, 951 P.2d 782, 788 (Wash. 1998); *Matter of Marriage of Shortway*, 423 P.3d 270, 277, 279 (Wash. App. 2018) (“Because William failed to properly seek judicial review of the final department order and, instead, improperly filed a motion in the superior court challenging the Department’s order, res judicata applies to preclude William’s improper collateral attack of the order in superior court.”).

The Maine Order and the Washington Order have thus finally determined that (1) SHIP is subject to the regulatory jurisdiction of those states, notwithstanding any Pennsylvania orders, (2) SHIP has violated Maine and Washington law, and (3) SHIP is enjoined as provided in the administrative orders.

⁵ If SHIP had contested the Washington Order, it could have appealed to the Washington courts under the Washington Administrative Procedure Act. *See* R.C.W. 34.05.514 (providing for review in Washington Superior Court).

c. This Court cannot sit in review of final administrative orders in other states.

By the Petition for RTSC, the Rehabilitator is effectively asking this Court to sit in review of the final administrative actions by the Maine and Washington regulators under the laws of their states. This is improper. As noted above, SHIP's right of appeal – which it did not exercise – was to the Maine and Washington courts.

1. The Rehabilitator's attempted end-run around the administrative proceedings runs afoul of the Pennsylvania doctrine of administrative finality. "The doctrine of administrative finality precludes a collateral attack of an administrative action where the party aggrieved by that action foregoes his statutory appeal remedy." *Department of Environmental Protection v. Peters Township Sanitary Auth.*, 767 A.2d 601, 603 (Pa. Cmwlth. 2001). *See Doheny v. Commonwealth, Department of Transportation*, 171 A.3d 930, 935 (Pa. Cmwlth. 2017). In those cases, the Commonwealth Court quoted an earlier decision:

We agree that an aggrieved party has no duty to appeal but disagree that upon failure to do so, the party so aggrieved preserves to some indefinite future time in some indefinite future proceedings the right to contest an unappealed order. To conclude otherwise would postpone indefinitely the vitality of administrative orders and frustrate the orderly operations of administrative law.

Department of Environmental Resources v. Wheeling-Pittsburgh Steel Corp., 348 A.2d 765, 757 (Pa. Cmwlth. 1975), *aff'd*, 375 A.2d 320 (Pa. 1977), *cert. denied*, 434 U.S. 969 (1977).

Under the doctrine of administrative finality, the Rehabilitator would be prohibited from collaterally attacking the Administrative Orders in this Court if they were Pennsylvania orders. The principles of the doctrine apply here.

2. Review is barred by the preclusive effect of the Orders under Maine and Washington law and full faith and credit. The Administrative Orders are entitled to preclusive effect under the laws of their states as described above. They are thus entitled to full faith and credit in Pennsylvania under the Full Faith and Credit Clause of the United States Constitution. *See University of Tennessee v. Elliott*, 478 U.S. 788 (1986) (“[A]ll of the opinions in *Thomas v. Washington Gas Light Co.*, 448 U.S. 261 (1980), express the view that the Full Faith and Credit Clause compels the States to give preclusive effect to the fact findings of an administrative tribunal in a sister State.”).

Having deliberately chosen not to contest the Maine and Washington proceedings, the Rehabilitator cannot turn to this Court for relief after the fact. This Court does not have jurisdiction to review the final Administrative Orders in Maine and Washington or to otherwise nullify them.

4. If the Purported Preclusive Effect of the Approval Could Be Determined Here, the Approval Has No Such Effect.

The Court's approval of the Plan does not preclude the Maine Superintendent and the Washington Commissioner from bringing administrative proceedings. As set forth above, if the Rehabilitator believed it did, the Rehabilitator was required to raise the issue in the administrative proceedings and cannot raise it now. In any event, the Rehabilitator does not address the prerequisites for preclusion in the petition. A Pennsylvania order can only have res judicata or collateral estoppel effect if those requirements are met.

1. As an initial matter, the Approval Order is subject to the pending appeal. While generally such a "judgment" is considered final, *see Shaffer v. Smith*, 673 A.2d 872, 874 (Pa. 1996), here the Rehabilitator is contending that the State Insurance Regulators cannot even be heard to challenge the Approval Order because they lack standing. *See* Exhibit 7 (Brief of Appellee-Statutory Rehabilitator at 15-17 (February 4, 2022)). Where the Rehabilitator is contending that the State Insurance Regulators cannot be heard to challenge the Approval Order on appeal, he cannot simultaneously contend that the order has preclusive effect. *See* Restatement (Second) of Judgments § 28(1) and *comment a*. That would mean that the State Insurance Regulators did not have a full and fair opportunity to litigate the matter and giving the order preclusive effect would deprive the State Insurance Regulators of Due Process. *See id.*, § 28(5) and

comment j; *Hansberry v. Lee*, 311 U.S. 32, 40 (1940); *Keating v. Keating*, 855 A.2d 80, 84 (Pa. Super. Ct. 2004).

2. The Approval Order does not bar the administrative proceedings. Res judicata or claim preclusion bars actions on a claim that was raised or could have been raised in a prior action. It requires that four elements – the “four identities” – must be common to both of the two actions involved: “an identity of issues, an identity of causes of action, identity of persons and parties to the action, and identity of the quality or capacity of the parties suing or being sued.” *In re Coatesville Area School District*, 244 A.3d 373, 379 (Pa. 2021) (quoting *In re Iulo*, 766 A.2d 335, 337 (Pa. 2001)).

Claim preclusion does not apply because the two proceedings do not involve an identity of causes of action. The Pennsylvania proceedings concerned approval of a proposed plan of rehabilitation. State Insurance Regulators intervened in the rehabilitation only for the limited purpose of commenting on and potentially opposing the Plan. The administrative proceedings, by contrast, concerned enforcement of state law against a regulated entity. The Maine and Washington regulators contended that SHIP has violated the laws of their states in several respects, including communications with policyholders.

The Pennsylvania and the Washington and Maine proceedings do not present the same claim. The plan approval and administrative enforcement proceedings are separate “causes of action.”

Moreover, the Commonwealth Court has no jurisdiction to hear enforcement proceedings by state regulators of other states against a regulated entity for violations of their states’ laws in their respective states. Under Maine and Washington law, those matters are to be decided in administrative and or, potentially, judicial proceedings in those states as set forth in the Maine Order and the Washington Order. That the Commonwealth Court has *in rem* jurisdiction over SHIP in Pennsylvania and statutory authority to approve a rehabilitation plan does not provide “bootstrap” jurisdiction over the enforcement proceedings. *See Koken v. Fidelity Mut. Life Ins. Co.*, 803 A.2d 807, 813-814 (Pa. Cmwlth. 2002) (“[O]ur jurisdiction over an action cannot be ‘bootstrapped’ simply by virtue of including a provision for it in a rehabilitation plan over which we *do* have jurisdiction.”) (italics in original).

This is particularly true with respect to SHIP’s communications with its policyholders. Those communications from SHIP (by the Rehabilitator) were only prepared and issued long after the Court approved the Plan. They were never presented to the Commonwealth Court for review. There was no opportunity in the rehabilitation proceeding for anyone to address the propriety of the

communications. This is especially so in light of the Rehabilitator's decision to delay Phase Two for at least five years after using the specter of Phase Two consequences to encourage certain Phase One choices to reduce SHIP's funding gap. *See* Exhibit 30 at 7. The Maine and Washington proceedings present "causes of action" wholly separate from the Plan approval.

3. Collateral estoppel is also inapplicable. Collateral estoppel or issue preclusion prevents re-litigation of issues that were decided in a prior action. It only applies where:

the issue is the same as in the prior litigation; the prior action resulted in a final judgment on the merits; that party against whom the doctrine is asserted was a party or in privity with a party to the prior action; and the party against whom the doctrine is asserted had a full and fair opportunity to litigate the issue in the prior action. In some renditions, courts add a fifth element, namely the resolution of the issue in the prior proceeding was essential to the judgment.

Coatesville, 244 A.3d at 379 (citations omitted).

The issues determined by the Court in addressing the State Insurance Regulators' objections to the Plan concerned whether the Plan complied with Pennsylvania law and whether it denied Full Faith and Credit to other states' rate review statutes. *See* Opinion at 48-49, 60-61. While the Court held that the Plan was authorized under Pennsylvania law and did not violate Full Faith and Credit, the Court did not decide that the rates and policy modifications complied with Maine or Washington law (or the law of any other state). The issue of compliance

with Maine and Washington law was not “actually litigated.” *See* Restatement (Second) of Judgments § 27. Indeed, the Court had not addressed rates at all at the time the Rehabilitator made the mailings to policyholders in Maine and Washington in January 2022. The Court only addressed rates in its Actuarial Memorandum Order on February 2, 2022, and that Order only concluded that the proposed Phase One rates satisfied the requirements of the Pennsylvania Insurance Department and that this sufficed for purposes of the Plan. Exhibit 1 at 61. The Rehabilitator’s option election mailings, of course, were never presented to the Court for review and were never litigated in the rehabilitation proceeding. The compliance of their disclosures with Maine and Washington law was not litigated in Pennsylvania.

4. Finally, the statement in the Opinion to the effect that the Court’s order would be entitled to Full Faith and Credit in other states (Opinion at 61) is not entitled to preclusive effect. The issue before the Court was whether Pennsylvania’s obligation to give the laws of other states full faith and credit rendered the Plan unconstitutional. *See* Opinion at 48-49, 60-61. The question of any full faith and credit due to the Pennsylvania decision elsewhere was not before the Court and it was not “actually litigated” or “essential to the judgment” as is required for preclusion. The statement is inessential, unlitigated dicta, and it is not subject to collateral estoppel.

B. THE ADMINISTRATIVE ACTIONS SHOULD NOT BE DISSOLVED AND ARE NOT NULL AND VOID (POINTS 1(a) AND (b)).

In Points 1(a) and (b), the Court directs the Respondents to show why each Administrative Action should not be dissolved and terminated, and why the Administrative Actions are not null and void with respect to the Rehabilitator, the Special Deputy Rehabilitator or the Plan.

As set forth above, the Administrative Actions did not violate any order of the Court. Further, SHIP – acting under the control of the Rehabilitator and Special Deputy Rehabilitator – was notified of the Administrative Actions and had the right and obligation to respond to the Administrative Actions. If the Rehabilitator believed that the Court’s Approval Order precluded those actions, the Rehabilitator should have appeared and raised preclusion as an affirmative defense. By not doing so, SHIP waived the issue. Likewise, SHIP waived any claim that the Administrative Orders were invalid or erroneous under the laws of Maine or Washington. The Administrative Orders are now final and binding on SHIP and the Rehabilitator. Under the rules of preclusion and administrative finality, this Court may not sit in review of the unappealed and final administrative orders in other states.

There is accordingly no basis for this Court to “dissolve,” “terminate,” or declare “null and void” the Maine Order and the Washington Order. This Court

has no jurisdiction over administrative (or judicial) proceedings in other states. To the contrary, it must respect them as a matter of preclusion and administrative law, as well as Full Faith and Credit and comity.

C. POLICYHOLDER COMMUNICATIONS DO NOT VIOLATE THE COURT’S ORDERS (POINT 1(d)).

In Point 1(d), the Court directed the Respondents to show why policyholder communications related to implementation of SHIP’s Plan are not in violation of the Court’s orders.

As an initial matter, none of the Court’s orders entered in the rehabilitation place any limitations on the ability of state insurance regulators to communicate with policyholders issued policies in their states. The Rehabilitator does not point to any order on this subject. Further, the Rehabilitator did not seek approval from the Court of the policyholder election packages or any other communications to policyholders. In identifying violations of Maine and Washington law in those communications, the Regulators did not address matters within the scope of this Court’s orders.

In any event, the Washington Commissioner and the Maine Superintendent are public officials charged with regulating the business of insurance in their states. As part of those responsibilities, Respondents may properly communicate with the public, including policyholders, respecting matters of public importance

concerning insurance. The Plan of Rehabilitation for SHIP is clearly a matter of public importance, affecting SHIP policyholders in particular.

The Respondents have the right and duty to communicate with the public and policyholders concerning such matters. Such communications are protected from prior restraint by the First Amendment to the United States Constitution and state law. *See* U.S. Const. Amend. 1; Maine Const. art. 1, § 4; Wash. Const. art. I, § 5; *see also, e.g.*, Penn Const. Art. I, § 7. Prior restraint of speech could only be justified in the clearest of circumstances. *See Houston Community College System v. Wilson*, 142 S.Ct. 1253, 1259 (2022) (“[T]he government usually may not impose prior restraints on speech.”); *Tory v. Cochran*, 544 U.S. 734, 738 (2005); *Times Film Corp. v. City of Chicago*, 365 U.S. 43, 45-46 (1961); *S.B. v. S.S.*, 243 A.3d 90, 104 (Pa. 2020); *Willing v. Mazzocone*, 393 A.2d 1155 (Pa. 1978).

The Court did not, and could not properly, limit the ability of the Respondents to express their views in any order. That those views may differ from those of the Rehabilitator with respect to the Plan and its compliance with law does not restrict the ability of the Maine and Washington regulators to express them, including the ability of the Washington Commissioner to send letters to policyholders.

D. THE REGULATORS SHOULD NOT BE ENJOINED FROM “FURTHER INTERFERENCE WITH SHIP’S REHABILITATION” (POINT 1(e)).

In Point 1(e), the Court directs the Regulators to show why they should not be enjoined from “any further interference” with SHIP’s rehabilitation.

1. As an initial matter, the RTSC process here impermissibly seeks to reverse the burden of seeking relief. As the allegedly aggrieved party, the Rehabilitator bears the burden of establishing a right to any injunctive relief. *See Warehime v. Warehime*, 860 A.2d 41, 46-47 (Pa. 2004) (“There are six ‘essential prerequisites’ that a party must establish prior to obtaining preliminary injunctive relief.”). The Rehabilitator has not attempted to articulate or address these prerequisites. If the Rehabilitator believes an injunction is appropriate, he should apply for one supporting the request with specificity showing the alleged violations of law involved, the harm caused and to be averted, and the precise terms of the relief sought. Here, the Rehabilitator has done none of those things, and an injunction is completely unsupported.

2. There is no statutory basis for an extraterritorial injunction against actions outside the state. As noted above, the Pennsylvania statute concerning stays in rehabilitation does not reach proceedings in other states. Instead, it directs the Rehabilitator to petition the tribunals in other states for stays. 40 P.S. § 221.17(a). The Court’s general injunctive authority under 40 P.S. § 221.5(a) is

similarly limited, as the statute presumes that a receiver must seek relief outside Pennsylvania from courts outside Pennsylvania. 40 P.S. § 221.5(b). Finally, where the insurer receivership statutes expressly do not preclude action under Pennsylvania insurer regulatory statutes, 40 P.S. § 221.1(a), it would be unreasonable to construe them to bar regulatory action under the insurer regulatory statutes of other states as to the conduct of business in those states.

3. In any event, the Regulators have not “interfered” with the Plan. They opposed it at the hearing, and they are appealing the Approval Order to the Pennsylvania Supreme Court, as is their right as intervenors (and notwithstanding the contrary standing argument of the Rehabilitator). They have also exercised their regulatory rights and responsibilities with respect to SHIP, a regulated entity transacting business in their states, by commencing administrative proceedings concerning violations by SHIP of their states’ laws in its dealings with policyholders issued policies in their states. Washington has further exercised its regulatory authority by communicating with policyholders respecting the Plan.

As set forth above, none of these activities violated any orders of the Court. And none has “harmed” the Rehabilitator in implementing the Plan. The Rehabilitator mailed election packages to policyholders in Maine and Washington before either administrative proceeding began. *See* Exhibit 5 at 11; Ex. 29 at 1. The Rehabilitator has received responses from over 80% of the policyholders in

each state (Exhibit 29 at 1), and the default provisions of the Plan will deal with the rest. The percentage responding and the allocation among policyholder options are generally consistent with the results in other jurisdictions. Delay in implementing the Plan is a unilateral decision of the Rehabilitator.

4. An injunction against “interference” is impermissibly vague and overbroad. “Interference” is in the eye of the beholder. An injunction needs to be “as definite, clear and precise as possible” to avoid misunderstanding. *Matenkoski v. Greer*, 213 A.3d 1018, 1027 (Pa. Super. 2019) (quoting *George F. Mayer and Sons v. Com., Dept. Of Environmental Resources*, 334 A.2d 313, 315 (Pa. Cmwlth. 1975)). This is particularly the case where the Rehabilitator apparently seeks to enjoin speech in the form of public statements, letters, and communications by public officials. *See Tory v. Cochran*, 544 U.S. 734, 738 (2005).

5. An injunction against public officials exercising their public responsibilities as to an insurer doing business within their own states would be an extraordinary step.

II. RESPONSE TO RTSC PARAGRAPH 2

In paragraph 2 of the RTSC Order, the Court directed the Respondents to (a) identify all steps taken “in furtherance of their efforts to impair SHIP’s rehabilitation” and (b) identify all steps taken or proposed to be taken to protect SHIP’s policyholders “from the harm caused by Respondents’ interference with”

the Plan. The Washington Commissioner and the Maine Superintendent disagree with the premise of these points. The Regulators deny they have undertaken efforts to “impair” SHIP’s rehabilitation or that they have “interfered” with SHIP’s rehabilitation or that they have cause policyholders any harm.

A. THE REGULATORS HAVE NOT SOUGHT TO IMPAIR SHIP’S REHABILITATION BUT TO PROTECT THE INTERESTS OF POLICYHOLDERS AND THE STATE REGULATORY SYSTEM BY OPPOSING THE PLAN (POINT 2(a)).

The Regulators have not sought to “impair” the Plan. They have opposed the Plan as intervenors in the Plan approval proceedings and on appeal because the Plan is contrary to the best financial interests of policyholders and beyond the authority of the Rehabilitator and Commonwealth Court. They have also had discussions with other concerned regulators. All of this is commonplace.

1. Opposition to a plan of rehabilitation through proceedings in the Commonwealth Court and on appeal to the Pennsylvania Supreme Court is unremarkable. Indeed, it is contemplated by the June 12, 2020 Case Management Order. The Maine Superintendent and the Washington Commissioner took a number of litigation steps, but they do not “impair” the rehabilitation.

In accordance with the Case Management Order, the Maine Superintendent (with the Massachusetts Commissioner) and the Washington Commissioner filed an application to intervene on July 31, 2020 and a joinder on September 15, 2020

seeking intervention for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator's application for approval of the proposed plan and appealing from orders concerning the proposed plan. Exhibits 2, 3. The Court allowed the Maine Superintendent and the Washington Commissioner to intervene for that purpose by orders entered September 15 and 18, 2020. Exhibit 1 at 30, 31.

After hearing, the Court ultimately issued the Approval Order on August 24, 2021. On September 21, 2021, the Maine Superintendent, and the Washington Commissioner (and the Massachusetts Commissioner) appealed to the Pennsylvania Supreme Court from the Approval Order. *See* Exhibit 1 at 57.

On October 1, 2021, the Maine Superintendent, and the Washington Commissioner (and the Massachusetts Commissioner) applied to the Commonwealth Court for a stay pending appeal, which the Court denied on November 4, 2021. *See* Exhibit 1 at 58, 59.

On November 8, 2021, the Maine Superintendent, and the Washington Commissioner (and the Massachusetts Commissioner) applied to the Pennsylvania Supreme Court for a stay pending appeal, which was denied on January 31, 2022. *See* Exhibit 6 at 14, 18.

On December 27, 2021, the Maine Superintendent and the Washington Commissioner (and the Massachusetts Commissioner) filed their brief with the

Pennsylvania Supreme Court. They filed their reply brief on February 22, 2022. (They subsequently filed a response to the Rehabilitator's application for expedited appellate consideration, an application to supplement the record, and an application for oral argument.) *See* Exhibit 6 at 17-20.

In connection with the appeal, the Regulators and their counsel had discussions with other regulators and their counsel respecting amicus briefs. These included discussions with the Louisiana Insurance Commissioner, the South Carolina Director and their respective counsel, who wrote and coordinated a motion for leave and an amicus brief in support of the State Insurance Regulators' application to the Pennsylvania Supreme Court for stay pending appeal filed on November 11, 2021. *See* Exhibit 6 at 15. That amicus brief was joined by the chief insurance regulators of 19 jurisdictions. They also included discussions with the Louisiana Insurance Commissioner, the South Carolina Director and counsel concerning an amicus brief in support of the State Insurance Regulators' brief on the merits in the Pennsylvania Supreme Court. That amicus brief was filed on December 22, 2022. *See* Exhibit 6 at 17. It was joined by the chief insurance regulators of 27 jurisdictions.

The filing of amicus briefs is an unremarkable part of any appeal contemplated by the appellate rules. *See* Pa.R.A.P. 531. Discussions by litigants with potential amici are commonplace. The filing of amicus briefs by insurance

regulators in the State Insurance Regulators’ appeal of the Approval Order does not impair or interfere with the Plan.

2. The Rehabilitator’s request reflects a view that it is somehow improper for insurance regulators to discuss among themselves the proceedings and plan for rehabilitation of an insurance company that does business in their jurisdictions and that is in dire financial straits. This is astonishing. Insurance has long been regulated by the individual states, and the McCarran-Ferguson Act, 15 U.S.C. §§ 1011 *et seq.* reflects that the regulation of insurance is committed to the states. State regulators have long worked together to address issues affecting multiple states. Indeed, in 1871, insurance regulators formed the National Association of Insurance Commissioners (“NAIC”) to facilitate interstate discussion and cooperation and share expertise. There is nothing unusual or improper about regulators discussing matters of shared concern.

It is unfortunate that the SHIP Plan has resulted in controversy because so many regulators have differing views from the Pennsylvania Insurance Commissioner of its legality and whether it protects policyholders. However, SHIP transacted business and has policyholders in at least 46 jurisdictions. The insurance regulators of those jurisdictions have a strong, legitimate interest in how SHIP’s Plan affects policyholders in their jurisdictions. That they have discussed the Plan and actions that they, in the exercise of their individual discretion and

responsibilities under their respective laws, may take is not surprising. Nor should it be controversial or the subject of judicial inquiry.

The Plan and concerns and potential responses have been discussed among various regulators, including the Pennsylvania Insurance Commissioner, at NAIC meetings and in numerous calls and exchanges throughout the post-Approval Order period. The Regulators' discussions with other regulators concerning the Plan, at NAIC meetings and otherwise, are part of regulators' responsibilities, not some "impairment" of the Plan. The plan of rehabilitation for SHIP has been the subject of nationwide regulatory concern, controversy, and discussion. SHIP's insolvency implicates its ability to pay benefits to policyholders in the 46 jurisdictions. The broad concern is reflected in the Rehabilitator's own letters concerning SHIP sent to regulators throughout the country reporting on the rehabilitation plan. *See, e.g.*, Exhibit 33 (Pennsylvania Insurance Commissioner letter to other Commissioners dated August 26, 2021).

The Regulators note that they were involved in discussions with other regulators leading to a letter dated February 11, 2022 from the chief insurance regulators of 32 jurisdictions to the Pennsylvania Insurance Commissioner and Rehabilitator (then Jessica Altman) asking that the Rehabilitator delay implementation of the Plan. Exhibit 34. Michael Humphreys subsequently became Acting Insurance Commissioner and Rehabilitator. In late March 2022, he

unilaterally delayed the implementation of Phase One of the Plan until the earlier of October 1, 2022 or the final order of the Pennsylvania Supreme Court. *See* Exhibit 5 (Rehabilitator’s Annual Report) at 8. He subsequently unilaterally decided to delay Phase Two of the Plan for at least five years. *See* Exhibit 28 (Pennsylvania Commissioner’s April 12, 2022 letter to other regulators) at 1.

3. The Regulators were also involved in administrative proceedings concerning SHIP’s compliance with Maine and Washington law. As noted in the Rehabilitator’s Annual Report, insurance regulators in at least 18 jurisdictions, have brought proceedings against SHIP (in some instances also naming the Rehabilitator and Special Deputy Rehabilitator) regarding compliance with their jurisdiction’s laws. The Maine Superintendent and Washington Commissioner are among them. Those proceedings are lawful exercises of the regulators’ individual responsibilities and discretion under their own state laws to enforce those laws respecting insurers doing business in their states. They do not “impair” the Plan. The Rehabilitator’s view to the contrary reflects an erroneous view of the Rehabilitator’s and Commonwealth Court’s authority respecting an insurer in rehabilitation as set forth in the first part of this Answer. Further, the Rehabilitator is bound by the decisions in the Maine and Washington Orders because he did not appeal from them. He cannot now ask this Court to review them.

The Maine and Washington administrative proceedings may be summarized as follows:

Maine. On February 8, 2022, the Maine Bureau of Insurance Staff submitted a Verified Complaint to the Superintendent alleging that SHIP is transacting business in Maine in a manner that is causing or reasonably expected to cause injury to Maine policyholders. Exhibit 22. The Superintendent issued an Emergency Cease and Desist Order directed to SHIP on February 8, 2022 that, among other things, notified SHIP that an adjudicatory hearing would be held on February 18, 2022 in accordance with Maine law. Exhibit 23. On February 10, 2022, the Maine Bureau of Insurance issued a press release concerning the Cease and Desist Order. Exhibit 35.

On February 15, 2022, the Superintendent issued an order designating a hearing officer and delegating the power to act as decision maker in the proceeding to the hearing officer. Exhibit 24.

On February 17, 2022, counsel for SHIP (who advised that he also represented SHIP's Rehabilitator and SHIP's Special Deputy Rehabilitator) sent the Hearing Officer a letter stating that his clients would not appear in the proceeding. Exhibit 25.

On February 18, 2022, the hearing was held as scheduled, and on March 17, 2022, the Hearing Officer issued the Maine Order based on the hearing record. Exhibit 26.

The Maine Order notified SHIP of its right to appeal to the Maine Superior Court within 30 days. Exhibit 26 at 15. Notice was provided to SHIP. SHIP did not appeal within the period provided by Maine law, so the Maine Order is final.

There have been no further proceedings in Maine.

Washington. On March 1, 2022, the Washington Commissioner issued the Washington Order to SHIP. Exhibit 27.

Also on March 1, 2022, the Washington Commissioner sent a letter to Washington policyholders. Exhibit 36. The Office of the Insurance Commissioner also issued a press release on that day. Exhibit 37.

The Washington Order notified SHIP of its right to demand a hearing within 90 days and that the right to a hearing is waived if not requested within 90 days. Exhibit 27 at 8-9. SHIP did not request a hearing within the 90-day period, so the Washington Order is final.

There have been no further proceedings in Washington.

B. THERE HAS BEEN NO HARM TO POLICYHOLDERS FROM DELAY IN IMPLEMENTING THE PLAN, AND IN ANY EVENT THE DELAY IS THE RESULT OF UNILATERAL DECISIONS BY THE REHABILITATOR (POINT 2(b)).

Point 2(b) of the RTSC asks the Regulators to identify all steps taken or proposed to be taken to protect SHIP's policyholders "from the harm caused by Respondents' interference with" SHIP's Approved Plan of Rehabilitation. The Rehabilitator's question rests on a false premise because there has been no harm and any delay results from the Rehabilitator's actions.

1. There has been no harm to policyholders from the delay in implementing the Plan.

By unilateral action of the Rehabilitator, Phase One of the Plan has been delayed from the initial prediction of May 2022 until the earlier of October 1, 2022 or the final order of the Pennsylvania Supreme Court. Exhibit 5 at 8. That delay has not harmed SHIP's policyholders. During this period, they will continue to pay premiums and receive benefits – including benefits in excess of guaranty association limits – in accordance with their contracts, with no increase in premiums or reduction in benefits. That does not harm them.

Also, by unilateral action of the Rehabilitator, Phase Two of the Plan has been delayed for a period of at least five years. Exhibit 28. That delay will not harm policyholders. During the five-year period, and assuming Phase One is implemented as presently planned, policyholders will pay premiums and receive

benefits – including benefits in excess of guaranty association limits –in accordance with their contracts as modified in Phase One. While the Regulators believe that Phase One of the Plan is not in the best interest of policyholders, the extension of Phase One for five years is better for policyholders than the prompt implementation of Phase Two. During that period, the Option 1 and Option 4 policyholders will not face the significant rate increases or benefit cuts that will apply to them in Phase Two.

The Regulators note that during the periods of delay, the assets of SHIP will be reduced at a rate greater than would be the case if Phase One had been implemented in May 2022 and Phase Two implemented shortly thereafter (when the actuarial analysis of the impact of Phase One elections was completed). However, that will not hurt policyholders. When SHIP is unable to continue paying policyholders their full benefits and is placed in liquidation, the guaranty associations will assume responsibility for paying the benefits to SHIP policyholders. The persons affected by the increased SHIP payments during the delay period will be the taxpayers and others who fund the guaranty associations, as they will be asked to fund the increased deficit that results from the prolonged period of full payments by SHIP.

2. If there were any harm to SHIP policyholders from the delay in implementing the Plan, that harm does not result from actions by the Regulators.

The decision to delay Phase One until later in 2022 was made unilaterally by the Rehabilitator in March 2022. Exhibit 5 at 8. The decision to delay Phase Two by at least five years was made unilaterally by the Rehabilitator in April 2022. Exhibit 28.

3. To the extent Point 2(b) may be intended to ask about the Maine and Washington administrative actions, those actions have had no impact.

Based on information provided by the Rehabilitator, the Rehabilitator mailed election packages to Maine and Washington policyholders in January 2022. *See* Exhibit 5 at 11; Exhibit 29 at 1-2. The mailings thus went out before the February 8, 2022 Maine Emergency Cease and Desist Order and before the March 1, 2022 Washington Order. The Rehabilitator's mailings to policyholders were not affected by the administrative orders.

Also based on information provided by the Rehabilitator, 81.39% of the Maine policyholders and 84.28% of the Washington policyholders had responded by April 10, 2022. Exhibit 29 at 1. These percentages and the percentage selections by option are consistent with the percentages for the 34 states where there were January 2022 mailings shown on the Rehabilitator's chart. *See id.* Those who did not respond to the elections package will be addressed by the default provision of the Plan. Thus, the Maine Order and the Washington Order had no impact on the Rehabilitator's solicitation of Phase One elections.

In sum, the administrative proceedings had no apparent impact on the mailing of and responses to the election packages in Maine and Washington, and the Rehabilitator has voluntarily chosen to delay implementation of Phase One.

Conclusion

For the foregoing reasons, there is no basis for further proceedings against the Regulators under the RTSC Order, and the Court should dismiss the RTSC proceeding.

June 22, 2022

Respectfully submitted,

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**In Re: Senior Health Insurance :
Company of Pennsylvania :
(in Rehabilitation) : No. 1 SHP 2020**

1. SHIP Rehabilitation Proceeding Docket No. 1 SHP 2020
2. Maine Superintendent's Application to Intervene (July 31, 2020)
3. Washington Commissioner's Joinder (September 15, 2020)
4. Rehabilitator's Application for Injunction and Stay Order (April 28, 2021) (including proposed order)
5. Rehabilitator's Annual Report (March 31, 2022) (including Exhibits B and C)
6. Pennsylvania Supreme Court Docket No. 71 MAP 2021
7. Brief of Appellee-Statutory Rehabilitator (February 4, 2022) (Cover and pages 15-17)
8. Louisiana Preliminary Injunction (February 3, 2022)
9. South Carolina Temporary Injunction (January 20, 2022)
10. Order Denying Transfer (U.S. Judicial Panel on Multidistrict Litigation) (June 1, 2022)
11. Alaska Order (March 7, 2022)
12. Arkansas Order (March 3, 2022)
13. Connecticut Order (February 15, 2022)
14. District of Columbia Order (February 15, 2022)
15. Maryland Order (February 15, 2022)

16. Montana Order (March 2, 2022)
17. New Hampshire Order (March 18, 2022)
18. Ohio Order (February 17, 2022)
19. Utah Order (February 22, 2022)
20. Vermont Order (March 6, 2022)
21. Maine Docket No. INS-22-200
22. Maine Verified Complaint (February 8, 2022)
23. Maine Emergency Cease and Desist Order (February 8, 2022)
24. Maine Order Designating Hearing Officer (February 15, 2022)
25. SHIP Counsel Letter to Hearing Officer (February 17, 2022)
26. Maine Decision and Order (March 17, 2022) (the “Maine Order”)
27. Washington Order to Cease and Desist (March 1, 2022) (the “Washington Order”)
28. Pennsylvania Insurance Commissioner Letter to Regulators (April 12, 2022)
29. Election Package Status Report as of April 10, 2022 enclosed with April 12, 2022 Letter (Exhibit no. 28)
30. Sample Election Mailing Package
31. Washington Order 20-0879 (December 21, 2020)
32. Maine Order INS-20-300 (March 9, 2020)
33. Pennsylvania Insurance Commissioner Letter to Regulators (August 26, 2021)
34. Letter from 32 Chief Insurance Regulators to the Pennsylvania Insurance Commissioner and Rehabilitator (February 11, 2022)
35. Maine Bureau of Insurance Press Release (February 10, 2022)
36. Washington Commissioner Letter to Washington Policyholders (March 1, 2022)

37. Washington Office of the Insurance Commissioner Press Release
(March 1, 2022)
38. Verification of Eric A. Smith

Exhibit 1

**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

Commonwealth Court of Pennsylvania

Docket Number: 1 SHP 2020

Page 1 of 68

June 14, 2022



CAPTION

In Re: Senior Health Insurance
Company of Pennsylvania,
(In Rehabilitation)

CASE INFORMATION

Initiating Document: Complaint

Case Status: Active

Case Processing Status: September 27, 2021 Awaiting Answer

Journal Number:

Case Category: Miscellaneous Case Type(s): Insurance
Rehabilitation

CONSOLIDATED CASES

RELATED CASES

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Attorney: Greenspan, Leslie Miller
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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 2 of 68****June 14, 2022****COUNSEL INFORMATION****Plaintiff Insurance Commissioner of the Commonwealth of Pennsylvania**

Pro Se: No

IFP Status:

Attorney:	Broadbent, Michael John	
Law Firm:	Cozen O'Connor	
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Law Firm:	Pennsylvania Department of Insurance	
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Law Firm:	Cozen O'Connor	
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Attorney:	Cantilo, Patrick Herrera	
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**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

Commonwealth Court of Pennsylvania

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June 14, 2022



COUNSEL INFORMATION

Plaintiff Altman, Jessica K.

Pro Se: No

IFP Status:

Attorney: Frantz, Jodi A.
Law Firm: Pennsylvania Insurance Department
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Attorney: Hamilton, Dexter Ryan
Law Firm: Cozen O'Connor
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Attorney: Buckman, Preston M.
Law Firm: Pennsylvania Insurance Department
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Harrisburg, PA 17102
Phone No: (717) 886-2080 Fax No:

Attorney: Greenspan, Leslie Miller
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Phone No: (215) 875-0609 Fax No:

Attorney: Broadbent, Michael John
Law Firm: Cozen O'Connor
Address: 1650 Market St Ste 2800
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Phone No: (215) 665-4732 Fax No:

Attorney: McDermott Speaks, Kathryn
Law Firm: Pennsylvania Department of Insurance
Address: Pa Dept Of Insurance
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Harrisburg, PA 17120
Phone No: (717) 787-2567 Fax No:

Commenter Wisconsin Office of the Commissioner of Insurance

Pro Se: Yes

IFP Status:

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125 South Webster Street
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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 4 of 68****June 14, 2022****COUNSEL INFORMATION****Commenter Vosbikian, Malcom**

Pro Se: Yes

IFP Status:

Pro Se: Malcom Vosbikian
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Commenter Tobin, George F., Jr.

Pro Se: Yes

IFP Status:

Pro Se: George F. Tobin Jr.
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Commenter Stamm, Clara

Pro Se: Yes

IFP Status:

Pro Se: Clara Stamm
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Commenter Senior Health Care Oversight Trust

Pro Se: No

IFP Status:

Attorney: Coble, Matthew David
Law Firm: Mette Evans & Woodside, PC
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Fax No:

Commenter Rich, Geraldine N.

Pro Se: Yes

IFP Status:

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Pro Se: No

IFP Status:

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 5 of 68****June 14, 2022****COUNSEL INFORMATION****Commenter Lounsberry, Emilie F.**

Pro Se: Yes

IFP Status:

Pro Se: Emilie F. Lounsberry
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Pro Se: Yes

IFP Status:

Pro Se: Garland M. Lasater Jr.
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Pro Se: Yes

IFP Status:

Pro Se: Rose Marie Knight
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Pro Se: Yes

IFP Status:

Pro Se: Thomas N. Hicks
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Hardinsburg, KY 40143**Commenter Hicks, Judith S.**

Pro Se: Yes

IFP Status:

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Pro Se: Yes

IFP Status:

Pro Se: Christine Lapp Hattaway
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Pro Se: Yes

IFP Status:

Pro Se: Diane Fisher
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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 6 of 68****June 14, 2022****COUNSEL INFORMATION****Commenter Ferrino, April**

Pro Se: Yes

IFP Status:

Pro Se: April Ferrino
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Commenter Fandrich, LaVonne

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IFP Status:

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Commenter Fandrich, James

Pro Se: Yes

IFP Status:

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Commenter Connone, Mary Lou

Pro Se: Yes

IFP Status:

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Commenter Carmer, Judith A.

Pro Se: Yes

IFP Status:

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Commenter Bracken, Nanette B.

Pro Se: Yes

IFP Status:

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 7 of 68****June 14, 2022****COUNSEL INFORMATION****Commenter Boyd, Richard Blair, IV**

Pro Se: Yes

IFP Status:

Pro Se: Richard Blair Boyd IV

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Commenter Adler, Gary

Pro Se: Yes

IFP Status:

Pro Se: Gary Adler

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Apt. 508A
Newton Square, PA 19073**Defendant Senoir Health Insurance Company of Pennsylvania**

Pro Se: No

IFP Status:

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Attorney: Hamilton, Dexter Ryan

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Intervenor Washington Insurance Commissioner

Pro Se: No

IFP Status:

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 8 of 68****June 14, 2022****COUNSEL INFORMATION****Intervenor UnitedHealthcare Insurance Company**

Pro Se: No

IFP Status:

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Intervenor United Insurance Group Agency, Inc.

Pro Se: No

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

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COUNSEL INFORMATION

Intervenor Senior Health Care Insurance Services, Ltd., LLP

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Intervenor Senior Commission Funding LLC

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Intervenor Primerica Life Insurance Company

Pro Se: No

IFP Status:

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Intervenor Parisi, Georgianna

Pro Se: Yes

IFP Status:

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 10 of 68****June 14, 2022****COUNSEL INFORMATION****Intervenor National Organization of Life and Health Insurance Guaranty Associations**

Pro Se: No

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Intervenor Massachusetts Commissioner of Insurance

Pro Se: No

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 11 of 68****June 14, 2022****COUNSEL INFORMATION****Intervenor Maine Superintendent of Insurance**

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Intervenor LifeCare Health Insurance Plans, Inc.

Pro Se: No

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Intervenor Lapinski, James F.

Pro Se: Yes

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**Senior Health Insurance Company of
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COUNSEL INFORMATION

Intervenor Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey

Pro Se: No

IFP Status:

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Intervenor Health Care Service Corporation

Pro Se: No

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Hartford, CT 06103

**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 13 of 68****June 14, 2022****COUNSEL INFORMATION****Intervenor Global Commission Funding LLC**

Pro Se: No

IFP Status:

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Intervenor Anthem, Inc.

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IFP Status:

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**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

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COUNSEL INFORMATION

Intervenor ACSIA Long Term Care, Inc.

Pro Se: No

IFP Status:

Attorney: Donley, Joseph M.
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FEE INFORMATION

Fee Dt	Fee Name	Fee Amt	Receipt Dt	Receipt No	Receipt Amt
01/24/2020	Copy Work by Clerk (Per Page)	274.00	01/24/2020	2020-CMW-H-000213	274.00
01/29/2020	Copy Work by Clerk (Per Page)	27.00	01/29/2020	2020-CMW-H-000231	27.00
01/31/2020	Copy Work by Clerk (Per Page)	265.00	01/31/2020	2020-CMW-H-000244	265.00

AGENCY/TRIAL COURT INFORMATION

Order Appealed From: Notice of Appeal Filed:

Order Type:

Documents Received: January 23, 2020

Court Below:

County: Division:

Judge: OTN:

Docket Number: NAIC Company Code 76325 Judicial District:

ORIGINAL RECORD CONTENT

Original Record Item	Filed Date	Content Description
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Date of Remand of Record:

BRIEFING SCHEDULE

None

None

DOCKET ENTRY

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
January 23, 2020	Complaint			
	Altman, Jessica K.		Plaintiff	
	Insurance Commissioner of the Commonwealth of Pennsylvania		Plaintiff	
	Humphreys, Michael		Plaintiff	

Document Name: Application for Order Placing Senior Health Insurance Company of Pennsylvania in Rehabilitation

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Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 15 of 68****June 14, 2022****DOCKET ENTRY**

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
Comment: Treated as a Petition for Order of Rehabilitation				

**Senior Health Insurance Company of
Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 16 of 68****June 14, 2022****DOCKET ENTRY**

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
January 29, 2020	Order Granting Application for Rehabilitation Leavitt, Mary Hannah			01/29/2020
Document Name: AND NOW, this 29th day of January, 2020, upon consideration of the Application for Order Placing Sen				

**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

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DOCKET ENTRY

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
	<p>Comment: Senior Health Insurance Company of Pennsylvania in Rehabilitation (Petition for Rehabilitation) filed by Jessica K. Alhnan, Insurance Commissioner of the Commonwealth of Pennsylvania, it is hereby ORDERED as follows:</p> <p>1. The Petition for Rehabilitation is GRANTED, and effective January 29, 2020, Senior Health Insurance Company of Pennsylvania (SHIP) is placed into rehabilitation in accordance with the provisions of Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, as amended, 40 P.S. §§221.1-221.63, on the ground that rehabilitation has been requested by and consented to by SHIP's board of directors and the trustees of the Senior Health Care Oversight Trust.</p> <p>2. Insurance Commissioner Jessica K. Altman and her successors in office are hereby appointed Rehabilitator of SHIP and invested with the full powers and authority of a rehabilitator as set forth in Section 516 of The Insurance Department Act of 1921, 40 P.S. §221.16.</p> <p>3. The Rehabilitator is hereby directed to rehabilitate the business of SHIP; to take possession of the assets of SHIP; and to administer the SHIP assets in accordance with the orders of this Court. Specifically, the Rehabilitator is directed to:</p> <p>(a) Inform all banks, investment banks, and other financial institutions or persons with custody of SHIP assets to identify and report these assets to the Rehabilitator and advise these institutions not to disburse, transfer, hypothecate or encumber such assets without the prior written consent of the Rehabilitator.</p> <p>(b) Inform all banks and other financial institutions with SHIP accounts that checks or other payments that have been processed and transmitted may be honored without prejudice to the ability of the Rehabilitator to recover said amounts from the recipient or payee in accordance with applicable law.</p> <p>(c) Inform all insurance producers, agents, managing general agents, brokers or other persons who have collected premiums on behalf of SHIP to account for all earned and unearned premiums and commissions to the Rehabilitator at the offices of SHIP within thirty (30) days of the date of this Order and that premium monies owed to SHIP must be remitted to the Rehabilitator.</p> <p>(d) Inform all attorneys employed or retained by SHIP that within thirty (30) days of this Order they must report to the Rehabilitator the name of the case or claim they are handling; the claim or docket number, if one is assigned; the status of each such case; and, further, that the Rehabilitator will not make payment for any unsolicited reports.</p> <p>(e) Inform all vendors providing claims or data processing services to SHIP that they shall continue such services unless and until</p>			

**Senior Health Insurance Company of
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Commonwealth Court of Pennsylvania

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DOCKET ENTRY

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
	<p>instructed to the contrary by the Rehabilitator.</p> <p>(f) Inform all vendors with custody or control of any data processing information and electronic records belonging to SHIP to preserve these electronic files and information and to transfer the data to the control of the Rehabilitator upon request.</p> <p>4. The filing or recording of this Order with the Prothonotary of the Commonwealth Court shall impart the same notice as is imparted by any deed, bill of sale or other evidence of title duly filed or recorded.</p> <p>5. The Rehabilitator shall take such actions as are necessary to correct the condition that prompted SHIP's board of directors and the Senior Health Care Oversight Trust to request and consent to the rehabilitation of SHIP.</p> <p>6. The Rehabilitator shall authorize, where appropriate and necessary, the payment of expenses, including employee compensation, incurred in the ordinary course of SHIP's business, as well as the actual, reasonable, and necessary costs of preserving or recovering the assets of SHIP.</p> <p>7. The Rehabilitator shall prepare a plan of rehabilitation, which may include a consolidation, merger or other transformation of SHIP and to that end may retain accountants, actuaries, attorneys and other consultants at the expense of SHIP.</p> <p>8. In the event this Court should determine that a rehabilitation of SHIP is not feasible and a liquidation of SHIP is ordered, the actual, reasonable and necessary costs of goods or services provided to and approved by the Rehabilitator during the period of rehabilitation will be treated as costs and expenses of administration for purposes of Section 544 of The Insurance Department Act of 1921, 40 P.S. §221.44.</p> <p>9. The Rehabilitator may, in her discretion, pay claims, in whole or in part, arising under SHIP's contracts of insurance; provided, however, that the Rehabilitator may not pay bad faith claims or claims for extra-contractual charges or damages.</p> <p>10. The Rehabilitator may, in her discretion, write new and renewal policies or may cancel or refuse to renew existing policies, as she deems appropriate.</p> <p>11. In accordance with Section 515 of The Insurance Department Act of 1921, 40 P.S. §221.15(c), the Rehabilitator is authorized to take possession of the statutory deposits held by any state or territory and to do all things necessary to manage and apply the deposits in accordance with the application agreements; provided, however, the Rehabilitator shall not post additional statutory security deposits in any state or territory on behalf of SHIP.</p> <p>12. All court actions, arbitrations and mediations currently or hereafter pending against SHIP in the Commonwealth of Pennsylvania are stayed</p>			

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DOCKET ENTRY

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
	for ninety (90) days from the effective date of this Order and such additional time as the Rehabilitator may request, to allow the Rehabilitator an opportunity to review litigation and where appropriate retain new counsel.			
	13. The Rehabilitator is directed to review all litigation pending outside the courts of the Commonwealth of Pennsylvania and petition these other courts or tribunals for a ninety (90) day stay of litigation where necessary to protect the estate of SHIP.			
	14. The Rehabilitator may appoint a Special Deputy Rehabilitator to be compensated from SHIP's assets, and such Special Deputy Rehabilitator shall have all the same rights and authority under this Order and applicable law as the Rehabilitator, subject to oversight and supervision by the Rehabilitator and this Court.			
	15. This Order is not, and shall not be considered, a finding or declaration of insolvency that can activate the provisions of the Pennsylvania Life and Health Insurance Guaranty Act, as added by the Act of Dec. 18, 1992, P.L. 1519, 40 P.S. §§991.1701-991.1718, or the provisions of similar acts of any other state or territory.			
	16. On or before April 22, 2020, the Rehabilitator shall file a preliminary plan of rehabilitation with the Court, which shall include a timeline for the preparation of a final plan of rehabilitation.			
	17. This Court shall retain jurisdiction of this proceeding to the full extent necessary to enforce the terms of this Order and to issue such other orders that may be required in the course of the rehabilitation .			
January 30, 2020	Entry of Appearance Buckman, Preston M. Buckman, Preston M.	Insurance Commissioner of the Com Altman, Jessica K.	Plaintiff Plaintiff	
January 31, 2020	Entry of Appearance Darney, Page Darney, Page	Insurance Commissioner of the Com Altman, Jessica K.	Plaintiff Plaintiff	
April 22, 2020	Entry of Appearance Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John Hamilton, Dexter Ryan Potts, James Reeves Hamilton, Dexter Ryan Potts, James Reeves Hamilton, Dexter Ryan Potts, James Reeves	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o Insurance Commissioner of the Com Insurance Commissioner of the Com Altman, Jessica K. Altman, Jessica K. Senoir Health Insurance Company o Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant Plaintiff Plaintiff Plaintiff Defendant Defendant	

**Senior Health Insurance Company of
Pennsylvania Docket Sheet**

Commonwealth Court of Pennsylvania

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DOCKET ENTRY

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 22, 2020	Application for Approval Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: OF THE PLAN OF REHABILITATION FOR SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA Comment: OF THE PLAN OF REHABILITATION FOR SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA			
April 22, 2020	Application for Approval Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: OF FORM AND DISTRIBUTION OF NOTICE OF APPLICATION FOR APPROVAL OF Comment: PLAN OF REHABILITATION FOR SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA			
April 23, 2020	Praecipe Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: TO SUBSTITUTE			
April 23, 2020	Praecipe Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: to Substitute			
April 24, 2020	Entry of Appearance Greenspan, Leslie Miller Greenspan, Leslie Miller Dugue, Dorothy M. Dugue, Dorothy M.	Insurance Commissioner of the Com Altman, Jessica K. Insurance Commissioner of the Com Altman, Jessica K.	Plaintiff Plaintiff Plaintiff Plaintiff	
May 7, 2020	Praecipe for Withdrawal of Appearance Darney, Page Darney, Page	Insurance Commissioner of the Com Altman, Jessica K.	Plaintiff Plaintiff	

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Pennsylvania Docket Sheet****Commonwealth Court of Pennsylvania****Docket Number: 1 SHP 2020****Page 21 of 68****June 14, 2022****DOCKET ENTRY**

Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 12, 2020	Order Granting Application for Approval Leavitt, Mary Hannah			06/12/2020
Document Name: CASE MANAGEMENT ORDER FOR COMMENTS AND HEARING ON THE PROPOSED PLAN OF REHABILITATION				

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
	<p>Comment: AND NOW, this 12th day of June, 2020, upon consideration of the Application of Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (In Rehabilitation) (SHIP), for approval of Form and Distribution of Notice of Application for Approval of Plan of Rehabilitation for SHIP (Application), and any objections filed thereto, it is hereby ORDERED as follows:</p> <p>1. The Court directs the Statutory Rehabilitator to use the Notice attached to this Order as Exhibit A to advise the Interested Parties (as defined below) of the filing in this Court by the Rehabilitator of the Application for Approval of the Plan of Rehabilitation for SHIP (Plan Application) and the procedures for offering comments on the proposed Plan of Rehabilitation and participating in the hearing thereon, which will be scheduled by the Court by separate order.</p> <p>2. As soon as reasonably practical, the Rehabilitator shall send by U.S. mail a copy of the attached Notice to all Interested Parties, defined as: all persons identified on the Master Service List; all known policyholders and certificate holders having policies or other coverage in force with SHIP on the date of the mailing; all known SHIP insurance agents and all known creditors of SHIP (in each case, addressed to their last known address as shown on the electronic books and records of SHIP); the insurance regulatory authorities in each jurisdiction in which SHIP issued policies that remain in effect; the state life and health insurance guaranty associations; the taxing authorities of the various states where SHIP has policies or other coverage in force at the time of mailing the notice; the National Association of Insurance Commissioners; the National Organization of Life and Health Insurance Guaranty Associations; and the Senior Health Care Oversight Trust and its Trustees.</p> <p>3. Notice is not required to be mailed to persons who have changed their addresses without notifying SHIP and for whom the Rehabilitator, after good effort, has been unable to establish a current address.</p> <p>4. The Rehabilitator shall continue to maintain the website addressed at https://www.shipltc.com/court-documents (Site) and post thereon the Application for Approval of the Plan of Rehabilitation for SHIP, a copy of this Order and such other documents that are from time to time required by Pa. R.A.P. 3779 or provide a link thereon to such documents. Absent further order by this Court, updates to the Site shall serve as official notice of filings, orders, deadlines and hearings.</p> <p>5. As soon as reasonably practical, the Rehabilitator shall cause a copy of the attached Notice, in substantially the same form, to be published in The Wall Street Journal, USA Today, The Indianapolis Star, The Philadelphia Inquirer, and The Harrisburg Patriot-News, twice a week in each publication for two weeks.</p> <p>6. The Rehabilitator shall maintain a "hard copy" service list for those Interested Parties requesting hard copies of relevant documentation. Interested Parties who affirm that they either do not have regular access to a computer or are unable to view, download or print the applicable documents may be placed on the "hard copy" list and receive copies of all Court orders and filings by the Rehabilitator in this matter by making a request for placement on the "hard copy" service list. Requests for placement on the "hard copy" service list shall be made by sending a written request by mail to Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, 550 Congressional Boulevard, Suite 200, Carmel, IN 46032; or by facsimile to the attention of Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, at the following number: (317) 566-7588; or by email to rehabilitation@shipltc.com. The request should be signed and contain the following statement:</p> <p>In making this request, I hereby affirm to the Commonwealth Court of Pennsylvania that I do not have regular access to a computer or other device providing me internet access to the Site or I am otherwise unable to view, download or print documents from the Site related to this matter.</p> <p>7. Informal Comments in support of or in objection to the proposed Plan of Rehabilitation may be sent to Patrick H. Cantilo, Special Deputy Rehabilitator at the following address: Senior Health Insurance Company of Pennsylvania (In</p>			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
	<p>Rehabilitation), 550 Congressional Blvd., Suite 200, Carmel, IN 46032; or by email to: plan.comments@shipltc.com.</p> <p>8. Formal Comments in support of or in objection to the proposed Plan of Rehabilitation shall be filed with the Court on or before September 15, 2020. Formal Comments shall be identified at the top of the document as being filed in "In re: Senior Health Insurance Company of Pennsylvania (In Rehabilitation), No. 1 SHP 2020." Formal Comments shall state with specificity the Commenter's identity and interest in the proceeding, the facts on which the comments are based, and any suggested modifications to the proposed Plan of Rehabilitation. A person may submit Formal Comments without participating in the hearing on the proposed Plan of Rehabilitation. A Commenter who intends to participate in the hearing must notify the Court of that intention in his Formal Comments.</p> <p>9. Any Commenter who intends to call or examine witnesses or introduce exhibits at the hearing on the proposed Plan of Rehabilitation or participate in any discovery that this Court may permit must file an application with the Court to intervene in the proceeding under the Pennsylvania Rules of Appellate Procedure on or before July 31, 2020, and must also file their Formal Comments in accordance with this Order. Any response to an application to intervene shall be filed and served on or before August 21, 2020. Any Commenter who is permitted to intervene shall file with the Court and serve on the Rehabilitator on or before September 30, 2020, (i) a narrative or other description consisting substantially of the direct testimony of each witness the Commenter intends to call at the hearing and (ii) the exhibits the Commenter intends to introduce at the hearing.</p> <p>10. Formal Comments to the proposed Plan of Rehabilitation shall be filed with the Court at the following address: Office of Prothonotary of the Commonwealth Court of Pennsylvania ATTN: 1 SHP 2020 Pennsylvania Judicial Center 601 Commonwealth Avenue, Suite 2100 Harrisburg, PA 17106.</p> <p>11. Service by Commenters on the Rehabilitator shall be made by electronic delivery to the Rehabilitator's counsel and the Special Deputy</p> <p>Rehabilitator at the following addresses: Counsel SDR Cozen O'Connor Patrick Cantilo shipcomments@cozen.com service@cb-firm.com</p> <p>12. A Commenter who is unable to make service on the Rehabilitator by electronic delivery may serve the Rehabilitator by first-class mail or overnight delivery service to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the following physical addresses: James R. Potts Patrick Cantilo Cozen O'Connor Cantilo & Bennett, L.L.P. One Liberty Place 1401 Century Oaks Terrace 1650 Market Street, Suite 2800 Suite 300 Philadelphia, PA 19103 Austin, Texas 78758</p> <p>Any materials served by this method must contain an affirmation to the Court that the Commenter is unable to serve the Rehabilitator by electronic delivery.</p> <p>13. A Commenter who has complied with the procedures set forth in this Order and been granted intervenor status by this Court shall have the right to participate in the hearing, including the examination of witnesses proffered in support of or opposition to the proposed Plan of Rehabilitation. Evidence presented by the Commenter may be subject to cross-examination by the Rehabilitator and any other party to the proceeding. The Court may limit such participation to ensure an orderly proceeding.</p> <p>14. The Rehabilitator shall not be required to respond to Formal or</p>			

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	<p>Informal Comments or other filings by Commenters pursuant to this Order and any failure to respond shall not constitute an admission or waiver by the Rehabilitator.</p> <p>15. All other dates and requirements established by the Court relevant to the proceedings concerning the proposed Plan of Rehabilitation, including any changes to the dates and procedures set forth in this Order, will be posted to the Site and will not be delivered by mail or other means except as otherwise provided herein.</p> <p>16. This Case Management Order governs the procedures for the presentation of comments to, and the hearing on, the proposed Plan of Rehabilitation. All other orders, injunctions, and stays issued by this Court in this matter shall continue in full force and effect except as modified by this Order.</p>			
July 22, 2020	Sealed Formal Comment Paine, Thomas B.		Commenter	
July 30, 2020	Application for Intervention (Pa.R.A.P. 3775) Parisi, Georgianna Document Name: Georgianna Parisi		Intervenor	
July 30, 2020	Application for Intervention (Pa.R.A.P. 3775) Kline, Amy Stovall Kline, Amy Stovall Document Name: Unopposed Application to Intervene of Transamerica Life Insurance Company	Transamerica Life Insurance Compa Possible Intervenor	Intervenor	
July 30, 2020	Application for Intervention (Pa.R.A.P. 3775) Hickok, Dorothy Alicia Document Name: Unopposed Application of National Organization of Life and Health Insurance Guaranty Associations Comment: Requesting Leave to Intervene for a Limited Purpose	National Organization of Life and He Intervenor	Intervenor	
July 30, 2020	Sealed Formal Comment Bracken, Nanette B. Document Name: Sealed Bracken		Commenter	
July 30, 2020	Sealed Formal Comment Adler, Gary Document Name: Sealed Adler		Commenter	
July 31, 2020	Entry of Appearance Kline, Amy Stovall Hummer, Paul M.	Transamerica Life Insurance Compa Transamerica Life Insurance Compa	Intervenor Intervenor	
July 31, 2020	Memorandum of Law Filed Kline, Amy Stovall Kline, Amy Stovall Document Name: Brief in Support of Unopposed Application to Intervene of TransAmerica Life Insurance Company	Transamerica Life Insurance Compa Possible Intervenor	Intervenor Intervenor	
July 31, 2020	Entry of Appearance Hummer, Paul M.	Transamerica Life Insurance Compa	Intervenor	
July 31, 2020	Application for Intervention (Pa.R.A.P. 3775) Gkonos, James Steven Document Name: Unopposed Application to Intervene of Primerica Life Insurance Company	Primerica Life Insurance Company	Intervenor	

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July 31, 2020	Memorandum of Law Filed Gkonos, James Steven	Primerica Life Insurance Company	Intervenor	
	Document Name: Brief in Support of Unopposed Application to Intervene of Primerica Life Insurance Company			
July 31, 2020	Application for Intervention (Pa.R.A.P. 3775) Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Document Name: Joint Application for Intervention of the Maine Superintendent of Insurance and the Comment: Massachusetts Commissioner of Insurance and Request to Grant Leave to Extend the time to Intervene			
July 31, 2020	Application for Intervention (Pa.R.A.P. 3775) Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Servic	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
July 31, 2020	Application for Intervention (Pa.R.A.P. 3775) Lavelle, John P., Jr.	Aetna Life Insurance Company	Intervenor	
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: of the Health Insurers...for a Limited Purpose			
August 3, 2020	Certificate of Service Filed Gkonos, James Steven	Primerica Life Insurance Company	Intervenor	
August 3, 2020	Application for Intervention (Pa.R.A.P. 3775) Lapinski, James F.		Intervenor	
	Document Name: James F. Lipinski			
August 5, 2020	Entry of Appearance Galla, Scott Brandon	ACSIA Long Term Care, Inc.	Intervenor	
	Galla, Scott Brandon	Global Commission Funding LLC	Intervenor	
	Galla, Scott Brandon	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Galla, Scott Brandon	Senior Commission Funding LLC	Intervenor	
	Galla, Scott Brandon	Senior Health Care Insurance Servic	Intervenor	
	Galla, Scott Brandon	United Insurance Group Agency, Inc	Intervenor	
August 5, 2020	Sealed Formal Comment Fandrich, James		Commenter	
	Fandrich, LaVonne		Commenter	
	Document Name: Sealed Fandrich			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
August 10, 2020	Praecipe			
	Galla, Scott Brandon	ACSIA Long Term Care, Inc.	Intervenor	
	Galla, Scott Brandon	Global Commission Funding LLC	Intervenor	
	Galla, Scott Brandon	Senior Commission Funding LLC	Intervenor	
	Galla, Scott Brandon	United Insurance Group Agency, Inc	Intervenor	
	Galla, Scott Brandon	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Galla, Scott Brandon	Senior Health Care Insurance Serv	Intervenor	
	Document Name: Praecipe to Conform Application for Relief Seeking Leave to Intervene Pursuant to			
	Comment: Appellate Rule 3775			
August 10, 2020	Sealed Formal Comment			
	Ferrino, April		Commenter	
	Document Name: Sealed Ferrino			
August 11, 2020	Sealed Formal Comment			
	Fisher, Diane		Commenter	
	Document Name: Sealed Diane Fisher			
August 11, 2020	Entry of Appearance			
	Cantilo, Patrick Herrera	Insurance Commissioner of the Com	Plaintiff	
August 14, 2020	Application for Approval			
	Greenspan, Leslie Miller	Insurance Commissioner of the Com	Plaintiff	
	Greenspan, Leslie Miller	Altman, Jessica K.	Plaintiff	
	Document Name: of Senior Health Insurance Company of Pennsylvania's Purchase of Bankers Condeco Life Insurance			
	Comment: Company and Washington National Insurance Company's Interests in a Loan			
August 21, 2020	Answer Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senior Health Insurance Company o	Defendant	
	Document Name: Response of the Rehabilitator to the Unopposed Application to Intervene of the National			
	Comment: Organization of Life and Health Insurance Guaranty Associations			
August 21, 2020	Answer Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senior Health Insurance Company o	Defendant	
	Document Name: Response of the Rehabilitator to the Application to Intervene Filed by ACSIA Long Term Care, Inc.,			
	Comment: Global Commission Funding LLC, LifeCare Health Insurance Plans, Inc., Senior Commission Funding LLC, Senior Health Care Insurance Services, Ltd., LLP, and United Insurance Group Agency, Inc			
August 21, 2020	Answer Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senior Health Insurance Company o	Defendant	
	Document Name: Response of the Rehabilitator to the Unopposed Application to Intervene of Primerica Life Insurance			
	Comment: Company			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
August 21, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Response of the Rehabilitator to the Unopposed Application to Interene of Transamerica Life Comment: Insurance Company			
August 21, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Answer of the Rehabilitator to the Joint Application to Intervene and Request to Grant Leave Comment: to Extend the Time to Intervene Filed by the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance			
August 21, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Answer of Rehabilitator to Motion of Georgianna Parisi to Intervene			
August 21, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Answer of Rehabilitator to Application of James Lapinski to Intervene and Motion for Class Action by Comment: Policyholders			
August 21, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Response of the Rehabilitator to the Application to Intervene of Aetna Life Insurance Company, Comment: Anthem, Inc., Health Care Service Corporation, Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, and UnitedHealthcare Insurance Company			
August 26, 2020	Answer Filed Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins	Intervenor Intervenor	
	Document Name: of the Main Superintendent of Insurance and the Massachusetts Commissioner of Insurance Comment: to Rehavitator's Answer to Their Joint Application for Intervention and Request to Grant Leave to Extend Time to Intervene			
August 27, 2020	Sealed Formal Comment Kinight, Rose Marie		Commenter	
August 31, 2020	Sealed Formal Comment Connone, Mary Lou		Commenter	

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 1, 2020	Answer Filed Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins	Intervenor Intervenor	
	Document Name:	Further Answer of the Main Superintensent of Insurance and the Massachusetts Commissioner		
	Comment:	of Insurance to Rehabilitator's Answer to their Joint Application for Intervention and Request to Grant Leave to Extend Time to Intervene		
September 3, 2020	Sealed Formal Comment Boyd, Richard Blair, IV		Commenter	
September 4, 2020	Application for Relief Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name:	Application for Leave to File a Response to the Answer and Further Answer of the Maine Superintendent		
	Comment:	of Insurance and the Massachusetts Commissioner of Insurance		
September 8, 2020	Sealed Formal Comment Lounsberry, Emilie F.		Commenter	
September 10, 2020	Order Filed Per Curiam			09/10/2020
	Document Name:	it is ORDERED that all formal comments filed by individual policyholders		
	Comment:	shall be maintained by the Prothonotary under seal and be made available to the public only upon application to the Court.		
September 10, 2020	Formal Comment Wisconsin Office of the Commissioner of Insurance		Commenter	
	Document Name:	and Limited Objections to the Plan of Rehabilitation by the Wisconsin Office of the Commissioner of		
	Comment:	Insurance		
September 14, 2020	Formal Comment Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name:	Formal Comments of the National Organization of Life and Health Insurance Guranty Associations		
September 14, 2020	Answer Filed Kline, Amy Stovall Kline, Amy Stovall	Transamerica Life Insurance Compa	Intervenor Possible Intervenor	
	Document Name:	Response of Transamerica Life Insurance Company to Proposed Plan of Rehabilitation		
September 14, 2020	Sealed Formal Comment Rich, Geraldine N.		Commenter	
September 14, 2020	Sealed Formal Comment Hattaway, Christine Lapp		Commenter	
September 15, 2020	Formal Comment Gkonos, James Steven	Primerica Life Insurance Company	Intervenor	
	Document Name:	Primerica Life Insurance Company		

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 15, 2020	Order Filed Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Joint Application for Intervention of the Maine Superintendent Comment: of Insurance and the Massachusetts Commissioner of Insurance and Request to Grant Leave to Extend the Time to Intervene (Joint Application), and the Rehabilitator's response thereto, it is hereby ORDERED that the Joint Application is GRANTED IN PART and DENIED IN PART. The request of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance to intervene in the abovecaptioned proceeding is GRANTED. The request to extend the time for other state insurance regulators to join as intervenors is DENIED. The Rehabilitator's Application for Leave to File a Response to the Answer and Further Answer of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance is DENIED.			
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Application of Georgianna Parisi to Intervene in the Comment: above-captioned proceeding for the limited purpose of participating in discovery, and the Rehabilitator's response thereto, it is hereby ORDERED that the Application is GRANTED.			
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Application of James Lapinski to Intervene in the Comment: above-captioned proceeding and the Motion of James Lapinski for Class Action by Policyholders , and the Rehabilitator's response thereto, it is hereby ORDERED that the Application to Intervene is GRANTED and the Motion for Class Action is DENIED with prejudice.			
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Unopposed Application to Intervene of Primerica Life Comment: Insurance Company (Primerica), and the Rehabilitator's response thereto, it is hereby ORDERED that the Application is GRANTED and Primerica is permitted to intervene in the above-captioned matter.			
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Unopposed Application to Intervene of Transamerica Life Comment: Insurance Company (Transamerica), and the Rehabilitator's response thereto, it is hereby ORDERED that the Application is GRANTED and Transamerica is permitted to intervene in the above-captioned matter.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Unopposed Application of the National Organization of Life Comment: and Health Insurance Guaranty Associations (NOLHGA) Requesting Leave to Intervene for a Limited Purpose, and the Rehabilitator's response thereto, it is hereby ORDERED that the Application is GRANTED and NOLHGA is permitted to intervene in the above-captioned proceeding.			
September 15, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			09/15/2020
	Document Name: upon consideration of the Application for Relief Seeking Leave to Intervene filed by ACSIA Comment: Long Term Care, Inc., Global Commission Funding LLC, LifeCare Health Insurance Plans, Inc., Senior Commission Funding LLC, Senior Health Care Insurance Services, Ltd., LLP, and United Insurance Group Agency, Inc., and the Rehabilitator's response thereto, it is hereby ORDERED that the Application is GRANTED and the above-listed entities are permitted to intervene in the above-captioned proceeding.			
September 15, 2020	Application for Intervention (Pa.R.A.P. 3775) Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins	Intervenor Intervenor	
	Document Name: Joinder of the Washington Insurance Commissioner in the Joint Application for Intervention of the Comment: Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and Application to Intervene			
September 15, 2020	Entry of Appearance Coble, Matthew David	Senior Health Care Oversight Trust	Commenter	
September 15, 2020	Formal Comment Coble, Matthew David	Senior Health Care Oversight Trust	Commenter	
	Document Name: The Senior Health Care Oversight Trust			
September 15, 2020	Formal Comment Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins	Intervenor Intervenor	
	Document Name: of the Maine Superintendent of Insurance, The Massachusetts Commissioner of Insurance and Comment: the Washington Insurance Commissioner			
September 15, 2020	Formal Comment Insurance Commissioner for the State of Maryland		Commenter	
	Document Name: of Kathleen A. Birrane, Insurance Commissioner for the State of Maryland in Opposition to the Comment: Proposed Plan of Rehabilitation			
September 15, 2020	Sealed Formal Comment Tobin, George F., Jr.		Commenter	
	Document Name: Sealed Tobin			
September 15, 2020	Sealed Formal Comment Andrascik, Allen D.	Pisacane, Josephine	Commenter	
	Document Name: Sealed Pisacane			

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September 15, 2020	Formal Comment			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Serv	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: Formal Comments in Objection to the Proposed Plan of Rehabilitation			
September 15, 2020	Formal Comment			
	Lavelle, John P., Jr.	Aetna Life Insurance Company	Intervenor	
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: Formal Comment of the Health Insurers on the Proposed Plan of Rehabilitation for Comment: Senior Health Insurance Company of Pennsylvania			
September 16, 2020	Entry of Appearance			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Kaldis, Haryle	Insurance Commissioner of the Com	Plaintiff	
September 16, 2020	Sealed Formal Comment			
	Hicks, Thomas N.		Commenter	
September 16, 2020	Sealed Formal Comment			
	Hicks, Judith S.		Commenter	
September 16, 2020	Sealed Formal Comment			
	Stamm, Clara		Commenter	
September 17, 2020	Praecipe for Withdrawal of Appearance			
	Potts, James Reeves	Altman, Jessica K.	Plaintiff	
	Potts, James Reeves	Insurance Commissioner of the Com	Plaintiff	
	Potts, James Reeves	Senoir Health Insurance Company o	Defendant	
September 17, 2020	Sealed Formal Comment			
	Vosbikian, Malcom		Commenter	
September 18, 2020	Order Filed			09/18/2020
	Leavitt, Mary Hannah			
	Document Name: upon consideration of the Joinder of the Washington Insurance Commissioner in the Comment: Joint Application for Intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and Application to Intervene, which the Rehabilitator does not oppose, it is ORDERED that the Washington Insurance Commissioner is permitted to join with the intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance in the above-captioned proceeding.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 22, 2020	Application for Relief Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Application of Intervenor State Insurance Regulators to Suspend September 30, 2020 Deadline Comment: for Filing of Witness Testimony Narratives and Exhibits			
September 22, 2020	Application to be Admitted Pro Hac Vice Filed Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Glawe			
September 22, 2020	Application to be Admitted Pro Hac Vice Filed Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Wilson			
September 25, 2020	Order Granting Application to be Admitted Pro Hac Vice Leavitt, Mary Hannah			09/25/2020
	Document Name: AND NOW this 25th day of September, 2020, upon consideration of the application of D. Alicia Hickok, Comment: Esquire, for admission pro hac vice of Caryn Glawe, Esquire, on behalf of intervenor National Organization of Life and Health Insurance Guaranty Associations (NOLHGA), it is hereby ORDERED: (1) Ms. Glawe is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of NOLHGA in this matter; (2) Ms. Glawe shall abide by the rules of this Court including all disciplinary rules; (3) Ms. Glawe shall immediately notify this Court of any matter affecting her standing at the bar of any other court where she may be admitted to practice; and (4) Ms. Hickok, as the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of NOLHGA.			
September 25, 2020	Order Granting Application to be Admitted Pro Hac Vice Leavitt, Mary Hannah			09/25/2020
	Document Name: AND NOW this 25th day of September, 2020, upon consideration of the application of D. Alicia Hickok, Comment: Esquire, for admission pro hac vice of Jane Dall Wilson, Esquire, on behalf of intervenor National Organization of Life and Health Insurance Guaranty Associations (NOLHGA), it is hereby ORDERED: (1) Ms. Wilson is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of NOLHGA in this matter; (2) Ms. Wilson shall abide by the rules of this Court including all disciplinary rules; (3) Ms. Wilson shall immediately notify this Court of any matter affecting her standing at the bar of any other court where she may be admitted to practice; and (4) Ms. Hickok, as the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of NOLHGA.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 25, 2020	Order Granting Application for Approval Leavitt, Mary Hannah			09/25/2020
	Document Name: AND NOW, this 25th day of September, 2020, upon consideration of the Application for Approval of Comment: Senior Health Insurance Company of Pennsylvania's (SHIP) Purchase of Bankers Conseco Life Insurance Company's and Washington National Insurance Company's (together, Assignors) Interests In a Loan, filed by Jessica K. Altman, Insurance Commissioner of Pennsylvania in her capacity as Statutory Rehabilitator of SHIP, it is ORDERED that the Rehabilitator's Application is GRANTED and SHIP is hereby authorized to purchase Assignors' interests in the eleven million eight hundred thousand dollar (\$11,800,000.00) and six million dollar (\$6,000,000.00) loans to Energy Resources, LLC; DDB Energy Resources, LLC; Montana Bakken, LLC; Little Creek Coal Co., Inc.; Green Equity Partners, LLC; and KEP-RMA, LLC for the sum of four million dollars (\$4,000,000.00).			
September 25, 2020	Order Granting Application for Relief Leavitt, Mary Hannah			09/25/2020
	Document Name: AND NOW, this 25th day of September, 2020, upon consideration of the Application of Intervenor Comment: State Insurance Regulators to Suspend September 30, 2020 Deadline for Filing of Witness Testimony Narratives and Exhibits, it is ORDERED that the deadline set forth in paragraph 9 of the Case Management Order for intervenors to file and serve narratives or descriptions of direct witness testimony and exhibits is extended to October 30, 2020.			
October 1, 2020	Answer to Application to be Admitted Pro Hac Vice Lapinski, James F.		Intervenor	
	Document Name: Lapinski's Objection to Admission fo Jane Dali Wilson and Caryn Glawe as Additional Counsel for Comment: NOLHGA			
October 2, 2020	Filed - Other Lapinski, James F.		Intervenor	
	Document Name: Description of Substance of Testamony of Patricia Sue Lapinski			
October 7, 2020	Hearing Cancelled Leavitt, Mary Hannah			10/07/2020
	Document Name: the pre-hearing conference scheduled for October 20, 2020, at 10:00 a.m. is CANCELLED. Comment: The Court will reschedule the conference by future order.			
October 9, 2020	Application to be Admitted Pro Hac Vice Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
October 9, 2020	Answer Filed Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: NOLHGA's Answer to Objections of James F. Lapinski to Pro Hac Applications of Jane Dall Wilson and Comment: Caryin Glawe			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
October 13, 2020	Order Filed Leavitt, Mary Hannah			10/13/2020
	Document Name: upon consideration of Intervenor James F. Lapinski's Objections to Admission of Comment: Jane Dall Wilson and Caryn Glawe as Additional Counsel for Intervenor National Organization of Life and Health Insurance Guaranty Associations (NOLHGA), and NOLHGA's answer thereto, it is ORDERED that Mr. Lapinski's objections are OVERRULED as moot1 and his request for a hearing on his objections is DENIED.			
October 13, 2020	Order Granting Application to be Admitted Pro Hac Vice Leavitt, Mary Hannah			10/13/2020
	Document Name: upon consideration of the motion of Stephen G. Harvey, Esquire, for admission Comment: pro hac vice of J. David Leslie, Esquire, on behalf of Intervenor Maine Superintendent of Insurance, Massachusetts Commissioner of Insurance and Washington Insurance Commissioner (collectively, Intervenor), it is hereby ORDERED: (1) Mr. Leslie is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of Intervenor in this matter; (2) Mr. Leslie shall abide by the rules of this Court including all disciplinary rules; (3) Mr. Leslie shall immediately notify this Court of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and (4) Mr. Harvey, the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of Intervenor.			
October 13, 2020	Order Granting Application to be Admitted Pro Hac Vice Leavitt, Mary Hannah			10/13/2020
	Document Name: upon consideration of the motion of Stephen G. Harvey, Esquire, for admission Comment: pro hac vice of Eric A. Smith, Esquire, on behalf of Intervenor Maine Superintendent of Insurance, Massachusetts Commissioner of Insurance and Washington Insurance Commissioner (collectively, Intervenor), it is hereby ORDERED: (1) Mr. Smith is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of Intervenor in this matter; (2) Mr. Smith shall abide by the rules of this Court including all disciplinary rules; (3) Mr. Smith shall immediately notify this Court of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and (4) Mr. Harvey, the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of Intervenor.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
October 13, 2020	Application for Relief Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Intervenor State Insurance Regulators' Application for Order Directing the Rehabilitator to Provide Comment: Information Regarding the Proposed Plan and Extending the Deadline for Submission of Witness Narratives and Exhibits			
October 16, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Rehabilitator's Response to Intervenor State Insurance Regulator's Applicatio for Order Directing Comment: the Rehavitator to Porvide Information Regarding the Proposed Plan and Extending the Deadline for Submission of Witness Narratives and Exhibits			
October 20, 2020	Filed - Other Lapinski, James F.		Intervenor	
	Document Name: Description of Substance of Testimony of J.F. Lapinski Witness...and Exhibits to be Introduced			
October 21, 2020	Notice Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Notice of Filing of Amended Rehabilitation Plan			
October 21, 2020	Amended Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Amended Rehabilitation Plan			
October 22, 2020	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Motion to Strike and Objections to Erroneous Court Order of Hon. Judge M.H. Leavitt			
October 27, 2020	Order Filed Leavitt, Mary Hannah			10/27/2020
	Document Name: the Court ORDERS as follows: Comment: (1) Any party that filed a formal comment in support of or in objection to the proposed Plan of Rehabilitation in accordance with paragraph 8 of the Case Management Order of June 12, 2020, may amend its comment no later than November 30, 2020, to address material issues first raised in the Amended Rehabilitation Plan filed by the Rehabilitator on October 21, 2020. (2) The deadline set forth in paragraph 9 of the Case Management Order for intervenors to file and serve narratives or descriptions of direct witness testimony and exhibits is extended to November 30, 2020.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
October 27, 2020	Order Denying Application for Relief Leavitt, Mary Hannah			10/27/2020
	Document Name: upon consideration of Intervenor State Insurance Regulators' Application for Order Directing Comment: the Rehabilitator to Provide Information Regarding the Proposed Plan and Extending the Deadline for Submission of Witness Narratives and Exhibits, and in consideration of the Rehabilitator's filing of an Amended Rehabilitation Plan and provision of actuarial data to all interested parties, it is ORDERED that the Application is DENIED. If, after review of the new information provided by the Rehabilitator, Intervenor State Insurance Regulators still require additional information, they may file an appropriate application no later than November 10, 2020.			
November 4, 2020	Application to Strike Lapinski, James F.		Intervenor	
	Document Name: and Objections to Erroneous Court Order of Hon. Judge M.H. Leavitt			
November 4, 2020	Application to Strike Lapinski, James F.		Intervenor	
	Document Name: Motion to Strike Judge M.H. Leavitt's Order of October 13, 2020 and Motions for Discovery and Comment: Motion to Strike SHIP Rehabilitation Plan			
November 9, 2020	Application for Approval Greenspan, Leslie Miller	Insurance Commissioner of the Com	Plaintiff	
	Greenspan, Leslie Miller	Altman, Jessica K.	Plaintiff	
	Document Name: of Senior Health Insurance Company fo Pennsylvania's Recapture Agreement with Transamerica Comment: Life Insurance Company			
November 10, 2020	Application for Relief Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Washington Insurance Commissione	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Document Name: Intervenor State Insurance Regulators' Renewed Application for Order Directing the Rehabilitator Comment: to Provide Reprots adn Analyses and Extending Time to Address Recently Provided Spreadsheet and Additional Analyses			
November 17, 2020	Order Filed Leavitt, Mary Hannah			11/18/2020
	Document Name: Intervenor James F. Lapinski's Motions to Strike the Court's order of October 13, 2020, Comment: which he filed on October 22, 2020, and November 4, 2020, are Denied			
November 19, 2020	Application for Extension of Time to File Boyd, Richard Blair, IV		Commenter	

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November 24, 2020	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Rehabilitator's Response to Intervenor State Insurance Regulators' Renewed Application for an Order			
	Comment: Directing the Rehabilitator to Provide Reports and Analyses and Extending Time to Address Recently Provided Spreadsheet and Additional Analyses			
November 25, 2020	Order Granting Application for Extension of Time to File Leavitt, Mary Hannah			11/25/2020
	Document Name: upon consideration of the application of Richard Blair Boyd IV for an extension of time to			
	Comment: file amended formal comments to address material issues first raised in the Amended Rehabilitation Plan filed by the Rehabilitator on October 21, 2020, it is ORDERED that Mr. Boyd may file his amended comments no later than December 30, 2020.			
November 30, 2020	Filed - Other Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Witness and Exhibit List of Intervenor The National Organization of Life and Health Insurance			
	Comment: Guaranty Associations			
November 30, 2020	Formal Comment Gkonos, James Steven	Primerica Life Insurance Company	Intervenor	
	Document Name: Amended Formal Comment of Primerica Life Insurance Company			
November 30, 2020	Filed - Other Gkonos, James Steven	Primerica Life Insurance Company	Intervenor	
	Document Name: Statement of Primerica Life Insurance Company Regarding Witnesses and Exhibits			
November 30, 2020	Filed - Other Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M.	ACSIA Long Term Care, Inc. Global Commission Funding LLC LifeCare Health Insurance Plans, Inc. Senior Commission Funding LLC Senior Health Care Insurance Servic United Insurance Group Agency, Inc	Intervenor Intervenor Intervenor Intervenor Intervenor Intervenor	
	Document Name: Description of Testimony of Witnesses Agent Commenters Intend to Call and Exhibits They Intend			
	Comment: to Introduce at Hearing			
November 30, 2020	Amended Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Amendment to the Formal Comments of the Maine Superintendent of Insurance, The Massachusetts			
	Comment: Commissioner of Insurance and the Washington Insurance Commissioner			
November 30, 2020	Amended Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Amended Formal Comments of the National Organization of Life and Health Insurance			
	Comment: Guaranty Association on the Proposed Amended Plan of Rehabilitation			

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November 30, 2020	Filed - Other Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G. Document Name: Intervenor State Insurance Regulators' Filin Regarding Witnesses and Exhibits	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
November 30, 2020	Amended Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Document Name: Amendment to Formal Comment of the Healt Insurers of the Proposed Plan of Rehabilitation for Comment: Senior Health Insurance Company of Pennsylvania	Aetna Life Insurance Company Anthem, Inc. Health Care Service Corporation Horizon Healthcare Services, Inc. d// UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor Intervenor	
November 30, 2020	Filed - Other Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Document Name: The Health Insurers Statement Regarding Witness Testimony and Exhibits	Aetna Life Insurance Company Anthem, Inc. Health Care Service Corporation Horizon Healthcare Services, Inc. d// UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor Intervenor	
November 30, 2020	Formal Comment Kline, Amy Stovall Document Name: Response of Transamerica Life Insurance Company to Proposed Amended Plan of Rehabilitation and Comment: Notice of Intent Regarding Participation in Hearing.	Transamerica Life Insurance Compa	Intervenor	
November 30, 2020	Amended Insurance Commissioner for the State of Maryland Document Name: Amendment to Formal Comments of Kathleen A. Birrane, Insurance Commissioner for the State of Comment: Maryland, In Opposition to the Proposed Amended Plan of Rehabilitation		Commenter	
December 2, 2020	Order Denying Application for Relief Leavitt, Mary Hannah Document Name: upon consideration of Intervenor State Insurance Regulators' Renewed Application for an order Comment: (1) directing the Rehabilitator to provide, inter alia, all analyses or reports prepared by or for the Rehabilitator or Senior Health Insurance Company of Pennsylvania on benefit reductions or premium increases contemplated by the Rehabilitation Plan, and (2) extending the time to address recently provided actuarial data, it is ORDERED that the Renewed Application is DENIED as overbroad, without prejudice to Intervenor State Insurance Regulators' right to make a more targeted document request.			12/02/2020

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December 3, 2020	Order Granting Application for Intervention Leavitt, Mary Hannah			12/03/2020
	Document Name: upon consideration of the Application for Limited Intervention of Aetna Life Insurance Company, Comment: Anthem, Inc., Health Care Service Corporation, Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, and United Healthcare Insurance Company (collectively, Health Insurers), and the Statutory Rehabilitator's response thereto, it is hereby ORDERED as follows: 1. The Application is GRANTED. 2. Pursuant to Pennsylvania Rule of Appellate Procedure 3775, Health Insurers are granted limited intervention to participate in (a) the proceedings related to the proposed amended plan of rehabilitation (Plan) of Senior Health Insurance Company of Pennsylvania (in Rehabilitation), including calling or examining witnesses, introducing exhibits at the hearing on the Plan and participating in any discovery permitted by the Court and (b) any subsequent liquidation proceeding on issues of claim priority and asset distribution.			
December 9, 2020	Answer Filed Hickok, Dorothy Alicia	National Organization of Life and He Intervenor		
	Document Name: Response to the Rehabilitator's Application for Approval of Senior Health Insurance Company of Comment: Pennsylvania's Recapture Agreement with Transamerica Life Insurance Company			
December 14, 2020	Praecipe for Withdrawal of Appearance Dugue, Dorothy M. Dugue, Dorothy M.	Altman, Jessica K. Insurance Commissioner of the Com Plaintiff	Plaintiff	
	Document Name: Duge			
December 16, 2020	Praecipe to Withdraw Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr.	Anthem, Inc. Aetna Life Insurance Company Health Care Service Corporation Horizon Healthcare Services, Inc. d/l UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor Intervenor	
	Document Name: of Aetna Life Insurance Company as Intervenor			
December 16, 2020	Answer Filed Greenspan, Leslie Miller Greenspan, Leslie Miller	Insurance Commissioner of the Com Plaintiff Altman, Jessica K.	Plaintiff	
	Document Name: Reply in Support of Application for Approval of Senior Health Insurance Company of PA's Recapture Comment: Agreement with Transamerica Life Insurance Company			
December 29, 2020	Order Granting Application for Approval Leavitt, Mary Hannah			12/29/2020
	Document Name: upon consideration of the Application for Approval of Senior Health Insurance Company Comment: of Pennsylvania's (SHIP) Recapture Agreement with Transamerica Life Insurance Company (Transamerica) filed by Jessica K. Altman, as Statutory Rehabilitator of SHIP, and the response thereto filed by the National Organization of Life and Health Insurance Guaranty Associations, it is hereby ORDERED that the Rehabilitator's Application is GRANTED and SHIP is authorized to execute the Recapture Agreement with Transamerica, attached as Exhibit 5 to the Application.			

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December 30, 2020	Sealed Answer Filed Boyd, Richard Blair, IV		Commenter	
	Document Name: Sealed Revised Formal Comments and Concerns			
January 20, 2021	Application for Relief Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Intervenor State Insurance Regulators' Application for Order Regarding Rehabilitator's Exhibits and Comment: Witness Testimony			
January 25, 2021	Praecipe Kline, Amy Stovall	Transamerica Life Insurance Compa	Intervenor	
	Document Name: Praecipe for Withdrawl of Transamerica Life Insurance Company as Intervenor			
January 26, 2021	Order Filed Leavitt, Mary Hannah			01/26/2021
	Document Name: in accordance with the Praecipe for Withdrawal of Transamerica Life Insurance Company Comment: as Intervenor, the Prothonotary is directed to mark Transamerica Life Insurance Company as withdrawn from the above-captioned matter.			
January 29, 2021	Application for Approval Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Application for Approval of a Second Case Management Order			
January 29, 2021	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Rehabilitator's Response to Intervenor State Insurance Regulators' Application for Order Regarding Comment: Rehabilitator's Exhibits and Witness Testimony			
February 11, 2021	Order Denying Application for Relief Leavitt, Mary Hannah			02/11/2021
	Document Name: Re: Application for Order Regarding Rehabilitator's Exhibits and Witness Testimony filed 1/20/2021 Comment: AND NOW, this 1 lth day ofFebruary, 2021, Intervenor State Insurance Regulators' Application for Order Regarding Rehabilitator's Exhibits and Witness Testimony is DENIED as premature			

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February 11, 2021	Order Filed Leavitt, Mary Hannah			02/11/2021
	Document Name: Order Denying Application for Approval filed 1/29/2021			
	Comment: AND NOW, this 11 th day of February, 2021, upon consideration of the Application for Approval of a Second Case Management Order filed by Jessica K. Altman, Rehabilitator of Senior Health Insurance Company of Pennsylvania (SHIP), it is ORDERED that the Application is DENIED as premature. It is further ORDERED that the Court will conduct a pre-hearing conference via WebEx videoconferencing on Wednesday, February 24, 2021, at 10:00 a.m., to discuss the schedule for a hearing on the Amended Rehabilitation Plan, unresolved information requests and all other matters relevant to the hearing. The Rehabilitator shall secure the services of a court reporter. Counsel of record and pro se parties who wish to participate shall provide the Court with their email addresses and telephone numbers immediately upon receipt of this order, unless they have already done so. The contact email address for the Court is: CommCourtRemote@pacourts.us. The Court will provide counsel with the information for connecting to the argument. The parties are directed to connect to the conference 10 minutes before the starting time. Please see the Protocol for WebEx Video Proceedings attached to this order			
February 18, 2021	Application to be Admitted Pro Hac Vice Filed			
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: Harold S. Horwich			
February 18, 2021	Application to be Admitted Pro Hac Vice Filed			
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: Benjamin J. Cordiano			
February 19, 2021	Order Granting Application to be Admitted Pro Hac Vice			02/19/2021
	Leavitt, Mary Hannah			
	Document Name: Benjamin J. Cordiano			
	Comment: AND NOW this 19th day of February, 2021, upon consideration of the motion of John P. Lavelle, Jr., Esq., for admission pro hac vice of Benjamin J. Cordiano, Esq., on behalf of Intervenor Anthem, Inc.; Health Care Service Corporation; Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey; and UnitedHealthcare Insurance Company (collectively, Health Insurers), it is hereby ORDERED: (1) Mr. Cordiano is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of Health Insurers in this matter; (2) Mr. Cordiano shall abide by the rules of this Court including all disciplinary rules; (3) Mr. Cordiano shall immediately notify this Court of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and (4) Mr. Lavelle, the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of Health Insurers.			

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February 19, 2021	Order Granting Application to be Admitted Pro Hac Vice Leavitt, Mary Hannah Document Name: Horwich Comment: AND NOW this 19th day of February, 2021, upon consideration of the motion of John P. Lavelle, Jr., Esq., for admission pro hac vice of Harold S. Horwich, Esq., on behalf of Intervenor Anthem, Inc.; Health Care Service Corporation; Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey; and UnitedHealthcare Insurance Company (collectively, Health Insurers), it is hereby ORDERED: (1) Mr. Horwich is admitted pro hac vice to the bar of the Commonwealth of Pennsylvania under Pennsylvania Bar Admission Rule 301, as co-counsel on behalf of Health Insurers in this matter; (2) Mr. Horwich shall abide by the rules of this Court including all disciplinary rules; (3) Mr. Horwich shall immediately notify this Court of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and (4) Mr. Lavelle, the moving attorney herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of Health Insurers.			02/19/2021
February 25, 2021	Order Filed Leavitt, Mary Hannah Document Name: Case Management Order for Hearing on the Amended Rehabilitation Plan Comment: AND NOW, this 25th day of February, 2021, following a pre-hearing conference on the scheduling of the hearing on the Amended Rehabilitation Plan for Senior Health Insurance Company of Pennsylvania (In Rehabilitation), it is ORDERED as follows: (1) All parties shall file pre-hearing memoranda with witness narratives, exhibit lists and copies of exhibits by April 5, 2021. (2) Rebuttal pre-hearing memoranda, including rebuttal witness narratives, exhibit lists and copies of exhibits, shall be filed by April 19, 2021. (3) The Rehabilitator shall file a supplemental pre-hearing memorandum, including any new or responsive witness narratives and a description of new or responsive exhibits by May 3, 2021. (4) The Rehabilitator shall file any proposed amendments to the Amended Rehabilitation Plan, which will include any new data or information not contained in the Rehabilitator's April 15, 2021, pre-hearing recommendation by May 3, 2021. (5) The Court will conduct a final pre-hearing conference via WebEx videoconferencing on May 10, 2021, at 10:00 a.m. The Rehabilitator shall secure the services of a court reporter. Counsel of record and pro se parties who wish to participate shall provide the Court with their email addresses and telephone numbers by May 3, 2021. The contact email address for the Court is: CommCourtRemote@pacourts.us. The Court will provide counsel with the information for connecting to the argument. The parties are directed to connect to the conference 10 minutes before the starting time. Please see the Protocol for WebEx Video Proceedings attached to this order. (6) The hearing on the Amended Rehabilitation Plan will commence on Monday, May 17, 2021, at 10:00 a.m. in Courtroom No. 3002 in the Pennsylvania Judicial Center, 601 Commonwealth Avenue, Harrisburg, Pennsylvania.			02/26/2021

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March 4, 2021	Amended Leavitt, Mary Hannah Document Name: Amendment Order Comment: AND NOW, this 4th day of March, 2021, the Court's scheduling order filed February 25, 2021, is amended as follows: Paragraph 4 should state: The Rehabilitator shall file any proposed amendments to the Amended Rehabilitation Plan by May 3, 2021. In all other respects the order remains the same.			03/04/2021
March 9, 2021	Application for Relief Lapinski, James F. Document Name: Motion for May 18, 19, 2021 Hearing Evidence Before April 6, 2021 to James Lapinsky		Intervenor	
March 24, 2021	Formal Comment Coble, Matthew David Document Name: Supplement to Formal Comments of the Senior Health Care Oversight Trust	Senior Health Care Oversight Trust	Commenter	
March 25, 2021	Filed - Other Lapinski, James F. Document Name: First Supplemental Prehearing Memo and Proposed Amendments to Rehabilitation Plan		Intervenor	
March 31, 2021	Quarterly Report of the Liquidator Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John Document Name: Notice of Filing Quarterly Report	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Senior Health Insurance Company of Defendant	Plaintiff	
March 31, 2021	Quarterly Report of the Liquidator Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Senior Health Insurance Company of Defendant	Plaintiff	
April 2, 2021	Memorandum of Law Filed Hickok, Dorothy Alicia Document Name: Pre Hearing memorandum of Intervenor the National Organization for Life and Health Insurance Guaranty Association	National Organization of Life and Health Insurance Guaranty Association	Intervenor	
April 5, 2021	Notice Gkonos, James Steven Document Name: Notice of Primerica Life Insurance Company Pursuant to the Court's Order of February 25, 2021	Primerica Life Insurance Company	Intervenor	
April 5, 2021	Filed - Other Lapinski, James F. Document Name: Second Supplemental List of Witnesses in Addition to Lapinskis		Intervenor	
April 5, 2021	Memorandum of Law Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G. Document Name: State Insurance Regulators' Pre Hearing Memorandum	Maine Superintendent of Insurance Massachusetts Commissioner of Insurance Washington Insurance Commissioner	Intervenor Intervenor Intervenor	

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 5, 2021	Filed - Other			
	Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Harvey, Stephen G.	Washington Insurance Commissione	Intervenor	
	Document Name: State Insurance Regulators' Witness Narrative			
April 5, 2021	Exhibit			
	Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Harvey, Stephen G.	Washington Insurance Commissione	Intervenor	
	Document Name: State Insurance Regulators' Exhibit List and Exhibits			
April 5, 2021	Memorandum of Law Filed			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Servic	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: Intervening Agents' and Brokers's Pre Hearing Memorandum on the Amended Rehabilitation Plan...			
April 5, 2021	Exhibit			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Servic	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: A to Intervening Agents' and Brokers's Pre Hearing Memorandum			
April 5, 2021	Exhibit			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Servic	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: B to Intervening Agents' and Brokers's Pre Hearing Memorandum			
April 5, 2021	Exhibit			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Servic	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: C to Intervening Agents' and Brokers's Pre Hearing Memorandum			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 5, 2021	Exhibit			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Serv	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: D to Intervening Agents' and Brokers's Pre Hearing Memorandum			
April 5, 2021	Exhibit			
	Donley, Joseph M.	ACSIA Long Term Care, Inc.	Intervenor	
	Donley, Joseph M.	Global Commission Funding LLC	Intervenor	
	Donley, Joseph M.	LifeCare Health Insurance Plans, Inc.	Intervenor	
	Donley, Joseph M.	Senior Commission Funding LLC	Intervenor	
	Donley, Joseph M.	Senior Health Care Insurance Serv	Intervenor	
	Donley, Joseph M.	United Insurance Group Agency, Inc	Intervenor	
	Document Name: E to Intervening Agents' and Brokers's Pre Hearing Memorandum			
April 5, 2021	Memorandum of Law Filed			
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/I	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: Pre Hearing Memorandum of the Health Insurers Regarding the Proposed Plan of Rehabilitation...			
April 5, 2021	Memorandum of Law Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Rehabilitator's Pre Hearing Memorandum			
April 6, 2021	Filed - Other			
	Lapinski, James F.		Intervenor	
	Document Name: Second Supplemental Documents for May 10, 17 18 Hearings fromIntervenor James Lapinski and			
	Comment: Motion to Deny SHIP Rehabilitation			
April 6, 2021	Memorandum of Law Filed			
	Lapinski, James F.		Intervenor	
	Document Name: Pre Hearing Memorandum: Witnesses; Exhibits; Motions for Facts; Recovery of Assets; Illegal Policy			
	Comment: Restructuring; ect.			
April 6, 2021	Amended			
	Lapinski, James F.		Intervenor	
	Document Name: Second Supplemental List of Witnesses in Addition to Lapinskis			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 8, 2021	Hearing Rescheduled Leavitt, Mary Hannah			04/09/2021
	Document Name: Pre Hearing is Rescheduled to May 13, 2021, at 10:00 am			
	Comment: AND NOW this 8th day of April, 2021, the final pre-hearing conference scheduled for May 10, 2021, at 10:00 a.m. is rescheduled to May 13, 2021, at 10:00 a.m., and will be conducted via WebEx videoconferencing. The Rehabilitator shall secure the services of a court reporter. Counsel of record and pro se parties who wish to participate shall provide the Court with their email addresses and telephone numbers by May 6, 2021. The contact email address for the Court is: CommCourtRemote@pacourts.us. The Court will provide counsel with the information for connecting to the argument. The parties are directed to connect to the conference 10 minutes before the starting time. Please see the Protocol for WebEx Video Proceedings attached to this order. s/Mary Hannah Leavitt			
April 19, 2021	Memorandum of Law Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: State Insurance Rebutal Pre Hearing Memorandum			
April 19, 2021	Praeipce Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: to Substitute Annual Report			
April 19, 2021	Memorandum of Law Filed Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M. Donley, Joseph M.	ACSI Long Term Care, Inc. Global Commission Funding LLC LifeCare Health Insurance Plans, Inc. Senior Commission Funding LLC Senior Health Care Insurance Servic United Insurance Group Agency, Inc	Intervenor Intervenor Intervenor Intervenor Intervenor Intervenor	
	Document Name: Intervening Agents' and Brokers' Rebuttal Pre Hearing Memorandum on the Amended Rehabilitation Plan...			
April 19, 2021	Memorandum of Law Filed Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr.	Anthem, Inc. Health Care Service Corporation Horizon Healthcare Services, Inc. d/ UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor	
	Document Name: Rebuttal Pre Hearing Memorandum of the Health Insurers			
April 19, 2021	Memorandum of Law Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Rehabilitator's Pre Hearing Rebuttal Memorandum			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 20, 2021	Memorandum of Law Filed Lapinski, James F.		Intervenor	
	Document Name: Rebuttal Memoranda for Pre-Hearing by Policy Holders & Intervenor Lapinskis			
April 28, 2021	Application for Relief Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Application for Injunction and Stay Order			
April 30, 2021	Order Granting Application for Relief Leavitt, Mary Hannah			04/30/2021
	Document Name: Stay of court actions, arbitrations and mediations Granted to October 27, 2021			
	Comment: AND NOW, this 30th day of April, 2021, upon consideration of the Application for Injunction and Stay Order (Application) filed by the Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (In Rehabilitation) (SHIP), it is hereby ORDERED as follows: 1. The Application is GRANTED. 2. The stay set forth in paragraph 12 of this Court's rehabilitation order dated January 29, 2021, is hereby extended for 180 days from the effective date of this Order. Except for the matter of Anthony v. Senior Health Insurance Company of Pennsylvania identified in paragraph 8a of the Application, all court actions, arbitrations and mediations currently or hereafter pending against SHIP in the Commonwealth of Pennsylvania are stayed until October 27, 2021. 3. The Rehabilitator is directed to review all litigation pending outside the courts of the Commonwealth of Pennsylvania and petition these courts or tribunals for an additional 180-day stay of litigation or until October 27, 2021, where necessary to protect the estate of SHIP.			
May 3, 2021	Notice Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Notice of Filing of Second Rehabilitation Plan / Second Rehabilitation Plan			
May 3, 2021	Filed - Other Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Rehabilitator's Pre Hearing Supplemental Filing			
May 10, 2021	Answer Filed Boyd, Richard Blair, IV		Commenter	
	Document Name: Response to Revised Rehabilitation Plan			

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May 11, 2021	Application for Relief			
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/I	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Document Name: The Health Insurers' Application for Relief from Scheduling Order			
May 12, 2021	Order Granting Application for Relief			05/12/2021
	Leavitt, Mary Hannah			
	Document Name: Permission to use the Policy Documents attached to Application at Hearing			
	Comment: AND NOW, this 12th day of May, 2021, upon consideration of the Application for Relief from Scheduling Order (Application) filed by intervenors Anthem, Inc., Health Care Service Corporation, Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, and UnitedHealthcare Insurance Company (collectively, Health Insurers), which the Statutory Rehabilitator does not oppose, it is hereby ORDERED as follows:			
	1. The Application is GRANTED.			
	2. The Health Insurers are permitted to use the Policy Documents attached to the Application at the hearing on the Second Amended Rehabilitation Plan.			
May 12, 2021	Application for Relief			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Rehabilitator's Application for Order Establishing Supplemental Remote Access to the Hearing on the			
	Comment: Second Amended Rehabilitation Plan for SHIP			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
May 13, 2021	Order Filed Per Curiam Document Name: Decorum Order Comment: NOW, this 13th day of May, 2021, after consultation with the Capitol Police and the Administrative Office of Pennsylvania Courts (AOPC) regarding the hearing that is scheduled for May 17, 2021, at 10:00 a.m., in Courtroom 3002 (the courtroom) of the Pennsylvania Judicial Center (PJC), and to reduce the risk of transmission of the COVID-19 virus, the Court ORDERS as follows: 1. Access to the courtroom will be limited to counsel of record; their clients, witnesses and observers registered with the Court; and Court personnel. The seating capacity of the courtroom is limited to 26 persons and will comport with relevant guidelines on social distancing. 2. The hearing will be broadcast in real time to Courtroom 5001 on the Fifth Floor of the PJC (observation room). Seating in the observation room will be on a "first come, first seated" basis, and will comport with relevant guidelines on social distancing. 3. Decorum will be maintained at all times by all persons present in the courtroom and in the observation room. Signs are not permitted inside the PJC. 4. No electronic devices may be used in the courtroom except by the Court and by counsel of record. Except for those electronic devices used by the Court and counsel of record, no electronic devices will be allowed in the courtroom or the observation room, with the exception of cellular or smart phones and watches. Cellular or smart phones and watches may be taken into the courtroom and observation rooms, but they must be turned off at all times. 5. All persons participating in or observing the hearing in the PJC shall adhere to the posted COVID-19 precautions and procedures, including, but not limited to, the wearing of face masks and social distancing. 6. No person who (i) has returned from international travel or travel to a state listed on the Department of Health's travel guidance list in the last 14 days, (ii) demonstrates symptoms of respiratory illness or fever, or (iii) has had contact with a person who has been diagnosed with, or is under investigation for, COVID-19 may attend as counsel, a party, witness, credentialed member of the media, or public observer. 7. Courtroom Protocols a. The courtroom will be unlocked and available for counsel of record and other authorized persons approximately 30 minutes before the opening of court. Counsel who require earlier access to set up electronic equipment must make prior arrangements with the Court. b. Counsel of record must wear a face mask at all times except when directly addressing the Court. c. Counsel of record shall address the Court and examine witnesses from their places at the counsel tables. 8. All participants and observers must exit the PJC promptly and in a manner that provides for social distancing following the conclusion of the proceedings. 9. Persons who fail to comply with this Order or maintain proper decorum will be removed by Court personnel or the Capitol Police.			05/14/2021
May 17, 2021	Sealed Formal Comment Lasater, Garland M., Jr.		Commenter	

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May 19, 2021	Filed - Other Lapinski, James F.		Intervenor	
	Document Name: Hearing Documents & Testimony & Formal Connemts Objecting to the Proposed Plan of Rehabilitation Comment: And Motion for Classaction by Policyholders			
May 19, 2021	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Updated Discovery Motion by Lapinskis for May 17, 18, 2021 SHP Rehab Hearing			
May 21, 2021	Filed - Other Lapinski, James F.		Intervenor	
	Document Name: Opening Argument / Application for Relief			
May 24, 2021	Order Filed Leavitt, Mary Hannah			05/24/2021
	Document Name: Post-Hearing Memoranda Schedule Comment: AND NOW this 24th day of May, 2021, the Court ORDERS as follows: 1. Post-hearing memoranda, with proposed findings of fact, conclusions of law, and a recommendation to approve, disapprove or modify the Second Amended Rehabilitation Plan, shall be filed on or before June 14, 2021. 2. Post-hearing memoranda shall include a proposed order on the Second Amended Rehabilitation Plan. Proposed modifications, if any, shall be presented in precise terms, i.e., with reference to the relevant page, paragraph and line of the Second Amended Rehabilitation Plan. 3. Responsive memoranda shall be filed on or before June 28, 2021.			
June 1, 2021	Application for Reconsideration/Reargument Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Intervenor State Insurance Regulators' Application to Reconsider Order Granting Rehabilitator's Oral Comment: Motion Regarding Issue State Rate Approval Option			
June 2, 2021	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Motions to Order Legal Discovery From SHIP Rehabilitator, Special Deputy Rehabilitator Comment: Patrick Cantillo, Magma Legal Services, Veritext			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 4, 2021	Order Denying Application for Relief Leavitt, Mary Hannah			06/04/2021
	Document Name: Re: Motion to Order Legal Discovery			
	Comment: AND NOW this 4th day of June, 2021, upon consideration of Intervenor James Lapinski's Motion to Order Legal Discovery from the Statutory Rehabilitator and the Special Deputy Rehabilitator, it is ORDERED that the Motion is DENIED. Any party seeking a copy of the transcript of the hearing on the Second Amended Plan of Rehabilitation conducted by the Court from May 17 to May 21, 2021, must contact the court reporting services, Magna Legal Services and Veritext. The Second Amended Plan of Rehabilitation and other important documents are publicly available in the Liquidation and Rehab section of the Pennsylvania Insurance Department's website, www.insurance.pa.gov . Any questions regarding the 2020 balance sheet of Senior Health Insurance Company of Pennsylvania (In Rehabilitation) should be directed to the Statutory Rehabilitator.			
June 4, 2021	Order Filed Leavitt, Mary Hannah			06/04/2021
	Document Name: Re: Responding to Application for Reconsideration			
	Comment: AND NOW this 4th day of June, 2021, upon consideration of the Intervenor State Insurance Regulators' Application to Reconsider Order Granting Rehabilitator's Oral Motion Regarding Issue State Rate Approval Option, it is ORDERED that any party may respond to the Application separately or in a post-hearing memoranda submitted pursuant to the Court's order entered May 24, 2021.			
June 10, 2021	Sealed Formal Comment Boyd, Richard Blair, IV		Commenter	
June 11, 2021	Application for Relief Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff		
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o Defendant		
	Document Name: Joint Application for Relief From Scheduling Order			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 11, 2021	Order Filed Leavitt, Mary Hannah			06/11/2021
	Document Name: Deadlines for Post Hearing Memoranda and Responsive Memoranda Continued until future Order of Court			
	Comment: AND NOW, this 11 th day of June, 2021, upon consideration of the Joint Application for Relief from Scheduling Order filed by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as the Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (SHIP), and Intervenor ACSIA Long Term Care, Inc.; Global Commission Funding LLC; LifeCare Health Insurance Plans, Inc.; Senior Commission Funding LLC; Senior Health Care Insurance Services, Ltd., LLP; and United Insurance Group Agency, Inc. (collectively, Intervening Agents and Brokers), the Court ORDERS as follows:			
	1. The deadline for post-hearing memoranda set forth in the Court's May 24, 2021, Scheduling Order is hereby CONTINUED with respect to Section VI.N of the Second Amended Rehabilitation Plan until such time as the Court shall order.			
	2. The deadline for responsive memoranda is hereby CONTINUED with respect to Section VI.N of the Second Amended Rehabilitation Plan until such time as the Court shall order.			
	3. All other deadlines in the Court's May 24, 2021, Scheduling Order shall remain in place.			
June 14, 2021	Memorandum of Law Filed Lapinski, James F.		Intervenor	
	Document Name: Post-Hearing Memoranda from Lapinskis			
June 14, 2021	Memorandum of Law Filed Lapinski, James F.		Intervenor	
	Document Name: Amended Post-Hearing Memoranda from Lapinskis			
June 14, 2021	Memorandum of Law Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G. Leslie, J. David Leslie, J. David Smith, Eric A. Smith, Eric A.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione Maine Superintendent of Insurance Massachusetts Commissioner of Ins Maine Superintendent of Insurance Massachusetts Commissioner of Ins	Intervenor Intervenor Intervenor Intervenor Intervenor Intervenor Intervenor	
	Document Name: State Insurance Regulators' Post-Hearing Memorandum			
June 14, 2021	Memorandum of Law Filed Hickok, Dorothy Alicia Glawe, Caryn M. Wilson, Jane Dall	National Organization of Life and He National Organization of Life and He National Organization of Life and He	Intervenor Intervenor Intervenor	
	Document Name: Post-Hearing Memorandum of Intervenor The National Organization of Life and Health Insurance			
	Comment: Guaranty Associations (Including Proposed Findings of Fact and Conclusions of Law)			

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June 14, 2021	Memorandum of Law Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Greenspan, Leslie Miller	Altman, Jessica K.	Plaintiff	
	Hamilton, Dexter Ryan	Altman, Jessica K.	Plaintiff	
	Greenspan, Leslie Miller	Insurance Commissioner of the Com	Plaintiff	
	Hamilton, Dexter Ryan	Insurance Commissioner of the Com	Plaintiff	
	Kaldis, Haryle	Insurance Commissioner of the Com	Plaintiff	
	Document Name: Rehabilitator's Opposition to the Intervenor State Insurance Regulators' Application to Reconsider			
	Comment: Order Granting Rehabilitator's Oral Motion Regarding the Issue State Rate Approval Option			
June 14, 2021	Memorandum of Law Filed			
	Lavelle, John P., Jr.	Anthem, Inc.	Intervenor	
	Lavelle, John P., Jr.	Health Care Service Corporation	Intervenor	
	Lavelle, John P., Jr.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Lavelle, John P., Jr.	UnitedHealthcare Insurance Compar	Intervenor	
	Cordiano, Benjamin J.	Anthem, Inc.	Intervenor	
	Cordiano, Benjamin J.	Health Care Service Corporation	Intervenor	
	Cordiano, Benjamin J.	UnitedHealthcare Insurance Compar	Intervenor	
	Cordiano, Benjamin J.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Horwich, Harold S.	Anthem, Inc.	Intervenor	
	Horwich, Harold S.	Health Care Service Corporation	Intervenor	
	Horwich, Harold S.	UnitedHealthcare Insurance Compar	Intervenor	
	Horwich, Harold S.	Horizon Healthcare Services, Inc. d/l	Intervenor	
	Document Name: Post-Hearing Memorandum of the Health Insurers Regarding the Second Amended Plan of			
	Comment: Rehabilitation of Senior Health Insurance Company of Pennsylvania			
June 14, 2021	Memorandum of Law Filed			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Hamilton, Dexter Ryan	Insurance Commissioner of the Com	Plaintiff	
	Kaldis, Haryle	Insurance Commissioner of the Com	Plaintiff	
	Hamilton, Dexter Ryan	Senoir Health Insurance Company o	Defendant	
	Greenspan, Leslie Miller	Altman, Jessica K.	Plaintiff	
	Greenspan, Leslie Miller	Insurance Commissioner of the Com	Plaintiff	
	Document Name: Rehabilitator's Post-Hearing Submission Seeking Approval of the Second Amended Plan of			
	Comment: Rehabilitation			
June 24, 2021	Answer Filed			
	Lapinski, James F.		Intervenor	
	Document Name: Rebuttal Testimony of Lapinskis to Post Hearing SHIP Memoranda of Intervenor			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 28, 2021	Memorandum of Law Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: Rebuttal Post-Hearing Memorandum			
June 28, 2021	Memorandum of Law Filed Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Response to Post-Hearing Filings of All Parties			
June 28, 2021	Memorandum of Law Filed Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr.	Anthem, Inc. Health Care Service Corporation Horizon Healthcare Services, Inc. d// UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor	
	Document Name: Post-Hearing Response Regarding the Second Amended Plan of Rehabilitation of Senior Health Ins. Co.			
June 29, 2021	Memorandum of Law Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: BRIEF: In Response to the Post-Hearing Submissions of Certain Intervenor			
June 29, 2021	Transcript Filed Court Reporter			
	Document Name: May 21, 2021, Day Five/ Afternoon Session pgs 976-1003			
June 30, 2021	Amended Lapinski, James F.		Intervenor	
	Document Name: Amended Second Rebuttal Testimony of Lapinskis to Post Hearing Memoranda of Intervenor			
July 6, 2021	Amended Lapinski, James F.		Intervenor	
	Document Name: Amended Second Rebuttle of Testimony of Lapinskis			
July 6, 2021	Transcript Filed Court Reporter			
	Document Name: Pre Hearing Conference February 24, 2021			
July 6, 2021	Transcript Filed Court Reporter			
	Document Name: Pre Hearing Conference May 13, 2021			
July 6, 2021	Transcript Filed Court Reporter			
	Document Name: Proceedings held May 13, 17-21 2021			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
July 21, 2021	Application for Approval of Settlement Agreement Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Joint Application for Approval of Settlement Agreement			
July 26, 2021	Sealed Formal Comment Boyd, Richard Blair, IV		Commenter	
	Document Name: Sealed Re: Proposed Settlement Agreement of the Rehabilitator an Intervening Agents and Brokers			
August 2, 2021	Application to Strike Lapinski, James F.		Intervenor	
	Document Name: Intervenor, Agen & Broker, J. Lapinski's Motion to Strike Joint Application for Approval of Settlemt			
August 10, 2021	Filed - Other Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Objections to Errors in the Transcript of Proceedings			
August 20, 2021	Answer to Application to Strike Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Answer in Opposition to Intervenor James Lapinski's Combined Applicatoin to Strike and to Sanction			
August 24, 2021	Memorandum Opinion Filed Leavitt, Mary Hannah			08/25/2021
	Document Name: Opinion Second Amended Plan of Rehabilitation is Approved with Exception to Section VI.N			
	Comment: AND NOW this 24th day of August, the Court hereby ORDERS as follows:			
	1. The Application for Approval of the Plan of Rehabilitation for Senior Health Insurance Company of Pennsylvania (SHIP) filed by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Rehabilitator of SHIP, is GRANTED. The Second Amended Plan of Rehabilitation, filed on May 3, 2021, is APPROVED, with the exception of Section VI.N of the Plan (relating to suspension of agent and broker commissions).			
	2. The Court defers resolution of the Joint Application for Approval of Settlement Agreement, filed by the Rehabilitator and Intervenor ACSIA Long Term Care, Inc., Global Commission Funding LLC, LifeCare Health Insurance Plans, Inc, Senior Commission Funding LLC, Senior Health Care Insurance Services, Ltd., LLP, and United Insurance Group Agency, Inc., pending a hearing to be scheduled by separate order. The Rehabilitator shall continue paying commissions until Phase One of the Second Amended Plan of Rehabilitation is implemented.			
	3. The Rehabilitator shall promptly submit an actuarial memorandum in support of the If Known Premium rates to be used in Phase One of the Second Amended Plan of Rehabilitation to the Pennsylvania Insurance Department for its review and approval.			
	4. The Rehabilitator, in her capacity as Insurance Commissioner, shall designate an appropriate deputy insurance commissioner to review the actuarial memorandum submitted to the Insurance Department. Thereafter, the Rehabilitator shall submit the approved actuarial memorandum to the Court.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
August 25, 2021	Order Denying Application for Reconsideration Leavitt, Mary Hannah			08/25/2021
	Document Name: State Insurance Regulators' Application for Reconsideration filed 6/1/2021 is Denied. Comment: AND NOW this 25th day of August, 2021, Intervenor State Insurance Regulators' Application to Reconsider Order Granting the Rehabilitator's Oral Motion Regarding Issue State Rate Approval Option is DENIED for the reasons set forth in the Court's Memorandum Opinion and Order filed August 24, 2021.			
August 26, 2021	Order Filed Leavitt, Mary Hannah			08/27/2021
	Document Name: re: Jt Application for Approval of Settlement Agreement/Hearing Scheduled. Comment: AND NOW this 26th day of August, 2021, upon consideration of the Joint Application for Approval of Settlement Agreement filed by the Statutory Rehabilitator and Intervenor ACSIA Long Term Care, Inc., Global Commission Funding LLC, LifeCare Health Insurance Plans, Inc, Senior Commission Funding LLC, Senior Health Care Insurance Services, Ltd., LLP, and United Insurance Group Agency, Inc., the Court ORDERS as follows: 1. The Court will conduct a hearing via WebEx videoconferencing on September 8, 2021, at 10:00 a.m. 2. Counsel of record and pro se parties who wish to participate shall provide the Court with their email addresses and telephone numbers by September 1, 2021. The contact email address is: CommCourtRemote@pacourts.us. The Court will provide participants with instructions for connecting to the hearing. Participants are directed to connect to the hearing 10 minutes before the starting time. Please see the Protocol for WebEx Video Proceedings attached to this order. 3. The Rehabilitator shall secure the services of a court reporter.			
September 1, 2021	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Motions to Order Teachers Protective Mutual, Transamerica, Conseco to Pay Lapinski's Unpaid Commissions from Senior Health Insurance Company fo Pennsylvania in Rehabilitation Comment: Commissions from Senior Health Insurance Company fo Pennsylvania in Rehabilitation			
September 1, 2021	Sealed Exhibit Lapinski, James F.		Intervenor	
	Document Name: Sealed Exhibits B & C to Lapinski Application for Relief			
September 7, 2021	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Amended Motions to Order Teachers Protective Mutual, Transamerica, Conseco to Pay Lapinskis Comment: Unpaid Commissions from Seniro Health Insurance Company of Pennsylvania in Rehabilitation			
September 7, 2021	Sealed Exhibit Lapinski, James F.		Intervenor	
	Document Name: Sealed Exhibits B & C to Lapinski's Amended Motions			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 13, 2021	Memorandum Opinion Filed Leavitt, Mary Hannah			09/13/2021
	Document Name: Joint Application for Approval of Settlement Agreement Granted			
	Comment: AND NOW, this 13th day of September, 2021, upon consideration of the Joint Application for Approval of Settlement Agreement filed by Insurance Commissioner Jessica K. Altman, in her capacity as the Statutory Rehabilitator (Rehabilitator) of Senior Health Insurance Company of Pennsylvania (SHIP), and Intervenor ACSIA Long Term Care, Inc., Global Commission Funding LLC, LifeCare Health Insurance Plans, Inc., Senior Commission Funding LLC, Senior Health Care Insurance Services, Ltd., LLP, and United Insurance Group Agency, Inc., it is ORDERED that the Joint Application is GRANTED and the proposed Settlement Agreement filed as Exhibit A to the Joint Application is APPROVED. It is further ORDERED that:			
	1. The Rehabilitator is authorized to make any payments required under the Settlement Agreement so long as SHIP is in rehabilitation.			
	2. In accordance with Paragraph 1 of the Court's order of August 24, 2021, approving the Second Amended Plan of Rehabilitation for SHIP, the Court approves Section VI.N of the Plan, subject to the following modification to be inserted at the end of Section VI.N: "Certain Agents and Brokers formally objected to this Section VI.N, but per settlement with the Rehabilitator, withdrew their objections as moot."			
	3. Prior to implementing the approved Second Amended Plan, the Rehabilitator shall file with the Court an amended rehabilitation plan which includes the modification identified in Paragraph 2.			
	4. Intervenor James Lapinski's Motion to Strike the Joint Application is DENIED.			
September 13, 2021	Answer Filed Lapinski, James F.		Intervenor	
	Document Name: Amended Oposition fo Intervenor Lapinski to SHIP Rehabilitator Altman's Joint Application for			
	Comment: Approval fo Settlement Agreement			
September 21, 2021	Notice of Appeal to PA Supreme Court Filed			
	Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Harvey, Stephen G.	Washington Insurance Commissione	Intervenor	
	Document Name: 71 MAP 2021			
September 21, 2021	Filed - Other			
	Harvey, Stephen G.	Maine Superintendent of Insurance	Intervenor	
	Harvey, Stephen G.	Massachusetts Commissioner of Ins	Intervenor	
	Harvey, Stephen G.	Washington Insurance Commissione	Intervenor	
	Document Name: 71 MAP 2021-Jurisdictional Statement			
September 24, 2021	Notice			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senoir Health Insurance Company o	Defendant	
	Document Name: Notice of Filing of Approved Rehabilitation Plan			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
September 30, 2021	Order Filed Leavitt, Mary Hannah			09/30/2021
	Document Name: Objections to Errors in the Transcript Of Proceedings is Sustained			
	Comment: AND NOW, this 30th day of September, upon consideration of the Objections to Errors in the Transcript of Proceedings of the National Organization of Life and Health Insurance Guaranty Associations, it is ORDERED that the Objections are SUSTAINED. The Prothonotary is directed to attach a copy of the attached errata as a certified addendum to the original certified transcript of the hearing in the above-captioned matter taken May 17 to May 21, 2021.			
September 30, 2021	Praecipe Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: to Substitute Approved Plan of Rehabilitation			
October 1, 2021	Application for Stay Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: State Insurance Regulator's Application to Stay Pending Appeal			
October 1, 2021	Application for Approval of Settlement Agreement Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: In the PPVA Litigation			
October 15, 2021	Answer to Application for Stay Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr. Lavelle, John P., Jr.	Health Care Service Corporation Anthem, Inc. Horizon Healthcare Services, Inc. d/ UnitedHealthcare Insurance Compar	Intervenor Intervenor Intervenor Intervenor	
	Document Name: The Health Insurers' Response to the Intervening Regulators' App. for Stay Pending Appeal			
October 15, 2021	Answer to Application for Stay Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Rehabilitator's Answer and Brief in Opposition to the Intervenor State Regulators' App for Stay			
October 28, 2021	Answer Filed Boyd, Richard Blair, IV		Commenter	
	Document Name: Response to the Revised Plan			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
October 28, 2021	Order Filed Leavitt, Mary Hannah			10/28/2021
	Document Name: Re: Praeipce to Substitute / Exhibit A to the Notice of Filing of Approved Rehab. Plan Substituted			
	Comment: AND NOW, this 28th day of October, 2021, upon consideration of the Statutory Rehabilitator' s Praeipce to Substitute Approved Plan of Rehabilitation , the Prothonotary is directed to replace Exhibit A to the Notice of Filing of Approved Rehabilitation Plan, filed September 24, 2021, with Exhibit A to the Praeipce.			
November 1, 2021	Order Granting Application for Approval of Settlement Agreement Leavitt, Mary Hannah			11/01/2021
	Document Name: in the PPVA Litigation is Approved/ Attached as Exhibit 1 to Application			
	Comment: AND NOW, this istday ofNovember, 2021, upon consideration of the Statutory Rehabilitator' s Application for Approval of Settlement Agreement in the PPV A Litigation, to which no objections have been filed, it is hereby ORDERED that the Application is GRANTED and the executed Settlement Agreement attached as Exhibit 1 to the Application is approved.			
November 2, 2021	Application to Expedite Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Massachusetts Commissioner of Ins Washington Insurance Commissione	Intervenor Intervenor Intervenor	
	Document Name: State Insurance Regulators' Application for Expedited Ruling on Application for Stay			
November 4, 2021	Order Filed Leavitt, Mary Hannah			11/04/2021
	Document Name: Augutst 24, 2021 Memorandum Opinion is Amended			
	Comment: AND NOW, this 4th day of November, 2021, the opinion in the above matter, filed August 24, 2021, is amended as follows (see attached opinion).			
November 4, 2021	Order Filed Leavitt, Mary Hannah			11/04/2021
	Document Name: The August 24, 2021 Memorandu Opinion shall be Reported and Designated Opinion			
	Comment: AND NOW, this 4th day of November, 2021, it is hereby ORDERED that the above-captioned opinion filed August 24, 2021, as amended on November 4, 2021, shall be designated OPINION rather than MEMORANDUM OPINION, and it shall be REPORTED.			
November 4, 2021	Memorandum Opinion Filed Leavitt, Mary Hannah			11/04/2021
	Document Name: Intervenor's Application to Stay is Denied			
	Comment: AND NOW, this 4th day of November, 2021, the Application for Stay Pending Appeal filed by Intervenor's Superintendent of Insurance of the State of Maine, Commissioner of Insurance of the Commonwealth of Massachusetts and Insurance Commissioner of the State of Washington is DENIED. The Intervenor's Application for Expedited Ruling on Application of Stay Pending Appeal is DISMISSED as moot.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
November 8, 2021	Application for Relief Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: In Support of Rehabilitator's Statement Regarding Restructuring of Insurance Liabilities in Rehab			
November 16, 2021	Notice Commonwealth Court Filing Office			
	Document Name: 71 MAP 2021-Record forwarded to the Supreme Court of PA, Middle District.			
November 17, 2021	Certificate of Service Filed Commonwealth Court Filing Office			
	Document Name: List of documents forwarded to counsel & all unrepresented parties pursuant to Pa. R.A.P. 1931(d).			
December 8, 2021	Answer Filed Hickok, Dorothy Alicia	National Organization of Life and He	Intervenor	
	Document Name: Answer to Rehabilitator's Application Regarding Restructuring of Ins. Liabilities in Rehab.			
December 9, 2021	Praecipe for Withdrawal of Appearance Daubert, Amy Griffith Daubert, Amy Griffith	Altman, Jessica K. Insurance Commissioner of the Com	Plaintiff Plaintiff	
December 14, 2021	Filed - Other Lapinski, James F.		Intervenor	
	Document Name: Crossclaims to "the States" Appeal to the PA Supreme Ct.			
December 21, 2021	Application for Relief Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Altman, Jessica K. Senoir Health Insurance Company o	Plaintiff Plaintiff Defendant	
	Document Name: Application for Order Regarding Actuarial Memorandum and Premium Rates in Phase One			
December 21, 2021	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Application to File Amended Cross Claims			
December 28, 2021	Order Filed Leavitt, Mary Hannah			12/28/2021
	Document Name: AND NOW, this 28th day of December, 2021, upon consideration of			
	Comment: the Statutory Rehabilitator's Application in Support of Rehabilitator's Statement Regarding Restructuring of Insurance Liabilities in Rehabilitation (Application), and the answer filed by the National Organization of Life and Health Insurance Guaranty Associations, it is hereby ORDERED that the Application is GRANTED and the Restructuring Statement attached thereto is APPROVED. The Rehabilitator may proceed in accordance with the Application and Restructuring Statement, as well as take any other steps necessary to effectuate the requested restructuring.			
January 18, 2022	Notice of Appeal to PA Supreme Court Filed Lapinski, James F.		Intervenor	
	Document Name: 23 MT 2022			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
January 24, 2022	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Motion for Injunctions of Lapinskis' SHIP Rate Increase			
February 2, 2022	Order Granting Application for Relief Leavitt, Mary Hannah			02/02/2022
	Document Name: Order Re: Premium Rates in Phase One			
	<p>Comment: AND NOW, this 2nd day of February, 2022, upon consideration of the Rehabilitator's Application for Order Regarding Actuarial Memorandum and Premium Rates in Phase One (Application), to which no response has been filed, and upon consideration of the Actuarial Memorandum and approval thereof by Shannen M. Logue, Deputy Insurance Commissioner, Office of Product Regulation, the Court finds as follows:</p> <p>(1) The Rehabilitator has complied with the requirements stated in paragraphs 3 and 4 of the Court's order entered August 24, 2021, approving the Second Amended Plan of Rehabilitation, now known as the Approved Plan. The Rehabilitator submitted the Actuarial Memorandum in support of the "If Knew Premium" rating methodology to be used in Phase One of the Approved Plan to the Pennsylvania Insurance Department (Department) for review and approval, and the Department has approved the Actuarial Memorandum.</p> <p>(2) The Court accepts and adopts the Department's conclusion that the "If Knew Premium" rating methodology is actuarially justified, not unfairly discriminatory, and reasonable in relation to the benefits paid. The Rehabilitator has established the reasonableness of the premium rates charged, and the use and application of the "If Knew Premium" rate is a proper exercise of her discretion.</p> <p>Accordingly, the Court ORDERS as follows:</p> <p>2</p> <p>(1) The Rehabilitator's Application is GRANTED.</p> <p>(2) The Rehabilitator is authorized to use the premium rates proposed for Phase One (i) for all policies issued in any state which affirmatively opted in to the Approved Plan; (ii) for all policies issued in any state which is deemed by the Rehabilitator to have opted in to the premium rate modification provisions of the Approved Plan by its inaction or its failure to comply with the opt-out requirements set forth in the Approved Plan; and (iii) for the calibration of benefit adjustments for all policies issued in any state that has opted out of the premium rate modification provisions of the Approved Plan.</p> <p>(3) This order in no way affects the provisions of the Court's order of August 24, 2021, approving the Approved Plan.</p>			
February 2, 2022	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Motion to Equalize Rate of 83% Increase for One SHIP LTC Policy to Lapinskis			
February 11, 2022	Notice Supreme Court of Pennsylvania			
	Document Name: 23 MT 2022-Marked closed. NOA and Jurisdictional Statement never recieved in Suprme Court of PA.			
February 23, 2022	Sealed Formal Comment Carmer, Judith A.		Commenter	
	Document Name: Sealed Judith A. Carmer			
February 25, 2022	Notice of Appeal to PA Supreme Court Filed Lapinski, James F.		Intervenor	
	Document Name: 67 MT 2022-Amended NOA to PA Supreme Court. See 3/2/22 ORDER of Commonwealth Court.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
February 25, 2022	Order Filed Leavitt, Mary Hannah			02/25/2022
	Document Name: Rehabilitator Is Directed to Answer Intervenor Lapinski's Claim Re: a refund			
	Comment: AND NOW, this 25th day of February, 2022, upon consideration of Intervenor James F. Lapinski's (Intervenor) "Crossclaims by Policyholders Lapinski to appeal by Massachusetts, Maine and the State of Washington, and Opposition to 'Stay' of the Rehabilitation" (Crossclaim), filed December 14, 2021, which this Court construes as Intervenor's cross-appeal to the Notice of Appeal of this Court's August 24, 2021, order filed by the Superintendent of Insurance of the State of Maine, the Commissioner of Insurance of the Commonwealth of Massachusetts, and the Insurance Commissioner of the State of Washington (collectively, State Insurance Regulators), it is ORDERED as follows: The Rehabilitator is directed to answer Intervenor's claim that he is entitled to a refund of approximately \$150,000 from several insurance companies that are now part of Senior Health Insurance Company of Pennsylvania (In Rehabilitation).			
February 25, 2022	Order Filed Leavitt, Mary Hannah			02/25/2022
	Document Name: Re: Intervenor Lapinski's Challenges / Cross-Appeal Dismissed			
	Comment: AND NOW, this 25th day of February, 2022, upon consideration of Intervenor James F. Lapinski's (Intervenor) "Crossclaims by Policyholders Lapinski to appeal by Massachusetts, Maine and the State of Washington, and Opposition to 'Stay' of the Rehabilitation" (Crossclaim), filed December 14, 2021, which this Court construes as Intervenor's cross-appeal to the Notice of Appeal of this Court's August 24, 2021, order filed by the Superintendent of Insurance of the State of Maine, the Commissioner of Insurance of the Commonwealth of Massachusetts, and the Insurance Commissioner of the State of Washington (collectively, State Insurance Regulators), 1 it is ORDERED as follows: 1) To the extent Intervenor challenges this Court's August 24, 2021, order or the State Insurance Regulators' appeal therefrom filed September 21, 2021, Intervenor's claim is untimely. See Pa.R.A.P. 903(b) (requiring a cross-appeal to be filed within 14 days of a timely notice of appeal). 2) To the extent Intervenor challenges the Statutory Rehabilitator's settlement agreement with certain intervening agents and brokers, which the Court construes as an appeal of the Court's order dated September 13, 2021, denying Intervenor's motion to strike the joint application for approval of the settlement agreement, his claim is untimely. See Pa.R.A.P. 903(a) (requiring notice of appeal to be filed within 30 days from entry of the order from which the appeal is taken). 3) To the extent Intervenor challenges the State Insurance Regulators' application for a stay pending their appeal of this Court's August 24, 2021, order, Intervenor's claim is moot in light of the Pennsylvania Supreme Court's denial of the State Insurance Regulators' application for stay pending appeal. See In Re: Senior Health Insurance Company of Pennsylvania (In Rehabilitation) (Pa., No. 71 MAP 2021, order filed January 31, 2022). For all of these reasons, Intervenor's cross-appeal is DISMISSED.			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
March 2, 2022	Order Filed Leavitt, Mary Hannah			03/02/2022
	Document Name: Intervenor Lapinski's Amended Crossclaims...is a Notice of Appeal to Pa Supreme Ct. Comment: AND NOW, this 2nd day of March, 2022, upon consideration of Intervenor James F. Lapinski's (Intervenor) December 21, 2021, "Application to File ... 'Amended Crossclaims' After Erroneous Refusal by Supreme Court of Pennsylvania to File Two Appeals by [Intervenor]" (Application), and it appearing that Intervenor is seeking to appeal from this Court's order dated November 4, 2021, which denied an application to stay the approval of the rehabilitation plan pending review by the Pennsylvania Supreme Court, the Prothonotary is directed to docket the "Amended Crossclaims to Appeals to Supreme Court by Massachusetts, Maine and the State of Washington" that is attached to Intervenor's Application as a Notice of Appeal, and to transmit the papers to the Pennsylvania Supreme Court in accordance with Pa.R.A.P. 905(b).			
March 2, 2022	Order Filed Leavitt, Mary Hannah			03/02/2022
	Document Name: Intervenor's Jan. 18, 2022 Cross Notice of Appeal is Dismissed as Moot Comment: AND NOW, this 2nd day of March, 2022, Intervenor James F. Lapinski's (Intervenor) Cross-Notice of Appeal filed January 18, 2022, 1s DISMISSED as moot. Intervenor's Cross-Notice of Appeal is redundant of Intervenor's "Crossclaims by Policyholders Lapinski to appeal by Massachusetts, Maine and the State of Washington," filed December 14, 2021, which this Court construed as Intervenor's cross-appeal and dismissed by order dated February 25, 2022.			
March 16, 2022	Notice Supreme Court of Pennsylvania			
	Document Name: 67 MT 2022-Failure to Perfect. Case Closed.			
March 25, 2022	Application for Relief Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Plaintiff Senoir Health Insurance Company o Defendant		
	Document Name: Rehabilitator's Application and Peition for Issuance of Rule to Show Cause on Intervenors			
March 31, 2022	Status Report Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Plaintiff Senoir Health Insurance Company o Defendant		
	Document Name: Annual Report of the Rehabilitator on the Status of Rehabilitation			
April 1, 2022	Application for Relief Lapinski, James F.		Intervenor	
	Document Name: Application to File and Respond to "Motin to Equalize Rate of 83%.."			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
April 4, 2022	Order Filed Leavitt, Mary Hannah			04/04/2022
	Document Name: Intervenor's Combined Answer to Application and Motion Filed by James Lapinski Re: Rate Increase			
	Comment: AND NOW this 4th day of April, 2022, upon consideration of the Rehabilitator's Application and Petition for Issuance of Rule to Show Cause on Intervenor's, the Superintendent of the Maine Bureau of Insurance and the Commissioner of Insurance of Washington (Application), it is ORDERED that Intervenor shall file an answer to the Application by May 4, 2022.			
April 11, 2022	Answer Filed Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Senoir Health Insurance Company o Defendant	Plaintiff	
	Document Name: Rehabilitator's Combined Answer to Application and Motion Filed by James Lapinski Re: Rate Increase			
April 25, 2022	Order Denying Application for Relief Leavitt, Mary Hannah			04/25/2022
	Document Name: Intervenor Lapinski's Application to File and Respond to Motion to Equalize Rate of 83%...is Denied			
	Comment: AND NOW this 25th day of April, 2022, upon consideration of Intervenor James F. Lapinski's "Motion to Equalize Rate of 83% Increase for One SHIP L TC Policy to Lapinski's" (Motion) and subsequent "Application to File and Respond to 'Motion to Equalize Rate of 83% ...'" (Application), and the Statutory Rehabilitator's Combined Answer to these filings, the Court ORDERS as follows: (1) Intervenor's Motion is DENIED. Any challenge to the Rehabilitator's methodology for calculating rate increases for the policies issued to Intervenor and his wife had to be raised in an appeal of this Court's order of August 24, 2021, approving the Second Amended Plan of Rehabilitation. The time for doing so has passed. (2) Intervenor's App~ moot.			
May 3, 2022	Answer Filed Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Intervenor Massachusetts Commissioner of Ins Intervenor Washington Insurance Commissione Intervenor		
	Document Name: To Application and Petition for Issuance of Rule to Show Cause			
May 3, 2022	Application for Stay Harvey, Stephen G. Harvey, Stephen G. Harvey, Stephen G.	Maine Superintendent of Insurance Intervenor Massachusetts Commissioner of Ins Intervenor Washington Insurance Commissione Intervenor		
	Document Name: App to Stay Proceedings on the Application and Petition for Issuance of Rule to Show Cause			
May 17, 2022	Answer to Application for Stay Broadbent, Michael John Broadbent, Michael John Broadbent, Michael John	Insurance Commissioner of the Com Plaintiff Altman, Jessica K. Senoir Health Insurance Company o Defendant	Plaintiff	
	Document Name: Rehabilitator's Combined Opposition to Application for Stay and Reply in Further Support of Rule...			

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 2, 2022	Order Denying Application for Stay Leavitt, Mary Hannah			06/02/2022
Document Name: The Application to Stay Proceeding on the Rehailitator's Application and Petition is DENIED.				
Comment: AND NOW this 2nd day of June, 2022, upon consideration of the Application of the Maine Superintendent of Insurance and the Washington Insurance Commissioner to Stay Proceedings on the Rehabilitator's Application and Petition for Issuance of Rule to Show Cause, it is ORDERED that the Application is DENIED.				

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Filed Date	Docket Entry / Filer	Representing	Participant Type	Exit Date
June 2, 2022	Rule to Show Cause Why Action Should Not Be Dismissed For Failure to Prosecute Leavitt, Mary Hannah			06/02/2022
Document Name: Respondents shall answer the Rule to Show Cause w/i 20 days of service				

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Comment:

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AND NOW, this 2nd day of June, 2022, upon consideration of the Statutory Rehabilitator's Application and Petition for Issuance of Rule to Show Cause (Application) on Intervenor, the Superintendent of the Maine Bureau of Insurance and the Insurance Commissioner of Washington (collectively, Respondents), the Court hereby issues the Rule to Show Cause and ORDERS as follows:

(1) Respondents must show:

(a) Why each Administrative Action described in the Application and any related proceedings should not be dissolved, and why the Maine Administrative Action and the Washington Administrative Action should not be terminated;

(b) Why each Administrative Action and any related proceedings are not null and void with respect to the Rehabilitator, the Special Deputy Rehabilitator, or the Approved Plan of Rehabilitation of Senior Health Insurance Company of Pennsylvania (SHIP) (In Rehabilitation);

(c) Why each Administrative Action and any related proceedings are not in violation of this Court's orders;

(d) Why Respondents' policyholder communications related to implementation of SHIP's Approved Plan of Rehabilitation are not in violation of this Court's orders; and

(e) Why Respondents should not be enjoined from any further interference with SHIP's rehabilitation.

(2) Respondents shall:

(a) Identify all steps taken in furtherance of their efforts to impair SHIP's rehabilitation as described in the Application; and

(b) Identify all steps taken or proposed to be taken to protect SHIP's policyholders from the harm caused by Respondents' interference with SHIP's Approved Plan of Rehabilitation.

(3) Respondents shall answer this Rule to Show Cause within 20 days of service;

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	<p>(4) The request for relief shall be decided in accordance with the procedure stated in Pennsylvania Rule of Civil Procedure No. 206.7 as modified by this Court in the exercise of its statutory authority over these proceedings; and</p> <p>(5) Oral argument and an evidentiary hearing on disputed issues of fact, if any, shall be scheduled by separate order.</p> <p>Respondents shall not take any actions to further any administrative proceedings or enforce any administrative actions directed to the Rehabilitator, the Special Deputy Rehabilitator, or the rehabilitation of SHIP until such time as this Court issues an Order on the relief requested by Rehabilitator</p>			
June 8, 2022	Application for Relief			
	Broadbent, Michael John	Insurance Commissioner of the Com	Plaintiff	
	Broadbent, Michael John	Altman, Jessica K.	Plaintiff	
	Broadbent, Michael John	Senior Health Insurance Company o	Defendant	
	Document Name: Rehabilitator's Petition for Issuance of Rule to Show Cause as to Plan Injunction Actions			
June 9, 2022	Exhibit			
	Altman, Jessica K.		Plaintiff	
	Senior Health Insurance		Defendant	
	Company of Pennsylvania			
	Insurance Commissioner of the		Plaintiff	
	Commonwealth of Pennsylvania			
	Document Name: Exhibit 1 to Petition for Rule to Show Cause			

REARGUMENT / RECONSIDERATION / REMITTAL

Filed Date: June 1, 2021
Disposition:
Disposition Date:
Record Remittal:
Filed Date: June 1, 2021
Disposition:
Disposition Date:
Record Remittal:
Filed Date: June 1, 2021
Disposition:
Disposition Date:
Record Remittal:

Exhibit 2

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance
Company of Pennsylvania,
(In Rehabilitation)

:
:
:
:
:
:
:

Docket No.: 1 SHP 2020

**JOINT APPLICATION FOR INTERVENTION OF THE
MAINE SUPERINTENDENT OF INSURANCE AND THE
MASSACHUSETTS COMMISSIONER OF INSURANCE
AND REQUEST TO GRANT LEAVE TO EXTEND THE TIME
TO INTERVENE**

Pursuant to Pa.R.A.P. 123, 1531(b) & 3775 and the Court's *Case Management Order for Comments and Hearing on the Proposed Plan of Rehabilitation*, dated June 12, 2020 ("Case Management Order"), the Maine Superintendent of Insurance ("Superintendent") and the Massachusetts Commissioner of Insurance ("Commissioner") (collectively, the "State Insurance Regulators"), by and through undersigned counsel, ask that the Court enter an

order permitting them to intervene for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator's *Application for Approval of the Plan of Rehabilitation for Senior Health Insurance Company of Pennsylvania* as described below.

The State Insurance Regulators further request that the Court grant leave to extend the time for other state insurance regulators to join as intervenors together with the Maine and Massachusetts insurance regulators until and including September 15, 2020 (the formal comment deadline).

In support thereof, the State Insurance Regulators state as follows:

Background

1. Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Rehabilitator ("Rehabilitator"), has applied for approval of a plan of rehabilitation (the "Proposed Plan") for Senior Health Insurance Company of Pennsylvania ("SHIP"), an insurance company that specialized in long-term care coverage. The Proposed Plan is attached as Exhibit A to the Rehabilitator's Application.

2. In addition to the business that SHIP transacted within Pennsylvania, SHIP also operated for several decades as a licensed foreign insurer in 45 other states, the District of Columbia, and the U.S. Virgin Islands, subject to the laws of

those respective jurisdictions and the regulatory authority of each jurisdiction's insurance commissioner or comparable state official.

3. Under the terms of the Proposed Plan, "other state insurance departments" are specifically identified as "affected parties," and the Rehabilitator expressly seeks to have them "bound by the Court's approval of the Plan, and its modification of policies and premium rates as part of the Plan." *See* Proposed Plan at p. 80. Accordingly, the Proposed Plan acknowledges that state insurance departments should be "provided an opportunity to object." *Id.* The Case Management Order issued by this Court outlines how such an opportunity may be exercised through informal or formal comments, or intervention in the proceeding. The Case Management Order specifies further: "Any Commenter who intends to call or examine witnesses or introduce exhibits at the hearing on the proposed Plan of Rehabilitation or participate in any discovery that this Court may permit must file an application with the Court to intervene in the proceeding." *See* Case Management Order at ¶ 9.

4. Pennsylvania Rule of Appellate Procedure 3775 states in pertinent part:

Intervention in a formal proceeding shall be allowed if the proven or admitted allegations of the application establish a sufficient interest in the proceedings, unless the interest of the applicant is already adequately represented or intervention will unduly delay or prejudice the adjudication of the rights of the parties.

* * *

(2) *Limited intervention.* When the applicant's interest involves a discrete controversy relating to the administration of the insurer's business or estate, the Court may grant the applicant limited intervention to participate as a party in the discrete controversy. The limited intervenor shall not be placed upon the master service list unless the Court orders otherwise.

Pa.R.A.P. 3775(c). The State Insurance Regulators satisfy the standard for limited intervention concerning the Rehabilitator's Application for Approval of the Proposed Plan, and they are seeking intervention in accordance with the Case Management Order.

Application for Intervention

Interests of the Applicants

5. The State Insurance Regulators have a direct and substantial interest in the Proposed Plan collectively and in their own respective rights. SHIP was licensed in both Massachusetts and Maine, and policyholders from each of those jurisdictions will be subject to the Proposed Plan, if approved. The State Insurance Regulators seek to intervene for the purpose of better understanding how the Proposed Plan affects those interests and to protect those interests by participating in discovery, participating in and presenting evidence at the hearing, and potentially objecting to the Proposed Plan.

State-Specific Interests

Maine

6. The Superintendent enforces state insurance laws and undertakes the duties of regulating insurers. *See* Maine Insurance Code, Title 24-A of the Maine Revised Statutes; specifically, 24-A Me. Rev. Stat. § 211.

7. The Superintendent regulates SHIP. SHIP was licensed in Maine from 1991 until its license was suspended in March 2020. Previously, SHIP sought approval from the Superintendent for long-term care policy rate increases in Maine. SHIP made its most recent Maine rate increase requests between 2011 and 2019. The Superintendent reviewed each increase in accordance with Maine law. SHIP's 2011 and 2019 rate requests were disapproved as excessive after the Superintendent found that SHIP had failed to demonstrate that they met the rating standards required by the applicable regulation; and the Superintendent approved SHIP's 2016 rate request at a level slightly lower than requested.

8. The Proposed Plan will affect Maine policyholders. According to data provided to the Superintendent by the Rehabilitator, there were 388 Maine policies subject to the Proposed Plan as of November 30, 2019. The average estimated Phase One rate increase for Maine policyholders under the Proposed Plan is nearly 70%. Furthermore, that projected increase is not evenly distributed: 146 policies would have no rate increase; 47 policies would have rate increases

below 20%; 160 policies would have increases ranging between 20.1% and 199%; and 33 policies would have rate increases in excess of 200%, reaching as high as 1,275%.¹

9. At the time this information was compiled, 38 Maine residents were entitled to “on-claim waiver” of premium, meaning they are not paying premium because they are currently receiving long-term care. Another 78 policies were entitled to “active waiver,” either because the policyholder’s spouse was currently on claim or because the policyholder’s spouse has already died and the terms of the policy entitled the surviving spouse to a lifetime waiver of premium. The waiver-of-premium benefit is one of the basic protections provided by long-term care insurance. Typically, once a patient has been in a long-term care facility for the waiting period specified in the policy, the patient stops paying the insurer and the insurer begins reimbursing the patient – without diminishing the policy benefit by deducting further premiums. The Proposed Plan would take this benefit away from patients who are already receiving it, turning their premium waiver into a premium discount capped at a fixed dollar amount.

¹ The information about policies in this and the following paragraph was provided by the Rehabilitator to the Superintendent in a May 3, 2020 email and attachments from Patrick H. Cantilo to Benjamin Yardley. The estimated rate increases were calculated based upon that information. The number of policies referred to in this paragraph do not add up to 388 because there were two policies for which the estimated Phase One rate increase could not be calculated.

10. Like other jurisdictions in the United States, Maine has an extensive body of law, in both statute and regulation, protecting insurance policyholders by ensuring that they receive the insurance coverage they have been promised, and prohibiting excessive or unfairly discriminatory rate increases. In particular, long-term care insurance rates must be submitted for review by the Superintendent, which includes an actuarial analysis, and increases may not be implemented unless the Superintendent determines that they comply with applicable legal standards. *See e.g.* 24-A Me. Rev. Stat. § 2736 (“Every insurer shall file for approval by the superintendent every rate, rating formula, classification of risks and every modification” of long-term care rates for use in Maine so that the Superintendent can determine that the filing complies with “requirements that rates not be excessive, inadequate or unfairly discriminatory”); 02-031 Code Me. Rules, ch. 420, § (6)(A)(9) (“The filing must include sufficient supporting information to demonstrate [to the Superintendent] that the rates are not excessive, inadequate, or unfairly discriminatory.”) The Proposed Plan purports to set aside these laws, and comparable laws in other jurisdictions, and replace them with a process for setting rates on a nationwide basis.

Massachusetts

11. The Commissioner enforces state insurance laws and undertakes the duties of regulating insurers. *See* Massachusetts General Laws, Chapter 175; specifically, M.G.L. c. 175, § 3A.

12. The Commissioner regulates SHIP. SHIP has been licensed in Massachusetts to write long term care insurance since 1990. Previously, SHIP sought approval from the Commissioner for long-term care policy rate increases in Massachusetts. SHIP made its most recent Massachusetts rate increase requests in 2011 and 2019. The Commissioner reviewed each increase in accordance with Massachusetts law. The Commissioner permitted SHIP to increase rates at a level lower than requested in the 2011 filing and only after satisfying the applicable statutory and regulatory requirements. The 2019 rate request was withdrawn by SHIP in April 2020 prior to the Commissioner issuing a decision. The reason provided for the withdrawal of the 2019 rate request was SHIP's desire to include the pending rate increases in the Proposed Plan.

13. The Proposed Plan will affect Massachusetts policyholders. According to data provided to the Commissioner by the Rehabilitator, there were 345 Massachusetts policies subject to the Proposed Plan as of November 30, 2019. The average estimated Phase One rate increase for Massachusetts policyholders under the Proposed Plan is nearly 45%. Furthermore, that projected increase is not

evenly distributed: for example, 174 policies without inflation protection would have an average rate increase of 24%; 27 policies with lifetime benefits would have an average increase of 64%; and 11 policies issued to policyholders under age 70 would have an average rate increase of 97%.²

14. At the time this information was compiled, 39 Massachusetts residents were entitled to “on-claim waiver” of premium, meaning they are not paying premium because they are currently receiving long-term care. Another 91 policies were entitled to “active waiver,” either because the policyholder’s spouse was currently on claim or because the policyholder’s spouse has already died and the terms of the policy entitled the surviving spouse to a lifetime waiver of premium. The waiver-of-premium benefit is one of the basic protections provided by long-term care insurance. Typically, once a patient has been in a long-term care facility for the waiting period specified in the policy, the patient stops paying the insurer and the insurer begins reimbursing the patient – without diminishing the policy benefit by deducting further premiums. The Proposed Plan would take this benefit away from patients who are already receiving it, turning their premium waiver into a premium discount capped at a fixed dollar amount.

² The information about policies in this and the following paragraph was provided by the Rehabilitator to the Commissioner in a December 20, 2019 email and attachments from Laura Lyon Slaymaker to Christopher M. Joyce. The estimated rate increases were calculated based upon that information.

15. Like other jurisdictions in the United States, Massachusetts has an extensive body of law, in both statute and regulation, protecting insurance policyholders by ensuring that they receive the insurance coverage they have been promised, and prohibiting excessive or unfairly discriminatory rate increases. In particular, long-term care insurance rates must be submitted for review by the Commissioner, which includes an actuarial analysis, and increases may not be implemented unless the Commissioner determines that they comply with applicable legal standards. *See* M.G.L. c. 175, § 108, 211 CMR 42.00 and 211 CMR 65. A long-term care insurance policy may be disapproved by the Commissioner “if the benefits provided therein are unreasonable in relation to the premium charged, or if it contains any provision which is unjust, unfair, inequitable, misleading or deceptive, or which encourages misrepresentation as to such policy.” M.G.L. c. 175, § 108(8)A; *see also Genworth Life Ins. Co. v. Comm’r of Ins.*, 126 N.E.3d 1019, 1023 (Mass. App. Ct. 2019)(affirming the Commissioner’s disapproval of requested long-term care insurance rate increases). The Proposed Plan purports to set aside these laws, and comparable laws in other jurisdictions, and replace them with a process for setting rates on a nationwide basis.

Overarching Regulatory Interests

16. The State Insurance Regulators have a regulatory interest in seeing that contract rights of Maine and Massachusetts policyholders are respected and that the standards and protections of the statutory rate-setting process are honored. The Proposed Plan acknowledges that the policies are structured as “level-premium guaranteed-renewable contracts” and that “this meant that, as long as the policyholders paid their premiums, the policies could not be cancelled despite changes in age, health, condition and other circumstances. Moreover, the premiums could only be increased if they were increased by the same percentage for all policyholders who had then same type of policy, and then only if the state regulator approved the increase.” Proposed Plan at 73.

17. The Proposed Plan, however, seeks to restructure the policies and ultimately to discharge certain benefit liability, *see* Proposed Plan at 77, and it expressly seeks to avoid review by Maine and Massachusetts insurance regulators of premium increases and policy modifications, *see* Proposed Plan at 22. It seeks to bind “affected parties (including other state insurance departments)” to the Plan’s “modification of policies and premium rates.” Proposed Plan at 80.

18. The Proposed Plan implicitly acknowledges that it needs “to place policyholders in no worse a position than they would face in a liquidation of SHIP.” Proposed Plan at 8. *See Foster v. Mutual Fire, Marine and Inland Ins.*

Co., 531 Pa. 598, 613 (1992) (“Under *Neblett [v. Carpenter]*, 305 U.S. 297 (1938)], creditors must fare at least as well under a rehabilitation plan as they would under a liquidation”). The State Insurance Regulators seek to understand how the Plan can comport with this standard in light of the apparently significant premium increases and/or benefit cuts proposed, in particular where those increases or cuts will vary across states. *See* Proposed Plan at 11, 22, 72, and 74.

19. In sum, the Proposed Plan is unprecedented and ignores the long-standing allocation of authority for state insurance regulators to approve or set rates on a state-specific basis. When a Maine or Massachusetts insurer does business in Pennsylvania, Pennsylvania residents are protected by having the fairness and reasonableness of the rates they pay determined under Pennsylvania law by the Pennsylvania Commissioner, subject to review by Pennsylvania’s courts. Maine and Massachusetts residents are entitled to the same protection when they buy coverage from a Pennsylvania insurer. The State Insurance Regulators’ concerns in this matter include protecting Maine and Massachusetts residents from unfair and excessive rate increases and unreasonable benefit decreases; and preserving a process for reviewing rate increases and benefit decreases that respects state sovereignty and interstate comity.

Purposes for which Intervention is Sought

20. In these circumstances, the State Insurance Regulators seek limited intervention for the purposes of participating in discovery, participating in and presenting evidence at the hearing, and potentially objecting to the Proposed Plan and appealing from orders entered concerning the Proposed Plan. Evidence may include facts such as those cited in paragraphs 8-9 and 13-14 above demonstrating the effect of the Proposed Plan on policyholders and the differing treatment of policyholders both within a state and across states. The potential objections may include non-compliance with the rate-setting statutes of the various states cited in paragraphs 10 and 15 above and the statutory and constitutional limitations on rehabilitation plans. Intervention is necessary because “the fundamental Plan structure is unlikely to change unless the Court requires it.” Proposed Plan at 11.

21. The State Insurance Regulators are considering and analyzing the factual and legal issues presented by the Proposed Plan. The State Insurance Regulators will file Formal Comments on or before September 15, 2020, in accordance with the schedule set in paragraphs 8 and 9 of the Case Management Order. If permitted to intervene, the State Insurance Regulators will provide information concerning the witnesses and exhibits they intend to introduce at the hearing on or before September 30, 2020 in accordance with the schedule set in paragraph 9 of the Case Management Order. In light of the Case Management

Order's schedule for filings, the provision of Pa.R.A.P. 3775(b) concerning attachment of the document to be filed if intervention is granted does not apply.

Request to Grant Leave to Extend the Time to Intervene

22. If other states determine that a similar intervention in this proceeding is an appropriate process for protecting the interests of their own residents, it would promote efficiency and judicial economy to grant all interested states the option of consolidating their claims in a single intervention. The State Insurance Regulators making this application request further that the Court grant leave to permit other state insurance regulators to join as intervenors with the Maine and Massachusetts insurance regulators, until and including September 15, 2020, or other date set by the Court.

Conclusion

For all of the above reasons, the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance request that the Court (1) grant them intervention in this matter for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator's Application for Approval of the Proposed Plan and appealing from orders concerning the Proposed Plan, and (2) grant leave to extend the time for other state insurance regulators to join as intervenors together with the Maine and Massachusetts

insurance regulators by application filed with the Court until and including September 15, 2020, or other date set by the Court.

Respectfully submitted,

By: /s/ Stephen G. Harvey
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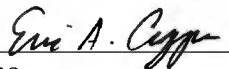
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Counsel to the Maine Superintendent of Insurance and
the Massachusetts Commissioner of Insurance and
Massachusetts Special Assistant Attorneys General

Dated: July 31, 2020

VERIFICATION

I, Eric A. Cioppa, Maine Superintendent of Insurance, hereby state that the facts stated in paragraphs 2, 5, 6–10, 16, and 19–21 above are true and correct to the best of my knowledge, information, and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 31, 2020

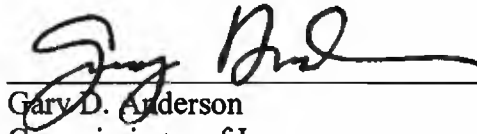


Eric A. Cioppa
Superintendent of Insurance

VERIFICATION

I, Gary D. Anderson, Commissioner of Insurance of the Massachusetts Division of Insurance, hereby state that the facts stated in paragraphs 2, 5, 11-15, 16, and 19-21 above are true and correct to the best of my knowledge, information, and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 31, 2020



Gary D. Anderson
Commissioner of Insurance

PROOF OF SERVICE

I, Stephen G. Harvey, Esq., hereby certify that on this date, I caused a true and correct copy of the foregoing Joint Application for the Intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and Request to Grant Leave to Extend the Time to Intervene, to be served upon the following and in the manner indicated below:

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Dated: July 31, 2020

PROOF OF SERVICE

I, Stephen G. Harvey, Esq., hereby certify that on this date, I caused a true and correct copy of the foregoing Joint Application for the Intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and Request to Grant Leave to Extend the Time to Intervene, to be served upon the following and in the manner indicated below:

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Dated: July 31, 2020

Exhibit 3

**In Re: Senior Health Insurance :
Company of Pennsylvania :
In Rehabilitation ; No. 1 SHP 2020**

Pursuant to Pa.R.A.P. 123, 1531(b) & 3775 and the Court's *Case*

Management Order for Comments and Hearing on the Proposed Plan of Rehabilitation, dated June 12, 2020 (“Case Management Order”), the Insurance Commissioner of the State of Washington (“Washington Commissioner”), by and through undersigned counsel, joins in the Joint Application for Intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance (“Joint Application”) and asks that the Court enter an order permitting him to intervene along with the Maine Superintendent and the Massachusetts Commissioner for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator’s *Application for Approval of the Plan of Rehabilitation for Senior Health Insurance Company of Pennsylvania* as described below.

In support thereof, the Washington Commissioner states as follows:

Background

1. In the Joint Application, the Maine Superintendent and the Massachusetts Commissioner requested that the Court grant leave to extend the time for other state insurance regulators to join as intervenors until and including September 15, 2020 (the formal comment deadline).

2. In the Rehabilitator's Answer to the Joint Application, the Rehabilitator opposed the request to extend time. However, after the Maine and Massachusetts regulators reported in their Further Answer that the Washington Commissioner wished to join in the Joint Application and to intervene, the Rehabilitator filed an Application for Leave to File a Response that attached the Rehabilitator's Response to Answer and Further Answer of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance dated September 4, 2020 ("Rehabilitator's Response").

3. The Rehabilitator's Response states that "[t]he Rehabilitator will not oppose the Washington Commissioner's application to intervene in this proceeding consistent with Paragraph 9 of the Court's June 12, 2020 Case Management Order if such an application is filed prior to the Formal Comment Deadline of September 15, 2020." Rehabilitator's Response at 2 (emphasis added). The Washington Commissioner accordingly files this application to intervene.

Joinder in Joint Application and Request to Intervene

4. The Washington Commissioner hereby joins the Joint Application filed by the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and requests leave to intervene along with those state regulators. The Washington Commissioner adopts the Joint Application, including the description of regulatory interests and the purposes for intervention and the relief sought therein, and will not repeat what has already been stated in the Joint Application. The Washington Commissioner adds the following with respect to the State of Washington:

Specific Interests of the Applicant

5. The Washington Commissioner has a direct and substantial interest in the Proposed Plan. SHIP was licensed in Washington, and policyholders in the State will be subject to the Proposed Plan, if approved. The Washington Commissioner seeks to intervene for the purpose of better understanding how the Proposed Plan affects those interests and to protect those interests by participating in discovery, participating in and presenting evidence at the hearing, and potentially objecting to the Proposed Plan.

6. The Washington Commissioner enforces state insurance laws and undertakes the duties of regulating insurers. *See* Wash. Rev. Code §§ 48.01.020; 48.02.060.

7. The Washington Commissioner regulates SHIP. SHIP has been licensed in Washington to write long term care insurance since October 20, 1989. Previously, SHIP sought approval from the Commissioner for long-term care policy rate increases in Washington. SHIP made its most recent Washington rate increase requests in September 2018. The Commissioner reviewed this increase in accordance with Washington law, but upon raising multiple substantive legal issues with the company regarding the request, SHIP chose to withdraw the filing, as also occurred with the company's 2016 rate increase request. The last approved rate increase request for SHIP's long-term care business occurred in 2012.

8. The Proposed Plan will affect Washington policyholders. According to data provided to the Commissioner by the Rehabilitator, there were 1,509 Washington policies subject to the Proposed Plan as of November 30, 2019. The average estimated Phase One rate increase for Washington policyholders under the Proposed Plan is 41%. Furthermore, that projected increase is not evenly distributed: 334 policies would have a 30% rate increase; 949 policies would have a rate increase of 40%; 202 policies would have rate increases of 49%; and 24 policies would have rate increases ranging between 88% and 140%.¹

¹ The information about policies in this and the following paragraph was provided by the Rehabilitator to the Commissioner in a December 20, 2019 email. The estimated rate increases were calculated based upon that information.

9. At the time this information was compiled, 96 Washington residents were entitled to “on-claim waiver” of premium, meaning they are not paying premium because they are currently receiving long-term care. Another 252 policies were entitled to “active waiver,” either because the policyholder’s spouse was currently on claim or because the policyholder’s spouse has already died and the terms of the policy entitled the surviving spouse to a lifetime waiver of premium. The waiver-of-premium benefit is one of the basic protections provided by long-term care insurance. Typically, once a patient has been in a long-term care facility for the waiting period specified in the policy, the patient stops paying the insurer and the insurer begins reimbursing the patient – without diminishing the policy benefit by deducting further premiums. The Proposed Plan would take this benefit away from patients who are already receiving it, turning their premium waiver into a premium discount capped at a fixed dollar amount.

10. Like other jurisdictions in the United States, Washington has an extensive body of law, in both statute and regulation, protecting insurance policyholders by ensuring that they receive the insurance coverage they have been promised, and prohibiting excessive or unfairly discriminatory rate increases. In particular, long-term care insurance rate increase requests must be submitted for review by the Commissioner, which includes an actuarial analysis, and increases may not be implemented unless the Commissioner determines that they comply

with applicable legal standards. *See* Wash. Rev. Code §§ 48.83, 48.84; Wash. Admin. Code § 284-54 & 284-60; Wash. Rev. Code § 48.18.110; Wash. Rev. Code § 48.18.480; Wash. Admin. Code §§ 284-83, 284-84. A long-term care insurance rate increase request may be disapproved by the Commissioner if “the benefits provided therein are unreasonable in relation to the premium charged.” Wash. Rev. Code § 48.18.110. In addition, the Commissioner will deny rates if he finds “unfair discrimination between insureds or subjects of insurance having substantially like insuring, risk, and exposure factors, and expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor, or in the benefits payable or in any other rights or privileges accruing thereunder.” Wash. Rev. Code § 48.18.480. The Proposed Plan purports to set aside these laws, and comparable laws in other jurisdictions, and replace them with a process for setting rates on a nationwide basis.

Overarching Regulatory Interests

11. As set forth in the Joint Application, the Washington Commissioner and the other State regulators have a regulatory interest in seeing that contract rights of policyholders in their States are respected and that the standards and protections of the statutory rate-setting process are honored. The State Insurance Regulators’ concerns in this matter include protecting their residents from unfair and excessive rate increases and unreasonable benefit decreases; and preserving a

process for reviewing rate increases and benefit decreases that respects state sovereignty and interstate comity.

Purposes for which Intervention is Sought

12. As set forth in the Joint Application, the Washington Commissioner joins the Maine Superintendent and the Massachusetts Commissioner in seeking limited intervention for the purposes of participating in discovery, participating in and presenting evidence at the hearing, and potentially objecting to the Proposed Plan and appealing from orders entered concerning the Proposed Plan.²

13. The State Insurance Regulators, including the Washington Commissioner, will file Formal Comments on or before September 15, 2020, in accordance with the schedule set in paragraphs 8 and 9 of the Case Management Order. If permitted to intervene, the State Insurance Regulators will provide information concerning the witnesses and exhibits they intend to introduce at the hearing on or before September 30, 2020 in accordance with the schedule set in paragraph 9 of the Case Management Order.

² As stated in the Rehabilitator's Response, the Rehabilitator does not oppose limited intervention by Maine and Massachusetts (and now presumably Washington) for the purposes set forth in paragraph 9 of the June 12, 2020 Case Management Order, and the Rehabilitator acknowledges that, should the Court grant limited intervention, "that would necessarily include the right to object to the Proposed Plan and appeal relevant orders concerning the Proposed Plan." Rehabilitator's Response at 3.

Conclusion

For the reasons set forth above and in the Joint Application, the Washington Commissioner requests that the Court grant him intervention along with the Maine Superintendent and the Massachusetts Commissioner for the limited purpose of participating in the proceedings concerning and potentially opposing the Rehabilitator's Application for Approval of the Proposed Plan and appealing from orders concerning the Proposed Plan.

September 15, 2020

Respectfully submitted,

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(*pro hac vice* motions to be submitted)

Counsel to the Washington Insurance Commissioner,
the Maine Superintendent of Insurance, and
the Massachusetts Commissioner of Insurance and
Washington Special Assistant Attorneys General and
Massachusetts Special Assistant Attorneys General

PROOF OF SERVICE

I, Stephen G. Harvey, hereby certify that on September 15, 2020, I served the foregoing JOINDER OF THE WASHINGTON INSURANCE COMMISSIONER IN THE JOINT APPLICATION FOR INTERVENTION OF THE MAINE SUPERINTENDENT OF INSURANCE AND THE MASSACHUSETTS COMMISSIONER OF INSURANCE AND APPLICATION TO INTERVENE via PACFile system as well as via email upon the following counsel:

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Dated: September 15, 2020

PROOF OF SERVICE

I, Stephen G. Harvey, hereby certify that on September 15, 2020, I served the foregoing JOINDER OF THE WASHINGTON INSURANCE COMMISSIONER IN THE JOINT APPLICATION FOR INTERVENTION OF THE MAINE SUPERINTENDENT OF INSURANCE AND THE MASSACHUSETTS COMMISSIONER OF INSURANCE AND APPLICATION TO INTERVENE via PACFile system as well as via email upon the following counsel:

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Dated: September 15, 2020

Exhibit 4

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In re: Senior Health Insurance Company : No. 1 SHP 2020
of Pennsylvania in Rehabilitation :

APPLICATION FOR INJUNCTION AND STAY ORDER

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as the Statutory Rehabilitator (“Rehabilitator”) of Senior Health Insurance Company of Pennsylvania (“SHIP”), hereby applies to this Court seeking an order pursuant to 40 P.S. § 221.5, enjoining or staying new litigation, similar proceedings, or other interference with the Rehabilitator or this proceeding, to protect SHIP’s limited assets during rehabilitation and to avoid any harm or impairment to the Rehabilitator’s efforts to rehabilitate SHIP under the supervision of this Court (“Injunction and Stay Order”). In support thereof, the Rehabilitator avers as follows:

Background and Status of Proceedings

1. On January 23, 2020, the Rehabilitator filed in this Court an Application seeking to place SHIP in rehabilitation, *inter alia*, due to its insolvency.
2. On January 29, 2020, this Court entered an Order (“Rehabilitation Order”) placing SHIP in rehabilitation and appointing the Rehabilitator, in accordance with the provisions of Article V of The Insurance Department Act of

1921, Act of May 17, 1921, P.L. 789, *as amended*, 40 P.S. §§ 221.21-221.63 (Rehabilitation Order at ¶¶ 1-2.)

3. In the Rehabilitation Order, the Court directed the Rehabilitator to “rehabilitate the business of SHIP; to take possession of the assets of SHIP; and to administer the SHIP assets” (*Id.* at ¶ 3.) The Court also directed the Rehabilitator to “prepare a plan of rehabilitation.” (*Id.* at ¶¶ 7, 16.)

4. On April 22, 2020, the Rehabilitator filed a proposed Plan of Rehabilitation (“April 22 Plan”), together with applications for approval of the Plan and a Form and Distribution of Notice. On October 21, 2020, after receiving and considering various comments on the April 22 Plan, the Rehabilitator filed an Amended Rehabilitation Plan.

5. The hearing before this Court on the Amended Plan is scheduled to begin on May 17, 2021.

6. Pursuant to the Court’s scheduling orders, the parties previously filed Pre-Hearing Memoranda and Pre-Hearing Rebuttal Memoranda, and the Rehabilitator will file an amended plan and any further memoranda on or before May 3, 2021.

Request for Injunction and Stay Order

7. The Rehabilitator seeks an order entering an injunction and stay to prevent or limit the innumerable harms that could arise out of new litigation or similar proceedings, impairing the rehabilitation efforts proceeding in this Court.

8. At present, SHIP is a party in the following court proceedings in jurisdictions and venues other than this Court:

- (a) A policy cancellation case filed in the Court of Common Pleas in Lancaster County, Pennsylvania, prior to the Rehabilitation Order, captioned as *Anthony v. Senior Health Insurance Company of Pennsylvania*.
- (b) Two collateral cases filed against SHIP and the Rehabilitator based on the rate-setting mechanisms in the April 22 Plan and Amended Plan (the “Collateral Litigation”). *See Donelon v. Altman*, Case No. 3:20-cv-00604 (M.D. La.); *Farmer v. Altman*, Case No. 3:21-cv-00097 (D.S.C.) (removed from South Carolina Court of Common Pleas, Case No. 2020-CP-4005802).
- (c) Commercial litigation related to SHIP’s investment in Beechwood Capital Group, LLC and its affiliates (“Beechwood”), specifically claims pending in Delaware Chancery Court related to the liquidation in the Cayman Islands of Platinum Partners Value Arbitrage Fund (“PPVA”).

(*See also* March 31, 2021 Annual Report on the Status of Rehabilitation (“Annual Report”).)

9. The Rehabilitator plans to continue litigating the *Anthony* matter in the Lancaster County Court of Common Pleas. In the existing Beechwood/PPVA

litigation in the Delaware Chancery Court and in the Collateral Litigation, SHIP has filed motions to dismiss, and she will continue litigating as necessary in Delaware, Louisiana, and South Carolina to effect the dismissal of those actions, although the Rehabilitator reserves the right to return to this Court for further relief in aid of this Court's jurisdiction and to protect SHIP's assets and the rehabilitation proceedings before this Court.

10. Beyond these existing matters, however, it is possible that one or more parties will file or otherwise initiate new litigation or similar proceedings against SHIP, either by expanding these existing cases or through entirely new litigation related to SHIP's pre-rehabilitation business or the Rehabilitator's efforts to rehabilitate SHIP. The Rehabilitator submits this Application to prevent, avoid, and limit the potential harm which could be caused by any new legal action against or involving SHIP.

11. Pennsylvania law authorizes this Court to grant "such restraining orders, preliminary and permanent injunctions, and other orders as may be deemed necessary and proper." 40 P.S. § 221.5(a); *Koken v. Fidelity Mut. Life Ins. Co.*, 803 A.2d 807, 817 (Pa. Commw. Ct. 2002) (interpreting § 221.5 and finding "it is clear that we may enter injunctive orders in rehabilitation proceedings if they are 'necessary and proper,' and if they prohibit, *inter alia*, actions that would interfere with the company's rehabilitation, waste its assets, lessen the company's value or

cause prejudice to policyholders and creditors rights”); *see also Fanslow v. Northern Trust Co.*, 700 N.E.2d 692 (Ill. Ct. App. 1998) (Pennsylvania injunction under § 221.5 must “be respected” unless and until “reversed for error by orderly review, either by [the issuing court] or by a higher court” and is not subject to collateral attack).

12. The statute explicitly states that such orders may be entered to prevent “interference with the receiver or with the proceeding” and “the institution or further prosecution of any actions or proceedings,” as the Rehabilitator requests here. 40 P.S. § 221.5(a).

13. In addition, the statute authorizes injunctions and other similar orders which may be entered to prevent direct harms that could arise in litigation or other proceedings—specifically, “the obtaining of preferences, judgments, attachments, garnishments, or liens against the insurer, its assets or its policyholders,” and “the levying of execution against the insurer, its assets or its policyholders.” *Id.*

14. Moreover, an injunction or similar order may be entered to prevent an indirect harm arising out of such litigation, including, *inter alia*, “interference with the receiver or with the proceeding,” “waste of the insurer’s assets,” “dissipation and transfer of bank accounts,” and “any other threatened or contemplated action that might lessen the value of the insurer’s assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of the proceeding.” *Id.*

15. In consultation with her legal counsel, SHIP's leadership, and the Special Deputy Rehabilitator among others, the Rehabilitator has concluded that any further litigation could seriously harm or impair her efforts at rehabilitating SHIP.

16. Specifically, two open matters disclosed in the Rehabilitator's Annual Report have led the Rehabilitator to reach this conclusion regarding potential future litigation and its impact on SHIP.

(a) *Kingdom Energy Loan*: As the Court knows, SHIP owns a loan to Kingdom Energy Resources, LLC; DDB Energy Resources, LLC; Montana Bakken, LLC; Little Creek Coal Co., Inc.; Green Equity Partners, LLC; and KEP-RMA, LLC (the "Borrowers"). (Annual Report at 8.) That loan is now valued at more than \$40 million after accounting for accrued and unpaid interest and fees, and SHIP is seeking every avenue to maximize its interest, including the possibility of foreclosing on the collateral which secures the loan. (*Id.*) Certain third parties have asserted a right to that collateral, however, and, as a result, there is a strong possibility that a third party will initiate litigation against or involving SHIP asserting an interest in that collateral or otherwise seek to prevent SHIP from exercising its rights.

(b) *PPVA-Related Proceedings*: The Rehabilitator described the ongoing Beechwood and PPVA litigation in her Annual Report. (*Id.* at 10.) The Rehabilitator believes that the claims asserted against SHIP in that proceeding

are without merit, and she is hopeful of obtaining their dismissal in Delaware Chancery Court. Should the Chancery Court not dismiss those claims, however, the need to litigate them is expected to be costly, as SHIP is only one of several defendants and the matter is wound up in the much-publicized Platinum Partners debacle. The Rehabilitator submits respectfully that any further efforts to collect from SHIP in that matter should be required to proceed exclusively in this Court, a procedure which would diminish or eliminate wasteful cost and disruption. Notably, any judgment the plaintiff in that proceeding might obtain against SHIP would most likely be entitled to treatment as a general creditor claim in SHIP's rehabilitation and thus unlikely to be paid.

17. The Injunction and Stay Order required herein under § 221.5 is both “necessary and proper” to prevent further proceedings and thereby prevent or limit the negative impact of such proceedings and any potential judgments on SHIP's assets and the Rehabilitator's efforts to rehabilitate SHIP.

18. *First*, beginning any new litigation or similar proceeding would constitute “the institution or further prosecution of any actions or proceedings,” which this Court can prohibit under § 221.5.

19. *Second*, any judgments or awards which might arise out of those new proceedings pose a serious risk of creating “preferences, judgments, attachments, garnishments, or liens against the insurer, its assets or its policyholders,” and,

further, “lessen the value of the insurer’s assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of the proceeding.” 40 P.S. § 221.5(a).

20. Similarly, this Court can and should enter an order which will prevent and prohibit any attempt to execute on a judgment or award “against the insurer, its assets or its policyholders.” *Id.*

21. In liquidation, general creditors—including litigants who obtain a judgment or award against SHIP—would only be paid after policyholders are paid in full. 40 P.S. § 221.44(e). In rehabilitation, such litigants theoretically could seek to enforce their judgments or awards against SHIP well before SHIP’s LTC policyholders receive payment in full.

22. Accordingly, any judgment or award would exploit SHIP’s continued business in rehabilitation to the benefit of that litigant and to the detriment of SHIP’s policyholders and other creditors, allowing those litigants to obtain a preferential treatment they would not have in liquidation.

23. *Third*, one of the many benefits of rehabilitation is the opportunity to offer policyholders a choice in how to bear their portion of the losses SHIP faces and to avoid subjecting policyholders to the uncertainty (and coverage caps) of liquidation. The proposed Plan is designed to be flexible in providing well-designed

options to policyholders, in phases, based on SHIP's condition and predictions regarding SHIP's assets and liabilities.

24. At this point, absent the Injunction and Stay Order, new proceedings could upend the Plan and limit the options available by depleting SHIP's already-insufficient assets and redirecting the Rehabilitator's and SHIP's limited resources away from the Rehabilitation to these external threats in an effort to avoid any further loss or the creation of unfair preferences. Even requiring the Rehabilitator to participate in discovery in courts around the country could have those effects.

25. Thus, even without a judgment against SHIP, the potential litigation would constitute "interference with the receiver or with the proceeding," "waste of the insurer's assets," "dissipation and transfer of bank accounts," and, further, would "lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of the proceeding." 40 P.S. 221.5(a).

26. Accordingly, the Rehabilitator believes the requested Injunction and Stay order under § 221.5 will aid in preventing or limiting these harms, allowing the Rehabilitator to proceed with her efforts to rehabilitate SHIP for the benefit of its policyholders and other interested parties.

WHEREFORE, for the reasons set forth herein, the Rehabilitator respectfully asks this Court to enter the attached proposed Order.

Dated: April 28, 2021

Respectfully submitted,

/s/ Michael J. Broadbent

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Commissioner of the Commonwealth of
Pennsylvania, as Statutory Rehabilitator of
SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA

In re: Senior Health Insurance : No. 1 SHIP 2020
Company of Pennsylvania :

AND NOW, this _____ day of _____, 2021, upon consideration of the Rehabilitator's Application for Injunction and Stay Order, and any response thereto, this Court having found that the requested injunction and stay order is necessary and proper as an exercise of this Court's jurisdiction over SHIP, its assets, its business, and the efforts to rehabilitate it, it is hereby **ORDERED** that:

1. The Application for Injunction and Stay Order is **GRANTED** pursuant to 40 P.S. § 221.5;
2. Except for proceedings already commenced and as specifically identified and described at ¶¶ 8 and 16 of the Rehabilitator's Application for Injunction and Stay Order, all court actions, arbitrations and mediations currently or hereafter pending against SHIP in the Commonwealth of Pennsylvania or elsewhere are stayed for 180 days from the effective date of this Order and such additional time as the Rehabilitator may request;
3. Unless the Rehabilitator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against SHIP or its assets, shall be brought against SHIP or the Rehabilitator or against any of their employees, officers, or rehabilitation officers for acts or omissions in their capacity as employees, officers or rehabilitation officers of

- SHIP or the Rehabilitator, whether in this Commonwealth or elsewhere, for 180 days from the effective date of this Order and such additional time as the Rehabilitator may request;
4. If any action is filed or continued in violation of this order, that action or proceeding shall be immediately stayed for 180 days from the effective date of this Order and such additional time as the Rehabilitator may request;
 5. Upon the expiration of the injunction and stay granted herein, any action seeking relief against SHIP or recovery from SHIP's assets must be brought exclusively in this Court; and
 6. All persons having notice of this Order are hereby permanently enjoined and restrained from interfering with SHIP's rehabilitation or these proceedings.

MARY HANNAH LEAVITT
President Judge Emerita

CERTIFICATE OF SERVICE

I, Michael J. Broadbent, hereby certify that on April 28, 2021, I caused to be served the foregoing APPLICATION FOR INJUNCTION AND STAY ORDER through the Court's PACFile system and on all parties listed on the Master Service List. In addition, I hereby certify that an electronic copy of the foregoing document will be posted on SHIP's website at <https://www.shipltc.com/court-documents>.

/s/ Michael J. Broadbent

Exhibit 5

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

**ANNUAL REPORT OF THE REHABILITATOR
ON THE STATUS OF THE REHABILITATION OF
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA**

Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of Pennsylvania,¹ in his capacity as the Statutory Rehabilitator (“Rehabilitator”) of Senior Health Insurance Company of Pennsylvania (“SHIP”), hereby submits this second Annual Report on the status of the rehabilitation of SHIP.

I. INTRODUCTION

SHIP was placed in rehabilitation by this Court’s order of January 29, 2020. Events ensuing in the following year were described in the first Annual Report filed by the Rehabilitator in 2021. Descriptions of those events will not be repeated here except as necessary to provide context. This report will address significant events and developments since the date of the last report. They include SHIP’s financial condition, the effects of the COVID-19 pandemic, the disposition of reinsurance assumed, management of the company’s assets and related litigation, and the status

¹ On February 28, 2022, following the departure of Jessica Altman from that office, Michael Humphreys was named Acting Insurance Commissioner by Pennsylvania Governor Tom Wolf. In that capacity, Commissioner Humphreys also succeeds to the role of SHIP’s Statutory Rehabilitator.

of the Approved Rehabilitation Plan (“Plan”), including collateral litigation regarding the Plan. The first report provides historical detail for matters discussed in this report.

II. REPORT

A. FINANCIAL STATUS

As with the first report, attached as Exhibit A is a financial package prepared for the Court (“Financial Package”) by SHIP and the SDR containing a detailed summary of the financial status of SHIP as of December 31, 2021. In summary, and as set forth in detail in the Financial Package, as of December 31, 2021, the total value of SHIP’s assets was \$1.242 billion, a decline of \$128 million from a year earlier. SHIP’s liabilities were estimated at \$2.531 billion, a decline of \$62 million. The resulting deficit of \$1.304 billion reflects a deterioration of \$83 million over year-end 2020. Many factors contributed to these results but three that were particularly significant were the decline in yield on invested assets (*see* Exhibit A, page 14), the decline in premium collection, and increased claims payments (*see* Exhibit A, page 15). The Financial Package includes financial reporting, trend tracking, professional and consulting fees, and an analytics dashboard for SHIP. The Notes set forth on page four and throughout the Financial Package should be included in any review of the information contained therein.

B. COVID-19

On balance, the effects of the pandemic continue not to be material to SHIP's rehabilitation. Changes in operation (*e.g.*, staff working from home and reduced travel) implemented in 2020 remain in effect. Though there has been some increase in mortality, there has also been a migration in utilization from facility care to less expensive home health care. It remains too early to determine whether these and other changes observed will be transitional or permanent. In the aggregate they are not sufficient to affect materially the rehabilitation plan and its expected outcomes.

C. REINSURANCE ASSUMED

Consistent with the terms of the Plan, the insurance business assumed by SHIP and its predecessors from Transamerica Life Insurance Company, Primerica Life Insurance Company, and American Health and Life Insurance Company is now the financial responsibility of these ceding carriers, although all have entered into or are pursuing Administrative Services Agreements with SHIP's subsidiary, Fuzion Analytics, Inc., for management of some or all of that business. Each of these companies retains claims for losses sustained by the necessity that they resume financial responsibility for the business assumed, but these are general creditor claims that may be paid only after policyholders have been made whole.

D. ASSET MANAGEMENT

1. Investment Advisor

In June 2021, the Rehabilitator transitioned management of the Company's invested assets from the prior advisors to BlackRock Financial Management, Inc., after evaluating proposals from some the largest and best-known insurance asset managers in the country. This change was motivated by a desire to obtain more comprehensive investment management services and increase the yield of the investment portfolio. Given the difference in services provided, it is difficult to make an "apples to apples" comparison between pre- and post-transition results but the Rehabilitator and Company staff believe that SHIP is now better prepared to respond to changing circumstances and to identify and take advantage of appropriate investment opportunities.

2. Kingdom Energy Loan

In the first report, the Rehabilitator advised the Court of the acquisition of all outstanding interests in the Kingdom Energy mortgage loan. Efforts to complete foreclosure on the complex collateral underlying that loan (which the Court may recall includes largely coal mining and timber holdings) continue apace and the Rehabilitator remains optimistic that he will realize greater value than the Company's investment in that loan.

3. Beechwood Litigation

In the first report, the Rehabilitator advised the Court of litigation that resulted from SHIP's ill-advised agreements with the Beechwood parties. The Rehabilitator continues winding down that litigation. He continues to anticipate an additional recovery of more than \$4 million from the receiver of Platinum Partners Credit Opportunities Fund. The only other remaining piece of the litigation consists of claims asserted by the Cayman Islands Joint Official Liquidators of Platinum Partners Value Arbitrage Fund L.P. against SHIP and Fuzion. The Rehabilitator has settled part of those claims and received a payment of \$4.5 million. He believes that the remaining claims *against* SHIP and Fuzion are of dubious merit, but they are complex and may require costly discovery and pre-trial procedures to resolve.

4. Asset Recovery Proceedings

The Rehabilitator has commenced two lawsuits in this Court for matters related to SHIP's financial deterioration and has also commenced two confidential proceedings outside of court. The lawsuits are known to the Court and are in their infancy such that no further comment in this report would be helpful. The Rehabilitator cannot disclose details of the confidential matters other than to note that they are also in the very early stages.

E. THE APPROVED REHABILITATION PLAN

This Court approved the Proposed Rehabilitation Plan for SHIP in August 2021,² following a week-long hearing in May 2021 that was preceded and followed by briefing from the parties. The Intervenor Regulators from Maine, Massachusetts, and Washington have appealed that approval to the Supreme Court of Pennsylvania. This Court and the Supreme Court denied the Intervening Regulators' requests for stay of the Plan pending that appeal. The Rehabilitator has therefore commenced implementation of the Plan. In accordance with its terms, Policyholder Election Packages have been sent to more than 20,000 policyholders, a remarkable more than 85% of whom have timely submitted elections. More than 60% of these elections were for options that, based on applicable law and past experience, the Rehabilitator does not believe would have been available in liquidation. There remain several thousand Policyholder Election Packages to be distributed in coming months so that the preliminary results of this Phase of the Plan will not be known until later this year. More detail about these Policyholder Elections is provided in the Election Status Report attached as Exhibit B.

Even before this Court held a hearing on the Proposed Rehabilitation Plan, a number of insurance regulators commenced a campaign of collateral challenges.

² The Court's approval Memorandum and Opinion were amended in November in ways not material to this report.

They began with lawsuits to enjoin implementation of the Plan in Louisiana and South Carolina. Those cases remain pending in state court in those jurisdictions, and the Rehabilitator will soon be filing an Application and Petition for Issuance of a Rule to Show Cause filed in this Court as to those two cases. Similar lawsuits were filed in the state courts of Iowa, New Jersey, North Carolina, and North Dakota after this Court's approval of the Plan. The Rehabilitator has removed all of these cases to the respective federal district courts and has filed with the Judicial Panel on Multidistrict Litigation ("JPML") a motion to consolidate these cases and coordinate them for pretrial procedures in the Eastern District of Pennsylvania. In each of the federal district courts, the Rehabilitator has filed a motion for stay pending the JPML's decision on the transfer motion.

Twelve other states have commenced administrative proceedings in which Cease and Desist Orders were entered against implementation of the Plan in their states. Two of these (Maine and Washington) are parties in this Court's proceeding and in the Supreme Court of Pennsylvania appeal. As to these, on March 28, 2022, the Rehabilitator filed in this Court an Application and Petition for Issuance of a Rule to Show Cause. As to the remaining ten (Alaska, Arkansas, Connecticut, the District of Columbia, Maryland, Montana, New Hampshire, Ohio, Utah, and Vermont) the Rehabilitator has advised those regulators that this Court has exclusive jurisdiction over challenges to the Plan and that the Rehabilitator will not participate

in those administrative proceedings.

The Rehabilitator has continued efforts to resolve without litigation concerns about the Plan expressed by other regulators. As part of those efforts, on March 8, 2022, the Rehabilitator advised other regulators that he had directed the rehabilitation team to delay implementation of policy modifications until the earlier of October 1, 2022, or the date of the final order of the Supreme Court. This direction, however, did not result in delaying other steps to implement the Plan. Attached as Exhibit C is a letter being sent by the Rehabilitator advising policyholders of this delay.

F. ACTUARIAL REPORT

The Plan was the product of extensive analysis, including actuarial analysis by Oliver Wyman. At the request of the Rehabilitator, Oliver Wyman has prepared an actuarial memorandum (“Actuarial Memorandum”) summarizing the methodology, actuarial assumptions, and results associated with the actuarial analysis of the Plan. That Actuarial Memorandum is attached as Exhibit D for the information of the Court. The Actuarial Memorandum is supported by an Inventory of Actuarial Assumptions to which it refers as Appendix A. That inventory is in the form of a complex Excel spreadsheet that cannot easily be made part of this filing. However, that Excel spreadsheet is posted on the SHIP Secure Data Site, and the Rehabilitator will provide that spreadsheet to the Court in its native form upon

request.

III. CONCLUSION

Exhibit A (the Financial Package) provides much detailed information about the Company not summarized in this report. The Rehabilitator stands ready to provide the Court any additional information the Court would find helpful. Although the Plan has met with unexpected and unprecedented resistance from certain state insurance regulators, the initial results of the Policyholder Election process have been very encouraging. In particular, the high “take rates” for Options 2, 2a, and 3 (summarized in Exhibit B) reveal that the design of these novel options addressed successfully the individual preferences of a substantial number of SHIP’s policyholders. The Rehabilitator concedes that he is disappointed in regulatory resistance to the Plan, but he notes that, in the aggregate, the states that have commenced collateral attacks on the Plan or entered Cease and Desist Orders against its implementation account for less than twenty percent of SHIP’s policyholders affected by the Plan. While the Rehabilitator will continue to resist these attacks that depart so remarkably from established custom and practice of deference to the domiciliary regulator of a troubled insurer, he reports to the Court here that initial indications suggest that the Plan is likely to accomplish in substantial part the goals for which it was designed.

Dated: March 31, 2022

Respectfully submitted,

/s/ Michael J. Broadbent

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Commissioner of the Commonwealth of
Pennsylvania, as Statutory Rehabilitator of
SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA

EXHIBIT B

SHIP Policyholder Election Status Report As of 03/31/2022

Policyholder Election Phases

The SHIP Policyholder Election Program consists of three planned distributions.

1. The first mailing occurred in January 2022 and included policyholders in states that did not opt out of the rate increase provisions of the Approved Rehabilitation Plan ("Plan"). Approximately 21,000 policyholders received Election Packages during this first distribution.
2. The second mailing, scheduled for May 2022, includes Additional Opt-In policyholders in states that initially opted out of the rate increase provisions of the Plan, but opted back into the Plan as a result of approving in full the rate increases filed by the Rehabilitator in these states. Approximately 2,200 policyholders will receive Election Packages during this second distribution.
3. The third and final mailing includes the Opt-Out policyholders who were not included in the first two mailings. There are approximately 3,000 policyholders included in this distribution.

Initial Phase Election Results

The responses to the first Election Package mailing were due to be received by the end of March 2022.

Results of the first mailing were very positive. 85.3% of the policyholders responded by submitting their required Election Form before the due date. Policyholder election results by election option are as follows:

- Option 1: Downgrade Your Policy – 8.0%
- Option 2: Convert to a Basic Policy – 10.1%
- Option 2a: Convert to an Enhanced Basic Policy – 6.6%
- Option 3: Convert to an Enhanced Paid-Up Policy – 20.3%
- Option 4: Keep Your Current Coverage – 55.0%

It is very important to note that 10,614 policyholders made elections that, based on past experience and applicable law, would not have been available to them in Liquidation. This represents 63.4% of the election responses received.

Future Election Package Mailings

The remaining two Election Package mailings are scheduled for later this year.

Election options available to policyholders for policies issued in Opt-Out States include:

- Option A: Pay the Approved Increased Premium and Downgrade Your Policy
- Option B: Maintain Your Current Premium and Downgrade Your Policy
- Option C: Convert to a Standard Paid-Up Non-Forfeiture Policy
- Option D: Voluntarily Pay the Full If Knew Premium Rate and Keep Your Current Coverage

EXHIBIT C



#[MailingDate]

Via U.S. Mail

#[Name]

#[AddressLineCombo]

#[City], #[ResidentState] #[ZipCode]

RE: Senior Health Insurance Company of Pennsylvania (In Rehabilitation) ("SHIP")
Policy Number: #[LTCASPolicyNumber]

Dear #[Name]:

This Notice has been prepared to provide important information about a delay in the Rehabilitation Plan Election Effective Date. You recently received an Election Package from SHIP which stated that your election and the associated premium and policy benefits were to be effective on #[ElectionEffectiveDate]. Due to recent developments in the rehabilitation proceedings, a delay in the effective date of your election has become necessary.

As you are aware, the Pennsylvania Commonwealth Court approved SHIP's Rehabilitation Plan in August 2021. Certain state insurance regulators appealed the Approved Rehabilitation Plan to the Supreme Court of Pennsylvania. The Commonwealth Court and the Supreme Court both rejected requests by these appealing regulators to halt the Plan pending the appeal. However, the Pennsylvania Insurance Commissioner, as the statutory rehabilitator of SHIP, recently directed the Rehabilitation Team to delay implementation of Plan modifications until the earlier of October 1, 2022, or the date of the final order of the Pennsylvania Supreme Court. This delay will apply to all states and will provide a uniform, national implementation date. In the meantime, the Rehabilitation Team continues to prepare for implementation later in the year.

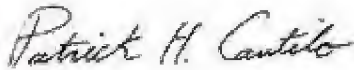
Accordingly, the coverage option elected on your Coverage Election Form will be implemented at a later date. You will be notified of the new Election Effective Date approximately 30 days before your election becomes effective.

It is important for you to continue to pay your premium to maintain your coverage. With the delay of the Election Effective Date, your current premium and policy benefits will remain in place until the new Election Effective Date is established and communicated to you.

Please note that the information included in this Notice is all the information available at this time about this matter. You are encouraged to visit SHIP's website regularly at www.shipltc.com for information about SHIP's rehabilitation. The website is updated with Court documents and related rehabilitation materials.

We apologize for the inconvenience caused by the delay in your Election Effective Date. Thank you for your patience and understanding during this rehabilitation process.

Sincerely,

A handwritten signature in cursive script that reads "Patrick H. Cantilo".

Patrick H. Cantilo
Special Deputy Rehabilitator

CERTIFICATE OF SERVICE

I, Michael J. Broadbent, hereby certify that on March 31, 2022 I caused to be served the foregoing Notice of Annual Report and Annual Report through the Court's PACFile system and on all parties listed on the Master Service List. In addition, I hereby certify that an electronic copy of the foregoing document will be posted on SHIP's website at <https://www.shipltc.com/court-documents>.

/s/ Michael J. Broadbent

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

NOTICE OF FILING OF ANNUAL REPORT

Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as the Statutory Rehabilitator (“Rehabilitator”) of Senior Health Insurance Company of Pennsylvania (“SHIP”), hereby gives notice to all interested persons currently on the Master Service List that on March 31, 2021, he has filed his Annual Report on the Status of the Rehabilitation of SHIP. An electronic copy of this filing will be available on the Court Documents page of the web site for SHIP in Rehabilitation, <https://www.shipltc.com/>. Paper copies will be distributed to the parties who requested and received placement on the hard copy service list.

Dated: March 31, 2022

Respectfully submitted,

/s/ Michael J. Broadbent

Dexter R. Hamilton

Attorney I.D. No. 50225

Michael J. Broadbent

Attorney I.D. No. 309798

Haryle Kaldis

Attorney I.D. 324534

COZEN O’CONNOR

1650 Market Street, Suite 2800

Philadelphia, PA 19103

(215) 665-2000

and

Leslie Miller Greenspan
Attorney I.D. No. 91639
TUCKER LAW GROUP
Ten Penn Center
1801 Market Street, Suite 2500
Philadelphia, PA 19103

Counsel for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, as Statutory Rehabilitator of
SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA

Exhibit 6

Supreme Court of Pennsylvania



Appeal Docket Sheet

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June 14, 2022

CAPTION

In Re: Senior Health Insurance Company of Pennsylvania (In Rehabilitation)

Appeal of: The Superintendent of Insurance of the State of Maine, The Commissioner of Insurance of the Commonwealth of Massachusetts and the Insurance Commissioner of the State of Washington

CASE INFORMATION

Initiating Document: Notice of Appeal

Case Status: Active

Journal Number:

Case Category: Administrative Agency

Case Type(s): Insurance
Rehabilitation

CONSOLIDATED CASES

RELATED CASES

Docket No / Reason	Type
458 MT 2021	Related
Same Record Below	
In Re: Senior Health Ins. Co. of PA (Lapinski, J.)	
23 MT 2022	Related
Same Record Below	
In Re: Senior Health Ins. Co. of PA (Lapinski, J.)	

COUNSEL INFORMATION

Attorney: Harvey, Stephen G.
Steve Harvey Law LLC
Address: 1880 JFK Blvd Ste 1715
Philadelphia, PA 19103
Phone No: (215) 438-6600
Receive Mail: Yes
Representing: Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner, Appellant
Pro Se: No
IFP Status:

Attorney: Leslie, J. David
Pro Hac Vice
Address: Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, MA 02110
Phone No: (617) 951-1131
Receive Mail: Yes
Representing: Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner, Appellant
Pro Se: No
IFP Status:

Supreme Court of Pennsylvania



Appeal Docket Sheet

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COUNSEL INFORMATION

Attorney:	Smith, Eric A. Pro Hac Vice
Address:	Rackemann, Sawyer & Brewster, P.C. 160 Federal Street Boston, MA 02110
Phone No:	(617) 951-1127
Receive Mail:	Yes
Representing:	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner, Appellant
Pro Se:	No
IFP Status:	
Attorney:	Broadbent, Michael John Cozen O'Connor
Address:	1650 Market St Ste 2800 Philadelphia, PA 19103
Phone No:	(215) 665-4732
Receive Mail:	Yes
Representing:	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
Pro Se:	No
IFP Status:	
Representing:	Senior Health Insurance Company of Pennsylvania, Appellee
Pro Se:	No
IFP Status:	
Attorney:	Donley, Joseph M. Clark Hill PLC
Address:	Two Commerce Sq 2001 Market St Ste 2620 Philadelphia, PA 19103-7081
Phone No:	(215) 640-8525
Receive Mail:	Yes
Representing:	ACSIA Long Term Care, Inc., et al., Appellee
Pro Se:	No
IFP Status:	
Attorney:	Gkonos, James Steven Saul Ewing Arnstein & Lehr LLP
Address:	1500 Market St Fl 38 Philadelphia, PA 19102-2184
Phone No:	(215) 972-8667
Receive Mail:	Yes
Receive EMail:	Yes
Representing:	Primerica Life Insurance Company, Appellee
Pro Se:	No
IFP Status:	

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Hickok, Dorothy Alicia
 Faegre Drinker Biddle & Reath LLP
 Address: 1 Logan Sq Ste 2000
 Philadelphia, PA 19103
 Phone No: (215) 988-2700
 Receive Mail: Yes
 Receive EMail: Yes Email:
 Representing: National Organization of Life and Health Insurance Guaranty Associations , Appellee
 Pro Se: No
 IFP Status:

Pro Se: Lapinski, James F.
 Address: 6121 Lundy Place
 Burke, VA 22015-3432
 Phone No: (703) 362-7795
 Receive Mail: Yes
 Pro Se: Lapinski, James F., Appellee
 Pro Se: Yes
 IFP Status:

Attorney: Lavelle, John P., Jr.
 Morgan, Lewis & Bockius LLP
 Address: 1701 Market Street
 Philadelphia, PA 19103-2921
 Phone No: (215) 963-5000
 Receive Mail: Yes
 Receive EMail: Yes Email:
 Representing: Anthem, Inc., et al., Appellee
 Pro Se: No
 IFP Status:

Attorney: McDermott Speaks, Kathryn
 Pennsylvania Insurance Department
 Address: 1341 Strawberry Sq
 Harrisburg, PA 17120
 Phone No: (717) 787-2567
 Receive Mail: Yes
 Representing: Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
 Pro Se: No
 IFP Status:
 Representing: Senior Health Insurance Company of Pennsylvania, Appellee
 Pro Se: No
 IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Pro Se:	Parisi, Georgianna	
Address:	257 Regency Ridge Dr.	
	Dayton, OH 45459	
Phone No:	(937) 305-4191	
Receive Mail:	Yes	
Receive EMail:	Yes	Email: ggparisi@hotmail.com
Pro Se:	Parisi, Georgianna, Appellee	
Pro Se:	Yes	
IFP Status:		

Attorney:	Buckman, Preston M.	
	Pennsylvania Insurance Department	
Address:	901 N 7TH St Ste 200	
	Harrisburg, PA 17102	
Phone No:	(717) 886-2080	
Receive Mail:	Yes	
Representing:	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee	
Pro Se:	No	
IFP Status:		
Representing:	Senior Health Insurance Company of Pennsylvania, Appellee	
Pro Se:	No	
IFP Status:		

Attorney:	Buttaro, Andrew M.	
	Pro Hac Vice	
Address:	Morgan, Lewis & Bockius LLP	
	One Federal Street	
	Boston, MA 02110	
Phone No:	(617) 341-7743	
Receive Mail:	Yes	
Representing:	Anthem, Inc., et al., Appellee	
Pro Se:	No	
IFP Status:		

Attorney:	Cantilo, Patrick Herrera	
	Cantilo & Bennett, LLP	
Address:	11401 Century Oaks Ter Ste 300	
	Austin, TX 78758	
Phone No:	(512) 478-6000	
Receive Mail:	Yes	
Representing:	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee	
Pro Se:	No	
IFP Status:		
Representing:	Senior Health Insurance Company of Pennsylvania, Appellee	
Pro Se:	No	
IFP Status:		

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Cordiano, Benjamin J.
 Pro Hac Vice
 Morgan Lewis & Bockius, L.L.P.
 Address: One State Street
 Hartford, CT 06103
 Receive Mail: Yes
 Representing: Anthem, Inc., et al., Appellee
 Pro Se: No
 IFP Status:

Attorney: Frantz, Jodi A.
 Pennsylvania Insurance Department
 Address: 1341 Strawberry Sq
 Harrisburg, PA 17120
 Phone No: (717) 783-2123
 Receive Mail: Yes
 Representing: Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
 Pro Se: No
 IFP Status:
 Representing: Senior Health Insurance Company of Pennsylvania, Appellee
 Pro Se: No
 IFP Status:

Attorney: Galla, Scott Brandon
 Clark Hill PLC
 Address: Two Commerce Sq
 2001 Market St Ste 2620
 Philadelphia, PA 19103
 Phone No: (215) 640-8500
 Receive Mail: Yes
 Representing: ACSIA Long Term Care, Inc., et al., Appellee
 Pro Se: No
 IFP Status:

Attorney: Glawe, Caryn M.
 Pro Hac Vice
 Faegre Baker Daniels, LLP
 Address: 300 N. Meridian Street, Suite 2500
 Indianapolis, IN 46143
 Receive Mail: Yes
 Representing: National Organization of Life and Health Insurance Guaranty Associations, Appellee
 Pro Se: No
 IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Greenspan, Leslie Miller
 Tucker Law Group, LLC
 Address: 1801 Market Street, Suite 2500
 Philadelphia, PA 19103
 Phone No: (215) 875-0609
 Receive Mail: Yes
 Representing: Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
 Pro Se: No
 IFP Status:
 Representing: Senior Health Insurance Company of Pennsylvania, Appellee
 Pro Se: No
 IFP Status:

Attorney: Hamilton, Dexter Ryan
 Cozen O'Connor
 Address: 1650 Market St Ste 2800
 Philadelphia, PA 19103
 Phone No: (215) 665-2000
 Receive Mail: Yes
 Representing: Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
 Pro Se: No
 IFP Status:
 Representing: Senior Health Insurance Company of Pennsylvania, Appellee
 Pro Se: No
 IFP Status:

Attorney: Horwich, Harold S.
 Pro Hac Vice
 Address: Bingham McCutchen, LLP
 One State Street
 Hartford, CT 06103-3178
 Phone No: (860) 240-2700
 Receive Mail: Yes
 Representing: Anthem, Inc., et al., Appellee
 Pro Se: No
 IFP Status:

Attorney: Kaldis, Haryle
 Cozen O'Connor
 Address: 1650 Market St Ste 2800
 Philadelphia, PA 19103
 Phone No: (215) 665-5559
 Receive Mail: Yes
 Representing: Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA, Appellee
 Pro Se: No
 IFP Status:
 Representing: Senior Health Insurance Company of Pennsylvania, Appellee
 Pro Se: No
 IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Wilson, Jane Dall
Pro Hac Vice

Address: Faegre Baker Daniels LLP
300 N. Meridian Street
Suite 2500
Indianapolis, IN 46204

Receive Mail: Yes
Representing: National Organization of Life and Health Insurance Guaranty Associations , Appellee
Pro Se: No
IFP Status:

Attorney: Lawless, James Joseph, Jr.
Butler Snow LLP

Address: 1414 Millard St
Bethlehem, PA 18018

Phone No: (610) 420-6304

Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Babalis, Perri Ann

Address: Utah Attorney General's Office
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, UT 84114-0874

Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Bailey, Kimberly C.

Address: Oklahoma Insurance Department
400 NE 50th Street
Oklahoma City, OK 73105

Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Bonham, Geoffrey R.

Address: SC Department of Insurance
P.O. Box 100105
Columbia, SC 29202-3105

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Brader, Jim

Address: Arkansas Insurance Department
1 Commerce Way Ste. 504
Little Rock, AR 72202

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Brock, Bryan E.

Address: 1120 Paseo de Peralta, 4th Floor
P.O. Box 1689
Santa Fe, NM 87504-1689

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Bruck, Andrew J.

Address: 25 Market Street
P.O. Box 117
Trenton, NJ 08625-0117

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Dorsey, J. Van Lear

Address: 200 St. Paul Place
Ste. 2700
Baltimore, MD 21202

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Supreme Court of Pennsylvania



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June 14, 2022

COUNSEL INFORMATION

Attorney: Formella, John M.
Address: 33 Capitol Street
Concord, NH 03310
Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Kelsey, Christina
Address: P.O. Box 79
Jackson, MS 39205-0079
Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Kenworthy, Adam
Address: 1963 Bell Ave. Ste 100
Des Moines, IA 50315
Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Kosky, Jared
Connecticut Insurance Department
Address: General Counsel
153 Market St 7th Fl
Hartford, CT 06103
Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Attorney: Landry, Jeff
Address: PO BOX 94005
Baton Rouge, LA 70804
Receive Mail: Yes
Representing: State Insurance Regulators, Amicus Curiae
Pro Se: No
IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Marnell, Frank A.

Address: South Dakota Division of Insurance
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Olson, Ole

Address: 840 Helena Ave.
Helena, MT 59601

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Palsgraaf, Johannes

Address: ND Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Rude, Jeffrey P.

Address: Wyoming Commissioner of Insurance
106 E. 6th Ave
Cheyenne, WY 82002

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Stanford, M. Denise

Address: P.O. Box 629
Raleigh, NC 27602-0629

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Supreme Court of Pennsylvania



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COUNSEL INFORMATION

Attorney: Wasden, Lawrence

Address: 700 W. State St. 3rd Floor
PO Box 83720
Boise, ID 83720-0043

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

Attorney: Wicka, Richard B.

Address: Wisconsin Office of the Commissioner of Insurance
125 S. Webster St.
Madison, WI 53703

Receive Mail: Yes

Representing: State Insurance Regulators, Amicus Curiae

Pro Se: No

IFP Status:

SUPREME COURT INFORMATION

Appeal From: the Order of the Commonwealth Court at No. 1 SHP 2020 dated August 24, 2021

Appeal Filed Below: 9/21/2021 12:00:00AM

Probable Jurisdiction Noted: November 12, 2021 Docketed Date: September 23, 2021

Allocatur/Miscellaneous Granted: Allocatur/Miscellaneous Docket No.:

Allocatur/Miscellaneous Grant Order:

FEE INFORMATION

Fee Dt	Fee Name	Fee Amt	Receipt Dt	Receipt No	Receipt Amt
09/29/2021	Notice of Appeal	90.25	09/29/2021	2021-SUP-M-001343	90.25

INTERMEDIATE APPELLATE COURT INFORMATION

Court Name: Docket Number:

Date of Order: Rearg/Recon Disp Date:

Rearg/Recon Disposition:

Judge(s):

Intermediate Appellate Court Action:

Referring Court:

AGENCY/TRIAL COURT INFORMATION

Court Below: Commonwealth Court of Pennsylvania

County: Division: Commonwealth Court of Pennsylvania

Date of Agency/Trial Court Order: August 24, 2021

Docket Number: 1 SHP 2020

Judge(s): Leavitt, Mary Hannah OTN:

Supreme Court of Pennsylvania



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Order Type: Order

ORIGINAL RECORD CONTENT

Original Record Item	Filed Date	Content/Description
Part(s)	November 17, 2021	17
Transcript(s)	November 17, 2021	10 binders

Record Remittal:

BRIEFING SCHEDULE

Amicus Curiae

State Insurance Regulators

Brief

Due: December 27, 2021 Filed: December 22, 2021

Appellant

Maine Superintendent of Ins., Massachusetts

Commissioner of Ins. and Washington Ins.

Commissioner

Brief

Due: December 27, 2021 Filed: December 27, 2021

Reply Brief

Due: February 22, 2022 Filed: February 22, 2022

Reproduced Record

Due: December 27, 2021 Filed: December 27, 2021

Appellee

ACSIA Long Term Care, Inc., et al.

Brief

Due: January 31, 2022 Filed:

Anthem, Inc., et al.

Brief

Due: January 31, 2022 Filed: January 31, 2022

Supplemental Reproduced Record

Lapinski, James F.

Brief

Due: January 26, 2022 Filed: January 3, 2022

Michael Humphreys, Acting Insurance Commissioner
of the Commonwealth of PA

Brief

Due: February 4, 2022 Filed: February 4, 2022

Supplemental Reproduced Record

National Organization of Life and Health Insurance
Guaranty Associations

Brief

Due: January 31, 2022 Filed: January 26, 2022

Supplemental Reproduced Record

Parisi, Georgianna

Brief

Due: January 31, 2022 Filed:

Primerica Life Insurance Company

Brief

Due: January 31, 2022 Filed:

Senior Health Insurance Company of Pennsylvania

Brief

Due: February 4, 2022 Filed: February 4, 2022

Supreme Court of Pennsylvania



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DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
September 21, 2021	Notice of Appeal	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
September 21, 2021	Jurisdictional Statement	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
September 30, 2021	No Answer Letter to Notice of Appeal & Jurisdictional Statement	Appellee	National Organization of Life and Health Insurance Guaranty Associations
September 30, 2021	Application to be Admitted Pro Hac Vice (Jane Dall Wilson, Esquire) National Organization of Life and Health Insurance Guaranty Associations	Appellee	Hickok, Dorothy Alicia
September 30, 2021	Application to be Admitted Pro Hac Vice (Caryn M. Glawe, Esquire) National Organization of Life and Health Insurance Guaranty Associations	Appellee	Hickok, Dorothy Alicia
October 5, 2021	No Answer Letter to Notice of Appeal & Jurisdictional Statement	Appellee	Anthem, Inc., et al.
October 5, 2021	No Answer Letter to Notice of Appeal & Jurisdictional Statement	Appellee Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA Senior Health Insurance Company of Pennsylvania
October 19, 2021	Order Granting Application to be Admitted Pro Hac Vice (Attys. Wilson and Glawe)		Dreibelbis, Amy
Comments: AND NOW, this 19th day of October, 2021, the Applications to be Admitted Pro Hac Vice of Jane Dall Wilson, Esquire, and Caryn M. Glawe, Esquire are hereby granted.			
October 19, 2021	Order Exited		Office of the Prothonotary
October 28, 2021	Application to be Admitted Pro Hac Vice (Eric A. Smith, Esquire) Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner	Appellant	Harvey, Stephen G.

Supreme Court of Pennsylvania



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DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
October 28, 2021	Application to be Admitted Pro Hac Vice (J. David Leslie, Esquire) Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner	Appellant	Harvey, Stephen G.
November 8, 2021	"Application for Stay Pending Appeal"	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
November 9, 2021	Application to be Admitted Pro Hac Vice (Harold S. Horwich, Esq.) Anthem, Inc., et al.	Appellee	Lavelle, John P., Jr.
November 9, 2021	Application to be Admitted Pro Hac Vice (Benjamin J. Cordiano, Esq.) Anthem, Inc., et al.	Appellee	Lavelle, John P., Jr.
November 10, 2021	No Answer Letter to Application to be Admitted Pro Hac Vice (Attys. Horwich & Cordiano)	Appellee Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA Senior Health Insurance Company of Pennsylvania
November 12, 2021	Probable Jurisdiction Noted		Dreibelbis, Amy
Comments: AND NOW, this 12th day of November, 2021, probable jurisdiction is noted.			
November 12, 2021	Order Exited		Office of the Prothonotary

Supreme Court of Pennsylvania



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DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
November 12, 2021	Motion for Leave to File Briefs as Amici Curiae (in Support of Application for Stay Pending Appeal)	Amicus Curiae	State Insurance Regulators
Comments: Amicus on behalf of: ARKANSAS INSURANCE DEPARTMENT, BY ALAN MCCLAIN, COMMISSIONER, CONNECTICUT INSURANCE DEPARTMENT, BY ANDREW N. MAIS, COMMISSIONER, IDAHO DEPARTMENT OF INSURANCE, BY DEAN L. CAMERON, DIRECTOR DOUGLAS M. OMMEN, INSURANCE COMMISSIONER OF THE STATE OF IOWA, LOUISIANA DEPARTMENT OF INSURANCE, BY JAMES J. DONELON, COMMISSIONER, MARYLAND INSURANCE ADMINISTRATION, BY KATHLEEN A. BIRrane, COMMISSIONER, MISSISSIPPI DEPARTMENT OF INSURANCE, BY MIKE CHANEY, COMMISSIONER TROY DOWNING, MONTANA COMMISSIONER OF SECURITIES AND INSURANCE AND STATE AUDITOR, NEW HAMPSHIRE DEPARTMENT OF INSURANCE, BY CHRISTOPHER R. NICOLOPOULOS, COMMISSIONER, NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE, BY MAUREEN CARIDE, COMMISSIONER, HON. RUSSELL TOAL, SUPERINTENDENT OF INSURANCE FOR THE STATE OF NEW MEXICO, NORTH CAROLINA DEPARTMENT OF INSURANCE, BY MIKE CAUSEY, COMMISSIONER, NORTH DAKOTA INSURANCE DEPARTMENT, BY JON GODFREY, COMMISSIONER, OKLAHOMA DEPARTMENT OF INSURANCE, BY GLEN MULREAY, COMMISSIONER, SOUTH CAROLINA DEPARTMENT OF INSURANCE, BY RAYMOND G. FARMER, DIRECTOR, SOUTH DAKOTA COMMISSIONER OF INSURANCE, BY LARRY DEITER, DIRECTOR, UTAH INSURANCE DEPARTMENT, BY JONATHAN T. PIKE, COMMISSIONER, WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE, BY MARK AFABLE, COMMISSIONER, WYOMING DEPARTMENT OF INSURANCE, BY JEFFREY P. RUDE, COMMISSIONER			
November 13, 2021	Answer to "Application for Stay Pending Appeal"	Appellee	Lapinski, James F.
November 15, 2021	No Answer Letter to Application to be Admitted Pro Hac Vice (Attys. Horwich & Cordiano)	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
November 16, 2021	No Answer Letter to Motion for Leave to File Briefs as Amici Curiae	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
November 17, 2021	Commonwealth Court Record Received		Commonwealth Court of Pennsylvania
November 18, 2021	No Answer Letter to Motion for Leave to File Briefs as Amici Curiae	Appellee	National Organization of Life and Health Insurance Guaranty Associations
November 18, 2021	No Answer Letter to "Application for Stay Pending Appeal"	Appellee	National Organization of Life and Health Insurance Guaranty Associations

Supreme Court of Pennsylvania



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June 14, 2022

DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
November 18, 2021	No Answer Letter to Application to be Admitted Pro Hac Vice (Attys. Horwich & Cordiano)	Appellee	National Organization of Life and Health Insurance Guaranty Associations
November 22, 2021	Answer to "Application for Stay Pending Appeal"	Appellee	Anthem, Inc., et al.
November 22, 2021	Answer (with Supplemental Appendix) to "Application for Stay Pending Appeal"	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania
November 24, 2021	Order Granting Application to be Admitted Pro Hac Vice (Attys. Smith and Leslie)		Dreibelbis, Amy
Comments: AND NOW, this 24th day of November, 2021, the Applications to be Admitted Pro Hac Vice of Eric A. Smith, Esquire and J. David Leslie, Esquire, are hereby granted.			
November 24, 2021	Order Exited		Office of the Prothonotary
November 24, 2021	Designation of Contents of Reproduced Record	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
November 29, 2021	Answer to Motion for Leave to File Briefs as Amici Curiae	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania
December 1, 2021	Order Granting Application to be Admitted Pro Hac Vice (Attys. Horwich and Cordiano)		Dreibelbis, Amy
Comments: AND NOW, this 1st day of December, 2021, the Applications to be Admitted Pro Hac Vice of Harold S. Horwich, Esquire and Benjamin J. Cordiano, Esquire, are hereby granted.			
December 1, 2021	Order Exited		Office of the Prothonotary
December 3, 2021	Counter Designation of Contents of Reproduced Record	Appellee	Anthem, Inc., et al.
December 3, 2021	Counter Designation of Contents of Reproduced Record	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA

Supreme Court of Pennsylvania



Appeal Docket Sheet

Docket Number: 71 MAP 2021

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June 14, 2022

DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
December 6, 2021	Counter Designation of Contents of Reproduced Record	Appellee	National Organization of Life and Health Insurance Guaranty Associations
December 22, 2021	Amicus Curiae Brief	Amicus Curiae	State Insurance Regulators
December 27, 2021	Appellant's Brief	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
December 27, 2021	Appellant's Reproduced Record - Qty. 6 Volumes	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
January 3, 2022	Appellee's Brief	Appellee	Lapinski, James F.
January 14, 2022	Application for Leave to Supplement Application for Stay Pending Appeal	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
January 20, 2022	No Answer Letter to Application for Leave to Supplement Application for Stay Pending Appeal	Appellee	National Organization of Life and Health Insurance Guaranty Associations
January 21, 2022	Application to be Admitted Pro Hac Vice (Andrew M. Buttarro, Esquire) Anthem, Inc., et al.	Appellee	Lavelle, John P., Jr.
January 21, 2022	Answer Letter to Application for Leave to Supplement Application for Stay Pending Appeal	Appellee Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA Senior Health Insurance Company of Pennsylvania
January 21, 2022	Answer Letter to Application for Leave to Supplement Application for Stay Pending Appeal	Appellee	Lapinski, James F.
January 26, 2022	Appellee's Brief	Appellee	National Organization of Life and Health Insurance Guaranty Associations

Supreme Court of Pennsylvania



Appeal Docket Sheet

Docket Number: 71 MAP 2021

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June 14, 2022

DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
January 27, 2022	Application for Extension of Time to File Brief - First Request	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania
January 27, 2022	Order Granting Application for Extension of Time to File Appellee Brief		Dreibelbis, Amy
Comments: AND NOW, this 27th day of January, 2022, Appellee Jessica K. Altman, Insurance Commissioner of the Commonwealth of PA's Application for Extension of Time to File Brief is hereby granted. Appellee Jessica K. Altman, Insurance Commissioner of the Commonwealth of PA's Brief shall be filed on or before February 4, 2022.			
January 27, 2022	Order Exited		Office of the Prothonotary
January 28, 2022	Answer to Application for Leave to Supplement Application for Stay Pending Appeal	Appellee	Anthem, Inc., et al.
January 31, 2022	Order Denying Ancillary Application for Stay		Per Curiam
Comments: AND NOW, this 31st day of January, 2022, the Application for Leave to Supplement is GRANTED, and the Application for Stay Pending Appeal is DENIED. The "Motion for Leave to File Briefs as Amici Curiae (in Support of Application for Stay Pending Appeal)" is DISMISSED as moot.			
January 31, 2022	Order Exited		Office of the Prothonotary
January 31, 2022	No Answer Letter to Application to be Admitted Pro Hac Vice (Atty. Buttaro)	Appellee	National Organization of Life and Health Insurance Guaranty Associations
January 31, 2022	Appellee's Brief	Appellee	Anthem, Inc., et al.
February 4, 2022	Appellee's Brief	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania
February 9, 2022	Untimely No Answer Letter to Application to be Admitted Pro Hac Vice (Atty. Buttaro) recv'd	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner

Supreme Court of Pennsylvania



Appeal Docket Sheet

Docket Number: 71 MAP 2021

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June 14, 2022

DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
February 9, 2022	Application for Extension of Time to File Reply Brief - First Request	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
February 10, 2022	Order Granting Application to be Admitted Pro Hac Vice (Andrew M. Buttaro, Esquire)		Dreibelbis, Amy
Comments: AND NOW, this 10th day of February, 2022, the Application to be Admitted Pro Hac Vice of Andrew M. Buttaro, Esquire, is hereby granted.			
February 10, 2022	Order Exited		Office of the Prothonotary
February 11, 2022	Praecepte to Withdraw Application for First Extension of Time to File Reply Brief	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
February 22, 2022	Appellant's Reply Brief	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
April 14, 2022	Notice of Disclosure		Brobson, P. Kevin
April 29, 2022	Application to Expedite	Appellee Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA Senior Health Insurance Company of Pennsylvania
May 3, 2022	Application for Leave to Supplement Record	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
May 3, 2022	Answer to Application to Expedite	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner

Supreme Court of Pennsylvania



Appeal Docket Sheet

Docket Number: 71 MAP 2021

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June 14, 2022

DOCKET ENTRY

Filed Date	Docket Entry / Representing	Participant Type	Filed By
May 5, 2022	Application for Oral Argument	Appellant	Maine Superintendent of Ins., Massachusetts Commissioner of Ins. and Washington Ins. Commissioner
May 5, 2022	No Answer Letter to Application to Expedite	Appellee	National Organization of Life and Health Insurance Guaranty Associations
May 5, 2022	Answer to Application to Expedite	Appellee	Lapinski, James F.
May 6, 2022	No Answer Letter to Application for Leave to Supplement Record	Appellee	National Organization of Life and Health Insurance Guaranty Associations
May 10, 2022	Answer to Application for Leave to Supplement Record	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania
May 19, 2022	Answer to Application for Oral Argument	Appellee	Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of PA
		Appellee	Senior Health Insurance Company of Pennsylvania

CROSS COURT ACTIONS

Docket Number:	1 SHP 2020
Docket Number:	1 SHP 2022
Docket Number:	2 SHP 2022
Docket Number:	3 SHP 2022
Docket Number:	455 MT 2020
Docket Number:	458 MT 2021

Exhibit 7

IN THE
Supreme Court of Pennsylvania

No. 71 MAP 2021

In Re: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA
(In Rehabilitation)

Appeal of: THE SUPERINTENDENT OF INSURANCE OF THE STATE OF
MAINE, THE COMMISSIONER OF INSURANCE OF THE
COMMONWEALTH OF MASSACHUSETTS and THE INSURANCE
COMMISSIONER OF THE STATE OF WASHINGTON

BRIEF OF APPELLEE-STATUTORY REHABILITATOR

*On Direct Appeal from Orders of the Commonwealth Court Entered August 24,
2021, May 21, 2021, and August 25, 2021, at 1 SHP 2020*

COZEN O'CONNOR
Dexter R. Hamilton
Michael J. Broadbent
Haryle Kaldis
1650 Market Street, Suite 2800
Philadelphia, PA 19103
(215) 665-2000

TUCKER LAW GROUP
Leslie Miller Greenspan
Ten Penn Center
1801 Market Street, Suite 2500
Philadelphia, PA 19103
(215) 875-0609

*Counsel for Appellee, Jessica K. Altman, Insurance Commissioner of the
Commonwealth of Pennsylvania, as Statutory Rehabilitator of Senior Health
Insurance Company of Pennsylvania*

Filed February 4, 2022

No party presented evidence showing that these findings were an abuse of the Rehabilitator's discretion, and similarly no party presented argument demonstrating that the Rehabilitator's legal analyses constituted or arose out of an abuse of discretion. The facts and arguments offered by Plan Opponents were either immaterial, incorrect, or unpersuasive. Based on this record, the Commonwealth Court rightly held that the Approved Plan met any requirements for plan approval.

B. Plan Opponents lack standing to challenge the Approved Plan as unlawful or an abuse of discretion.

Plan Opponents were the only party opposed to the Approved Plan in its entirety.⁶ Although Plan Opponents claimed to appear in their capacity as regulators, many of their arguments are directed to issues related to the impact on policyholders, evidenced by their (inaccurate) claims that the Plan puts policyholders in a worse position than would liquidation and deprives policyholders of a purported right to immediate guaranty association coverage. But Plan Opponents readily concede that they do not speak for or represent any of SHIP's policyholders, nor can they: they expressly disavowed acting in a representative capacity for even the policyholders in their own respective states, which in any event comprise only a small fraction of

⁶ The Plan was supported by the intervening Health Insurers. Certain intervening agents and brokers opposed one Plan component; that issue was settled. Two intervening policyholders opposed receivership generally but not any part of the Plan itself. Intervenor National Organization of Life and Health Insurance Guaranty Associations stated that it took no position.

SHIP's total policyholders. (R.2160a.) Even if Plan Opponents could rely on these alleged policyholder interests, however, they failed to present evidence showing that the Approved Plan unlawfully impaired any policyholders' contracts or denied them equal treatment. For this reason, any argument by Plan Opponents as to the impact of the Plan on *policyholders* should be disregarded as a mere difference of opinion.

Plan Opponents also failed throughout these proceedings to demonstrate harm to their rights *as regulators* from the Approved Plan's policy modification provisions or any other element of the Plan. In fact, apart from the Rehabilitator's own documents and testimony, the only evidence offered in support of their claims involved testimony and calculations from a fact witness named Frank Edwards, but this testimony was focused exclusively on Plan Opponents' (misguided) analysis of the allegedly adverse impact of the Plan on policyholders as compared to liquidation. In the absence of any harm to their interests, Plan Opponents are simply not entitled to the relief they seek. *See, e.g., King v. Pittsburgh Water & Sewer Auth.*, 139 A.3d 336 (Pa. Commw. Ct. 2016) (no relief where party could not show their interests were harmed by plaintiff's actions).

During the hearing, Mr. Edwards did not address how the Approved Plan caused Plan Opponents any harm, perhaps because he had never even spoken to them, and Plan Opponents readily conceded that Mr. Edward's testimony only addresses whether policyholders would be better off in liquidation. (R.2157a;

R.2170a-2215a.) In ruling on the directed verdict, the Court rightly recognized that Mr. Edwards “did not address why the plan was deficient in some way” as to an issue state’s rate approval powers. (R.2611a.) The Commonwealth Court reached the same conclusion in the Approval Decision, and both findings should be affirmed.

C. The Commonwealth Court correctly rejected Plan Opponents’ proposed feasibility test.

1. There is no feasibility or return-to-solvency requirement in Pennsylvania law.

Rehabilitation is flexible by design. *See Mutual Fire II*, 531 Pa. at 608-610 614 A.2d at 1091 (noting benefits of rehabilitation over liquidation). The rules governing liquidation proceedings are set out across thirty-five provisions addressing, *inter alia*, notice requirements, setoffs, counterclaims, asset distributions, claim procedures, and coverage requirements, as well as specific enumerated powers granted to a liquidator. 40 P.S. §§ 221.19-221.52. In contrast, the rules governing rehabilitation are limited to five statutory provisions identifying the grounds for rehabilitation, the nature of rehabilitation orders, the broad powers afforded to a rehabilitator, rules for actions by or against the rehabilitator, and the termination of rehabilitation. *Id.* §§ 221.14-221.18. Most importantly, the rehabilitator “may take such action as he [or she] deems necessary or expedient to correct the condition or conditions which constituted the grounds for the order of the

Exhibit 8

NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

JAMES J. DONELON
IN HIS OFFICIAL CAPACITY
AS COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA AND
THE LOUISIANA DEPARTMENT OF
INSURANCE

NUMBER: 713794

SECTION: 22

Plaintiff

VERSUS

JESSICA K. ALTMAN, IN HER CAPACITY AS STATUTORY
REHABILITATOR
OF SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA
AND
SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA, IN REHABILITATION

Defendant

ORDER GRANTING PRELIMINARY INJUNCTION

THIS MATTER came for hearing before the Court on January 25, 2022 on the request contained in the petition of James J. Donelon, in his official capacity as Commissioner of Insurance for the State of Louisiana, and the Louisiana Department of Insurance (collectively, Plaintiffs) for issuance of a preliminary injunction against Defendants Jessica K. Altman, in her capacity as Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (the Rehabilitator), and Senior Health Insurance Company of Pennsylvania, In Rehabilitation (SHIP) (collectively, Defendants).

Present in Court: David S. Rubin, counsel for the Plaintiffs; and Brandon K. Black and Michael J. Broadbent, counsel for the Defendants.

CONSIDERING the pleadings of the parties, the record of this matter, the evidence introduced, the arguments of counsel, for reasons orally assigned on the record of this matter in open court,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. A preliminary injunction is issued in this matter as set forth herein.

**NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA**

**JAMES J. DONELON
IN HIS OFFICIAL CAPACITY
AS COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA AND
THE LOUISIANA DEPARTMENT OF
INSURANCE**

NUMBER: 713794

SECTION: 22

Plaintiff

VERSUS

**JESSICA K. ALTMAN, IN HER CAPACITY AS STATUTORY
REHABILITATOR
OF SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA
AND
SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA, IN REHABILITATION**

Defendant

ORDER GRANTING PRELIMINARY INJUNCTION (continued)

2. The Rehabilitator and SHIP are each preliminarily enjoined from (a) attempting to enforce against any Louisiana policyholders of SHIP any increase in premium rates paid on policies issued in Louisiana based on the Approved Plan of Rehabilitation currently being implemented by the Rehabilitator without compliance with all applicable provisions of Louisiana law and regulations identified in Plaintiffs' Petition for Preliminary Injunction, Permanent Injunction, and Declaratory Judgment filed December 3, 2021, and (b) soliciting any Louisiana policyholders of SHIP to select one of the options made available under that Approved Plan without compliance with all applicable provisions of Louisiana law and regulations identified in Plaintiffs' Petition for Preliminary Injunction, Permanent Injunction, and Declaratory Judgment filed December 3, 2021.

**NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA**

**JAMES J. DONELON
IN HIS OFFICIAL CAPACITY
AS COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA AND
THE LOUISIANA DEPARTMENT OF
INSURANCE**

NUMBER: 713794

SECTION: 22

Plaintiff

VERSUS

**JESSICA K. ALTMAN, IN HER CAPACITY AS STATUTORY
REHABILITATOR
OF SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA
AND
SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA, IN REHABILITATION**

Defendant

ORDER GRANTING PRELIMINARY INJUNCTION (continued)

Notwithstanding the foregoing, SHIP may (a) send communications and information to such policyholders in the ordinary course of business concerning claims under or premium payments due under policies held by such policyholders, (b) comply with any Pennsylvania statutes or orders of the Commonwealth Court of Pennsylvania regarding benefit reductions or other policy modifications that do not require premium rate increases for such policyholders, subject to (i) Defendants' agreement to provide notice to Plaintiffs at least twenty-one days before any such benefit reductions or other policy modification(s) is/are made effective and (ii) Plaintiffs' reservation of their right to return to this Court and assert that any such benefit reductions or other policy modification(s) is/are within the scope of this injunction, and (c) offer and effect for such policyholders any policy modification available in the ordinary course of business and that are unrelated to the Approved Plan that is in compliance with all applicable provisions of Louisiana law and regulations.

NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

JAMES J. DONELON
IN HIS OFFICIAL CAPACITY
AS COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA AND
THE LOUISIANA DEPARTMENT OF
INSURANCE

NUMBER: 713794

SECTION: 22

Plaintiff

VERSUS

JESSICA K. ALTMAN, IN HER CAPACITY AS STATUTORY
REHABILITATOR
OF SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA
AND
SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA, IN REHABILITATION

Defendant

ORDER GRANTING PRELIMINARY INJUNCTION (continued)

3. IT IS FURTHER ORDERED that no security is required for issuance of this preliminary injunction because the Plaintiffs are the Commissioner of Insurance for the State of Louisiana and the Louisiana Department of Insurance and as such are exempt from any requirement to post security as provided by La. Rev. Stat. 13:4581.
4. IT IS FURTHER ORDERED that this preliminary injunction shall remain in effect until further order of the Court.
5. IT IS FURTHER ORDERED that Defendants shall pay all court costs actually incurred by Plaintiffs as related to the preliminary injunction filed by Plaintiffs.

SO ORDERED at Baton Rouge, Louisiana, this day of **February 03 2022**, 2022, at

10:55 o'clock a m.

I HEREBY CERTIFY THAT ON THIS DAY A COPY OF
THE WRITTEN REASONS FOR JUDGMENT /
JUDGMENT / ORDER / COMMISSIONER'S
RECOMMENDATION WAS MAILED BY ME WITH
SUFFICIENT POSTAGE AFFIXED.
SEE ATTACHED LETTER FOR LIST OF RECIPIENTS.

DONE AND MAILED ON February 07, 2022


DEPUTY CLERK OF COURT



HONORABLE TIMOTHY KELLEY
JUDGE, 19th JUDICIAL DISTRICT COURT

Exhibit 9

Exhibit 10

UNITED STATES JUDICIAL PANEL
on
MULTIDISTRICT LITIGATION

**IN RE: SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA
REHABILITATION PLAN LITIGATION**

MDL No. 3033

ORDER DENYING TRANSFER

Before the Panel: Defendants Senior Health Insurance Company of Pennsylvania (SHIP); Michael Humphreys, Acting Insurance Commissioner for the Commonwealth of Pennsylvania and Statutory Rehabilitator of SHIP;¹ and Patrick Cantilo, Special Deputy Rehabilitator of SHIP, move under 28 U.S.C. § 1407 to centralize this litigation in the Eastern District of Pennsylvania. This litigation consists of three actions pending in the Southern District of Iowa, the District of New Jersey, and the District of North Dakota, as listed on Schedule A.² Plaintiffs in all three actions oppose centralization. Alternatively, plaintiffs argue that one of the districts where the actions are pending should be selected as the transferee forum. Plaintiffs in the District of North Dakota action specifically suggest that district as the transferee forum.

On the basis of the papers filed and the hearing session held, we conclude that centralization is not necessary for the convenience of the parties and witnesses or to further the just and efficient conduct of the litigation. These actions involve the enforcement of a rehabilitation plan for SHIP that was approved by the Pennsylvania Commonwealth Court in 2021. Plaintiffs, who are state insurance commissioners and regulatory agencies, seek to enjoin defendants from implementing the rehabilitation plan as to policyholders in their respective states without first obtaining approval from the state insurance regulator of any rate or benefit changes. The actions undoubtedly are similar and share some factual questions. But where, as here, “only a minimal number of actions are involved, the proponent of centralization bears a heavier burden to demonstrate that centralization is appropriate.” *In re Hyundai and Kia GDI Engine Mktg., Sales Practices, & Prods. Liab. Litig.*, 412 F. Supp. 3d 1341, 1343 (J.P.M.L. 2019). Defendants have not satisfied their burden to show that the benefits of centralization outweigh the disruption to the pending actions and inconvenience that would be imposed on the parties and witnesses.

¹ The actions name Jessica Altman, the former Insurance Commissioner of the Commonwealth of Pennsylvania and statutory rehabilitator of SHIP, as a defendant.

² A fourth action on the motion was remanded to state court from the Eastern District of North Carolina.

- 2 -

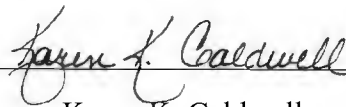
At the outset, we observe that centralization appears premature. Plaintiffs in each action have moved to remand those actions to state court. One of the actions initially listed on the Section 1407 motion already has been remanded. Though we express no opinion as to the merits of these motions, it seems to us that a reasonable prospect exists that this litigation could, in relatively short order, lose its multidistrict character or be remanded in its entirety.

Setting aside the pending remand motions, resolution of these actions likely will hinge on legal questions. There is no factual dispute as to the conduct of the proceedings in the Commonwealth Court or the terms of the rehabilitation plan. These actions thus primarily present a legal question—whether defendants must obtain approval for rate and benefit changes from the insurance regulators of the states where they seek to implement the rehabilitation plan. Common legal questions generally are insufficient to satisfy Section 1407’s requirement of common factual questions. *See In re Medi-Cal Reimbursement Rate Reduction Litig.*, 652 F. Supp. 2d 1378, 1378 (J.P.M.L. 2009) (“Merely to avoid two federal courts having to decide the same issue is, by itself, usually not sufficient to justify Section 1407 centralization.”).

Defendants contend that these actions will entail dueling actuarial experts with respect to how implementation of the rehabilitation plan versus partial implementation will affect policyholders and the viability of SHIP. Whether the rehabilitation plan is reasonable, though, does not appear central to the dispute regarding which state regulators have the final say as to implementation of the rehabilitation plan. And, to the extent these actions present common factual questions, alternatives to centralization are available to minimize any duplication in pretrial proceedings. The small number of involved courts and counsel here should facilitate informal coordination of any overlapping discovery. *See In re Eli Lilly & Co. (Cephalexin Monohydrate) Patent Litig.*, 446 F. Supp. 242, 244 (J.P.M.L.1978).

IT IS THEREFORE ORDERED that the motion for centralization of these actions is denied.

PANEL ON MULTIDISTRICT LITIGATION



Karen K. Caldwell
Chair

Nathaniel M. Gorton
David C. Norton
Dale A. Kimball

Matthew F. Kennelly
Roger T. Benitez
Madeline Cox Arleo

**IN RE: SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA
REHABILITATION PLAN LITIGATION**

MDL No. 3033

SCHEDULE A

Southern District of Iowa

IOWA INSURANCE COMMISSIONER v. COMMISSIONER OF INSURANCE
FOR THE COMMONWEALTH OF PENNSYLVANIA, ET AL.,
C.A. No. 4:22-00083

District of New Jersey

CARIDE, ET AL. v. ALTMAN, ET AL., C.A. No. 3:22-01329

District of North Dakota

GODFREAD, ET AL. v. ALTMAN, ET AL., C.A. No. 1:22-00044

Exhibit 11

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
STATE OFFICE BUILDING, 9th FLOOR
333 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801

In the Matter of:)
)
)
Senior Health Insurance)
Company of)
Pennsylvania)
(In Rehabilitation),)
)
)
Respondent.)
)

Case No.: D 22-03

CEASE AND DESIST ORDER AND NOTICE OF RIGHT TO HEARING; AS 21.06.080

Pursuant to Alaska Statute AS 21.06.080, the Director of the Division of Insurance hereby issues this cease and desist order against Senior Health Insurance Company of Pennsylvania ("SHIP") after determining based on knowledge and belief that SHIP is engaging or is about to engage in conduct prohibited by the Alaska Insurance Code, and that immediate action is necessary to protect the public. The predicate for this administrative action is set forth below.

1. SHIP is a Pennsylvania-domiciled life and health insurance company that became authorized to issue long-term care insurance ("LTC") policies in Alaska as a foreign insurer beginning in 1991

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
PHONE: (907) 465-2515 • FAX: (907) 465-3422
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

(NAIC Company Code 76325) under the name American Travellers Life Insurance Company.
The Certificate of Authority is currently suspended.

2. In recent years, SHIP experienced financial distress and faced the possibility of insolvency.
3. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania, in suit number 1 SHP 2020, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.
4. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP pursuant to the provisions of 40 P.S. §§ 221.14 – 221.18, and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator's behalf.
5. SHIP currently has 20 in force policies issued in Alaska and subject to Alaska law, with the average age of Alaska policyholders being 87 years old.
6. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP and contemporaneously filed a rehabilitation plan.
7. The rehabilitation plan was approved by a Memorandum Opinion and Order of the Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021.

- 1 8. State insurance regulators from Massachusetts, Maine and Washington objected to the
2 rehabilitation plan and appealed the Order Approving Rehabilitation Plan to the Pennsylvania
3 Supreme Court (Middle District), No. 71 MAP 201. Approximately, 24 state insurance regulators,
4 including the undersigned, have requested leave to support the intervening regulators as amici
5 curiae. The appeal remains pending before the Pennsylvania Supreme Court.
- 6
- 7 9. Pursuant to the rehabilitation plan Alaska policyholders will be mailed or are already receiving a
8 "coverage election package" that advises them to select one of five options that change their
9 policy terms. These options are all some combination of premium increases or benefit reductions,
10 as well as a non-forfeiture option.
- 11
- 12 10. The "coverage election package" makes no mention of the pending appeal by state regulators
13 objecting to the plan nor does the "coverage election package" explain how a possible decision
14 reversing the rehabilitation plan may affect the five options or the benefits policyholders may
15 receive.
- 16
- 17 11. The "coverage election package" advises insureds that a failure to make a timely election will
18 result in the default option of reduced benefits.
- 19
- 20 12. Pursuant to the rehabilitation plan, Alaska policyholders will be required to complete and return
21 their election forms by mid-March 2022.
- 22
- 23 13. On February 2, 2022, the rehabilitation court approved the proposed premium rate plan and
24 methodology established by rehabilitation plan that will be used by SHIP nationwide, including in
25 Alaska.
- 26 14. SHIP's rate plan and methodology established by the rehabilitation plan and approved by the
rehabilitation court for the five premium and benefit options from which policyholders, including

1 Alaska policyholders, are to select, has not, in its entirety with the accompanying "coverage
2 election package" it intends to use, been filed with Alaska for review and approval under
3 Alaska's form filing requirements.

- 4 15. Without complying with Alaska's filing requirements for long-term care policies, SHIP will be
5 using insurance forms that have not been approved; and consequently, will be relying on the
6 rehabilitation court's approval of the rehabilitation plan and SHIP's rating plan and methodology
7 filed with the Court, rather than Alaska's, to set benefits for Alaska policyholders.
- 8 16. Further, in addition to the pending appeal of the order approving the rehabilitation plan before the
9 Pennsylvania Supreme Court, injunctions and administrative cease and desist orders have been
10 issued against SHIP, prohibiting the rehabilitator from implementing the rehabilitation Plan, in
11 South Carolina, Louisiana, North Dakota, Washington D.C., Utah, Maryland, and Maine upon
12 findings by the insurance regulator that relief was necessary to prevent irreparable harm. In each
13 proceeding, SHIP and the Rehabilitator were named as parties.
- 14 17. In this context, the rehabilitator is requiring Alaska policyholders to make final and binding
15 coverage elections without explaining the legal risk that the pending appeal creates for the
16 disruption of the delivery of benefits, including medical services. Moreover, the rate increases
17 and reductions in benefits will have a permanent adverse effect on policyholders' guaranty
18 association benefits in the event SHIP is placed into liquidation at a later date, which is likely
19 given the uncertainty and necessity of additional rounds of rate increases and benefit reductions
20 built into the multi-phased rehabilitation plan and SHIP's previous track-record. Even the Special
21 Deputy Rehabilitator has conceded that restoring SHIP to solvency is unlikely.
- 22 18. Based on the foregoing predicate, there is substantial cause to believe that SHIP is transacting
23 insurance business in Alaska in a manner that is causing or is reasonably expected to cause
24
25
26

significant, imminent, and irreparable injury to Alaska policyholders, including in violation of the following Alaska laws and regulations:

19. The business of insurance in Alaska is regulated pursuant to Alaska Statutes Title 21.
20. Pursuant to Alaska Statutes 21.06.080, the Director is authorized to issue a cease and desist order to any person that is engaging or is about to engage in conduct prohibited by of Title 21.
21. Pursuant to Alaska Statute 21.42.120, every insurance company shall file with the Director for approval the policy forms.
22. Pursuant to Alaska Statute 21.36 et seq., no person shall engage in an unfair or deceptive act or practice in the business of insurance in Alaska.
23. Pursuant to Alaska Statute 21.36.030, a person may not make, issue, circulate, broadcast, or have made, issued or circulated, or broadcast an estimate, circular, statement illustration, comparison, assertion, or other written, electronic, or oral presentation that: (1) Misrepresents the benefits, advantages, conditions, sponsorship, source or terms of an insurance policy.
24. Pursuant to Alaska Statutes 21.36.040, a person may not make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over a radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with respect to the business of insurance or with respect to a person in the conduct of the conduct of the person's insurance business, that is untrue, deceptive, or misleading.

IT IS ORDERED

- 1
- 2
- 3 A. That SHIP and any of its principles, agents, employees, successors, and assigns are directed to
- 4 cease and desist from implementing the rehabilitation plan in Alaska or otherwise interfering with
- 5 the rights of SHIP's Alaska policyholders or violating the insurance laws and regulations of
- 6 Alaska, including by mailing "coverage election packages" and notifying Alaska policyholders of
- 7 proposed rate or benefit modifications SHIP intends use in place of the policyholders' existing
- 8 rates and benefits, none of which has been authorized by the Director.
- 9
- 10 B. That for the duration of this cease and desist order, SHIP shall continue to abide by the current
- 11 policy terms, benefits and premium levels for Alaska policyholders in effect prior to approval of
- 12 the rehabilitation plan.
- 13
- 14 C. This Order does not prohibit SHIP from curing any of its election packet and form filing
- 15 deficiencies or from obtaining the approval thereof.

16 Dated this 7th day of March 2022.

17 
18 Lori Wing-Heier
19 Director

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NOTICE OF RIGHT TO REQUEST A HEARING

SHIP may contest this Order pursuant to AS 21.06.170-.220. You have 10 days after the Order is delivered to file a written demand for a hearing.

Your written request for a hearing must be directed to:

Lori Wing-Heier
Director
Alaska Division of Insurance
550 W 7th Ave, Ste 1560
Anchorage, AK 99501-3567

Dated March 7, 2022

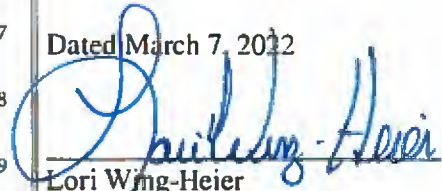

Lori Wing-Heier
Director

Exhibit 12

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF

A.I.D. NO. 2022- **19**

SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA, IN REHABILITATION;
JESSICA ALTMAN, IN HER OFFICIAL
CAPACITY AS STATUTORY REHABILITATOR OF
SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA; AND
PATRICK CANTILO, IN HIS OFFICIAL CAPACITY AS
DEPUTY STATUTORY REHABILITATOR OF
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA

ORDER TO CEASE AND DESIST

Now on this day the matter of Senior Health Insurance Company of Pennsylvania, ("SHIP"), Jessica Altman, and Patrick Cantilo (collectively referred to herein as "Respondents"), is taken under consideration by Alan McClain, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Gray Allen Turner, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department").

Parties

Respondent Jessica K. Altman is the Commissioner of Insurance for the Commonwealth of Pennsylvania and has been appointed as Rehabilitator for Senior Health Insurance Company of Pennsylvania ("Rehabilitator") by order of the Commonwealth Court of Pennsylvania ("Commonwealth Court") dated January 29, 2020 ("Rehabilitation Order").

Respondent Patrick H. Cantilo was appointed by the Rehabilitator as Special Deputy Rehabilitator of Senior Health Insurance Company of Pennsylvania with the power to act on behalf of the Rehabilitator, subject to the control and direction

of the Rehabilitator.

Respondent Senior Health Insurance Company of Pennsylvania (“SHIP”), State-Based Services Company Number 64232124, is a stock limited life and health insurance company that administers a closed block of long-term care (“LTC”) insurance policies. SHIP is domiciled in the Commonwealth of Pennsylvania.

Introduction

Pursuant to Ark. Code Ann. § 23-61-103(f)(1), the Arkansas Insurance Commissioner may summarily issue a cease and desist order to any person or company engaged in an unfair or deceptive act or practice in the business of insurance that has caused, is causing, or is about to cause substantial and material harm.

The Rehabilitator of Senior Health Insurance Company of Pennsylvania, the Deputy Rehabilitator, SHIP, and SHIP’s principles, employees, and agents are persons engaged in an unfair or deceptive act or practice in the business of insurance that are about to cause substantial and material harm. Therefore, consistent with the authority in Ark. Code Ann. § 23-61-103(f)(1)(A), and for the reasons explained below, the Commissioner determines a cease and desist order is appropriate.

Findings of Fact

From the facts, matters, and other things before the Commissioner, he finds and concludes as follows:

1. On December 19, 1990, the Arkansas Insurance Department issued a certificate of authority for SHIP to conduct the business of insurance in Arkansas. SHIP and its representatives have consented to the jurisdiction of the Arkansas Commissioner. SHIP has approximately 200 current policies in Arkansas.

2. The Pennsylvania Insurance Department (“PID”) filed an application to place SHIP into rehabilitation with the Commonwealth Court of Pennsylvania on

January 23, 2020. The order appointed the Commissioner of the PID, Jessica Altman, and her successors in office as statutory rehabilitator of SHIP. SHIP's most recent financial condition estimates a deficit of approximately \$1.2 billion.

3. Respondents Altman and Castilo decided not to place SHIP in liquidation, which would have triggered the State Life and Health Guaranty Association coverage for affected policyholders, but instead, Commissioner Altman applied to the Commonwealth Court of Pennsylvania on January 23, 2020, to place SHIP in rehabilitation. On January 29, 2020, the Commonwealth Court entered an order placing SHIP in rehabilitation.

4. Neither the Arkansas Insurance Department nor Arkansas SHIP policyholders were parties to the rehabilitation proceedings in Pennsylvania, and Arkansas policyholders were not represented by class representatives or counsel.

5. Commissioner Altman filed a Second Amended Rehabilitation Plan with the Commonwealth Court on May 3, 2021. The Commonwealth Court entered a Memorandum Opinion and Order on August 24, 2021, approving the Plan. The current approved rehabilitation plan, as well as all court filings and orders discussed here, are available on the SHIP rehabilitation website at the following link: <https://www.shipltc.com/court-documents>.

6. Any LTC insurer seeking to increase rates, slash benefits or alter previously approved policy forms cannot do so until and unless submitted to the Department for review and approved by the Commissioner. *See Ark. Code Ann. § 23-67-208(a)*.

7. As of the date this order was issued, the Respondents have not filed for a rate increase or modified policy forms with the Arkansas Insurance Department.

8. The Commissioner has the final authority to determine that an LTC insurer provides reasonable benefits in relation to the premium charged and that the filing does not contain provisions that are unjust, unfair or inequitable. *See Ark. Code Ann. § 23-67-208(a)*.

9. The Respondents have indicated they will not seek or act in compliance with state regulators' approval of their changes to premium rates or benefits, and

have stated: “It is important to note that Plan premium rate increases are not based on state of issue or state of residence.”

10. States other than Pennsylvania where policyholders reside, including Arkansas, were given the untenable option under the Rehabilitation Plan to either opt-in or opt-out of the plan. A state which opts-out is one that elects to make its own determinations as to modifications of premium rates. If a state opts-in, then the state agrees that the Respondents may make rate increases and benefit changes to that state’s policyholders. These changes may include a reduction of benefits to an amount selected by Respondents.

11. If a state that has opted-in denies the requested premium or approves only a lower premium, Respondents’ state they will then adjust the benefits to the level they believe the approved premium supports. Policyholders will have the option of accepting the adjusted premium amount despite the fact it has not been approved by the state regulator to avoid benefit reduction. Under the scheme proposed by Respondents, states that declined to make a selection were deemed to have opted out.

12. Since the Arkansas Insurance Commissioner did not agree that Respondents had the right or ability to alter benefits or premium rates for Arkansas policyholders without his approval, and because he was concerned about the impact of the Plan on Arkansas policyholders, the Commissioner submitted a letter declining to opt in or opt out of the Plan on November 15, 2021, and SHIP now treats Arkansas as if it has opted out. The Respondents’ plan for states that have opted-out is for the Rehabilitator to file a request for approval of rate increases for policies issued in that state. If the opt-out state does not approve the rate increase requested by the Rehabilitator in full, the plan allows for election packages to be sent to policyholders offering benefits and rates not approved by the Arkansas Insurance Department. In its current form, this plan violates Arkansas insurance statutes.

13. Respondents have not submitted any policy forms detailing changes they intend to implement to policies previously approved by the Commissioner, nor

have Respondents submitted any information regarding how they intend to alter the contractual terms of those policyholders on premium waiver in order for the Commissioner to consider these matters pursuant to Ark. Code Ann. § 23-61-208(a).

14. The rehabilitator trustees, standing in the shoes of the insolvent insurer SHIP, are still obligated to comply with Arkansas law in order to change rates or benefits for Arkansas policyholders.

15. With the aim of deficit reduction, the Plan as proposed by the Respondents provides for default provisions against policyholders who do not meet the deadlines set out by the Respondents in the Plan. These default provisions impose significant cuts in benefits on policyholders without any legal service of process or right to contest, many of whom are on claim and receiving long-term care benefits.

16. The Plan and its implementation directly threaten the rights of Arkansas policyholders by breaching contractual terms of the insurance contracts, and further usurps the authority granted the Arkansas Insurance Commissioner to regulate the business of insurance for the state of Arkansas and to protect Arkansas consumers from unjust and inequitable policy provisions.

Conclusions of Law

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. That the Commissioner has jurisdiction over the parties and the subject matter involved herein pursuant to Ark. Code Ann. §§ 23-61-103, et. seq., and other provisions so the Insurance Code.

2. The Commissioner may summarily issue a cease and desist order based upon the evidence provided and as contemplated by Ark. Code Ann. § 23-61-103(f)(1)(A), which authorizes the Commissioner to take specific injunctive powers if it appears to him that "upon sufficient grounds or evidence that any person has engaged in or is about to engage in any act or practice constituting a violation of an insurance law,

rule, or order of this state...", and further that the Commissioner may "summarily order the person to cease and desist from the act or practice."

3. Pursuant to Ark. Code Ann. § 23-61-103(f)(1)(A), sufficient grounds have been presented to show that the Respondents have engaged in or are about to engage in an act or practice that violates the Arkansas Insurance Code as set forth in Ark. Code Ann. §§ 23-67-201, et seq. Specifically, Respondents have expressed plans will directly cause substantial harm to the financial and physical well-being of Arkansas policyholders, most of whom are over the age of eighty years.

4. An order to cease and desist is proper and necessary to enforce the insurance laws of the state of Arkansas and to protect policyholders.

5. Pursuant to Ark. Code Ann. § 23-61-103, the Commissioner hereby orders the SHIP, its rehabilitators, and their representatives to immediately cease and desist in the State of Arkansas from offering any modified policies or rate to current Arkansas SHIP long-term care policyholders for the reasons stated above.

6. The Respondents are prohibited from taking any action in furtherance of their expressed plans to raise premium insurance rates, reduce benefits, and alter previously approved contracts of insurance issued in the state of Arkansas or held by residents of the state of Arkansas, without first obtaining the required regulatory approval of the Arkansas Insurance Commissioner.

7. Respondents are hereby instructed that this Cease and Desist Order is effective as of the date of the Commissioner's signature below.

8. The Company or the rehabilitator trustees may request a hearing on this Order, in writing, within thirty (30) days of its entry if the Company or the trustees desire a hearing pursuant to Ark. Code Ann. § 23-61-303.

9. The Department reserves the right to amend this Cease and Desist Order in the event it is determined that Respondents issued modified long-term care policies to Arkansas SHIP policyholders.

IT IS THEREFORE ORDERED AS FOLLOWS:

1. Respondents are ordered to cease and desist the conduct of offering to amend existing long-term care policies to current SHIP policyholders based on new rates or modified benefits because Respondents have not filed rate changes
2. Respondents are ordered to withdraw any offer made to existing Arkansas policyholders to modify policies or rates.

IT IS SO ORDERED THIS 3rd day of March, 2022.



ALAN MCCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

Exhibit 13



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

IN THE MATTER OF:

SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA (IN REHABILITATION)

Respondent

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)
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Docket No. LH 22-13

CEASE AND DESIST ORDER

The Insurance Commissioner of the State of Connecticut (hereinafter “the Commissioner”) has cause to believe that the acts, practices, transactions, and course of business engaged in by Senior Health Insurance Company of Pennsylvania (In Rehabilitation) (hereinafter “SHIP”) may be conducted in an illegal and improper way and that irreparable harm may be caused to the citizens of the State of Connecticut. As a result, the issuance of the following Cease and Desist Order appears warranted:

FINDINGS OF FACT

1. SHIP is a life and health insurance company that administers a closed block of long-term care insurance policies and is organized pursuant to the laws of the Commonwealth of Pennsylvania and has its principal place of business at 550 Congressional Boulevard, Suite 200, Carmel, Indiana 46032. SHIP is domiciled in Pennsylvania.

2. SHIP is licensed in approximately forty-six (46) states as well as the District of Columbia and the United States Virgin Islands; however, SHIP does not currently hold, nor has it ever held, an insurance license issued by the Connecticut Insurance Department (“Department”).

3. Despite not holding an insurance license issued by the Department, at present SHIP insures approximately twenty-five (25) in-force individual long-term care insurance policies that were issued in Connecticut by a predecessor of SHIP from 1990 through 1994. SHIP insures approximately fifty-seven (57) other in-force individual long-term care insurance policies for policyholders residing in Connecticut but with policies issued in other states.

4. SHIP has been insolvent since at least December 31, 2018, when it reported a deficit of approximately a half-billion dollars. On January 29, 2020, upon the application of the Insurance Commissioner of Pennsylvania (“Rehabilitator”), the Commonwealth Court of Pennsylvania, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.

5. Patrick H. Cantilo (“Special Deputy Rehabilitator”) was appointed by the Rehabilitator as Special Deputy Rehabilitator of SHIP generally having the power to act on behalf of the Rehabilitator, subject to the control and direction of the Rehabilitator.

6. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP along with a proposed Rehabilitation Plan and subsequently filed a Second Amended Rehabilitation Plan on May 3, 2021. Such Rehabilitation Plan was approved by a Memorandum Opinion and Order of the Commonwealth Court of Pennsylvania on August 24, 2021.

7. On or about August 26, 2021, the Department received a letter from the Rehabilitator concerning information for states about opting-out of the rate approval provisions of the Rehabilitation Plan. On September 30, 2021, the Department received formal notice which indicated an “opt-out deadline” of November 15, 2021.

8. On November 15, 2021, the Commissioner forwarded correspondence to the Rehabilitator and Special Deputy Rehabilitator of SHIP that the Department would withdraw from the premium rate increase approval provision of the Rehabilitation Plan for

all of the in force long-term care insurance policies currently held by SHIP and first issued by SHIP or its predecessors in Connecticut. Such correspondence stated that any application and rate request made by SHIP must be filed with the Department pursuant to applicable Connecticut law and the Department would conduct its review and assessment of such application and premium rate request pursuant to Connecticut law.

9. On December 2, 2021, SHIP filed with the Department an Application for Rate Increases (SERFF Tr Number SHPT-133065666) (“Application”) on twenty-one (21) of the in-force individual long-term care insurance policies issued in Connecticut seeking substantial premium increases on Connecticut policyholders. Such filing was made with the Department pursuant to General Statutes § 38a-501 which requires, among other items, that an issuer shall not use or change premium rates for a long-term care policy unless the rates have been filed with and approved by the Insurance Commissioner.

10. Long-term care insurance policies must comply with the basic requirements as set forth in General Statutes § 38a-501, for individual long-term care policies, and General Statutes § 38a-528, for group long-term care policies.

11. As part of the Application, the Special Deputy Regulator stated that under the Rehabilitation Plan: “your office’s decision on the rates requested in the attached memorandum must be provided to us by February 15, 2022. If a response is not provided by this date, this filing and the requested rate increases will be deemed denied in their entirety. In accordance with the Approved Rehabilitation Plan, a filing deemed denied in its entirety will result in policyholder options being calculated and presented to policyholders for selection assuming your state has approved a 0% premium rate increase.”

12. In the Q&A portion of the Opt-out Notification sent to the Department on September 30, 2021, the Rehabilitator identified that if a state rejects part or all of the requested premium rate modifications, the Rehabilitator will adjust the affected premium rates to the amount approved by the state and depending on the option elected by the

affected policyholder, benefits under the policy may be reduced to the amount that can be funded by the approved rate on an if knew basis.

13. The Application's Actuarial Memorandum further states that if a state approves an amount less than the full requested premium rate increase, policyholders will have four options provided to them, as described in the Rehabilitation, and election notification letters will be sent to such policyholders.

14. From December 2, 2021, through February 1, 2022, the Department submitted supplemental questions to SHIP concerning its Application and SHIP submitted responses.

15. Based upon the information contained in the Application and responses to Department questions, on February 14, 2022 the Department issued a Disapproval of the Application to SHIP ("Disapproval of the Application").

16. The Disapproval of the Application was based on the following:

a. According to the actuarial memorandum included in the rate filing submitted by SHIP, current premiums vary by issue age, daily benefit, benefit period, elimination period, inflation protection, any applicable riders selected, and any applicable discounts. The rate increase requested in this filing has been prepared on a policy-level basis using an If Knew Premium rating methodology. This means that the requested rate increase is dependent on each individual policyholder's characteristics (e.g., gender, issue age) and product features (e.g., benefit period, inflation protection), without regard to a policyholder's current attained age, state of issue, state of residence, health conditions, or premium-paying status.

b. The SHIP rate filing request is prepared on a seriatim basis for each individual policyholders characteristics (e.g. gender, issue age). This methodology is in direct conflict with how the original policy form defined rating classes. As a result, the Connecticut Insurance Department (CID) requested that SHIP provide equivalent

rate increases that are not based on gender, as gender was not an original defined rating class. The response the CID received from SHIP is as follows “Our actuarial model utilizes assumptions that vary by gender. Unfortunately, at this time we cannot devote the resources necessary to provide gender-neutral rate increases.”

17. Despite the issuance of the Disapproval of the Application, SHIP has affirmatively notified the Department in the Application, through responses to Department questions on the Application, and forms of general communication that on or after February 15, 2022, it intends to proceed with transmitting election notifications to the Connecticut policyholders identified in its Application in which such policyholder will be forced to elect options identified in the Rehabilitation Plan which may include either substantial increases in premium rates or substantial reductions in benefits. Such actions are in direct violation of General Statutes § 38a-501.

18. SHIP is further in violation of Connecticut law as it is not licensed as an insurer by the Department. General Statutes § 38a-272 prohibits any person or insurer from doing, directly or indirectly, any of the acts of an insurance business, as defined in General Statutes § 38a-271, unless authorized under the general statutes. General Statutes § 38a-41 prohibits any insurers or health care center from doing any insurance business or health care business in Connecticut, except if authorized by the Insurance Commissioner.

CONCLUSIONS

The facts set forth in paragraphs 1 through 18 of the Findings of Fact herein demonstrate that SHIP is in violation of General Statutes §§ 38a-272 and 38a-41 and has further demonstrated immediate plans to violate General Statutes § 38a-501 and that the continuation of such activities would cause irreparable harm to the residents of the State of Connecticut. The public welfare, therefore, imperatively requires that SHIP, Respondent herein, be ordered to CEASE AND DESIST immediately from engaging in acts violating any provisions of Title 38a of the Connecticut General Statutes, principally from taking

any actions or transmitting any notices with the effect of reducing benefits or raising insurance rates on SHIP in-force long-term care policies issued in Connecticut, and conducting any further insurance business in Connecticut as an unlicensed entity, with the exception of continuing to administer existing Connecticut issued individual long-term care insurance policies as such insurance policies are guaranteed renewable.

Pursuant to General Statutes § 38a-17, IT IS THEREFORE ORDERED by the Insurance Commissioner:

That SHIP IMMEDIATELY CEASE AND DESIST from (1) engaging in acts in violation of any provisions of Title 38a of the Connecticut General Statutes; (2) transmitting notices identified in the Rehabilitation Plan and Application to SHIP policyholders with Connecticut issued policies the intent of which is to either elect raises to insurance premium rates or benefit reductions, or take any other action beyond those identified in the existing policies; and (3) conducting any further insurance business in the State of Connecticut as an unlicensed entity, with the exception of continuing to insure and administer existing Connecticut issued policies.

SO ORDERED this 15th day of February, 2022.



Andrew N. Mais
Insurance Commissioner

CERTIFICATION

It is hereby certified that the aforementioned was sent via certified mail, regular mail and electronically delivered on this 15th day of February, 2022 to the following:

SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA
(IN REHABILITATION)

550 Congressional Blvd.

Suite 200

Carmel, IN 46032

via email: phcantilo@cb-firm.com; Rehabilitation@shipltc.com



Jared T. Kosky, Esq.
General Counsel

Exhibit 14

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF INSURANCE, SECURITIES AND BANKING**

IN THE MATTER OF:

Senior Health Insurance Company
of Pennsylvania (In Rehabilitation),

Respondent.

Case No.: IB-CD-1-22

SUMMARY CEASE AND DESIST ORDER

Pursuant to D.C. Official Code § 31-233, the Commissioner of the Department of Insurance, Securities and Banking hereby issues this summary cease and desist order against Senior Health Insurance Company of Pennsylvania (“SHIP”) after determining based on knowledge and belief that SHIP is engaging or is about to engage in conduct prohibited by Chapters 1-55, of Title 31, and any implementing rule thereunder, and that immediate action is in the public interest. The predicate for this administrative action is set forth below.

1. SHIP is a Pennsylvania-domiciled life and health insurance company that became authorized to issue long-term care insurance (“LTC”) policies in the District as a foreign insurer beginning in 1986 (NAIC Company Code 76325).

2. Beginning in 1995, SHIP has filed three requests for premium rate increases for its LTC policies issued in the District. SHIP’s 1995 filing for a 12% increase was approved, its 1998 filing for a 16% increase was approved, and its 2003 filing for a 25% increase was denied. SHIP has not submitted any further

rate filings with the Department since 2003.

3. In recent years, SHIP experienced financial distress and faced the possibility of insolvency.

4. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania, in suit number 1 SHP 2020, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.

5. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP pursuant to the provisions of 40 P.S. §§ 221.14 – 221.18, and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator's behalf.

6. SHIP currently has 5 in force policies issued in the District and subject to District law, with the average age of the District policyholders being 84 years-old.

7. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP and contemporaneously filed a Rehabilitation Plan.

8. The Rehabilitation Plan was approved by a Memorandum Opinion and Order of the Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021.

9. State insurance regulators from Massachusetts, Maine and

Washington intervened in rehabilitation proceedings and appealed the Order approving Rehabilitation Plan to the Pennsylvania Supreme Court (Middle District), No. 71 MAP 201. Approximately, 24 state insurance regulators, including the undersigned, have requested leave to support the intervening regulators as amici curie. The appeal remains pending before the Pennsylvania Supreme Court.

10. In late-January 2022, the Rehabilitator filed for approval by the Commissioner proposed premium rates for the District policyholders, which have been designated by the Rehabilitator as the “If Knew Premium Rates”. Pursuant to the Rehabilitation Plan, the District, which elected to “Opt-Out” of the Rehabilitation Plan while reserving all rights, is being forced to review SHIP’s proposed “If Knew Premium Rates” that have an average premium increase of 425%. If approved, the District policyholders will be mailed a “Coverage Election Package” for the “Opt-In” states that advises them of five policy options to select from that includes some combination of premium increases and/or benefit reductions, as well as a non-forfeiture option. Conversely, if SHIP’s proposed “If Knew Premium Rates” are denied, either in whole or in part, the District policyholders will be mailed a “Coverage Election Package” for “Opt-Out” states advising them of four policy options that are inferior to the “Opt-In” options that includes another combination of premium increases and/or benefit reductions, as well as a non-forfeiture option.

11. Pursuant to the Rehabilitation Plan, District policyholders will be required to complete and return their election forms by mid-March 2022.

12. On February 2, 2022, the Rehabilitation Court approved the proposed premium rate plan and methodology established by Rehabilitator Plan that will be used by SHIP nationwide, including in the District.

13. Notwithstanding SHIP's "If Knew Premium Rate" filing submitted to the District, SHIP's rate plan and methodology established by the Rehabilitation Plan and approved by the Rehabilitation Court for the five "Opt-In" and four "Opt-Out" premium and benefit options from which policyholders, including District policyholders, are to select, has not, in its entirety with the accompanying "Coverage Election Packages" it intends to use, been filed with the District for review and approval under the District's LTC rate and form filing requirements.

14. The Rehabilitator has set a deadline of February 15, 2022, for the Commissioner to approve SHIP's "If Knew Premium Rate" filing. According to the Rehabilitation Plan, if the Commissioner does not approve SHIP's rate filing by February 15, then "Coverage Election Packages" will be mailed to the District policyholders, whereby they will be asked to select from the four "Opt-Out" options. Without complying with the District's rating filing requirements for long-term care policies, SHIP will be using insurance rates and forms that have not been approved; and consequently, will be relying on the Rehabilitation Court's approval of the Rehabilitation Plan and SHIP's rating plan and methodology filed with the Court, rather than the District's, to set rates and benefits for District policyholders.

15. Further, in addition to the pending appeal of the order approving the Rehabilitation Plan before the Pennsylvania Supreme Court, injunctions and

administrative cease and desist orders have been issued against SHIP, enjoining the Rehabilitator from implementing the Rehabilitation Plan, in South Carolina, Louisiana, North Dakota and Maine upon findings that the insurance regulator challenges to the Rehabilitation Plan demonstrated a likelihood of success on the merits and that relief was necessary to prevent irreparable harm. In each proceeding, SHIP and the Rehabilitator were named as parties.

16. In this context, the Rehabilitator is requiring District policyholders to make final and binding coverage elections under a cloud of legal risk that creates the potential for the disruption of the delivery of medical services. Moreover, the rate increases and reductions in benefits will have a permanent adverse effect on policyholders' guaranty association benefits in the event SHIP is placed into liquidation at a later date, which is likely given the uncertainty and necessity of additional rounds of rate increases and benefit reductions built into the multi-phased Rehabilitation Plan and SHIP's previous track-record. Even the Special Deputy Rehabilitator has conceded that restoring SHIP to solvency is unlikely.

17. Based on the foregoing predicate, there is substantial cause to believe that SHIP is transacting insurance business in the District in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to District policyholders, including in violation of the following District laws and regulations:

18. The business of insurance in the District is regulated pursuant to Chapters 1 – 55, of Title 31, of the D.C. Official Code.

19. Pursuant to D.C. Official Code § 31-233, the Commissioner is

authorized to issue a summary cease and desist order against any person that is engaging or is about to engage in conduct prohibited by Chapters 1 – 55, of Title 31.

20. Pursuant to D.C. Official Code § 31-4712, every life insurance company shall file with the Commissioner for approval the classification of risks and the premium rates appertaining thereto, and policy forms.

21. Pursuant to D.C. Official Code §§ 31-2231 *et seq.*, no person shall engage in an unfair or deceptive act or practice in the business of insurance in the District.

22. Pursuant to D.C. Official Code §§ 31-2231.03, no person shall make, issue, circulate, or cause to be made, issued or circulated, an estimate, illustration, circular or statement, sales presentation, omission, or comparison that: (1) Misrepresents the benefits, advantages, conditions, or terms of a policy.

23. Pursuant to D.C. Official Code §§ 31-2231.04, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in a notice, circular, pamphlet, letter, or poster, or over a radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with respect to the business of insurance or with respect to an insurer in the conduct of its insurance business which is untrue, deceptive, or misleading.

WHEREFORE, it is so Ordered this 15th day of February 2022 that SHIP and any of its principles, agents, employees, successors, and assigns are directed to cease and desist from implementing the Rehabilitation Plan in the District or otherwise interfering with the rights of SHIP's District policyholders or violating the insurance laws and regulations of the District, including by mailing "Coverage Election Packages" and notifying District policyholders of proposed rate or benefit modifications SHIP intends use in place of the policyholders' existing rates and benefits, none of which has been authorized by the Commissioner.

WHEREFORE, it is further Ordered that for the duration of this cease and desist order, SHIP shall continue to abide by the current policy terms, benefits and premium levels for District policyholders in effect prior to February 15, 2022.

This Order does not prohibit SHIP from curing any of its form or rate filing deficiencies or from obtaining the approval thereof.

Karima M. Woods
Commissioner
Department of Insurance, Securities and Banking

NOTICE OF RIGHT TO REQUEST A HEARING

Pursuant to D.C. Official Code § 31-233(b)(2), the Respondent has fifteen (15) calendar days from the date of receipt of this notice to request a hearing to determine whether the proposed action should be taken. If a hearing is requested, the Commissioner, or a designee, shall hold the hearing within thirty (30) days after the date the Commissioner receives your request. If a request for a hearing is not received by the Department within fifteen (15) days from the date of receipt of this notice, the Respondent's right to a hearing will be deemed waived and a final order may be issued.

In addition, pursuant to 26A DCMR §§ 3804.8 – 3804.11, the Respondent has ten (10) business days from the date of receipt of this notice to file a written answer. The answer should be made in writing, and shall admit, deny or admit with an explanation each charge and specification alleged. If an answer is not timely filed, the summary cease and desist order may be entered as final.

Your request for a hearing should be made in writing and addressed to Ms. Sharon Shipp, Deputy Commissioner, Department of Insurance, Securities and Banking, 1050 First Street, NE, Suite 801, Washington, DC 20002.

CONDUCT OF HEARING

If a hearing is requested, the hearing will be governed in accordance with the 26A DCMR §§ 3800 – 3819; and section 10 of the District of Columbia Administrative Procedure Act, D.C. Official Code § 2-509. The Respondent may appear personally or may be represented by legal counsel. The Respondent will have the right to produce witnesses and evidence on your behalf, and to cross-examine witnesses. The strict rules of evidence will not govern the administrative hearing. The Hearing

Officer shall have authority to administer oaths to witnesses.

Anyone testifying falsely after having been administered such an oath shall be subject to the penalties of perjury. Oral or documentary evidence may be received at the hearing. However, the Hearing Officer shall exclude irrelevant, immaterial, and unduly repetitious evidence. Every party shall have the right to present in person or by counsel his or her case and defenses by oral and documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for full and true disclosure of the facts.

No motion for a continuance will be granted unless good cause is shown in writing to the Hearing Officer and is made no later than five (5) days prior to the hearing date. Correspondence requesting a continuance should be directed to the Hearing Officer. A copy of any pleading or other written communication addressed to the Department of Insurance, Securities and Banking in this matter should also be sent to the attorney of record for the Department.

If the Respondent, any corporate officer, or any witness to be called, are deaf or because of a hearing impediment cannot readily understand or communicate the spoken English language, the Respondent or the witness may apply to the Department for the appointment of a qualified interpreter. In addition, if Respondent or any witnesses to be called require any other special accommodations, please contact the Hearing Officer at least five (5) business days prior to the hearing.

CERTIFICATE OF SERVICE

I hereby certify that on February 15, 2022, I caused a copy of the foregoing Summary Cease and Desist Order to be sent by certified mail to:

Jessica K. Altman
Rehabilitator

Patrick H. Cantilo
Cantilo & Bennett, L.L.P.
Special Deputy Rehabilitator

Senior Health Insurance Company
of Pennsylvania (In Rehabilitation)
550 Congressional Boulevard, Suite 200
Carmel, IN 46032

service@cb-firm.com

/s/Adam Levi

Adam Levi

Exhibit 15

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KATHLEEN A. BIRRANE
Commissioner

GREGORY M. DERWART
Deputy Commissioner



200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2000 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

February 15, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
REGULAR MAIL
ELECTRONIC MAIL

Jessica K. Altman
Rehabilitator of Senior Health Insurance
Company of Pennsylvania
Senior Health Insurance Company of
Pennsylvania (in Rehabilitation)
550 Congressional Blvd., Suite 200
Carmel, IN 46032
jealtman@pa.gov

Patrick H. Cantilo
Special Deputy Rehabilitator of SHIP
Senior Health Insurance Company of
Pennsylvania (in Rehabilitation)
550 Congressional Blvd., Suite 200
Carmel, IN 46032
phcantilo@cb-firm.com

Re: *Maryland Insurance Administration v. Senior Health Insurance Company of Pennsylvania*
Case No.: MIA-2022-02-011

Dear Commissioner Altman and Special Deputy Rehabilitator Cantilo:

Enclosed please find an order disapproving the proposed rate increase sought in Maryland by Senior Health Insurance Company of Pennsylvania. The reasons for the disapproval are spelled out in the order.

Pursuant to §11-503 of the Insurance Article, Annotated Code of Maryland, an appeal may be commenced by filing a notice of appeal with the Circuit Court for Baltimore City and a copy of the notice of appeal with the Commissioner within 30 days of the date of this order. The Commissioner shall be made a party to any such appeal.

Very truly yours,

Kathleen A. Birrane
Insurance Commissioner

Enclosure

cc: Bradley Boban, Associate Commissioner
J. Van Lear Dorsey, Principal Counsel
Craig Ey, Director of Communications

IN RE:	*	BEFORE THE
PROPOSED RATE INCREASE SUBMITTED	*	MARYLAND INSURANCE
BY SENIOR HEALTH INSURANCE		
COMPANY OF PENNSYLVANIA,	*	COMMISSIONER
IN REHABILITATION		
	*	CASE NO.: MIA-2022-02-011

* * * * *

ORDER OF DISAPPROVAL

The matter before the Commissioner is the request to increase long term care rates filed by the Rehabilitator of the Senior Health Insurance Company of Pennsylvania (“SHIP”), Patrick H. Cantilo as Special Deputy Rehabilitator of SHIP, and SHIP, in Rehabilitation (collectively referred to as “Respondents”) (the “Rate Filing”).¹ The Rate Filing proposes to increase by as much as 1,361.09% the rates to be charged by SHIP on certain policies of long term care insurance issued in Maryland that are administered by SHIP.

A virtual quasi-legislative hearing on the Rate Filing was held on February 11, 2022² Representatives of SHIP attended the hearing, as did members of the public.³

For the reasons set forth herein, the Rate Filing is hereby DISAPPROVED.

¹ Md. Ann. Code, Ins. Art., §11-703(b) (2017 Repl. Vol.) prohibits a carrier from changing the premium rate charged to an insured under a long-term care insurance policy unless and until the proposed rate change has been filed with and approved by the Commissioner.

² Notice of the hearing was issued on January 10, 2022 and posted on the MIA website. *See* <https://insurance.maryland.gov/Consumer/Pages/Long-Term-Care-Hearing-February-112022.aspx>.

³ The hearing can be viewed in its entirety on the MIA’s website at: <https://www.youtube.com/watch?v=aB39x1UeXoo>.

FINDINGS OF FACT

1. SHIP is a life and health insurance company domiciled in the Commonwealth of Pennsylvania. It administers a closed block of long-term care insurance policies issued in over forty states.

2. Prior to November 12, 2008, SHIP operated as Conseco Senior Health Insurance Company.⁴ From 1997 to 2000, a number of other long term care insurance companies merged into, or were acquired by Conseco Senior Health Insurance Company.

3. On November 12, 2008, the Pennsylvania Insurance Department (“PID”) approved a solvent run-off plan pursuant to which the ownership of Conseco Senior Health Insurance Company was transferred to a Trust and the company was renamed “Senior Health Insurance Company of Pennsylvania,” known colloquially as “SHIP.” The Trust was formed with the authorization and input of PID with the intent to guide SHIP’s run-off as a non-profit enterprise. All of the policies administered by SHIP were issued on or before 2003.

4. Only a small fraction of SHIP’s original business remains in force. The average SHIP policyholder in Maryland is approximately 85 years of age and the average policyholder on claim is approximately 90 years old.

5. The entity now known as SHIP was issued a Certificate of Authority to conduct the business of insurance in Maryland on December 18, 1986. As of July 31, 2021, SHIP administers 901 policies that were originally issued in Maryland.

6. SHIP has been insolvent since at least December 31, 2018, having reported a deficit of approximately a half-billion dollars as of that date. Consequently, on January 23, 2020, PID

⁴ See, <https://www.shipltc.com/history>.

filed an Application for an Order placing SHIP into rehabilitation with the Commonwealth Court of Pennsylvania (the “Rehabilitation Proceedings”).⁵ SHIP consented to the Application.

7. On January 29, 2020, the Commonwealth Court of Pennsylvania (the “PA CC”) granted the application and entered an Order of Rehabilitation. The Order of Rehabilitation appointed the Pennsylvania Commissioner of Insurance as the Rehabilitator. Patrick H. Cantilo was appointed by the Rehabilitator as Special Deputy Rehabilitator of SHIP.

8. The Rehabilitator filed her Application for Approval of a Plan of Rehabilitation on June 12, 2020. An Amended Plan of Rehabilitation was filed on October 21, 2020, then superseded by a Second Amended Rehabilitation Plan (the “Plan”) filed on May 3, 2021. The Order of the PA CC was issued on August 24, 2021 and amended on November 4, 2021.

9. Three states, Massachusetts, Maine and Washington (the “Intervenor States”), intervened in the Rehabilitation Proceedings. Maryland is not a party to the Rehabilitation Proceedings. Maryland did, however, submit formal comments and amended formal comments in the Rehabilitation Proceedings raising objections to the Plan.

10. SHIP’s financial condition has continued to deteriorate and its current deficit is approximately \$1.2 billion. The Special Deputy Rehabilitator has confirmed that SHIP cannot be restored to solvency and that the Plan cannot eliminate the deficit. Nonetheless, the Rehabilitator has declined to seek a declaration of insolvency or to seek to convert the rehabilitation to liquidation, actions which would trigger guaranty association coverage.

11. On September 21, 2021, the Intervenor States filed an appeal from the Order approving the Plan. That appeal is currently pending before the Pennsylvania Supreme Court.

⁵ The Application and all filings referenced herein can be accessed at: <http://www.shipltc.com/court-documents>.

Approximately twenty other state insurance regulators, including the Maryland Commissioner, have expressed their support for the stay as *amici curiae*. The stay was denied on January 31, 2022.

12. Anthem, Inc., Health Care Service Corporation, Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, and UnitedHealthcare Insurance Company, entities that would be subject to assessment under a liquidation order triggering guaranty association protection, appeared as intervenors in the Rehabilitation Proceedings to fully support the Plan.

13. Under the Plan, Respondents intend to establish and implement rates increases for in force long term care policies and to offer, in lieu of or in conjunction with those rate changes, benefit reductions. The Plan authorizes the Rehabilitator to do this unilaterally and without the need to file with, and obtain the approval of, the insurance regulators of the states in which the policies subject to those changes were issued.

14. The Plan contains a so-called “opt-out” process for states that object to the Rehabilitator’s attempt to ignore the laws of the various states in which the policies were sold and pursuant to which SHIP was authorized to do business. Under these “opt-out” provisions, the Rehabilitator must file her proposed rate changes in any state that has opted out of the rate and benefit changes identified in the Plan. If a state does not approve the Rehabilitator’s rates as filed, the Plan authorizes the Rehabilitator to unilaterally implement further downgrades to individual benefits and to allow policyholders to avoid the downgrade by voluntarily paying the disapproved rate, all without authorization from the issue state.

15. Under the Plan, Respondents gave states until November 15, 2021, to provide written notice, under oath, of their decision to “opt-out.” The MIA submitted the required “opt-out” notice on November 15, 2021 (“Notice of Opt-Out letter”). The Notice of Opt-Out letter

stated that it was being submitted “in protest,” that it was submitted “in order to prevent the Rehabilitator staff from taking the position that Maryland has failed to preserve the options purportedly provided to state regulators under the Plan,” and that “[t]he State of Maryland and the MIA reserve all objections to the Plan, to jurisdiction and to all of its rights, remedies, and options.” *Id.* The letter also stated that, “SHIP must file its rates and forms, as well as any proposed adjustment in benefits to address approved rates, with the MIA for prior review and potential approval.” *Id.*

16. On December 2, 2021, Respondents submitted the Rate Filing.

Details of the Rate Filing

17. The Rate Filing includes an Actuarial Memorandum, prepared by Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”), which states:

As an opt-out State, you will have until February 15, 2022 to provide a disposition as to the premium rate modifications requested herein, otherwise this filing will be deemed denied in its entirety. A filing deemed denied in its entirety will result in policyholder options being calculated and implemented as if the state had approved a 0% premium rate increase for all policies.

If your state submits an opt-out election that is acknowledged by the Rehabilitator, but subsequently approves the requested rate increase in full, your state will be treated as if it had not opted out of the Plan (i.e., it will be deemed an Opt-In State). Policyholders issued in your state will be included in the Plan in the same manner as policies issued in states that did not opt out (“Opt-In States”).

If your state approves the requested rate increase in part, policy benefits may be reduced to amounts that can be supported by the approved rates on an IF Knew Premium rating basis depending on the Plan options elected by affected policyholders

Actuarial Memorandum at 1 (emphasis in original).

18. The Actuarial Memorandum also contains an actuarial certification which states in part:

The rate filing is being requested in accordance with and subject to the terms of the Plan. Compliance with the applicable requirements of the 2017 NAIC model Regulation and **applicable laws and regulations in your state were not considered in preparing this rate submission.**

Actuarial Memorandum at 11 (emphasis added).

19. Currently, there are 901 long-term care policies administered by SHIP in force in Maryland. According to the Actuarial Memorandum, 393 of these policies are impacted by the Rate Filing. The requested premium increases range from 0.08% to 1,361.09%. The average rate increase requested is 136.0%.

20. The current annualized premium of policies impacted by the rate increase request is \$1,187,727. If granted as filed, the Rate Filing will increase the annualized premium of policies impacted to \$2,802,962.

21. According to the Actuarial Memorandum, the proposed rate increase applies to 13 policy forms. Respondents did not indicate the policy forms applicable to the 508 policyholders who are allegedly not impacted by the proposed rate increase in the Actuarial Memorandum, but admitted at the rate hearing that at least some of the policyholders not subject to the rate increase had one of the policy forms listed below.

22. The chart below lists all Maryland policy forms, the number of Maryland policyholders for each form and the impact of the proposed rate increase that is applicable. Policy forms in bold are listed in the Actuarial Memorandum.

	Increase	No Increase	Paid-Up NFO	Total
Policy Form	Policy count	Policy count	Policy Count	Policy Count
10618	-	1	-	1
10902	3	0	-	3
10922	4	3	-	7
10955	104	16	18	138

10956	6	0	-	6
11001	60	6	19	85
500003	7	1	2	10
FQ-LTC	23	10	8	41
HHC-1	29	31	17	77
HHC-2	-	10	6	16
HHC-3	2	5	4	11
HHC-4	11	23	11	45
LTC-1	32	36	67	135
LTC-3	5	6	1	12
LTC-6	107	143	54	304
LTC-89	-	3	1	4
WD	-	4	2	6
Total	393	298	210	901

See Seriatim File with Covered Lives and Premium Information_20210731.xlsx.

23. Respondents assert that there are 508 Maryland policyholders who will not be subject to the proposed rate increases. It is clear, however, that some of these policyholders will still be substantially impacted by the Plan. Of the 508 policyholders, 210 currently have paid-up nonforfeiture policies. Another 196 are policyholders for whom Respondents are not seeking a rate increase, because the current premium is either equal to or greater than the premium sought under the proposal. However, 102 are currently subject to a premium waiver and are not paying premium, but have current premium less than the calculated “If-Knew” premium. With respect to that group, the Rehabilitator intends to reduce the benefits available to these individuals to meet the benefit amounts allegedly supported by the premium calculated under the “If-Knew” methodology (described below). Actuarial Memorandum at 9.

24. All of the policies in question are “guaranteed renewable,” which means “the policyholder has the right to continue long-term care insurance in force during the lifetime of the covered person by the timely payment of premium; and [the] insurer may not decline to renew the policy or unilaterally make any change in any provision of the policy while the policy is in force, except that the insurer may revise the premium rates on a class basis.” *See* COMAR 31.14.01.01.02B(16); 31.14.01.04.A(9).

25. The requested rate increase “varies on a seriatim basis.” Actuarial Memorandum at 3. This means that the premium rate is calculated *at the policy level*. The Actuarial Memorandum explains that “the requested rate increase is dependent on each individual policyholder’s characteristics (e.g., gender, issue age) and product feature (e.g., benefit period, inflation protection), without regard to policyholder’s current attained age, state of issue, state of residence, health conditions or premium-paying status.” Actuarial Memorandum at 5-6. As discussed below, this includes consideration of rating factors that were not utilized at the time the policies were issued.

26. In addition, the rate increases have been calculated using what is known as the “If-Knew” rating methodology. “If-Knew increases have been described as “increase[s] to the premium rates such that the resulting rates, if in effect from inception of the form, would produce the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form.”⁶ A key element of “If Knew” rating is that the policies are re-priced so that premiums would have been adequate on a lifetime basis if charged since inception using *current* best-estimate actuarial assumptions. As the Deputy Receiver stated at the rate hearing, this means that the current rates

⁶ *See, Long-Term Care Insurance Approached to Reviewing Premium Rate Increases, NAIC LTC Pricing Subgroup – October 2018, at p. 10, available at:*
https://www.naic.org/documents/committees_b_ltca_wg_approaches_ltc_rate_increases_final.docx

have been determined by considering all of the actual experience and history for long term care claims experience and then calculating the rates that would have been necessary to achieve a 60% loss ratio had they been charged from inception. The actuarial memorandum did not make an attempt to demonstrate that 60% was “the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form,” but instead “[f]or the sake of simplicity, under the plan this will be assumed to be 60%.”

27. The Actuarial Memorandum states that “[s]ome original policy forms for the policies affected by the proposed rate increase contains language that requires that any requested premium rate change apply to all policies in a given state under the respective policy form.” The Memorandum goes on to state that “[t]his requirement is eliminated by the Plan and that “this filing may request different rate increase for policies issued on the same form.”

28. A review of several of the policy forms submitted to and approved by the MIA has language similar to what is referenced in the Actuarial Memorandum. For example, Policy Form 10922 states:

The Company reserves the right, subject to 31 days prior written notice to the Insured, to change the renewal premium rates for the Policy. Any change shall apply to all policies of this form in force in the state of residence of the Insured. The rate change shall be in accordance with the underwriting class of the insured on the Policy Date.

The term “Policy Date” is defined in the policy as “[t]he Policy Date shown on the Schedule. The Policy becomes effective on the Policy Date and shall remain in force for the period for which such premium is paid.”

Similarly, Policy Form 10955 states:

The Company reserves the right to change the renewal premium rates for this Policy. Any change shall apply to all policies of this form in force in the state of residence of the insured. The rate change shall be in accordance with the Underwriting class of the Insured on the Policy Date.

In Policy Form 10955, the term “Policy Date” is defined as [t]he Policy Date shown on the Schedule: provided satisfactory evidence of insurability is accepted by and the required initial premium is paid to the Company. The Policy becomes effective on the Policy Date.”

29. The Rate Filing proposes to use gender as a rating factor even though none of the policies subject to a proposed rate increase was underwritten based on gender and gender has never been used as a rating factor in connection with any prior rate increase filed with Maryland for these policies. The Rate Filing also proposes to alter how issue age is used for the applicable policy forms. Under the proposal, the premium rate will now vary within a particular issue age by the issue age month of the policyholder.

30. Section 14 of the Actuarial Memorandum states that if the amount of the increase that is approved is less than the full requested premium rate increase:

[P]olicyholders will have four options provided to them, as described in the Plan. Depending on the option elected by an affected policyholder, benefits under their policy may be reduced to the amount that can be funded by the effective premium rate on an If Knew Premium rating basis.

The four options include:

- Option A: Pay the approved premium rate increase and have policy benefits reduced to the benefit level supported on an If Knew Premium rating basis by the increased rate.
- Option B: Do not pay the approved premium rate increase, continue paying the current rate, and have policy benefits reduced to the benefit level supported on an If Knew Premium rating basis by the current premium rate.
- Option C: Elect a reduced paid-up non-forfeiture option.
- Option D: Voluntarily pay the full If Knew Premium Rate (even if not approved by the state) and maintain the current policy benefits.

31. The Respondents have not filed policy forms with the MIA with regard to the benefit reduction options listed in Section 14 of the Actuarial Memorandum.

Applicable Maryland Law

32. In Maryland, the General Assembly has given the Maryland Insurance Commissioner the exclusive review and determination of rates for those insurers licensed and

doing business in the State. This is a quasi-legislative function. *See e.g. State Ins. Comm'r v. National Bur. of Cas. Underwriters*, 248 Md. 292 (1967). The Insurance Commissioner has “exclusive jurisdiction to enforce by administrative actions the laws of the State that relate to ...rate setting practices of an insurer.” Md. Code Ann., Ins. Art. § 2-202(a)(1).

33. Long-term care insurance rates specifically must be submitted for review by the Commissioner, which includes an actuarial analysis, and increases may not be implemented unless the Commissioner determines they comply with the applicable standards. Md. Code Ann., Ins. Art. § 11-703(c)(2), § 18-116(b)(relating to across the board increase on policies or contracts of long-term care insurance that the carrier issues or delivers in the state; Code of Maryland Regulations (COMAR) 31.14.01.14(c)(5) (With one exception, an insurer may not charge a renewal premium rate for a long-term care policy which exceeds by more than 15% any premium charged for a policy during the preceding 12 months). Additionally, long-term care insurance forms must comply with § 18-116.1 of the Insurance Article and COMAR 31.14.01.36 and must be submitted to the MIA for approval before they are used. When rates are approved, they are approved with respect to the benefits that are included in the product to which the rates apply. Any changes to the benefits in order to avoid rate increases in whole or in part must be approved by the MIA in advance.

34. The Commissioner is required to disapprove or modify a premium rate filing if the proposed rates appear, based on actuarial analysis and reasonable assumptions, to be inadequate, unfairly discriminatory or excessive in relation to benefits. Md. Code Ann., Ins. Art. § 11-703(c)(2)(i). In considering whether to disapprove or modify a premium rate filing of a carrier, the Commissioner shall consider. To the extent appropriate:

1. past and prospective loss experience in and outside the State;
2. underwriting practice and judgment;
3. a reasonable margin for reserve needs;

4. past and prospective expenses, both countryside and those specifically applicable to the State; and
5. any other relevant factors in and outside of the State.

DISCUSSION

Having heard all of the testimony at the quasi-legislative hearing, reviewed the premium rate filing and all of the supporting information provided on behalf of SHIP, including responses to objections submitted to SHIP by the Office of the Chief Actuary and any documents submitted by consumers or other interested parties, I find that I am not able to approve Respondents request for a rate increase at this time and based on the filing submitted. The proposed increase as filed violates both Maryland and federal law. My reasons follow.

1. The Proposed Rate Increase as Filed Violates Maryland Law and the Policy Forms.

The proposed rate increase as filed by Respondents violates both Maryland law and the contract terms of the policies in question. As guaranteed renewable long-term care policies, the premium may only be increased on a class basis and in accordance with the “underwriting class” of the insureds. *See* COMAR 31.14.01.02.B(16) and Policy Forms 10922 and 10955. Respondents readily admitted at the hearing and in the Actuarial Memorandum that the premium increase is calculated not on a class basis but at the policy level using the If Knew rating methodology, which is dependent on each policyholder’s characteristics. Actuarial Memorandum at 5. Further, not all policies in a class or with regard to a particular form are subject to the rate increase. *See* Actuarial Memorandum at 3-4. Thus, the proposed rate increase methodology is inherently at odds with Maryland’s requirement that the rating be on a class basis.

Respondents also seek to add gender as a new rating characteristic. *See* Actuarial Memorandum at 5. While it is not normally prohibited to use gender as a rating characteristic for a new long-term care insurance policy, unlike for certain health benefit plans subject to the

Affordable Care Act (*see* §15-1A-07 (b)), in this case, Respondents seek to introduce gender as a rating factor for the first time with regard to the policy forms in question, many of which have been in place for 30 years. Many of the increases that are proposed are significantly higher for certain policyholders, because Respondents have applied gender as a rating characteristic. Of the 100 policyholders with the highest percentage rate increase in the proposal, 93 are women. In contrast, of the 40 policyholders with the lowest premiums increases in the proposal, 23 are men. Given that the policy forms provide that any rate change will “be in accordance with the underwriting class of the insured on the Policy Date (*see* Policy Form 10955), and that gender was not used as a rating characteristic previously, its use here is inconsistent with COMAR 31.14.01.02.B(16).

Similarly, the proposed rate increase seeks to alter the way issue age is used as a rating factor by having rates vary by issue down to the month. An example of this is shown when reviewing policy number 1348023 and 1455980. Although both policyholders were born in 1933, because one was issued the policy at 59 years and 5 months and the other was issued the policy at 59 years and 11 months, there is a 2% difference in the proposed premium for these policyholders. As with the use of gender, the application of the additional rating characteristics based on the month of the person at issue age, rather than the age at the time measured in years, creates new subclasses within each issue age year. Again, this violates COMAR 31.14.01.02.B(16). While the increase is not a large amount (at least in the case cited), it is not permitted. *See* Actuarial Memorandum at 5.

The applicable regulations also generally prohibit a renewal premium rate for a long-term care policy which exceeds by more than 15% any premium charged for the policy during the preceding 12 months. *See* COMAR 31.14.01.04.A(5). However, the Commissioner may approve “a larger increase upon a showing that a larger increase is necessary because of utilization of policy

benefits greatly in excess of the expected rate.” COMAR 31.14.01.04.A(6). In this case, the Office of the Chief Actuary of the MIA asked Respondents to provide the showing necessary for the larger than 15% increase. The actuary for Respondents stated it did not have the data to provide the information. Therefore, Respondents have not met their burden for a larger than 15% increase though, if Respondents submit a new rate increase filing consistent with this Order, they will be permitted to supply the necessary information required by the regulation.⁷

2. The Proposed Actions of Respondents in Response to Not Approving the Full Rate Increase Are Illegal Under Maryland Law.

In addition to the proposed rate increase sought by Respondents, the Actuarial Memorandum, and the Plan itself, both state that if the proposed rate increase is not approved in full, policyholders in Maryland will be punished in the form of a unilateral downgrade to and loss of contracted-for benefits without first seeking approval from the MIA. *See* Actuarial Memorandum at 8-9; Plan at 108-118. The Pennsylvania Commonwealth Court Order approving the Plan describes the opt-out process succinctly:

Alternatively, under an Issued-State Rate Approval Option, a state may opt out of the rate approval section of the Plan. If a state opts out, the Rehabilitator will file an application to increase rates for policies issued in the State to the If Knew Premium level. The regulator for the opt-out state will render a decision on the Rehabilitator’s rate increase application; if it is only partially approved, the Rehabilitator will downgrade the benefits under the affected policies accordingly.

Plan Approval Order at 58 (emphasis added).

⁷ With regard to most proposed rate increases, the MIA will engage in discussions with the insurer to see if agreement can be reached regarding the proposed increase. In this case, Respondents have imposed an arbitrary deadline of February 15, 2022, after which it states the filing will be considered denied. While the MIA does not believe it is bound by the February 15 deadline, because it is anticipated that Respondents will attempt to contact policyholders with the alternative options discussed herein shortly after the deadline, the MIA has decided to act based on the information provided at this time and on the filing presented. Should Respondents submit a new filing consistent with the findings in this order, the MIA will consider the appropriateness of a rate increase based on the new filing.

This threatened action violates Maryland law because Respondents, will not first submit to the Commissioner and the MIA the policy downgrades and changes to existing policy forms sought to be imposed on Maryland policyholders. *See* Md. Code Ann. Ins. Art. §§ 2-202(a); 11-703(c)(2); 12-203. Further, Respondents refuse to be bound by any decision made by the Commissioner relating to the appropriate rates applicable to the policy forms in question, subject to their right to appeal to Maryland courts. Indeed, the Rehabilitator plans to offer and charge the rates proposed, even if disapproved, as an alternative to benefit reduction, even though such rates are illegal and cannot be lawfully charged under Maryland law. §11-703(b).

The applicable regulations allow an insurer to offer to policyholders to reduce coverage and lower the policy premium, but this is at the election of the policyholder and still requires approval of the rates. *See* COMAR 31.14.01.36.D (Premium for reduced coverage must be based on the underwriting class used to determine the premium for the coverage currently in force and be consistent with the approved rate table).

The threatened unilateral reduction in benefits also appears to have a potential permanent adverse effect on policyholders' guaranty association benefits in the likely event that SHIP is placed into liquidation at a later date. Special Deputy Rehabilitator Cantilo has admitted in previous testimony that "it is not likely that we will magically restore SHIP to solvency, but it is likely that the plan ... would substantially reduce the deficit." Transcript of Rehabilitation Plan hearing at 80. In short, the threatened action would impose substantially less benefits than what policyholders are entitled to under their contract.

3. The Authority of Respondents Under Pennsylvania Law.

The Actuarial Memorandum appears to argue that the Plan eliminates the requirement to comply with the Maryland laws and regulations listed above. *See* Actuarial Memorandum at 3

(“this requirement is eliminated by the Plan...”). But, it is important to understand what Respondents authority is under Pennsylvania law.

Each jurisdiction has enacted statutes for the rehabilitation and liquidation of insurance companies. *See e.g.* § 9-201 *et. seq.* Under Pennsylvania law, as in all states, the power of the rehabilitator is prescribed and limited by law. The authority of the rehabilitator is circumscribed and limited to control of the assets and business of the insurer and does not extend to regulatory control of the insurer’s business. 40 P.S. § 221.16(b) (“The rehabilitator may take such action as he deems necessary or expedient to correct the condition or conditions which constituted the grounds for the order of the court to rehabilitate the insurer. He shall have all the powers of the director, officers, and managers, whose authority shall be suspended, except as they are delegated by the rehabilitator.”) The statute does not provide authority beyond that of the insurer and its officers and managers.

Under Pennsylvania law, an insurance commissioner acting as a rehabilitator “can only exercise those powers which have been conferred upon it by the Legislature in clear and unmistakable language.” *Aetna Cas. And Sur. Co. v. Com., Ins. Dept.*, 638 A.2d 194 (Pa. 1994) quoting *Commonwealth, Human Relations Comm’n v. Transit Casualty Ins. Co.*, 831 A.2d 1196 (Pa. Commw. 2003), *aff’d sub nom. Koken v. Villanova Ins. Co.*, 878 A.2d 51 (Pa. 2005).

Pennsylvania law authorizes Respondents to manage SHIP. It does not provide, explicitly or implicitly, authority to supplant otherwise applicable regulatory authority over the business of the insurer in rehabilitation, particularly the regulatory authority of other jurisdictions. That a rehabilitator may “prepare a plan for the reorganization, consolidation, conversion, reinsurance, merger or other transformation of the insurer,” 40 P.S. § 221.16(d), does not authorize Respondents to proceed without required regulatory approvals. Nowhere in the text of Pennsylvania’s law, or in any model law or NAIC publication) is there “clear and unmistakable language” that allows a

rehabilitator to displace or disregard the regulatory authority of an insurance regulator in another jurisdiction. Indeed, the NAIC states that a receiver in a rehabilitation proceeding should consider “rate increases needed on business and insurer’s ability to secure those increases from regulatory authorities.” National Association of Insurance Commissioners, *Receiver’s Handbook for Insurance Company Insolvencies* at 12 (2021).⁸

4. State and Federal Law Make Clear that the Authority to Approve Rates and Policy Forms in Maryland Rests with the Maryland Insurance Commissioner.

In contrast to the lack of authority granted to Respondents under Pennsylvania law to unilaterally impose rate increases and/or benefit reductions, both federal and State law make clear that insurers licensed in Maryland must obey the laws of this State and that contracts issued in this State are subject to Maryland law.

The primary state regulatory functions remain as they have since the enactment of the McCarran-Fergusson Act in which “Congress ...declare[d] that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.” 15 U.S.C. § 1011. “This allows...states to perform solvency oversight of the U.S. insurance industry and to regulate insurer behavior in the marketplace.” State Insurance Regulation, National Association of Insurance Commissioner (NAIC), Center for Insurance Policy and Research (CIPR) (2011).⁹

“State legislatures are public policymakers that establish...broad policy for the regulation of insurance by enacting legislation providing the regulatory framework under which insurance

⁸ Available at: <https://content.naic.org/sites/default/files/publication-rec-bu-receivers-handbook-insolvencies.pdf>.

⁹ Available at: https://www.naic.org/documents/topics_whiate_paper_hist_ins_reg.pdf.

regulators operate. They establish laws which grant authority to regulators and oversee state insurance departments and approve regulatory budgets.” *Id.* “State insurance regulatory systems are accessible and accountable to the public and sensitive to local social and economic conditions.”

Id. Further:

State regulators protect consumers by ensuring that insurance policy provisions comply with state law, are reasonable and fair, and do not contain major gaps in coverage that might be misunderstood by consumers and leave them unprotected. The nature of regulatory reviews of rates, rating rules and policy forms varies somewhat among the states depending on their laws and regulations.

Id.

As seen above, the Maryland General Assembly has delegated its regulatory authority under the McCarron-Ferguson Act, 15 U.S.C. §§ 1011-1015, to the Maryland Insurance Commissioner and the MIA and has enacted and approved detailed and extensive statutes and regulations governing long-term care insurance policies and rates, including provisions for the approval of rates by the Commissioner. *See State Ins. Comm’r v. National Bur. Cf Cas. Underwriters*, 248 Md. 292 (1967); 1 Couch on Ins. § 2:34, Rates –Judicial review (“Ratemaking is generally not a judicial function. Indeed, many jurisdictions have adopted the filed rate doctrine which expressly prohibits courts from imposing rates different than those approved by the state insurance department”). To the extent Respondents are relying on the Pennsylvania court’s order approving the Plan and the rate setting scheme within, this would appear to violate the filed rate doctrine.

Further, the Full Faith and Credit Clause of the U.S. Constitution does not require Maryland to obey the Plan approved by the Commonwealth court in Pennsylvania in contravention of its own laws. Indeed, the Pennsylvania court seems to recognize this as its order states “[o]nce this Court renders a judgment on the Second Amended Plan, it is Maine, Massachusetts, and

Washington [the three intervening states] that owe this Court’s judgment full faith and credit.”
Order of Approval at 61.

Additionally, full faith and credit requires only that every state give a foreign judgment the *res judicata* effect that the judgment would be accorded in the state which rendered it. *Duiffee v. Duke*, 375 U.S. 106, 109 (1963). Under Pennsylvania law, application of *res judicata* requires that the two relevant proceedings possess several common elements, including identity of the parties. *Robinson Coal Co. v. Goodall*, 72 A.3d 685, 689 (Pa. Super. 2013). Neither the Commissioner nor the MIA were a party in the Pennsylvania proceedings. Rather, Respondents appear to have purposefully decided to supplant the laws of Maryland and other states. As the Supreme Court has said in *Pacific Employers Ins. Co. v. Industrial Accident Comm’n*, 306 U.S. 493, 501 (1939):

The very nature of the federal union of states, to which are reserved some of the attributes of sovereignty, precludes resort to the full faith and credit clause as means for compelling a state to substitute the statutes of other states for its own statutes dealing with a subject matter concerning which it is competent to legislate.

Here, the Plan specifically is meant to compel states to substitute their laws for that of the order of the Commonwealth court. We decline to do so here.

ORDER

Based on the entire record in this matter, including the facts and legal issues discussed in this Order, it is hereby ORDERED this 15th day of February, 2022 that:

- A. Respondents request for rate increases on the SHIP policies at issue in this matter is denied. Respondents may file for rate increases consistent with this decision including basing the premium request on a class basis and based on the rating characteristics previously used by SHIP;
- B. Respondents are prohibited from communicating, implementing or enforcing the Amended Plan of Rehabilitation in Maryland or otherwise interfering with the rights of

SHIP long-term care insurance policyholders or otherwise violating the insurance laws of this State pertaining to long-term care insurance, including, but not limited to, notifying policyholders of proposed rate or benefit changes or requesting that policyholders select rate or benefits different from those authorized by the Maryland Insurance Administration (“MIA”). Respondents are encouraged to submit to the MIA any benefit option, along with the corresponding rate for each applicable option to the MIA for approval in conformance with Maryland law and regulations.



KATHLEEN A. BIRRANE
Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202
410-468-2471
Kathleen.Birrane@maryland.gov

Appeal Rights

Pursuant to Title 11, subtitle 5 of the Insurance Article, Annotated Code of Maryland, an order issued after a hearing is subject to judicial review by appeal to the Circuit Court for Baltimore City. Any appeal must be filed within 30 days of the date of this order. An appeal may be commenced by filing a notice of appeal with the Circuit Court for Baltimore City and a copy of the notice of appeal with the Commissioner.

Exhibit 16

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR**

In the Matter of the Proposed Agency
Action Against SENIOR HEALTH
INSURANCE COMPANY OF
PENNSYLVANIA (in rehabilitation)

Case No.: INS-2022-55

**TEMPORARY CEASE AND
DESIST ORDER**

To: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA, in Rehabilitation
c/o Jessica Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, as
Rehabilitator.
Office of the Insurance Commissioner
1326 Strawberry Square
Harrisburg, PA 17120

TEMPORARY CEASE AND DESIST ORDER

Pursuant to § 33-1-318, MCA, and based on the allegations of fact and conclusions of law set forth in the *Notice of Proposed Agency Action and Opportunity for Hearing* filed in this matter, it appears to the Commissioner that the Respondent has engaged in, or is about to engage in, acts or practices constituted violations of §§ 33-22-1101, 33-22-1114, 33-18-201 and 33-18-202, MCA and Administrative Rules of Montana (ARM) §§ 6.6.3121, 6.6.3122, and 6.6.3124.

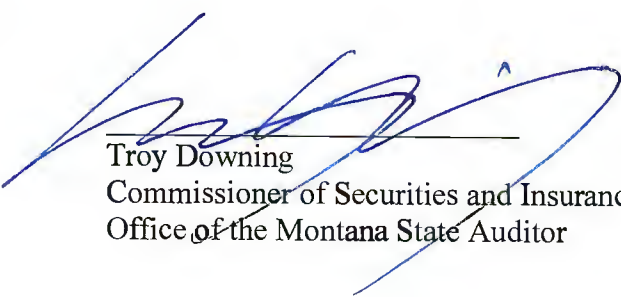
Therefore, SHIP and its Rehabilitator, Special Deputy Rehabilitator, principals, employees, and agents are ORDERED to immediately cease and desist from the following actions:

- (a) dissemination of any policyholder notifications, including Election Packages,¹ to policyholders within Montana without review and prior approval by the Commissioner;
- (b) accepting or implementing the elections of any Montana policyholders made pursuant to the Election Packages and/or the Approved Plan.
- (c) all other implementation of the Approved Plan within Montana.

PENALTIES

Pursuant to § 33-1-318, a violation of this Order is a separate violation for which the CSI may impose a fine not to exceed \$5,000 per violation in addition to any other penalties imposed by law.

Dated this 2nd day of March, 2022.



Troy Downing
Commissioner of Securities and Insurance,
Office of the Montana State Auditor

¹ Capitalized terms in this Temporary Cease and Desist Order have the meanings assigned in the Notice of Proposed Agency Action.

CERTIFICATE OF SERVICE

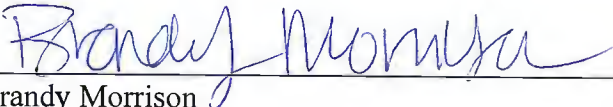
I hereby certify that on March 7, 2022, I caused a copy of the foregoing Temporary Cease and Desist Order to be served on the following persons by the following means:

 X Mail

 E-Mail

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA, in Rehabilitation
c/o Jessica Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, as
Rehabilitator.

Office of the Insurance Commissioner
1326 Strawberry Square
Harrisburg, PA 17120



Brandy Morrison
Paralegal

Ole Olson
Chief Legal Counsel
Commissioner of Securities and Insurance,
Office of the Montana State Auditor
840 Helena Avenue
Helena, MT 59601
Phone: (406) 444-2040
Fax: (406) 444-3497
OOlson@mt.gov

Kenneth K. Lay
CROWLEY FLECK, PLLP
900 North Last Chance Gulch, Suite 200
Helena, MT 59601
Phone: (406) 449-4165
Fax: (406) 449-5149
klay@crowleyfleck.com

Attorneys for the Commissioner of Securities and Insurance

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR**

In the Matter of the Proposed Agency Action Against SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA (in rehabilitation)	Case No.: INS-2022-55 NOTICE OF PROPOSED AGENCY ACTION AND OPPORTUNITY FOR HEARING
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To: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA, in Rehabilitation
c/o Jessica Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, as
Rehabilitator.
Office of the Insurance Commissioner
1326 Strawberry Square
Harrisburg, PA 17120

The Commissioner of Securities and Insurance, Office of the Montana State Auditor
(“Commissioner”) has cause to believe that Senior Health Insurance Company of Pennsylvania
(hereinafter, “SHIP”), including the Rehabilitator, Special Deputy Rehabilitator, SHIP’s

principles, employees and agents have violated the Montana Insurance Code, §§ 33-1-101, et seq., MCA (the “Code”). The Commissioner proposes to take action against SHIP for violation of the Code, which may include cease and desist orders, where appropriate.

The Commissioner has authority to take such actions based on the following provisions of Montana law: §§ 33-1-311, 33-1-317, 33-1-318, 33-18-201, 33-18-202, 33-22-1103, 33-22-1114, 33-22-1120, MCA, and Administrative Rules of Montana (ARM) §§ 6.6.3121, 6.6.3122, and 6.6.3124.

ALLEGATIONS OF FACT

1. Senior Health Insurance Company of Pennsylvania (“SHIP”) is a Pennsylvania-domiciled limited life insurance company.
2. SHIP is authorized to act as an insurer in Montana under § 33-2-101, MCA, though its license is presently inactive due to being in rehabilitation.
3. SHIP administers a closed block of long-term care insurance policies, including policies issued to Montana residents.
4. SHIP currently has approximately 181 policies issued and in force in Montana, approximately 141 of which will be affected by SHIP’s actions that are the subject of this Notice of Proposed Agency Action.
5. SHIP’s financial condition has been steadily deteriorating for many years, and it is likely that SHIP is irredeemably insolvent, with a current projected deficit in excess of \$1 billion.
6. Despite SHIP’s apparently hopeless financial condition, the Pennsylvania Insurance Department has not sought a declaration of insolvency, which would have triggered guarantee association coverage and protection for policyholders in Montana and elsewhere.

7. Instead, on application of the Pennsylvania Insurance Department, SHIP was placed into rehabilitation on January 29, 2020 by the Commonwealth Court of Pennsylvania (the “Pennsylvania Court”), with the ostensible goal of remedying SHIP’s deteriorating financial condition for the benefit of policyholders, creditors and the public. *See* Docket No. 1 SHP, 2020 (the “Rehabilitation Proceeding”).

8. Pennsylvania’s Insurance Commissioner, Jessica K. Atلمان, is the court-appointed Rehabilitator (“Rehabilitator”) of SHIP, and Patrick H. Cantilo is Special Deputy Rehabilitator (“SDR”) of SHIP.

9. On April 20, 2020, the Rehabilitator filed an Application in the Rehabilitation Proceeding for Approval of the Plan of Rehabilitation for SHIP with the Pennsylvania Court, together with a proposed Rehabilitation Plan.

10. The Pennsylvania Court issued an Order on August 25, 2021, approving a Plan of Rehabilitation (the “Approved Plan”). The Rehabilitator filed the Approved Plan on September 30, 2021.

11. The Approved Plan attempts to address SHIP’s substantial funding gap through forcing policyholders to accept unilaterally redesigned policies, based on a combination of drastic reductions in coverage and dramatic increases in premium rates. Central to the Approved Plan is a new premium rate—the “If Knew” premium—equivalent to the rate that would have produced acceptable loss ratios, had it been charged from inception.

12. SHIP’s “If Knew” premium rates are substantially higher than the rates currently being paid by its Montana policyholders.

13. The Approved Plan would require Montana policyholders to choose among various redesigned policy alternatives, which would reduce benefits in order to keep their current

premiums, or dramatically increase premiums to keep their current benefits. Policyholders would be forced to elect one of four redesigned policy alternatives:

- (1) continue paying their current premiums, but have benefits reduced if their premium is less than the “If Knew” premium;
- (2) accept policy endorsements designed by the Rehabilitator, that provide selected benefits at a different premiums;
- (3) a Non-Forfeiture Option giving the policyholder a Reduced Paid-Up policy with limited benefits, but no future premiums; or
- (4) retain current policy benefits but pay the “If Knew” premium.

14. According to the Approved Plan, the Rehabilitator concluded that SHIP would not submit these benefit and premium rate modifications for approval to the Commissioner, or to other state insurance regulators.

15. Instead, the Approved Plan includes a purported “opt-out” process, under which state insurance commissioners can advise the Rehabilitator that a state has elected to “opt-out” of ratemaking portions of the Approved Plan. If a state does not opt out, the Approved Plan allows SHIP to send correspondence (“Election Packages”) to policyholders requiring them to elect among various options for redesigned policies with increased premiums and/or reduced benefits, none of which have been approved by the Commissioner.

16. Although the Approved Plan’s “opt-out” scheme ostensibly defers to state insurance commissioners and ratemaking authorities in the various states, that deference is illusory because the Approved Plan is coercively structured. Even if a state elects to “opt out” of SHIP’s proposed rate increases, the Rehabilitator will simply force policyholders to accept redesigned policies with reduced and downgraded policyholder benefits, effectively terminating and replacing existing policies.

17. On September 30, 2021, the Rehabilitator and SDR sent the Commissioner an “Opt-Out Election Notice” under the Approved Plan, instructing the Commissioner that Montana must opt out of the Approved Plan by a specified date.

18. Montana did not opt out of, nor it affirmatively opt into, the Approved Plan. Instead, on November 5, 2021, the Commissioner sent the Rehabilitator and SDR a letter notifying them that the Commissioner “will not respond to the [Opt-Out Election] Notice because the Rehabilitator lacks the authority to impose rate or benefit changes on our policyholders without the [Commissioner’s] approval. The CSI reserves all of its rights in this regard.”

19. Nonetheless, the Rehabilitator has sent Election Packages to SHIP’s Montana policyholders informing them that on or before March 11, 2022, they must make a final and binding election between the policy options presented by the Approved Plan, which include exorbitant premium increases and/or punitive reductions in benefits. The Election Packages offers policyholders redesigned policies with drastically different premiums and/or benefits than they presently enjoy, none of which have ever been submitted to, or approved by, the Commissioner.

ASSERTIONS OF LAW

20. The Commissioner of Securities and Insurance, Office of the Montana State Auditor (“CSI”), is under the control and supervision of the Commissioner. Sec. 2-15-1902 and 33-1-301, MCA.

21. The Commissioner is empowered to enforce applicable provisions of Montana law, including the Code, and is charged with administering the CSI “to ensure that the interests of insurance consumers are protected.” Sec. 33-1-311(1) and (3), MCA.

22. The Commissioner and CSI have jurisdiction over his matter and authority to issue this Notice of Proposed Agency Action. Sec. 33-1-311, MCA.

23. Before making any long-term care policy available within Montana, the issuer must comply with the filing requirements set forth in A.R.M. § 6.6.3122, by making certain filings with the Commissioner. These include the disclosures required by A.R.M. § 6.6.3121, as well as the actuarial certifications and various other information described in A.R.M. § 6.6.3122(2)(b).

24. SHIP has violated or is about to violate A.R.M. § 6.6.3122, MCA, by making long-term insurance policies available without first complying with the notice and filing requirements of A.R.M. § 6.6.3122. The Election Packets offer, and attempt to force policyholders into accepting, redesigned long-term care policies despite the fact that required filings relating to such policies have not been submitted to, reviewed, or approved by the Commissioner.

25. Before implementing premium rate increases or notifying policyholders of premium rate increases, the issuer of a long-term care policy must comply with the notice and filing provisions of A.R.M. § 6.6.3124, by filing with the Commissioner all disclosures and information required by § 6.6.3121, as well as the actuarial certifications required by § 6.6.3124(3)(b), and information justifying the rate changes and complying with the requirements of § 6.6.3124(3)(c).

26. SHIP has violated A.R.M. § 6.6.3124 by sending Election Packets that attempt to force its Montana policyholders to accept redesigned policies requiring substantially higher rates and/or reduced benefits, without first submitting rates, actuarial certifications, and other required information justifying the rates for review and approval by the Commissioner.

27. No person shall engage in any unfair or deceptive act or practice in the business of insurance. Sec. 33-18-201, MCA.

28. It is an unfair and deceptive act or practice to misrepresent pertinent facts or insurance policy provisions relating to coverages at issue. Sec. 33-18-201(1).

29. SHIP has engaged in unfair and deceptive acts or practices by misrepresenting pertinent facts relating to policies and coverages, by sending policyholders Election Packages that offer redesigned policies as well as premiums and/or benefits that SHIP cannot legally offer (because such policies or policy modifications have never been submitted to, or approved by, the Commissioner).

30. It is an unfair and deceptive act or practice to make, issue, circulate, or cause to be made, issued, or circulated any estimate, illustration, circular, sales presentation, omission, comparison, or statement which misrepresents the benefits, advantages, conditions, or terms of any insurance policy. Sec. 33-18-202(1), MCA.

31. SHIP has engaged in unfair acts and deceptive acts and practices by issuing and sending circulars or statements (the Election Packages) that mislead policyholders and misrepresent the benefits, conditions and terms of SHIP's policies, by offering redesigned policies and/or requiring changes to premiums and benefits that SHIP cannot legally make, and by omitting the pertinent fact that such changes have not been submitted to or approved by the Commissioner.

32. A long-term care policy may not be offered in Montana unless it complies with the provisions of the Montana Long-Term Insurance Act, §§ 33-22-1101 *et seq.*, MCA. Long-term care policies may not be canceled, nonrenewed, or otherwise terminated on grounds other than the insured's or certificate holder's failure to pay premiums. Sec. 33-22-1114, MCA.

33. SHIP has violated the Long-Term Insurance Act by sending Election Packages to Montana policyholders contrary to Montana law, and with the understanding and intent that the policy terms offered therein will force policy lapses, result in the termination of policies, and/or require policyholders to accept drastically redesigned policies that effectively terminate and replace existing policies.

34. If allowed to continue, SHIP's various violations of Montana law as described herein will damage Montana policyholders by forcing lapse or termination of policies and imposing exorbitant premium increases and/or marked degradation of benefits.

35. If the Commissioner believes that an insurer is engaged or about to engage in a violation of, *inter alia*, Chapter 18 of Title 33, the Commissioner may, among other relief: (a) issue an order directing the person to cease and desist from continuing the act or practice, after reasonable notice and opportunity for a hearing; and (b) issue a temporary cease and desist order that must remain in effect until 10 days after the hearing is held. Sec. 33-1-318(1)(a) and (b), MCA.

36. SHIP's past and continuing violations warrant issuance of a temporary cease and desist order under § 33-1-318(1)(a) MCA and, after notice and opportunity for a hearing, a permanent cease and desist order under § 33-1-318(1)(b), MCA.

PROPOSED AGENCY ACTION

The Commissioner, considering the gravity of SHIP's violations, the need to protect the public health, safety and welfare of Montanans, and the need to defend the Commissioner's right to regulate insurance for the benefit and protection of Montana policyholders, intends to impose the following after a hearing conducted in accordance with § 33-1-701, MCA.

1. Issuance of a permanent Cease and Desist Order pursuant to § 33-1-318, MCA, as follows:

- (a) enjoining SHIP from dissemination of any policyholder notifications, including Election Packages, within Montana without prior review and approval of the Commissioner as described above;
- (b) enjoining SHIP from accepting or implementing the elections of any Montana policyholders made pursuant to the Election Packages and/or the Approved Plan.
- (c) requiring SHIP to inform policyholders who may have received Election Packages that they are not required to make any election and that any election will not be implemented prior to the resolution of this action; and
- (d) enjoining SHIP and its Rehabilitator, SDR, and other agents and employees to cease and desist from all other implementation of the Approved Plan within Montana.

2. Such other relief as may be just, proper, and available under Montana law.

STATEMENT OF RIGHTS

Respondent is entitled to contest the Commissioner's proposed action by requesting an administrative hearing. To do so, within 24 days of the date this Notice, Respondent must submit a hearing request in writing to Ole Olson, 840 Helena Avenue, Helena, MT 59601 or OOlson@mt.gov. A hearing request "must specify the grounds relied upon as a basis for the relief sought at the hearing." Section 33-1-701, MCA. It may also include a response to the allegations set forth above. If a hearing is requested, Respondent will be provided notice of the

time, place, and nature of the hearing. Respondent will be entitled to attend this hearing and respond and present evidence and arguments on all issues involved in this action.

Administrative hearings are conducted by an impartial hearing examiner appointed by the Commissioner under the provisions of the Montana Administrative Procedures Act. Formal proceedings may be waived pursuant to § 2-4-603, MCA. Respondent has the right to be represented by an attorney at any and all stages of this proceeding.

CONTACT WITH COMMISSIONER'S OFFICE

Please contact Ole Olson at (406) 444-1295 or OOlson@mt.gov with any questions or concerns. If represented by an attorney, please ensure the attorney makes that contact.

POSSIBILITY OF DEFAULT

Failure to timely provide a written hearing request shall result in the entry of a default order imposing the Commissioner's proposed action, without additional notice, pursuant to Admin. Rule Mont. 1.3.214.

Dated this 2nd day of March, 2022.

A handwritten signature in blue ink, appearing to be 'Ole Olson', written over a horizontal line.

Ole Olson, Chief Legal Counsel
Commissioner of Securities and Insurance,
Office of the Montana State Auditor

CERTIFICATE OF SERVICE

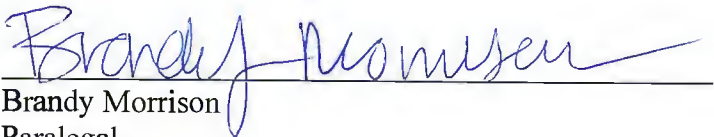
I hereby certify that on March 2, 2022, I caused a copy of the foregoing Notice of Proposed Agency Action to be served on the following persons by the following means:

X Mail

_____ E-Mail

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA, in Rehabilitation
c/o Jessica Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, as
Rehabilitator.

Office of the Insurance Commissioner
1326 Strawberry Square
Harrisburg, PA 17120



Brandy Morrison
Paralegal

Exhibit 17



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Christopher R. Nicolopoulos
Commissioner

David J. Bettencourt
Deputy Commissioner

March 21, 2022

Senior Health Insurance Company of Pennsylvania
550 Congressional Blvd, Suite 200
Carmel, IN 46032

Senior Health Insurance Company of Pennsylvania
27 N. Front St, Suite 22
Harrisburg, PA 17101-1606

Re: Senior Health Insurance Company of Pennsylvania, Docket No.: INS No. 22-017-EP

Dear Senior Health Insurance Company of Pennsylvania:

Enclosed please find a Cease and Desist Order issued by Commissioner Christopher Nicolopoulos.

If you have any questions, feel free to contact me by telephone (603) 271-2482 or email joshua.s.hilliard@ins.nh.gov.

Sincerely,

/s/ Joshua S. Hilliard

Joshua S. Hilliard, Esq.
Compliance and Enforcement Counsel

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Senior Health Insurance Company of Pennsylvania

Docket No.: INS No. 22-017-EP

CEASE AND DESIST ORDER

The Commissioner of the New Hampshire Insurance Department (“NHID”), pursuant to his authority under RSA 400-A:3, orders Senior Health Insurance Company of Pennsylvania (“SHIP”) to immediately Cease and Desist from engaging in insurance business in this State that is contrary to New Hampshire law and in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injuries to New Hampshire policyholders.

In support this Order to Cease & Desist, the NHID states as follows:

FINDINGS OF FACT

1. SHIP is a Pennsylvania domiciled life insurance company that has been authorized to conduct insurance business in New Hampshire in the lines of Life and Accident & Health since approximately January 21, 1998.
2. SHIP specializes in long-term care (“LTC”) coverage, and currently has approximately 39,000 policies in force.
3. Approximately 14 New Hampshire residents have LTC policies through SHIP that are current.
4. SHIP is experiencing financial distress and insolvency, and has an outstanding deficit of approximately \$1.2 billion.
5. On January 29, 2020, upon application of Jessica Altman, then Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with Pennsylvania law.
6. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP and required the Rehabilitator to prepare a plan of rehabilitation; on April 22, 2020, the Rehabilitator filed an Application for Approval of the Plan for the Rehabilitation of SHIP.¹

¹ SHIP’s Special Deputy Rehabilitator has indicated that said plan in “all likelihood will not eliminate” the deficit and it is “not likely we will magically restore SHIP to solvency.”

7. The Rehabilitation Plan was approved by the Pennsylvania Commonwealth Court on August 24, 2021, and amended on November 4, 2021.²
8. Under the Rehabilitation Plan, SHIP has already sent or will send to each NH policyholder a “Coverage Election Package” that notifies the policyholder of new premium rates and instructs them to select among the coverage options that increase current premiums or reduce current benefits under the LTC policies.
9. SHIP has communicated through the NAIC that approximately half of the affected NH consumers have already responded to its “Coverage Election Package.”
10. New Hampshire law requires that a premium rate increase for LTC policy and related LTC forms be filed with the Commissioner for approval before the rates and forms take effect. NH RSA 415-D:11.
11. SHIP’s premium rate plan and its assumptions, methodology, and related forms have not been filed with the NHID Commissioner, and accordingly have not been approved.
12. SHIP’s notice to NH policyholders³, which seeks to change the policy terms without NHID approval, will cause immediate and significant harm to those policyholders. The notice compels NH policyholders to make final and binding premium and coverage elections. Those elections will affect the availability of coverage for LTC services and will affect the policyholders’ ability to recover benefits from NH’s guaranty fund when SHIP is later placed in liquidation, which SHIP admits is likely to occur.

CONCLUSIONS OF LAW

13. The Commissioner regulates the business of insurance in New Hampshire pursuant to RSA 400-A:3.
14. Because SHIP has not complied with NH’s rate filing requirements, SHIP has violated and will continue to violate NH law by notifying NH policyholders of the new rates and instructing them to select among coverage options based on those unfiled and unapproved new rates, all in violation of NH RSA 415-D:11.

² State insurance regulators from Massachusetts, Maine, and Washington intervened and have appealed this determination to the Pennsylvania Supreme Court; approximately 32 state insurance commissioners, including New Hampshire’s, have filed an amicus brief in support of the appeal.

³ The notices also fail to inform consumers that the legality of the plan is disputed and currently under review by the Pennsylvania Supreme Court.

15. Because SHIP has not complied with NH's form filing requirements, SHIP has violated and will continue to violate NH law by sending its "Coverage Election Packages" to NH consumers, which have not been approved by the NHID, also in violation of NH RSA 415-D:11.
16. SHIP's notice to NH consumers has and will continue to violate NH RSA 417:4 I (a), as the "Coverage Election Packages" misrepresent the terms of the policies filed with and approved by the NHID.
17. SHIP's notice to NH consumers has and will continue to violate NH RSA 417:4, XII, as SHIP has and/or will collect improper premium through the Rehabilitation Plan, as those rates are/will be in excess of the rates as filed and approved by the Commissioner.
18. SHIP's notice to NH consumers has and will continue to violate INS 3601.19(b), which requires that an insurer provide notice of a pending premium rate schedule increase to the Commissioner at least 30 days prior to the notice to policyholders, which SHIP has not done.


ORDER

19. Based upon the information and allegations recited above, the New Hampshire Commissioner of Insurance hereby ORDERS that SHIP immediately CEASE AND DESIST from implementing the Rehabilitation Plan in New Hampshire or otherwise interfering with the rights of SHIP's New Hampshire policyholders or violating any insurance law and rule of New Hampshire, including by mailing "Coverage Election Packages" and notifying New Hampshire consumers of proposed rate or benefit modifications SHIP intends to implement, none of which has been authorized by the Commissioner.
20. For the duration of this Order, SHIP shall continue to abide by its current policy terms, benefits, and premium levels for all New Hampshire policyholders in effect prior to the adoption of the Rehabilitation Plan.
21. SHIP is not prohibited from curing any of its form or rate filing deficiencies by the proper notice and filing of such to the Commissioner.
22. Pursuant to RSA 400-A:17, SHIP may request a hearing regarding this Order by filing a written application for hearing with the Commissioner within 30 (thirty) days of the date SHIP either knew or should have known of the issuance of this Order.

SO ORDERED

NEW HAMPSHIRE
INSURANCE DEPARTMENT

Date: 3/18/2022


Christopher Nicolopoulos, Commissioner

CERTIFICATION OF SERVICE

I certify that the a copy of the foregoing Cease and Desist Order has been served upon SHIP by United State first class mail, postage prepaid, at 550 Congressional Blvd, Suite 200, Carmel IN, and 27 N. Front Street, Suite 22, Harrisburg PA, 17101-1606, the mailing and statutory home office addresses for SHIP.

Date: 3/18/22

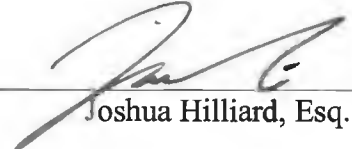

Joshua Hilliard, Esq.

Exhibit 18

STATE OF OHIO
DEPARTMENT OF INSURANCE
50 WEST TOWN STREET
3rd FLOOR, SUITE 300
COLUMBUS, OHIO 43215

<i>In re:</i>	:	JUDITH L. FRENCH
	:	Superintendent/Director
Senior Health Insurance Company	:	
of Pennsylvania (SHIP)	:	
(in rehabilitation)	:	
	:	

ORDER TO CEASE AND DESIST AND NOTICE OF HEARING

I. INTRODUCTION

Pursuant to R.C. 3901.221, the Superintendent of the Ohio Department of Insurance (“ODI”) may issue a cease and desist order to any person engaged in an unfair or deceptive act or practice in the business of insurance that has caused, is causing, or is about to cause substantial and material harm.

The Rehabilitator of Senior Health Insurance Company of Pennsylvania (“SHIP”), SHIP, and SHIP’s principals, employees, and agents are a person engaged in an unfair or deceptive act or practice in the business of insurance that is about to cause substantial and material harm. Therefore, consistent with the authority in R.C. 3901.221, and for the reasons explained below, the Superintendent determines a cease and desist order is appropriate.

II. FACTS

On September 9, 1987, ODI issued a certificate of authority for SHIP to conduct the business of insurance in Ohio. SHIP is a stock limited life and health insurance company domiciled in the Commonwealth of Pennsylvania that administers a closed block of long-term care

(“LTC”) insurance policies. SHIP has issued approximately 1,130 policies in Ohio. At present, the average age of SHIP LTC policyholders in Ohio is approximately 86 years old.

The Pennsylvania Insurance Department (“PID”) filed an application to place SHIP into rehabilitation with the Commonwealth Court of Pennsylvania on January 23, 2020. According to the application, as of December 31, 2018, SHIP’s reported deficit was approximately a half-billion dollars. SHIP’s financial condition has only declined, as a more recent projection estimates a deficit of approximately \$1.2 billion. On January 29, 2020, the Commonwealth Court entered an order granting the application of the PID to place SHIP into rehabilitation. The order appointed the Commissioner of the PID, Jessica Altman, and her successors in office as statutory rehabilitator of SHIP pursuant to the provisions of 40 Pa. Stat. 221.14, et seq.

On August 25, 2021, the Commonwealth Court issued its opinion and order approving a rehabilitation plan. The approved rehabilitation plan, as well as all court filings and orders discussed here, are available on the SHIP rehabilitation website, at <https://www.shipltc.com/court-documents>.

The approved rehabilitation plan provides for a so-called “opt-out” process that violates Ohio law.¹ Approved Rehabilitation Plan (“App. Rehab. P.”), p. 108-118. Pursuant to the opt-out process in the approved rehabilitation plan, when a state opts out of the premium rate modification provisions of the plan, the Rehabilitator files a request for approval of rate increases for policies issued in that state. *Id.* at p. 111. If the opt-out state does not approve the rate increases requested

¹ ODI has joined with 26 other departments of insurance as amici curiae in support of the appeal filed in the Supreme Court of Pennsylvania by Appellants Superintendent of Insurance of the State of Maine, the Commissioner of Insurance of the Commonwealth of Massachusetts, and the Insurance Commissioner of the State of Washington. The appeal challenges the legality of the approved rehabilitation plan. The documents related to the appeal in the Supreme Court of Pennsylvania, Docket No. 71 MAP 2021, are available on the SHIP rehabilitation website, at <https://www.shipltc.com/court-documents>.

by the Rehabilitator in full, the unlawful plan allows for election packages to be sent to Ohio policyholders offering benefits and rates not approved by ODI.

ODI opted out of the premium rate modification provisions of the approved rehabilitation plan. On December 2, 2021, the Rehabilitator filed a request with ODI for approval of rate increases for Ohio policyholders and set a February 15, 2022 deadline for ODI to respond. On February 15, 2022, ODI concluded its review and informed the Rehabilitator of its decision on the requested rate increases.

ODI's review found that some of the Rehabilitator's requested rate increases would result in unreasonable increases. Indeed, some of the Rehabilitator's requested rate increases were well outside the rate increases ODI had traditionally approved. For example, the Rehabilitator's requested rate increases would result in at least one Ohio policyholder receiving a more than 650% rate increase. In these instances, ODI approved a premium rate less than that requested by the Rehabilitator. In other instances, ODI found that the Rehabilitator's requested premium rate increases were reasonable and fully approved them. Nevertheless, the approved rehabilitation plan treats any state not *fully* approving the Rehabilitator's requested rate increases as an opt-out state. *Id.* at p. 108-111.

Consequently, Ohio is an opt-out state. Pursuant to the approved rehabilitation plan, the Rehabilitator will send election packages to Ohio policyholders requiring them to choose between several options. The election packages will offer Ohio policyholders premium rates and benefits not approved by ODI. As discussed in section III, below, offering Ohio policyholders unapproved premium rates and benefits is unlawful.

The approved rehabilitation plan requires the Rehabilitator to send election packages after the passage of the February 15, 2022 deadline. The expectation is that the Rehabilitator will send election packages to Ohio policyholders in the near future.

III. ANALYSIS

Pursuant to R.C. 3901.221 and R.C. 3901.20, the Superintendent of the ODI may issue a cease and desist order to any person engaged in an unfair or deceptive act or practice in the business of insurance that has caused, is causing, or is about to cause substantial and material harm. R.C. 3901.19 defines “person,” for purposes of R.C. 3901.221 and R.C. 3901.20, as “any individual, corporation, association, partnership * * * and any other legal entity.” The “person” need not be licensed or required to be licensed by the Superintendent of the ODI. R.C. 3901.20.

R.C. 3901.19 through R.C. 3901.23 define an unfair or deceptive act or practice in the business of insurance. Among other provisions, R.C. 3901.21(A) defines an unfair or deceptive act or practice in the business of insurance to include: “Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any estimate, illustration, circular, or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby * * *.” R.C. 3901.21(B) further defines an unfair or deceptive act or practice in the business of insurance to include:

Making, publishing, disseminating, circulating, or placing before the public or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, or preparing with intent to so use, an advertisement, announcement, or statement containing any assertion, representation, or statement,

with respect to the business of insurance or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

Because the Rehabilitator, SHIP, and SHIP's principals, employees, and agents are a person engaged in an unfair or deceptive act or practice in the business of insurance that has caused, is causing, or is about to cause substantial and material harm, the Superintendent of the ODI issues this cease and desist order pursuant to R.C. 3901.221 and R.C. 3901.20.

A. The Rehabilitator, SHIP, and SHIP's principals, employees, and agents are all a "person."

The Rehabilitator, SHIP, and SHIP's principals, employees, and agents are all a "person." R.C. 3901.19 defines "person" to include "any individual, corporation, association, partnership * * * and any other legal entity." Altman, or any successors, as the Rehabilitator, is an "individual." Further, the Rehabilitator is also a "legal entity." *See* 40 Pa. Stat. 221.15, 221.16.

SHIP, as a stock limited life and health insurance company administering a closed block of LTC insurance policies, meets the broad definition of "person." SHIP's certificate of authority from the Superintendent of the ODI further demonstrates it is a "person," as defined in R.C. 3901.19.

SHIP's principals, employees, and agents also meet the broad definition of "person" in R.C. 3901.19. The broad definition of "person" in R.C. 3901.19 includes "any individual."

B. The Rehabilitator, SHIP, and SHIP's principals, employees, and agents are engaged in unfair or deceptive acts or practices in the business of insurance.

The Rehabilitator, SHIP, and SHIP's principals, employees, and agents are engaged in unfair or deceptive acts or practices in the business of insurance. R.C. 3901.19 through R.C.

3901.23 define an unfair or deceptive act or practice. The Rehabilitator, SHIP, as well as SHIP's principals, employees, and agents are engaged in at least two unfair or deceptive acts or practices.

First, the Rehabilitator, SHIP, and SHIP's principals, employees, and agents are engaging in an unfair or deceptive act or practice in the business of insurance, as defined in R.C. 3901.21(A), by "preparing with intent to so use, any * * * statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby * * *."

The approved rehabilitation plan treats any state not fully approving the Rehabilitator's requested rates increases as an opt-out state. App. Rehab. P., p. 108-111. Accordingly, Ohio is an opt-out state. The approved rehabilitation plan permits the Rehabilitator to send election packages to Ohio policyholders. *Id.* at p. 111-114. The expectation is that the Rehabilitator will send election packages to Ohio policyholders in the near future. As a result, the Rehabilitator is "preparing with intent to so use" the election packages for Ohio policyholders.

The election packages contain "statement[s] misrepresenting the terms of any policy * * * to be issued or the benefits or advantages promised thereby * * *." Specifically, by offering Ohio policyholders premium rates and benefits not approved by ODI, the Rehabilitator, through the election packages, distorts the terms of the policies to be issued and the benefits promised.

For example, the Rehabilitator, through the election packages, will offer some Ohio policyholders an option—option four—that ODI has not approved. *See* App. Rehab. P., p. 108-111. Option four of the approved rehabilitation plan states that policyholders may choose this option "even though such a rate increase has not been approved by the [o]pt-out [s]tate." *Id.* at p. 114. Under Ohio law, however, ODI has exclusive jurisdiction to approve and disapprove insurance rates. *Lazarus v. Ohio Cas. Group*, 144 Ohio App.3d 716, 720, 761 N.E.2d 649 (8th Dist.2001). Insurers must file premium rates with ODI prior to issuing new or revised LTC

policies. R.C. 3923.46; R.C. 3923.021. ODI may approve or disapprove the rates. R.C. 3923.021. As a result, the Rehabilitator cannot offer option four or any other option not approved by ODI. Any language in the election packages offering any option not approved by ODI “misrepresent[s] the terms of any policy * * * to be issued or the benefits or advantages promised thereby * * *.”

Second, the Rehabilitator, SHIP, as well as SHIP’s principals, employees, and agents are engaging in an unfair or deceptive act or practice in the business of insurance, as defined in R.C. 3901.21(B), by “[m]aking, * * * or causing, directly or indirectly, to be made, * * * in a * * * notice, * * * letter, * * * or in any other way, or preparing with intent to so use, [a] * * * statement containing any assertion, representation, or statement, with respect to the business of insurance * * *, which is untrue, deceptive, or misleading.”

The Rehabilitator is “preparing with intent to so use” the election packages for Ohio policyholders. The Rehabilitator, through the election packages, will be disregarding Ohio law by offering Ohio policyholders premium rates and benefits not approved by ODI. *See* R.C. 3923.46; R.C. 3923.021. As such, the election packages’ offering of unlawful premium rates and benefits, not approved by ODI, constitute a “statement containing any assertion, representation, or statement, with respect to the business of insurance * * *, which is untrue, deceptive, or misleading.”

C. The unfair or deceptive acts or practices of the Rehabilitator, SHIP, and SHIP’s principals, employees, and agents are about to cause substantial and material harm.

As described in section III, B, above, the Rehabilitator, SHIP, and SHIP’s principals, employees, and agents are engaged in unfair or deceptive acts or practices in the business of insurance. The unfair or deceptive acts or practices stem from the Rehabilitator’s upcoming issuance of election packages to Ohio policyholders. The expectation is that the Rehabilitator will

send election packages to Ohio policyholders in the near future. As a result, these unfair or deceptive acts or practices are “about to cause” substantial and material harm.

Further, the Rehabilitator’s election packages, once issued, will cause “substantial and material harm.” First and foremost, the election packages will cause “substantial and material harm” to Ohio’s policyholders. The Rehabilitator cannot lawfully offer unapproved rates and benefits, and confusion will result should Ohio policyholders choose one of these unlawful options. SHIP policyholders in Ohio, with an average age of about 86 years old, have the right to know that ODI has reviewed and approved the premium rates and benefits prior to the policyholders accepting them. If the Rehabilitator issues the election packages and offers premium rates and benefits not approved by ODI, “substantial and material harm” will occur.

Second, the Rehabilitator’s election packages will cause “substantial and material harm” to ODI. ODI has an interest in protecting its exclusive jurisdiction. If the Rehabilitator issues the election packages and offers unapproved premium rates and benefits, “substantial and material harm” will occur.

Therefore, the Rehabilitator, SHIP, as well as SHIP’s principals, employees, and agents are a “person,” as defined in R.C. 3901.19. The Rehabilitator, SHIP, and SHIP’s principals, employees, and agents are engaged in an unfair or deceptive act or practice in the business of insurance that is about to cause substantial and material harm. The Superintendent of the ODI may issue a cease and desist order pursuant to R.C. 3901.221.

IV. CONCLUSION

Pursuant to R.C. 3901.221, the Superintendent of the Ohio Department of Insurance orders the Rehabilitator, SHIP, and SHIP’s principals, employees, and agents to cease and desist the dissemination, implementation, or enforcement in this State of the election

packages to the extent the election packages disregard Ohio law by offering Ohio policyholders premium rates and benefits not approved by ODI.

Pursuant to this order, the Rehabilitator, SHIP, and SHIP's principals, employees, and agents shall send notices to policyholders in Ohio only if the Superintendent has reviewed and approved such notices.

A hearing to determine the continuation or revocation of this cease and desist order shall be held at 1:00 p.m. on March 3, 2022 at the Ohio Department of Insurance, 50 W. Town St., Suite 300, Columbus, Ohio, 43215. At the hearing, the parties may appear in person, by their attorney, or by such other representative as is permitted to practice before the Department, or the parties may present their position, arguments, or contentions in writing and, at the hearing, the parties may present evidence and examine witnesses appearing for and against them.

This Order is effective immediately, signed this 17th day of February, 2022.



JUDITH L. FRENCH

Director/Superintendent

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing Order to Cease and Desist and Notice of Hearing has been sent on this 17 day of February, 2022, by priority mail express with certified service, return receipt requested, to the following:

Commissioner Jessica Altman (as Rehabilitator)
Pennsylvania Insurance Department
901 North 7th St.
Harrisburg, PA 17102

Michael Broadbent
Cozen & O'Connor
1650 Market St., Suite 2800
Philadelphia, PA 19103

Patrick Cantilo (as Special Deputy Rehabilitator)
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Senior Health Insurance Company of Pennsylvania (in rehabilitation)
550 Congressional Blvd., Suite 200
Carmel, IN 46032

Senior Health Insurance Company of Pennsylvania (in rehabilitation)
c/o CSC-Lawyers Incorporating Service
50 W. Broad St.
Columbus, OH 43215

And sent via email to:

Michael Broadbent, mbroadbent@cozen.com
Patrick Cantilo, phcantilo@cb-firm.com
Tracy Nave, Office of the Ohio Attorney General, Tracy.Nave@OhioAGO.gov
Amanda Baird, Ohio Department of Insurance, Amanda.Baird@insurance.ohio.gov

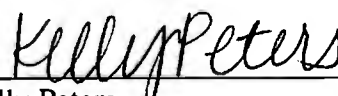

Kelly Peters
Hearing Administrator

Exhibit 19

BEFORE THE UTAH INSURANCE COMMISSIONER	
<p>Utah Insurance Department,</p> <p>Complainant,</p> <p>vs.</p> <p>Jessica K. Altman and her successors in office as Rehabilitator of Senior Health Insurance Company of Pennsylvania,</p> <p>Patrick H. Cantilo, as Special Deputy Rehabilitator of Senior Health Insurance Company of Pennsylvania,</p> <p>and Senior Health Insurance Company of Pennsylvania in Rehabilitation,</p> <p>Respondents.</p>	<p>EMERGENCY ORDER</p> <p>Case No. 2022-4377</p>

Pursuant to Utah Code §§ 31A-2-201(4)(a) and 63G-4-502(1), Utah Insurance Commissioner Jonathan T. Pike (“Commissioner”) hereby issues this emergency order against Jessica K. Altman and her successors in office as Rehabilitator of Senior Health Insurance Company of Pennsylvania (“Rehabilitator”), Patrick H. Cantilo, as Special Deputy Rehabilitator of Senior Health Insurance Company of Pennsylvania, and Senior Health Insurance Company of Pennsylvania in Rehabilitation (“SHIP”), (together referred to as “Respondents”), after determining based on knowledge and belief that Respondents are engaging or are about to engage in conduct prohibited by the Utah Insurance Code, Utah Code Title 31A, and any administrative rule promulgated thereunder, and that immediate action is in the public interest.

In support of this Order, the Commissioner makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. SHIP is a Pennsylvania-domiciled life insurance company that became authorized to issue long-term care insurance (“LTCL”) policies in the state of Utah as a foreign insurer beginning April 23, 1986 (NAIC Company Code 76325).

2. Between 1994 and 2011, the Commissioner approved multiple rate increases that averaged 127% per policy form. In addition, in 2017 the Commissioner approved a 40% rate increase for policies with 5% compound inflation. SHIP has not requested a rate increase since 2017.

3. In recent years, SHIP experienced financial distress and faced the possibility of insolvency.

4. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with Pennsylvania law.

5. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator’s behalf.

6. SHIP currently has 298 policies issued in Utah and subject to Utah law, with the average age of Utah policyholders being 84 years old.

7. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP with a Rehabilitation Plan.

8. The Rehabilitation Plan was approved in a Memorandum Opinion and Order of the

Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021.

9. State insurance regulators from Massachusetts, Maine and Washington intervened in rehabilitation proceedings and appealed the Order approving Rehabilitation Plan to the Pennsylvania Supreme Court (Middle District), No. 71 MAP 201. Approximately, 32 state insurance regulators, including the Commissioner, have requested leave to support the intervening regulators as amici curie. The appeal remains pending before the Pennsylvania Supreme Court.

10. Under the Rehabilitation Plan:

- a. SHIP unilaterally, and without a factual or legal basis, determined that the Commissioner has agreed to SHIP's proposed premium rate plan for Utah.
- b. The proposed premium rate increases average 75%.
- c. The Rehabilitator will send or has sent to each Utah policyholder a "Coverage Election Package" that notifies them of the new premium rates and instructs them to select among coverage options that increase or reduce premium and reduce or maintain benefits under their policies.

11. Under Utah law, a premium rate for a LTCI policy and its related forms must be filed with the Commissioner before the rates and forms take effect. Utah Code §§ 31A-2-201.1, 31A-21-201, and 31A-22-1404; Utah Admin Code, Rules R 590-85, R590-148, and R590-220.

12. Utah law gives the Commissioner authority to disapprove a filed rate or form. Utah Code §§ 31A-21-201 and 31A-22-602.

13. SHIP's premium rate plan and its assumptions, methodology and related forms have not been filed with the Commissioner.

14. Because SHIP has not complied with Utah's rate and form filing requirements,

SHIP has violated or will violate Utah law by notifying Utah policyholders of the new rates and instructing them to select among coverage options based on those rates.

15. SHIP's notice to Utah policyholders is or will be deceptive because it constitutes a false representation that its rates and forms have met legal filing requirements. Utah Code §§ 31A-21-201(3) and 31A-23a-402.

16. SHIP's notice to Utah policyholders will cause immediate and significant danger to them. After receiving the notice, Utah policyholders will be compelled to make final and binding premium and coverage elections. Those elections will affect the availability of coverage for long-term care services in the future. Additionally, the elections will affect the policyholders' benefits from Utah's guaranty association if SHIP is later placed in liquidation, a likely occurrence due to SHIP's plans for future rate increases and benefit reductions.

17. Other jurisdictions, including Louisiana, Maine, South Carolina, North Dakota, Ohio, Maryland, and the District of Columbia, have enjoined SHIP's similar conduct in their states.

18. Based on the foregoing, there is substantial cause to believe that an immediate and significant danger to the public health, safety and welfare of Utah policyholders requires immediate action.

CONCLUSIONS OF LAW

19. The Commissioner regulates the business of insurance in Utah pursuant to Title 31A of the Utah Code.

20. Pursuant to Utah Code § 31A-2-201(4)(a), the Commissioner is authorized to issue prohibitory orders to secure compliance with Title 31A.

21. Pursuant to Utah Code § 63G-4-502, the Commissioner is authorized to issue an

order on an emergency basis if the facts known by or presented to the Commissioner show that an immediate and significant danger to the public health, safety, or welfare exists that requires the Commissioner's immediate action.

22. Pursuant to Utah Code §§ 31A-2-201.1, 31A-21-201, and 31A-22-1404 and Utah Admin. Code Rules R590-85, R590-148 and R590-220, every LTCI insurer shall file with the Commissioner the classification of risks and their related premium rates and policy forms. Respondents violated this provision of law by not filing proposed rates and forms with the Commissioner.

23. Pursuant to Utah Code § 31A-23a-402, no person shall engage in an unfair or deceptive act or practice in the business of insurance in Utah. Respondents violated or will violate this law by falsely notifying Utah policyholders that their rates have been legally and appropriately changed.

ORDER

Based upon the Findings of Fact, Conclusions of Law, it is ordered that:

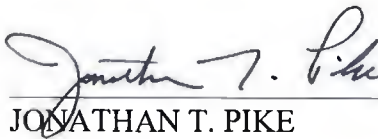
1. Respondents and any of their principals, agents, employees, successors, and assigns shall cease and desist from implementing the Rehabilitation Plan in Utah or otherwise interfering with the rights of SHIP's Utah policyholders or violating the insurance laws and regulations of Utah, including by mailing "Coverage Election Packages" and notifying Utah policyholders of proposed rate or benefit modifications SHIP intends use in place of the policyholders' existing rates and benefits, none of which has been authorized by the Commissioner.

2. For the duration of this emergency order, SHIP shall continue to abide by the current policy terms, benefits, and premium levels for Utah policyholders in effect prior to the adoption of the Rehabilitation Plan.

3. SHIP is not prohibited from curing any of its form or rate filing deficiencies or from filing their form and rate filings, including resolution of any objections issued by the Commissioner.

4. Pursuant to Utah Code § 63G-4-502 this Emergency Order is effective immediately and the Utah Insurance Department shall commence a formal adjudicative proceeding.

DATED this 22nd day of February, 2022.

A handwritten signature in dark ink, appearing to read "Jonathan T. Pike", is written over a horizontal line.

JONATHAN T. PIKE
Utah Insurance Commissioner
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
Telephone: 801-957-9321
Email: uidadmincases@utah.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Emergency

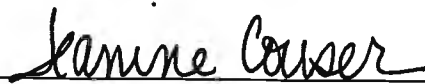
Order was mailed to:

Jessica K. Altman, and her successors in office
Rehabilitator
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Patrick H. Cantilo
Cantilo & Bennett, L.L.P.
Special Deputy Rehabilitator
550 Congressional Boulevard, Suite 200
Carmel, IN 46032

Senior Health Insurance Company of
Pennsylvania (In Rehabilitation)
550 Congressional Boulevard, Suite 200
Carmel, IN 46032

DATED this 23rd day of February, 2022.



Jeanine Couser
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129801-957-9321

Exhibit 20



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907
www.dfr.vermont.gov

VIA FIRST CLASS AND ELECTRONIC MAIL

April 28, 2022

Senior Health Insurance Company of Pennsylvania (In Rehabilitation)
550 Congressional Boulevard, Suite 200
Carmel IN 46032

Re: In re: Senior Health Insurance Company of Pennsylvania; Docket No. 22-005-I

Dear Sir/Madam:

Enclosed please find an additional copy of the *Ex Parte Order to Cease and Desist* in the above-captioned matter. You initially received notice of this Order on March 7, 2022.

Pursuant to 8 V.S.A. § 13(c), this Order was filed on April 26, 2022 with the Washington Unit of the Vermont Superior Court and was assigned Superior Court Docket No. 22-CV-01464. Once filed, this Order became an enforceable order of the Vermont Superior Court.

Sincerely,

/s/ Hillary Borcharding

Hillary Borcharding
Assistant General Counsel

Enclosures

cc: Mike Humphreys, Rehabilitator, Pennsylvania Insurance Department
Patrick H. Cantilo, Esq.





State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101
www.dfr.vermont.gov

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907

April 26, 2022

Donna Waters, COM
Superior Court, Washington Unit
65 State Street
Montpelier, VT 05602

RE: In Re: Senior Health Insurance Company of Pennsylvania; Docket No. 22-005-I

Dear Ms. Waters:

I enclose for filing pursuant to 8 V.S.A 13(c) a certified copy of the Commissioner's Order dated March 6, 2022.

Thank you for your cooperation.

Sincerely,

/s/ Hillary A. Borcharding

Hillary A. Borcharding
Assistant General Counsel
Vermont Department of Financial Regulation
89 Main Street, Third Floor
Montpelier, VT 05620
(802) – 249-6512
Hillary.Borcharding@vermont.gov



STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION

IN RE: SENIOR HEALTH
INSURANCE COMPANY OF
PENNSYLVANIA

)
)
)

DOCKET NO. 22-005-I

EX PARTE ORDER TO CEASE & DESIST

Senior Health Insurance Company of Pennsylvania – Long Term Care

On March 4, 2022, through counsel, the DFR Insurance Division submitted a Motion for Ex Parte Cease & Desist Order alleging that Senior Health Insurance Company of Pennsylvania (SHIP) is transacting insurance business in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Vermont policyholders. See Motion attached hereto. I have reviewed the alleged violations specified in the Motion, which are incorporated herein by reference, and find, based on the allegations, that good cause exists for me to issue the requested Ex Parte Cease and Desist Order.

Ex Parte
CEASE AND DESIST ORDER

This order is issued pursuant to 8 V.S.A. §§ 11, 12, 15, 3661(a), 8809, and DFR-2022-01 § 1.04(O). I believe that SHIP is violating Vermont law and regulations as described in the DFR Insurance Division's March 4, 2022 Motion for Ex Parte Cease & Desist Order.

Effective immediately, except as expressly provided herein, SHIP and its principals, employees, and agents (including the Rehabilitator and its deputies and agents) shall halt disseminating, implementing, or enforcing in this State the "Coverage Election Package" or otherwise interfering with the rights of SHIP's Vermont policyholders or violating the insurance

laws and regulations of this State, including, but not limited to, notifying Vermont policyholders of proposed rate or benefit modifications under SHIP policies or requesting that Vermont policyholders select rates or benefits different under SHIP policies from those authorized by the Vermont DFR and called for under the terms of the contract, charging additional premium, or withholding, delaying, or encumbering benefits in whole or in part, until such time as otherwise ordered by the Vermont DFR.

This Order does not prohibit SHIP from filing a premium increase request, or a proposed schedule of rates for proposed voluntary policy modifications, for review by the Commissioner in the manner prescribed by Vermont law, with sufficient supporting information to enable the Commissioner to determine whether the requested rates are neither inadequate, excessive, nor unfairly discriminatory. This Order does not prohibit SHIP from sending notices of any such filings to consumers if the notices have been reviewed by the Commissioner for accuracy and compliance with Vermont law and have not been disapproved.

NOTICE OF RIGHT TO HEARING

SHIP is hereby given NOTICE that a hearing will be afforded in this matter if they so request in accordance with Department of Financial Regulation Administration Procedures No. 2022-01 § 1.04(O) within thirty (30) days from the date of the mailing of this Notice. Any such request must be delivered to the attention of the Docket Clerk, Beth Sides, 89 Main Street, Montpelier, Vermont 05620-3101.

The Department of Financial Regulation is located at 89 Main Street, City Center, 3d Floor, Montpelier, Vermont. If a hearing is requested, one will be scheduled within thirty (30) days after the Department's receipt of such a request.

Such hearing in this matter will be conducted in accordance with the contested case procedures prescribed in 3 V.S.A. § 809 and Department of Financial Regulation Administrative Procedures Rule No. 2022-01. All parties have the right to represent themselves or to be represented throughout the proceedings by legal counsel.

FAILURE TO REQUEST A HEARING IN A TIMELY MANNER OR TO ATTEND A HEARING THAT HAS BEEN SCHEDULED MAY RESULT IN THE ENTRY OF A

DEFAULT JUDGMENT AGAINST YOU FOR THE RELIEF REQUESTED BY THE
DEPARTMENT.

BY ORDER OF THE COMMISSIONER OF FINANCIAL REGULATION

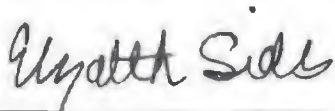
Dated at Montpelier, Vermont this 6th day of March, 2022.

By:



Michael S. Pieciak
Commissioner of Financial Regulation
Vermont Department of Financial Regulation

Certified to be a true copy of the original as the same appears in this office.



Elizabeth Sides, Docket Clerk
Vermont Department of Financial Regulation

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: SENIOR HEALTH)	
INSURANCE COMPANY OF)	DOCKET NO. 22-005-I
PENNSYLVANIA)	

MOTION FOR EMERGENCY CEASE AND DESIST ORDER

Pursuant to 8 V.S.A. §§ 11, 12, 15, 3661, 8099, and DFR-2022-01 § 1.04(O), the Insurance Division makes this Motion requesting that the Commissioner of Financial Regulation issue an immediate cease and desist order (proposed order attached) against Senior Health Insurance Company of Pennsylvania (SHIP) because SHIP is transacting insurance business in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Vermont policyholders, as more particularly set forth below.

FACTS ALLEGED

1. SHIP is a Pennsylvania-domiciled life and health insurance company that was never authorized to issue long-term care insurance (LTC) policies in Vermont.
2. SHIP's predecessors-in-interest, Transport Life Insurance Company and/or American Travelers Life Insurance Company, issued approximately 10 currently in-force life insurance policies in Vermont. It is unknown whether the companies were duly licensed in Vermont at the time of issuance.
3. SHIP now administers the policies issued in Vermont by its predecessors-in-interest.
4. Approximately fourteen (14) other SHIP-administered policies are held by Vermont residents who moved to Vermont after purchase.

5. All of the 24 SHIP policyholders described in paragraphs 2 - 4 are at least 80 years old and a clear majority are more than 90 years old. On information and belief, some policyholders are more than 100 years old.
6. In recent years, SHIP has experienced financial distress and faced the possibility of insolvency.
7. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania, in suit number 1 SHP 2020, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.
8. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP pursuant to the provisions of 40 P.S. § 221.14, et seq. and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator's behalf.
9. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP and contemporaneously filed a Rehabilitation Plan.
10. The Rehabilitation Plan was approved by a Memorandum Opinion and Order of the Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021.
11. The Commissioner and the regulators in other intervening jurisdictions appealed the Rehabilitation Plan to the Pennsylvania Supreme Court (Middle District), No. 71 MAP 201. By Order issued January 31, 2022, the Pennsylvania Supreme Court denied the insurance regulators'

request for stay pending appeal of the Rehabilitation Plan. The appeal remains pending before the Pennsylvania Supreme Court.

12. Upon information and belief, in late January 2022, without first filing its rates for approval with the Commissioner, the SHIP Rehabilitator mailed a “Coverage Election Package” to Vermont policyholders which advises them of forthcoming premium and/or benefit modifications that would purportedly begin as early as April 1, 2022. See Exhibit A (package as mailed to consumer in Maine; it is believed that substantially similar packages were sent nationwide, including in Vermont). The “Coverage Election Package” requires policyholders to complete and return their election form with a postmark date of no later than March 15, 2022. Id.

13. On February 2, 2022, the Rehabilitation Court purported to approve SHIP’s use of nationwide premium rates including in Vermont.

14. The “Coverage Election Package” does not provide legally sufficient notice to Vermont policyholders of SHIP’s proposed rate increase as required by Vermont law and DFR’s Regulation H-2009-01.

15. The “Coverage Election Package” offers five coverage options to policyholders, including downgrading the policy, converting to a basic policy or to an enhanced basic policy, converting to an enhanced paid-up policy, and keeping their current policy. If a policyholder does not make a coverage election by the March 15, 2022 specified postmark date, SHIP states that it will, on its own, exercise the basic policy coverage option, resulting in a significant benefit reduction under the insurance policy.

16. The “Coverage Election Package” does not state that insurance rates are subject to state-by-state approval, including approval by the State of Vermont as to Vermont policies.
17. The “Coverage Election Package” does not disclose that the coverage options therein have not been approved by the Commissioner as required by law.
18. The “Coverage Election Package” does not disclose that the coverage options therein have not even been submitted to the Commissioner as required by law.
19. The “Coverage Election Package” fails to advise policyholders that the premium rates and policy modifications under the Rehabilitation Plan are on appeal to the Pennsylvania Supreme Court.
20. As set forth in the preceding paragraphs, SHIP purports to require Vermont policyholders to make final and binding coverage elections without any explanation to policyholders about how their rates and benefits would be reconfigured if the Rehabilitation Plan is overturned or otherwise modified by a court in a manner that affects rates and benefits.
21. Likewise, SHIP purports to force its elderly policyholders to choose between options, none of which have been approved by the Commissioner as required by law.
22. There appears to be significant doubt as to whether the Pennsylvania Supreme Court will uphold the rehabilitation plan. See, e.g., *Farmer v. Altman*, No. 2020-CP- 40-05802 (S.C. 5th Jud. Cir. Jan. 20, 2022) (granting preliminary injunctions against SHIP upon finding that the insurance regulator’s challenges to the Rehabilitation Plan demonstrated a likelihood of success on the merits and that a preliminary injunction was necessary to prevent irreparable harm to policyholders).

23. All policyholder elections and SHIP-imposed elections are purportedly deemed irrevocable in the Coverage Election Package, even if the Rehabilitation Plan is overturned or otherwise modified on appeal. Furthermore, any Vermont policyholder who selects the policy downgrade, the paid-up policy option, or their current policy terms could face yet more rate increases during Phase II of the Rehabilitation Plan, the details of which are unknown.
24. SHIP has not submitted to the Commissioner the premium rates that SHIP intends to use on insurance coverage provided to Vermont policyholders, purportedly beginning as early as April 1, 2022 based on elections SHIP purports to require by March 15, 2022.
25. SHIP has not obtained regulatory approval from the Commissioner for the premium rates that SHIP intends to use on insurance coverage provided to Vermont policyholders, purportedly beginning as early as April 1, 2022 and based on elections purportedly required to be made by March 15, 2022.
26. SHIP has not made all required regulatory filings with the Commissioner related to SHIP's transaction of the business of insurance in this State.
27. Among other matters, and not by limitation, Vermont policyholders have been and will be deceived and misled as a cumulative result of SHIP's:
- a) failure to file proposed premium rates with the Commissioner;
 - b) failure to provide Vermont policyholders with the required advance notice of a premium rate increase for use with Vermont policies, including notice of the proposed rate, an explanation that it is subject to regulatory approval, the policyholder's right to request a hearing, the policyholder's right to provide

written comments on the proposed rate increase, and contact information for DFR's Insurance Division;

- c) failure to provide Vermont policyholders with advance notice of premium rate implementation for Vermont policies; and
- d) use of a "Coverage Election Form" for Vermont policies that is unfair or deceptive; contains misrepresentations; and/or is untrue, deceptive, or misleading.

28. Vermont policyholders have been and/or soon will be harmed by SHIP forcing them to make rushed and purportedly irreversible decisions about their existing long-term care insurance policies.

APPLICABLE LAW

29. Vermont law, Title 8, regulates entities that transact the business of insurance in the State.

30. Chapter 154 of Title 8 governs Long Term Care Insurance specifically.

31. Pursuant to authority expressly granted in Title 8, including Chapter 154, the Commissioner has promulgated Regulation H-2009-01, which provides among other things for important consumer protections relating to long-term care insurance.

32. SHIP is transacting the business of insurance in Vermont by, among other things, purporting to impose new rates and contract conditions on holders of long-term care insurance policies within the State.

33. Pursuant to Title 8, Chapter 1, Section 15 and § 3661, the Commissioner may issue such orders as are necessary to carry out the purposes of Title 8.

34. Pursuant to Department Regulation 2022-01 § 1.04(O), where the Commissioner is authorized by law to issue a cease-and-desist or other injunctive order, the Commissioner may do so without written or oral notice to the Respondent.
35. Pursuant to Title 8, Chapter 154 and Reg. H-2009-01, every insurer shall file for approval by the Commissioner every rate, rating formula, classification of risks, and every modification of any formula or classification that it proposes to use in this State in connection with individual health insurance policies, including LTC policies. Every such filing must be made not less than 60 days in advance of the stated effective date. The filing must contain sufficient information for the Commissioner to determine whether such filing meets the requirements that rates not be excessive, inadequate, or unfairly discriminatory. See 4-5 V.C.R. § 16 (citing 8 V.S.A. § 4062).
36. Pursuant to Reg. II-2009-01 as further explained in Insurance Bulletin No. 216, an insurer shall notify Vermont policyholders of a proposed premium rate increase forty-five (45) days after filing with the Department of Financial Regulation (Department). The written notice must show the proposed rate; state that the rate is subject to regulatory approval; and inform the policyholder of the right to provide oral or written comments on the proposed rate increase. See 4-5 V.C.R. § 9; 8 V.S.A. § 8084a.
37. Pursuant to Reg. H-2009-01, an insurer may not implement a premium increase for use in Vermont until it is approved by the Commissioner.
38. Pursuant to Reg. H-2009-01, an insurer shall provide written notice of a premium rate increase for use in Vermont to all affected Vermont policyholders at least forty-five (45) days before the effective date of any rate increase. See 4-5 V.C.R. § 9; 8 V.S.A. § 4062.

39. Pursuant to Title 8, Chapter 154 and Reg. H-2009-01, no person shall engage in an unfair or deceptive act or practice in the business of insurance in this State.

40. Pursuant to Title 8, Chapter 129, Section 4723 and Reg. H-2009-01, no person shall make, issue, or circulate, or cause to be made, issued, or circulated any estimate, illustration, circular, or statement misrepresenting the terms, benefits, or advantages of an insurance policy issued in this State. 4-5 V.C.R. § 23.

41. Pursuant to Title 8, Chapter 129 and Reg. H-2009-01, no person shall make, publish, disseminate, or circulate, or cause, directly or indirectly, to be made, published, disseminated, or circulated, in the form of a notice, circular, pamphlet, or letter, or in any other way, any statement regarding the person's transaction of insurance business in this State that is untrue, deceptive, or misleading.

42. Pursuant to Title 8, Chapter 101, Section 3661 and Department Regulation 2022-01 § 1.04(O), when the Commissioner believes that a person is engaging in conduct that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Vermont insurance consumers, the Commissioner may immediately issue a cease-and-desist order, without prior notice and hearing.

VIOLATIONS ALLEGED

Violation I

Failure to File Rates for Approval

43. SHIP violated and continues to violate Regulation H-2009-01 § 20 by failing to file for approval by the Commissioner the rates, rating formula, classification of risks, and every modification of any formula or classification that it proposes to use with policies in Vermont at least 60 days prior to the anticipated notice to the policyholders.

Violation II

Premium Rates: Notice of Filing

44. SHIP violated and continues to violate Regulation H-2009-01 §§ 9, 20 as further explained in Insurance Bulletin No. 216 by failing to provide written notice to Vermont policyholders of proposed premium rate increases. The written notice must show the proposed rate; state that the rate is subject to regulatory approval; and inform the policyholder of the right to provide written or oral comments on the proposed rate increase to the Department.

Violation III

Premium Rates: Implementation

45. SHIP violated and continues to violate Regulation H-2009-01 § 20 by communicating a purported effective date as soon as April 1, 2022 for implementation of premium rate increases under Vermont insurance policies without first having obtained approval by the Commissioner.

Violation IV

Premium Rates: 45-Day Notice

46. SHIP violated and continues to violate Regulation H-2009-01 § 20 and 8 V.S.A. § 8084a(e) by providing notice of premium rate increases affecting Vermont policyholders less than forty-five (45) days before implementation of the rate increase for use in Vermont, to be effective as soon as April 1, 2022.

Violation V

Policyholder Notice: Unfair or Deceptive Acts

47. SHIP violated and continues to violate 8 V.S.A. § 4723 by mailing a "Coverage Election Package" to Vermont policyholders that unfairly or deceptively discloses premium rates and

benefit modifications under a Vermont insurance policy, when such rates and modifications have never been submitted to or approved by the Commissioner.

Violation VI

Policyholder Notice: Misrepresentation

48. SHIP violated and continues to violate 8 V.S.A. § 4723 by mailing a “Coverage Election Package” to Vermont policyholders that misrepresents the premium rates and benefit modifications under a Vermont insurance policy.

CONCLUSION AND REQUEST FOR RELIEF

49. As set forth above in Paragraphs 1 through 48, SHIP has engaged in and is continuing to engage in the business of insurance in this State in a manner that is contrary to Vermont law and is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Vermont policyholders.

50. For all the foregoing reasons, the Insurance Division requests that the Commissioner issue an immediate cease and desist order requiring SHIP and its principals, employees, and agents (including the Rehabilitator and its deputies and agents) to:

- a) Cease mailing the “Coverage Election Package” or any substantially similar material in this State, including, but not limited to, any material describing unapproved premium rate or benefit modification implementation, until further order of the Commissioner.
- b) Communicate to all Vermont policyholders in writing, on a form approved by the Commissioner, that the “Coverage Election Package” has no effect in Vermont.
- c) Cease implementation of any proposed rate increases in Vermont until such increases are reviewed and approved by the Commissioner.

- d) Cease implementation of any rate increases in Vermont, effectuated on or after January 29, 2020, until such increases are reviewed and approved by the Commissioner.
- e) Cease implementation of any decreases in coverage elected, on or after January 29, 2020, by an insured in Vermont until such elections are reviewed and approved by the Commissioner.

Dated at Montpelier, Vermont this 4th day of March, 2022.

Kevin Gaffney, Deputy Commissioner of Insurance
Department of Financial Regulation

By: Hillary Borcharding
Hillary Borcharding
Assistant General Counsel
89 Main Street
Montpelier, VT 05620-3101
(802) 249-6512
Hillary.borcharding@vermont.gov

Exhibit A



Action Required By: March 15, 2022



IMMEDIATE ACTION REQUIRED

Dear 

I'm writing today with important information about your long-term care insurance from Senior Health Insurance Company of Pennsylvania (In Rehabilitation) ("SHIP") and to thank you for your patience and understanding as we guide the company through the rehabilitation process.

As part of this process, you have a very important decision to make at this time. A number of new coverage options are available to you. You are required to select only one option by March 15, 2022.

To get started, please refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these simple steps:


Step 1: Review your personalized options.

Step 2: Learn more about each option.

Step 3: Indicate your choice on the attached Coverage Election Form, detach and mail the completed form to SHIP in the enclosed postage-paid return envelope as soon as possible.

You'll find more details in the "Important Information for Policyholders" booklet and "Summary of Current Coverage" document provided. To watch our informational video series and learn more, visit us online at shipitc.com. Please know we are here to help you. We understand you have a lot invested in your current policy and you want to make sure you will have protection when you need it. Just call us at (833) 894-8577.

Sincerely,



Patrick H. Cantilo
Special Deputy Rehabilitator

Please note that your Coverage Election Form must be postmarked by March 15, 2022.



Coverage Election Form



POLICYHOLDER NAME: [REDACTED]

Best way to reach you, if we have questions.

POLICY NUMBER: [REDACTED]

Phone: [REDACTED]

ELECTION EFFECTIVE DATE: April 1, 2022

Email: [REDACTED]

IMPORTANT: This form must be signed and postmarked by March 15, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	DEFAULT Option 4 Keep Your Current Coverage
Billable Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium Change (%)	N/A	N/A	-38%	N/A	-100%	0%
Maximum Lifetime Benefit	\$146,000	N/A	\$146,000	N/A	\$73,000	\$146,000
Maximum Lifetime Benefit Change (%)	N/A	N/A	0%	N/A	-50%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	N/A	No	N/A	No	Yes
SELECT ONE ►		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 1, 2022 and cannot be reversed after March 15, 2022.

I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by March 15, 2022, I will receive Option 4 by default.

Signature: _____

Date: ____ / ____ / ____
Month Day Year

Print name here: _____

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other: _____

Return this form in the postage-paid envelope postmarked by March 15, 2022.

Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



UNV049%PLB9348382

Summary of Current Coverage



INSURED: [REDACTED]	DATE ISSUED: 11/1/1989
POLICY NUMBER: [REDACTED]	ISSUE AGE: 60
STATE OF ISSUE: ME	CURRENT AGE: 91
STATE OF RESIDENCE: ME	SUMMARY AS OF: 7/31/2021
CURRENT ANNUAL PREMIUM: \$1,350	CURRENT POLICY STATUS: Premium Paying - Not On Claim

Policy Feature	Current Coverage	Description
Maximum Benefit Period ¹	1,460 Days	The maximum duration during which benefits will be available under the policy.
Maximum Daily Benefit ³	NH: \$100.00 HHC: \$100.00	The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH = Nursing Home, ALF = Assisted Living Facility, HHC = Home Health Care.
Maximum Lifetime Benefit ¹	\$146,000	The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	No	"Yes" means the policy benefits are measured in dollars paid up to the Maximum Lifetime Benefit. "No" means the policy benefits are measured in days paid up to the Maximum Benefit Period days.
Elimination Period ¹	0 Days	The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.
Reimbursement Type ²	Indemnity	The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.
Inflation Benefit	No Inflation	A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effects of inflation on the cost of care.
Extension of Benefits	Included	A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.
Restoration of Benefits	Included	A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).
Return of Premium Benefit	Not Included	A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.
Waiver of Premium Benefit	Included	A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.
 2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.
 3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.
- Note:** This document is being provided solely for your convenience and is for reference only. It is not a comprehensive explanation of policy terms or benefits and is not intended to modify or amend any policy provision. All benefit determinations will be processed in accordance with the terms and conditions set forth in your policy and any policy rider(s).

Additional Useful Coverage Information



Coverage information provided on this page does not represent your current coverage. It has been provided to inform you of possible premium and coverage information associated with your policy in future phases of the Rehabilitation Plan. Please refer to the "Important Information for Policyholders" booklet for more detailed information. We encourage you and your trusted advisor to consider this additional useful information as you make your election decision.

INSURED: [REDACTED]

POLICY NUMBER [REDACTED]

Policy Feature	Current Coverage	Description
Rehabilitation Plan Required Benefit Eligibility	No	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.
GA Coverage Limit	\$300,000	Guaranty Associations (GAs) provide coverage for eligible policyholders of insurance companies that are placed in liquidation. GAs offer continuation of coverage up to a defined GA Coverage Limit that is determined by state of residence of the policyholder. This coverage reflects the GA Coverage Limit in your state of residence that would apply in the event SHIP were to be placed in liquidation in the future.
GA Fully Covered	Yes	"Yes" means your projected Maximum Lifetime Benefit is less than or equal to the GA Coverage Limit in your state of residence. "No" means your projected Maximum Lifetime Benefit is greater than the GA Coverage Limit in your state of residence. This is only a projection which may change with changes in circumstances. You may also want to compare the GA Coverage Limit to the Maximum Lifetime Benefit of your policy as shown on the Coverage Election Form.
Potential Uncovered Benefits	\$0	The portion of your Maximum Lifetime Benefit as shown on the Coverage Election Form that exceeds the GA Coverage Limit in your state of residence. Uncovered benefits apply only if a company is placed in liquidation.
Expected Liquidation Rate Increase	0%	This rate increase is the rate increase that could be pursued if SHIP is placed in liquidation. It is a projected number based on certain assumptions made today and could change in the future.
Self-Sustaining Annual Premium	\$1,875	This premium is the annual premium that could be charged to fully fund your policy. It is a projected number based on certain financial assumptions made today, including assets available, benefit payments, and expenses.





Choosing the Right Coverage Option

A Step-by-Step Guide for Policyholders

Step One: Review Your Personalized Options

Prepared For [REDACTED]
Policy Number [REDACTED]

This chart shows the options currently available to you. Use it to compare the details most important to you.

Policy Feature	DEFAULT				
	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	Option 4 Keep Your Current Coverage
Maximum Benefit Period	N/A	1,825 Days	N/A	913 Days	1,460 Days
Maximum Daily Benefit	N/A	NH: \$80.00 HHC: \$80.00	N/A	NH: \$80.00 HHC: \$80.00	NH: \$100.00 HHC: \$100.00
Maximum Lifetime Benefit	N/A	\$146,000	N/A	\$73,000	\$146,000
Benefit Account Value (Pool of Money)	N/A	Yes	N/A	Yes	No
Elimination Period	N/A	90 Days	N/A	90 Days	0 Days
Reimbursement Type	N/A	Indemnity	N/A	Indemnity	Indemnity
Inflation Benefit	N/A	No Inflation	N/A	No Inflation	No Inflation
Extension of Benefits	N/A	Not Included	N/A	Not Included	Included
Restoration of Benefits	N/A	Not Included	N/A	Not Included	Included
Return of Premium Benefit	N/A	Not Included	N/A	Not Included	Not Included
Waiver of Premium Benefit	N/A	Not Included	N/A	Not Included	Included
Billable Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Rehabilitation Plan Required Benefit Eligibility	N/A	Yes	N/A	Yes	No
Phase Two Rate Increase/Benefit Reduction Possible	N/A	No	N/A	No	Yes

Note: If you do not return your Coverage Election Form on time, the Option identified as "Default" will be deemed to be your choice. Annual Premium is the cost of coverage for policy features listed under each option. Billable Annual Premium is that amount minus any premium that is currently being waived.

In the event the Company is placed in liquidation in the future, available benefits may be reduced below those identified in Your Personalized Options, except for Option 3.

Step Two: Learn More About Each Option

We understand that no two policyholders are alike. To help you navigate through the process of making your election decision, we've outlined several preferences to consider that may be important for you to think about. **Please review the policy features outlined in your Personalized Options chart on page two of this guide.** Some options may not apply to all policies. Options that do not apply to you will appear on your Personalized Options chart with a designation of N/A (Not Applicable) per the policy features.

If your preference is to...	Consider these options	A bit about the options...
Maintain your current premium (recognizing that benefits may be reduced in Phase Two of the Rehabilitation Plan)	Option 1 (Downgrade Your Policy)	<ul style="list-style-type: none"> This option offers reduced benefits while allowing your premium to remain the same. Your benefits will be reduced as shown on your Personalized Options chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Adjust your premium and benefits (designed to balance premium and benefits)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy)	<ul style="list-style-type: none"> These options offer benefits available on a new Basic Policy (Option 2) or a new Enhanced Basic Policy (Option 2a). Option 2a may offer a longer benefit period and more inflation protection. For some policyholders Option 2 may provide the same coverage as Option 2a. The new premium for this new policy will correspond to the benefits displayed on your Personalized Options chart on page two of this guide. These options aim to strike a balance between Option 1 and Option 4, but with two significant benefits: <ol style="list-style-type: none"> You are protected from mandatory future premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan. There is an added safety net where your benefits will not be reduced below coverage levels provided in liquidation.
Stop paying premium altogether (while maintaining a basic level of coverage)	Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> This option offers a paid up insurance policy with benefits displayed on your Personalized Options chart on page two of this guide. This means you will no longer have to pay premium, and coverage will terminate when the Maximum Lifetime Benefit is exhausted. The benefits associated with this option are generally richer than those offered as part of a traditional (non-Rehabilitation) nonforfeiture option. This option will not be subject to premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.
Preserve your current benefits (recognizing that premium may be increased in Phase Two of the Rehabilitation Plan)	Option 4 (Keep Your Current Coverage)	<ul style="list-style-type: none"> This option offers continuation of current coverage at a potentially higher premium rate. You will have the same level of protection you have now at the premium amount displayed on your Personalized Option chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Have certainty (with respect to the premium you will pay and the benefits you will receive throughout the Rehabilitation process)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy) Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> All 3 of these options offer certainty that you will not be subject to mandatory premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.

Step Three: Indicate Your Choice On The Enclosed Form

Your Coverage Election Form must be signed and postmarked by March 15, 2022.

- 1 Tell us how we can reach you, if we have questions.
- 2 Indicate the option you prefer by checking the block associated with your selected option. You should select only one option.
- 3 Sign your name and date the form.
- 4 Mail in the postage-paid return envelope.

Coverage Election Form



POLICYHOLDER NAME: John J. Sample

Best way to reach you, if we have questions.

POLICY NUMBER: 8321

ELECTION EFFECTIVE DATE: 4/20/2022

Phone:

Email:

IMPORTANT: This form must be signed and postmarked by February 28, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	Option 1 Downgrade into Policy	Option 2 Default Policy	Option 3 Downgrade into Enhanced Paid-Up Policy	Option 4 Upgrade into Enhanced Paid-Up Policy	
Attainable Annual Premium	\$2,887	\$2,887	\$1,188	\$1,248	\$0	\$3,362
Annual Premium	\$2,887	\$2,887	\$1,188	\$1,248	\$0	\$3,362
Annual Premium Change (%)	N/A	0%	58.57%	56.77%	100%	16.45%
Maximum Lifetime Benefit	Unlimited	Unlimited	\$394,644	\$493,305	\$246,652	Unlimited
Maximum Lifetime Benefit Change (%)	N/A	0%	60.54%	50.87%	-75.33%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	Yes	No	No	No	Yes
SELECT ONE <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>						

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 20, 2022 and cannot be reversed after February 28, 2022.

I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by February 28, 2022, I will receive Option 2 by default.

Signature: _____

Date: _____ / _____ / _____
Month Day Year

Print name here: _____

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other: _____

Return this form in the postage-paid envelope postmarked by [Decision Date].

Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



P.O. Box 64675, St. Paul, MN 55164-0675

SHIP EP-LTRF-Q122

BUSINESS

FIRST CLASS MAIL PERMIT

POSTAGE WILL BE PAID BY ADDRESSEE

SENIOR HEALTH INSURANCE
OF PENNSYLVANIA (SHIP)
PO BOX 64675
ST. PAUL, MN 55164-0675

IF YOU DON'T RETURN YOUR COVERAGE ELECTION FORM ON TIME, YOU WILL AUTOMATICALLY RECEIVE THE DEFAULT OPTION IDENTIFIED ON YOUR PERSONALIZED OPTIONS CHART AND ON YOUR COVERAGE ELECTION FORM.

Understanding the Policy Features in Your Personalized Options chart.

The information provided in Step One of the guide was customized just for you. It details the options available to you and provides cost and benefit information for each option. We encourage you to carefully evaluate the benefits, premium, and possibility of future rate increases/benefit reductions in light of your personal situation with a family member or trusted advisor. Maximum Lifetime Benefit and Annual Premium have been provided to enable you and your advisor to compare the maximum lifetime benefits to annual cost for each option.

Policy Feature	Description
Maximum Benefit Period^{1,2}	The maximum length of time your policy pays benefits.
Maximum Daily Benefit³	The most you can collect each day for each type of care: Nursing Home (NH), Assisted Living Facility (ALF), Home Health Care (HHC). Your policy may include certain additional benefits. If your policy includes additional benefits that are based on your NH, ALF, or HHC benefit amount(s), the maximum daily benefit amount for the additional benefits will change based on the option you choose. To learn more about additional benefits please refer to the Glossary of Terms in your Important Information for Policyholders brochure.
Maximum Lifetime Benefit⁴	The maximum benefit amount you can collect from your policy assuming benefit payments begin now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	"Yes" means policy benefits are measured by the total dollar amount paid. "No" means they are measured by the number of days benefits are paid.
Elimination Period^{1,4}	The length of time you must wait after becoming eligible for benefits before you are eligible to receive benefit payments.
Reimbursement Type^{2,5}	Reimbursement means you're covered for actual expenses up to the applicable limit. Indemnity means you'll be paid the full daily amount, regardless of expenses incurred.
Inflation Benefit	A rider or policy provision that increases your coverage at regular intervals to guard against inflation.
Extension of Benefits	A policy provision that allows claim payments to continue, even if your policy lapses for non-payment.
Restoration of Benefits	A policy provision that restores your benefits to the original maximum level, if no claims are filed for an extended period of time, such as 180 days.
Return of Premium Benefit	This policy provision or rider provides for return of some or all of the policy premium paid if you do not have claims during a given time frame (such as ten years or the time your policy was in force).
Waiver of Premium Benefit⁴	With this policy provision, you are not required to pay premiums under certain specified circumstances such as while you are on claim.
Rehabilitation Plan Required Benefit Eligibility⁴	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy if you select this option. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.
 2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.
 3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.
 4. If these features change under an option and benefit eligibility for a claim has been approved prior to the Effective Date, these modifications will only apply to future claims.
 5. Under Option 1, if your Reimbursement Type changes from Indemnity to Reimbursement and benefit eligibility for a claim has been approved prior to the Effective Date, this Policy Feature modification will only apply to future claims.
- Note: Refer to the Glossary of Terms in the "Important Information for Policyholders" booklet for a more detailed description of each Policy Feature.



Questions About Your Options?

Q1. When will my new coverage or premium go into effect?

Your new coverage or premium will go into effect on the Election Effective Date listed on your Coverage Election Form.

Q2. Can I change my decision once I return the Coverage Election Form?

You can change your decision until the deadline indicated on your Coverage Election Form. Coverage Election Forms post-marked after this date will not be accepted. It is important to submit your Form on time.

Q3. What happens if I do not return my Coverage Election Form?

If you do not return your Coverage Election Form, the Option identified as "Default" on your Personalized Options chart (on page two of this guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to make an election and return your completed Coverage Election Form on time.

Q4. What happens if I return my Coverage Election Form without a signature or if I do not select only one option?

Under these circumstances, your Coverage Election Form will be considered invalid. The Option identified as "Default" on your Personalized Options chart (on page two of the guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to submit a properly completed and signed form.

Q5. What happens if I cannot find my Coverage Election Form?

If you have misplaced your Coverage Election Form, please contact (833) 894-8577. We will promptly send you a new Coverage Election Form.

Q6. Do I need to send any money with my completed Coverage Election Form?

No. You do not need to send any money with your completed Coverage Election Form. You will continue to be billed in the same way you are billed now. If you have not paid premium recently and premium becomes due, a premium notice will be mailed to the address on file.

Q7. Can my premiums increase in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional rate increases in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required premium increase. Similar to Phase One, customized options would be prepared and fully explained to you.

Q8. Can my benefits be reduced in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional benefit reductions in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required benefit reduction. Similar to Phase One, customized options would be prepared and fully explained to you.

Q9. What happens if I cancel or lapse my coverage, instead of making a coverage decision?

If you cancel or lapse your policy *before* your Option becomes effective, your coverage will be converted to a standard paid-up policy. Coverage provided by a standard paid-up policy equals the total premium paid by you since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy *after* your Option becomes effective, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of this guide.

Q10. I am currently receiving benefits under my long-term care policy. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently receiving claim benefit payments. Your benefits may change, depending on the Option you select. If you choose an Option that changes your benefits, your new benefits will start on the date your Option becomes effective. If you do not return your Coverage Election Form, the Option identified as "Default" will be deemed to be your choice.

Q11. What is the difference between Annual Premium and Billable Annual Premium?

Annual Premium is the cost of coverage for policy features listed under each option on your Personalized Options chart. Billable Annual Premium is that amount minus any premium that is currently being waived.

If you currently pay the full premium amount, your Annual Premium and Billable Annual Premium are the same. If your premiums are currently being waived, and your new Annual Premium is greater than the waived premium amount, you will be billed the Annual Billable Premium when your new option becomes effective.

Q12. I currently do not have to pay premium because my policy is on waiver of premium. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently not paying premium.

More Questions? Call (833) 894-8577. Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



Important Information for Policyholders

**Understanding
the situation
and the action
you need to take.**



The information in this brochure provides general guidance and does not address any specific claims or circumstances. It does not constitute a binding legal statement and is not intended to serve as legal advice or complete legal descriptions. Any forward-looking statements are based on current expectations and assumptions that are subject to change. For full legal information, review the Rehabilitation Plan and applicable Court filings found on the SHIP website: shipltc.com.



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Dear Policyholder,

Over the past year, I assembled a rehabilitation team of experts and have worked closely with them to help address the financial difficulties experienced by SHIP, your long-term care insurance company.

Based on our evaluation, we prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court approved our recommended Rehabilitation Plan.

The Plan involves a number of changes, including making adjustments to insurance policies. This brochure and the other documents included in this Election Package have been thoughtfully designed to help you select the policy modification option that best meets your needs as we implement the Approved Rehabilitation Plan.

You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option on your Coverage Election Form that is best for your situation. If you have questions, we are here to help. Just call (833) 894-8577.

With warm regards,

A handwritten signature in black ink that reads "Jessica K. Altman".

Jessica K. Altman

Pennsylvania Commissioner of Insurance

The Situation

Senior Health
Insurance Company of
Pennsylvania (“SHIP”)
is in rehabilitation.
What does that mean?



The insurance industry is monitored and regulated by state insurance departments to protect the interests of policyholders. If an insurance company’s financial condition indicates the company does not have adequate funds to fully pay for expected future claims, a court-supervised process called “rehabilitation” is initiated.

On January 29, 2020, SHIP was placed in rehabilitation by the Commonwealth Court of Pennsylvania. This rehabilitation order placed the company under the control of the Pennsylvania Insurance Department. The Pennsylvania insurance commissioner was appointed as SHIP’s Rehabilitator to oversee the financial situation, stabilize current operations, develop a rehabilitation plan to maximize the protection of policyholders, and plan for SHIP’s future.

After SHIP was ordered into rehabilitation, the Rehabilitator assembled a team of experts, including a Special Deputy Rehabilitator, to carefully evaluate SHIP’s financial problems and explore ways to correct them. Together, that team developed a proposed Rehabilitation Plan. The proposed Rehabilitation Plan was filed with and approved by the Commonwealth Court of Pennsylvania, after a week-long evidentiary hearing and more than a month of post hearing briefing.



Important Details about the Rehabilitation Plan

The Plan’s principal goal is to correct the Company’s financial condition through policy modifications with a focus on protecting policyholder interests. Providing options to policyholders based on individual circumstances is also an important part of the Plan.

Phases of the Rehabilitation Plan

Phase One begins immediately following approval of the Plan by the Commonwealth Court of Pennsylvania. The goal is to reduce substantially or eliminate the financial deficit by modifying the policies. Reducing or eliminating the financial deficit will enable the company to provide meaningful long-term care coverage to policyholders. This will be achieved by a combination of premium rate increases and policy benefit modifications. This Election Package has been prepared to present policyholders with premium rate increase and policy benefit modification options that will help achieve the goal of the Plan. The Options in the Election Package have been customized for each policyholder and have been prepared using the current policy status (i.e., on claim or not on claim and premium-paying or on premium waiver) for each policy. Policyholders will be asked to select the Option that best meets their needs.

Policies that require modification in Phase One are those paying a current premium below the "If Knew Premium", which is the premium that should have been charged when the policies were originally issued based on a variety of factors known today about the SHIP policies such as historical claim payments, premium rate increases, policy termination rates, and investment returns.

Phase Two will begin after the results of Phase One have been evaluated. The goal is to narrow or eliminate any financial deficit remaining after Phase One. The timing and details will depend on the results achieved in Phase One. Whether or not Phase Two will be implemented may be subject to change depending on the circumstances following Phase One.

Premium rate increases and policy benefit modifications may be required for policyholders who elected Option 1 (Downgrade Your Policy) or Option 4 (Keep Your Current Coverage) in Phase One. Policyholders will be notified in advance of any required rate increases and benefit reductions. Similar to Phase One,

customized options for each policyholder will be prepared and fully explained. Certain policyholders, including those who elected Option 2 (Convert to a Basic Policy), Option 2a (Convert to an Enhanced Basic Policy), or Option 3 (Convert to an Enhanced Paid-Up Policy) in Phase One, will not face mandatory rate increases or policy benefit modifications in Phase Two of the Plan.

Phase Three will begin after the results of Phase Two have been evaluated. It does not include any policyholder modifications and will not require policyholder elections. This phase is the administrative and final phase.

We're Working Hard to Find Solutions for You

The Rehabilitation process is complicated and the financial stability of SHIP is a serious matter. The Rehabilitation team meets regularly to work through the many issues that arise during the Rehabilitation process. The Election Package you received has been customized to help you make an important decision about your SHIP long-term care policy. If you have more than one policy, you will receive an Election Package for each policy. You must make a separate election for each policy.

We understand how important your long-term care insurance coverage is to you and your family. We designed this personalized Election Package to help you make an election that best meets your needs. Coverage options presented have been thoughtfully designed to help you choose a solution that meets your needs as we implement the changes brought about by the approved Rehabilitation Plan.

Here's How You Can Stay Informed

Communicating with you about ongoing rehabilitation activities is our top priority. We will continue to send you notices and share updates about rehabilitation and the court process. You are also encouraged to regularly visit SHIP's website at shipinc.com/court-documents

What You Need to Do Now

Select one Option and mail your decision by the deadline indicated on your Coverage Election Form.

Use the enclosed "Step-by-Step Guide for Policyholders" to help you choose an option that best suits your needs.

You can also visit us online at shipltc.com to watch our informational video series.

1

A table titled "Step One: Review Your Personalized Options" showing various insurance options with columns for Option, Description, and Cost. The table lists several options with their respective descriptions and costs.

Step One: Review your Personalized Options chart. It was designed with you in mind and provides important cost and benefit information for each option. You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option that is best for your situation.

2

A form titled "Step Two: Learn More About Each Option" with sections for "Option 1" and "Option 2". Each section contains a table with columns for "Option", "Description", and "Cost".

Step Two: Learn more about each option. Compare your options in light of your personal situation. Carefully evaluate the benefits, premium, and possibility of future policy modifications of each option.

3

A form titled "Coverage Election Form" with sections for "Personal Information", "Election Information", and "Signature". It includes checkboxes for "I am electing the following option" and "I am not electing any option".

Step Three: Complete, sign, and date your Coverage Election Form. Return the Form in the enclosed postage-paid envelope.

YOUR COMPLETED FORM MUST BE POSTMARKED BY THE DATE INDICATED ON YOUR COVERAGE ELECTION FORM.

What Happens Next

After you have selected the option that best suits your needs, here's what you need to know about next steps.

- 1. SHIP will review your Coverage Election Form** to make sure it is complete. You can help us by making sure to:
 - Select only ONE option on the Coverage Election Form.
 - Sign and clearly date the Form.
 - Return ONLY the completed Coverage Election Form in the self-addressed postage-paid return envelope.

PLEASE NOTE, IF SOMEONE ELSE SIGNS THE FORM ON YOUR BEHALF, THE SIGNING AUTHORIZATION MUST BE ON FILE WITH SHIP.
- 2. If your Coverage Election Form is complete,** SHIP will mail you a written confirmation of your Election upon receipt and will process your selected Option.
- 3. If your Coverage Election Form is NOT completed correctly,** if there is time, SHIP will mail you another Coverage Election Form explaining what needs to be corrected. You must complete this new Coverage Election Form. The Form must be returned and postmarked by the date noted on the Form. If you did not submit or correctly complete your Election Form on time, the Default Option will be processed.
- 4. Any modification resulting from your selected Option** will be effective on the Election Effective Date, listed on your Coverage Election Form. If your Option changes your benefits and you are currently receiving claim payments, your new benefits will start on the Election Effective Date. You should continue submitting claims in the same manner you have in the past.

In the event a policyholder's circumstances change as specified in the Plan before the Initial Plan Effective Date (for example by going on claim, becoming eligible for premium waiver, going off claim, or losing a premium waiver) the policyholder will be sent a new Election Package and will be required to select a new option from among options applicable to the new circumstances.

- 5. If a premium payment is due,** you will continue to be billed in the same way you are billed now. If you do not currently pay premiums and a premium payment is due as a result of the Option you have elected, you will receive a premium notice mailed to the address on file. It is important for you to pay premiums as they become due to preserve your coverage.
- 6. If you do not make the premium payment when due,** your coverage will be converted to a paid-up policy. If the date of lapse is before the Election Effective Date, your policy will convert to a standard paid-up policy which has a maximum benefit amount equal to the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy. If the date of the lapse is after the Election Effective Date, your policy will convert to the Enhanced Paid-Up policy as described under Option 3 on your Personalized Options chart on page two of the guide enclosed.
- 7. A Summary of Current Coverage document,** a policy endorsement, and a schedule of benefits that reflect your policy modifications and features will be mailed to you within a few weeks after your Election Effective Date, listed on your Coverage Election Form.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Frequently Asked Questions

Q1. What is Rehabilitation?

Rehabilitation is a court-supervised process intended to remedy an insurance company's impaired financial condition for the benefit of policyholders and creditors.

On January 29, 2020, Senior Health Insurance Company of Pennsylvania ("SHIP") was placed in rehabilitation by the Commonwealth Court of Pennsylvania (the "Court"). The Court appointed Pennsylvania Insurance Commissioner Jessica K. Altman (the "Commissioner") as Rehabilitator, and she appointed Patrick H. Cantilo as Special Deputy Rehabilitator ("SDR").

The Rehabilitator is charged with protecting SHIP's policyholders, creditors, and the public, including making sure policyholders' coverage continues as long as premiums are paid when due, subject to Plan modifications. Under rehabilitation, the Commissioner conducts an independent, in-depth financial analysis of the insurance company and evaluates and implements opportunities to improve the companies' financial status. The Rehabilitator's actions are dictated by Pennsylvania laws and regulations and are subject to review by the Commonwealth Court of Pennsylvania.

Q2. What is the purpose of the Election Package?

The Rehabilitator and her Rehabilitation team prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court recently approved the Rehabilitation Plan.

The approved Plan involves a number of changes, including making adjustments to insurance policies. These adjustments to the insurance policies include premium rate changes and policy benefit modification options. The purpose of the Election Package is to help policyholders select the option that best meets policyholder needs.

Q3. What actions do I need to take?

You need to make an important choice about your long-term care insurance coverage. Options for your coverage have been thoughtfully customized with you in mind. Refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these steps:

Step 1: Review your "Personalized Options" on page 2.

Step 2: Review "Learn More About Each Option" on page 3.

Step 3: Indicate your choice on the enclosed Coverage Election Form and mail the completed form to SHIP in the enclosed postage-paid return envelope by the deadline indicated on the form.

Q4. How can I learn more about SHIP's rehabilitation and the Election Package?

We created an informational video series to help our policyholders, their families and advisors better understand the content of this Election Package, get help understanding their choices and learn how to choose their best option.

The video series is available online at shipinc.com and is accessible from smartphones, tablets, and laptops. It also features information on the phases of the rehabilitation plan, how to notify us of your decision, and what you can expect after completing and returning your Coverage Election Form.

Q5. I am currently receiving claim benefits. Do I need to do anything different?

Claims for policy benefits will continue to be processed and paid in the normal course of business. You should continue submitting claims in the same manner that you have in the past. Any policy or benefit modifications resulting from your selected Option on the enclosed Coverage Election Form will become effective on the Election Effective Date listed on that Form.

Frequently Asked Questions

Q6. What happens if I decide to stop paying my premiums?

If you cancel or lapse your policy before the Election Effective Date, your coverage will be converted to a standard paid-up policy. Coverage provided by this policy will have a maximum benefit amount which equals the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy after the Election Effective Date, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of the enclosed Step-by-Step Guide for Policyholders. Policy Feature amounts for cancelled or lapsed policies could be different from those displayed under Option 3 due to policy-specific benefit payments and inflation.

Q7. Can I do anything to avoid possible mandatory premium increases or benefit reductions in Phase Two?

You can select one of Options 2, 2a, or 3 in Phase One. Policyholders who choose those options in Phase One are not subject to mandatory modifications in Phase Two.

Q8. Are any policies exempt from mandatory premium increases or benefit reductions in Phase Two regardless of which Option they choose in Phase One?

Options 2, 2a, and 3 are exempt from mandatory modifications in Phase Two. If you select Option 1 or Option 4 in Phase One, you may or may not be exempt from mandatory modifications in Phase Two. If the Guaranty Association Coverage Limit (found on the "Summary of Current Coverage" document) is equal to or greater than the Maximum Lifetime Benefit (of the Phase One Option chosen), you will be exempt from mandatory modifications in Phase Two. If the Annual Premium (of the Phase One Option chosen) is equal to or greater than the Hypothetical Phase Two Annual Premium (found on the enclosed "Summary of Current Coverage" document), you may be exempt from mandatory modifications in Phase Two. Otherwise, selecting Options 1 or 4 may not exempt you from Phase Two modifications.

Q9. If my policy is not subject to mandatory modifications in Phase Two, can I still choose a different Option at that time?

Certain voluntary changes can be made in Phase Two, but you cannot increase coverage.

Q10. Are policyholder elections permanent?

Yes. Once the Coverage Election Form due date passes, you cannot change the option you selected. If the Coverage Election Form is not received on time, you cannot change the "Default" option. All benefit and/or premium changes elected (or defaulted to) pursuant to the Court-approved Rehabilitation Plan are permanent changes to the policy.

Q11. Have any other rehabilitation alternatives been considered?

A number of alternatives have been explored and the Rehabilitator determined they are either not feasible or that the Plan is preferable under the current circumstances.

Q12. Is there a possibility SHIP could be liquidated?

The Pennsylvania Commonwealth Court could decide at some time in the future to place SHIP into liquidation.

Q13. How is liquidation different from rehabilitation?

Under rehabilitation, the Pennsylvania Insurance Commissioner evaluates and implements actions to restore the company's financial condition to a favorable status. The Insurance Commissioner recommends liquidation when the Commissioner believes rehabilitation efforts should no longer be pursued.

In the insurance industry, rehabilitation is a process that allows the Rehabilitator to formulate a plan for restructuring the company and/or modifying the policies to protect policyholder interests. Liquidation is a court-directed process that prescribes the disposition of assets and liabilities for an insurer when it is determined that future policyholder obligations cannot be fully met.

Frequently Asked Questions

Q14. What would happen if SHIP were liquidated?

If SHIP were ordered into liquidation, it is probable that state insurance guaranty associations would continue coverage for policyholders up to applicable statutory coverage limits. Generally, Guaranty Associations become responsible for an insurer's obligations only if the insurer is found by the Court to be insolvent and placed in liquidation. If SHIP is placed in liquidation, policyholders may be subject to future rate increases and benefit reductions.

SHIP has not been placed in liquidation. Therefore, no Guaranty Association is responsible for SHIP's policy obligations at this time. For information about state guaranty associations, please visit nolhga.com.

Q15. How does coverage in the Rehabilitation Plan compare to coverage in liquidation?

Under the Rehabilitation Plan you have at least one option that provides coverage greater than or equal to coverage you would receive in liquidation from the Guaranty Associations. The Plan offers other options unlikely to be available in liquidation.

Q16. Where can I get more details about these matters?

The Approved Rehabilitation Plan is on SHIP's website. Please visit shiprtc.com.

Additional Questions? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Glossary of Terms

Additional Benefits: Some long-term care policies include benefits other than nursing home, facility, home health care, or adult day care. Examples of these include, but are not limited to, bed reservation benefit, respite care, hospice care, caregiver training, medic alert, prescription drug benefit, homemaker services, and ambulance services.

Benefits: Money an insurance company pays to policyholders or care providers for services the insurance policy covers.

Benefit Account Value (Pool of Money): A policy provision that indicates whether the policy includes benefits in dollars up to the total Maximum Lifetime Benefit or includes each day paid up to the Maximum Benefit Period days.

Claim: A request made to pay benefits for eligible services.

Commonwealth Court or Court: The Commonwealth Court of Pennsylvania, which is the rehabilitation court for SHIP and has exclusive authority over SHIP's rehabilitation.

Coverage Election Form: The election form, included in this Election Package, on which a policyholder specifies the Option he or she chooses under the Rehabilitation Plan to modify their policy.

Effective Date: The date the provisions of the Rehabilitation Plan, including modification of long-term care policies and Policyholder Elections, will become effective following approval of the Rehabilitation Plan.

Elimination Period: The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.

Extension of Benefits: A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.

Guaranteed Renewable Policy: An insurance company guarantees the policyholder the right to renew the policy for life, as long as the policyholder pays the premiums on time. Most long-term care insurance policies are guaranteed renewable.

Guaranty Association: Organizations created by statute in each state that are responsible for continuation of insurance coverage for eligible policyholders of insurance companies that are placed in liquidation. These organizations offer continuation of coverage up to a defined Guaranty Association Coverage Limit that is determined by state of residence of the policyholder.

Inflation Benefit: A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effect of inflation on the cost of care.

Lapse: When a policyholder owes premium on their insurance policy but stops paying the premium, resulting in the termination of the policy and loss of insurance protection and benefits.

Liquidation: A legal step a state insurance department takes when an insurance company can't recover from its financial troubles.

Long-Term Care Insurance: Insurance that offers benefits to pay for nursing home care, home health care, and/or other services for individuals who can't perform daily living activities or must be supervised due to illness or cognitive impairment.

Maximum Benefit Period: The maximum duration during which benefits will be available under the policy.

Maximum Daily Benefit: The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH= Nursing Home, ALF= Assisted Living Facility, HHC= Home Health Care.

Maximum Lifetime Benefit: The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.

Policy Benefit Limit: The maximum benefit amount a policy will pay. Some policies define the policy benefit limit in years (one, two, three or more, or even lifetime). Others define the policy benefit limit as a total dollar amount. Policies often use words such as "total lifetime benefit," "maximum lifetime benefit," or "total plan benefit" to describe their maximum benefit limit.

Glossary of Terms

Policy Modifications: Premium rate changes or benefit reductions implemented for each policyholder in accordance with the terms of the Rehabilitation Plan.

Policyholder Election: The election by a policyholder to modify the premiums or benefits of his or her policy under the Rehabilitation Plan.

Policyholder Election Date: The date by which the Coverage Election Form must be properly completed, signed, and postmarked in order for the election to be effective.

Premium: The amount you pay for your insurance coverage.

Rehabilitation: A court-supervised process intended to remedy an insurance company's financial deterioration for the benefit of policyholders and creditors.

Rehabilitation Plan: A plan to correct an insurance company's financial situation through policy modifications and other cost cutting measures while protecting policyholder interests. The plan is proposed by the Rehabilitator and approved by the Court.

Rehabilitator: The state insurance commissioner appointed by the Court to oversee an insurance company's rehabilitation process. The commissioner takes legal control of the company and does an independent, in-depth financial analysis of the company. The commissioner is charged with the protection of the company's policyholders, creditors, and the public. The rehabilitator's actions are dictated by the laws and regulations of the state and are subject to review by the Court. Jessica K. Altman is the Rehabilitator for SHIP.

Reimbursement Type: The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.

Reinstatement Provisions: A policy provision that provides for a policyholder who meets certain conditions to reinstate their policy after it has been canceled because premiums were not paid on time.

Glossary of Terms



Restoration of Benefits: A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).

Return of Premium Benefit: A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.

Special Deputy Rehabilitator: An individual appointed by the Rehabilitator to oversee the day-to-day affairs of the company and to prepare a plan for the company's rehabilitation. Patrick H. Cantilo is the Special Deputy Rehabilitator for SHIP.

State Insurance Commissioner: A state regulator who heads the state insurance department and monitors and regulates insurance agents and companies. Jessica K. Altman is the State Insurance Commissioner in Pennsylvania.

State Insurance Department: The state regulatory agency responsible for administering laws and regulations for all types of insurance.

Waiver of Premium Benefit: A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Exhibit 21

INS-22-200 SHIP

Docket Item List

Date of Item	Docket Item Description
2/8/22	Verified Complaint and Request for Emergency Cease & Desist Order
2/8/22	Exhibit A to Verified Complaint – SHIP “Coverage Election Package” to Maine Policyholder
2/8/22	Proposed Order submitted by Bureau Staff
2/8/22	Emergency Cease & Desist Order and Notice of Hearing
2/8/22	Email from Brittnee Greenleaf (Legal Secretary) to Commissioner Altman and Deputy Rehabilitator Cantilo re: C&D Order & Notice, Verified Complaint, Exhibit A
2/14/22	Request for Scheduling Order submitted by Bureau Staff
2/15/22	Order Delegating Authority and Scheduling Exchange of Witness and Exhibit Lists
2/15/22	Email from Brittnee Greenleaf (Legal Secretary) to Commissioner Altman and Deputy Rehabilitator Cantilo re: Order Delegating Authority
2/17/22	Email from AAG Tom Sturtevant to Hearing Officer Ben Yardley re: Bureau Staff Witness & Exhibits List and Exhibits
2/17/22	Bureau Staff Witness and Exhibit List
2/17/22	Bureau Staff Exhibit 1: Verified Complaint and Request for Emergency Cease & Desist Order
2/17/22	Bureau Staff Exhibit 2: Maine licensing history
2/17/22	Bureau Staff Exhibit 3: Maine rate filing history
2/17/22	Bureau Staff Exhibit 4: Maine Rule 420 checklist
2/17/22	Bureau Staff Exhibit 5: Superintendent’s 03/09/2020 Order
2/17/22	Bureau Staff Exhibit 6: Maine policyholder count and premium
2/17/22	Bureau Staff Exhibit 7: 24-A M.R.S. § 5084
2/17/22	Bureau Staff Exhibit 8: Judicial and Administrative Actions
2/17/22	Bureau Staff Exhibit 9: Maine Insurance Rule Chapter 420
2/17/22	Bureau Staff Exhibit 10: 24-A M.R.S. § 2736
2/17/22	Bureau Staff Exhibit A: “Coverage Election Package” to Maine Policyholder
2/17/22	Bureau Staff Exhibit A-1: “Coverage Election Package” to Maine Policyholder
2/17/22	Email from Hearing Officer Ben Yardley to AAG Tom Sturtevant, Commissioner Altman and Deputy Rehabilitator Cantilo re: Bureau Staff Witness & Exhibits List and Exhibits
2/17/22	SHIP Application for Order Regarding Actuarial Memorandum to Pennsylvania Commonwealth Court
2/17/22	Order Granting Application for Order Regarding Actuarial Memorandum by Pennsylvania Commonwealth Court
2/17/22	SHIP Approved Rehabilitation Plan
2/17/22	Email and Letter from Michael Broadbent, SHIP Legal Counsel, to Hearing Officer Ben Yardley re: jurisdiction
2/17/22	Email from AAG Tom Sturtevant to Hearing Officer Ben Yardley re: Bureau Staff Supplemental Exhibit List and Exhibit
2/17/22	Bureau Staff’s Supplemental Exhibit List
2/17/22	Bureau Staff Exhibit B: “Coverage Election Package” to Maine Policyholder
2/18/22	Email from AAG Tom Sturtevant to Hearing Officer Ben Yardley re: Bureau Staff Second Supplemental Exhibit List and Exhibits
2/18/22	Bureau Staff’s Second Supplemental Exhibit List
2/18/22	Bureau Staff Exhibit 8-1: Judicial and Administrative Actions
2/18/22	Bureau Staff Exhibit B-1: “Coverage Election Package” to Maine Policyholder
3/9/22	Hearing Transcript
3/17/22	Decision & Order

Exhibit 22

STATE OF MAINE
BUREAU OF INSURANCE

In re: Senior Health Insurance Company
of Pennsylvania (SHIP) (in rehabilitation)

VERIFIED COMPLAINT AND
REQUEST FOR EMERGENCY CEASE
AND DESIST ORDER

Pursuant to 24-A M.R.S. § 12-A(2-A), the Staff of the Maine Bureau of Insurance make this Verified Complaint requesting that the Superintendent of Insurance issue an immediate cease and desist order against Senior Health Insurance Company of Pennsylvania (SHIP) because SHIP is transacting insurance business in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Maine policyholders, as more particularly set forth below.

FACTS ALLEGED

1. SHIP is a Pennsylvania-domiciled life and health insurance company that became authorized to issue long-term care insurance (LTC) policies in Maine beginning in 1991 (Maine License Number LHF32655).

2. Beginning in 2010, SHIP filed with the Maine Superintendent premium rate filings on various of its policyholder forms used in the State; and the Maine Superintendent approved the rate filings that were actuarially justified. From 2010 through 2019, SHIP submitted nine (9) rate filings for approval by the Maine Superintendent. (Prior to 2010, Conseco Senior Health Insurance Company was the company filing the rates and made numerous rate filings with the Maine Superintendent.) Recent disapprovals by the Maine Superintendent included SHIP rate filings in 2011 for 838 policyholders who had prior increases of 56%-202% accumulated over the years; and in 2019 for 336 policyholders where SHIP's

filing did not meet the requirements for a justified increase. An increase approved in 2018 affecting 97 policyholders was reduced from 40% to 34% and phased-in over two years.

3. In recent years, SHIP experienced financial distress and faced the possibility of insolvency.

4. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania, in suit number 1 SHP 2020, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.

5. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory rehabilitator of SHIP pursuant to the provisions of 40 P.S. § 221.14, et seq. and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator's behalf.

6. On March 9, 2020, SHIP consented to an order of suspension of its certificate of authority in Maine which Order stipulates in relevant part that SHIP "may not transact any new insurance business in Maine, but will be allowed to continue to renew and service existing business. [SHIP] must continue to make required filings and pay all required fees and taxes."

7. SHIP currently has approximately 350 policies still in force that were issued in Maine and subject to Maine law and, upon information and belief, the average age of SHIP's Maine policyholders is over 86 years.

8. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP and contemporaneously filed a Rehabilitation Plan.

9. On September 15, 2020, the Maine Superintendent was granted intervention as a party in the Rehabilitation Proceeding.

10. The Rehabilitation Plan was approved by a Memorandum Opinion and Order of the Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021.

11. The Maine Superintendent and the other intervening jurisdictions appealed the Rehabilitation Plan to the Pennsylvania Supreme Court (Middle District), No. 71 MAP 201. By Order issued January 31, 2022, the Pennsylvania Supreme Court denied the insurance regulators' request for stay pending appeal of the Rehabilitation Plan. The appeal otherwise remains pending before the Pennsylvania Supreme Court.

12. In late-January 2022, without first filing its rates for approval with the Maine Superintendent, upon information and belief, the SHIP Rehabilitator mailed a "Coverage Election Package" to Maine policyholders which advises them of forthcoming premium and/or benefit modifications that would begin as early as April 1, 2022. (*See Exhibit A.*) The "Coverage Election Package" requires Maine policyholders to complete and return their election form with a postmark date of no later than March 15, 2022. (*See Exhibit A hereto.*)

13. On February 2, 2022, the Rehabilitation Court approved SHIP's use of nationwide premium rates including in Maine.

14. The "Coverage Election Package" does not provide legally sufficient notice to Maine policyholders of SHIP's proposed rate increase as required by 24-A M.R.S. § 5084.

15. The "Coverage Election Package" offers five coverage options to Maine policyholders, including downgrading the policy, converting to a basic policy or to an enhanced basic policy, converting to an enhanced paid-up policy, and keeping their current policy. If a Maine policyholder does not make a coverage election by the March 15, 2022 specified

postmark date, SHIP will on its own exercise the basic policy coverage option, resulting in a significant benefit reduction under a Maine insurance policy.

16. The “Coverage Election Package” fails to advise Maine Policyholders that the premium rates and policy modifications under the Rehabilitation Plan are on appeal to the Pennsylvania Supreme Court. SHIP thus is requiring Maine policyholders to make final and binding coverage elections without any explanation to Maine policyholders about how their rates and benefits would be reconfigured if the Rehabilitation Plan is overturned or otherwise modified by the court in a manner that affects rates and benefits. *See, e.g.*, the State of Louisiana, No. C-713794-22 (19th Judicial Dist. Ct.), and State of South Carolina, No. 2020-CP-40-05802 (S.C. C.C.P.), actions where each state court granted preliminary injunctions against SHIP upon finding that the insurance regulator’s challenges to the Rehabilitation Plan demonstrated a likelihood of success on the merits and that a preliminary injunction was necessary to prevent irreparable harm to policyholders.

17. All Maine policyholder elections and SHIP-imposed elections are deemed irrevocable even if the Rehabilitation Plan is overturned or otherwise modified on appeal. Furthermore, any Maine policyholder that selects the policy downgrade, the paid-up policy option, or their current policy terms could face more rate increases during Phase II of the Rehabilitation Plan.

18. SHIP has not submitted to the Maine Superintendent the premium rates that SHIP intends to use on insurance coverage provided to Maine policyholders, beginning as early as April 1, 2022.

19. SHIP has not obtained regulatory approval by the Maine Superintendent for the premium rates that SHIP intends to use on insurance coverage provided to Maine policyholders, beginning as early as April 1, 2022.

20. SHIP has not made all required regulatory filings with the Maine Superintendent related to SHIP's transaction of insurance in this State, as prescribed by Order of the Superintendent issued March 9, 2020, and consented to by the Rehabilitator on behalf of SHIP.

21. Among other matters, and not by limitation, as a cumulative result of SHIP's:

(a) failure to file proposed premium rates with the Maine Superintendent for use with Maine policies;

(b) failure to provide Maine policyholders with the required advance notice of a premium rate increase for use with Maine policies, including notice of the proposed rate, an explanation that it is subject to regulatory approval, the policyholder's right to request a hearing, the policyholder's right to provide written comments on the proposed rate increase, and contact information for the Maine Bureau of Insurance;

(c) failure to provide Maine policyholders with a minimum 90-day advance notice of premium rate implementation for Maine policies;

(d) use of a "Coverage Election Form" for Maine policies that is unfair or deceptive; contains misrepresentations; and/or is untrue, deceptive, or misleading;

Maine policyholders will be harmed by SHIP forcing them to make rushed and irreversible decisions about their existing Maine long-term care insurance policies.

APPLICABLE LAW

22. The Maine Insurance Code, Title 24-A M.R.S., regulates entities that transact insurance in the State.

23. Pursuant to 24-A M.R.S. § 9, “transacting insurance” includes, “whether by mail or any other means,” solicitation or inducement, negotiations, effectuation of a contract of insurance, or transaction of matters subsequent to the effectuation and arising out of such a contract.

24. Pursuant to 24-A M.R.S. §§ 214 and 215, the Maine Superintendent may seek enforcement against any person who knowingly violates any order of the Superintendent.

25. Pursuant to 24-A M.R.S. § 2736(1), every insurer shall file for approval by the Maine Superintendent every rate, rating formula, classification of risks, and every modification of any formula or classification that it proposes to use in this State in connection with individual health insurance policies, including LTC policies. Every such filing must be made not less than sixty (60) days in advance of the stated effective date. The filing must contain sufficient information for the Maine Superintendent to determine whether such filing meets the requirements that rates not be excessive, inadequate, or unfairly discriminatory. *See* 24-A M.R.S. § 2736(2).

26. Pursuant to 24-A M.R.S. § 5084(1), an insurer shall notify Maine policyholders of a proposed premium rate increase within thirty (30) days of making its filing. The written notice must show the proposed rate; state that the rate is subject to regulatory approval; inform the policyholder of the right to request a hearing; inform the policyholder of the right to provide written comments on the proposed rate increase; and provide the policyholder with contact information for the Maine Bureau of Insurance.

27. Pursuant to 24-A M.R.S. § 5084(2), an insurer may not implement a premium increase for use in Maine until it is approved by the Maine Superintendent.

28. Pursuant to Maine insurance rule Ch. 420, § 8, an insurer shall provide written notice of a premium rate increase for use in Maine to all affected Maine policyholders at least ninety (90) days before the effective date of any rate increase; and “[a]n increase in premium rates may not be implemented until 90 days after the notice is provided.”

29. Pursuant to 24-A M.R.S. § 2152, no person shall engage in an unfair or deceptive act or practice in the business of insurance in this State.

30. Pursuant to 24-A M.R.S. § 2153, no person shall make, issue, or circulate, or cause to be made, issued, or circulated any estimate, illustration, circular, or statement misrepresenting the terms, benefits, or advantages of an insurance policy issued in this State.

31. Pursuant to 24-A M.R.S. § 2154, no person shall make, publish, disseminate, or circulate, or cause, directly or indirectly, to be made, published, disseminated, or circulated, in the form of a notice, circular, pamphlet, or letter, or in any other way, any statement regarding the person’s transaction of insurance business in this State that is untrue, deceptive, or misleading.

32. Pursuant to 24-A M.R.S. § 12-A(2-A), upon a verified complaint showing that a person is engaging in conduct that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Maine insurance consumers, the Maine Superintendent may immediately issue a cease and desist order, without prior notice and hearing.

33. Pursuant to 24-A M.R.S. § 12-A, following a hearing, the Maine Superintendent may assess civil penalties against any person who violates any provision of Title 24-A, any rule adopted by the Maine Superintendent, or any lawful order of the Maine Superintendent; order refunds of any overcharges for charges by an insurer to any person that are not in conformity with a filing that is required to be submitted to the Maine Superintendent for approval under Title

24-A; and order restitution for any insured injured by a violation of Title 24-A for which civil penalties may be assessed.

VIOLATIONS ALLEGED

Count I – Knowingly Violating Superintendent Order

34. SHIP violated and continues to violate 24-A M.R.S. §§ 214 and 215 by knowingly violating the March 9, 2020 Order of the Maine Superintendent, as consented to by the Rehabilitator on behalf of SHIP, in declining to make required Maine regulatory filings with the Maine Superintendent, including, but not limited to, premium rate filings for use with policies in Maine pursuant to 24-A M.R.S. § 2736.

Count II – Failure to File Rates for Approval

35. SHIP violated and continues to violate 24-A M.R.S. § 2736(1) by failing to file for approval by the Maine Superintendent the rates, rating formula, classification of risks, and every modification of any formula or classification that it proposes to use with policies in Maine at least sixty (60) days in advance of the stated effective date of the modifications.

Count III – Premium Rates: Notice of Filing

36. SHIP violated and continues to violate 24-A M.R.S. § 5084(1) by failing to provide written notice to Maine policyholders of proposed premium rate increases for use in Maine within thirty (30) days of making a rate filing. The written notice must show the proposed rate; state that the rate is subject to regulatory approval; inform the policyholder of the right to request a hearing; inform the policyholder of the right to provide written comments on the proposed rate increase; and provide the policyholder with contact information for the Maine Bureau of Insurance.

Count IV – Premium Rates: Implementation

37. SHIP violated and continues to violate 24-A M.R.S. § 5084(2) by communicating an effective date as soon as April 1, 2022 for implementation of premium rate increases under Maine insurance policies without first having obtained approval by the Maine Superintendent.

Count V – Premium Rates: 90-Day Notice

38. SHIP violated and continues to violate Maine insurance rule Ch. 420, § 8 by attempting to implement premium rate increases to Maine policyholders less than ninety (90) days before implementation of the rate increase for use in Maine, to be effective as soon as April 1, 2022.

Count VI – Policyholder Notice: Unfair or Deceptive Acts

39. SHIP violated and continues to violate 24-A M.R.S. § 2152 by mailing a “Coverage Election Package” to Maine policyholders that unfairly or deceptively discloses the premium rates and benefit modifications under a Maine insurance policy.

Count VII – Policyholder Notice: Misrepresentation

40. SHIP violated and continues to violate 24-A M.R.S. § 2153 by mailing a “Coverage Election Package” to Maine policyholders that misrepresents the premium rates and benefit modifications under a Maine insurance policy.

Count VIII – Policyholder Notice: Untrue, Deceptive, or Misleading Statements

41. SHIP violated and continues to violate 24-A M.R.S. § 2154 by mailing a “Coverage Election Package” to Maine policyholders that contains untrue, deceptive, or misleading statements regarding premium rates and benefit modifications under a Maine insurance policy.

CONCLUSION AND REQUEST FOR RELIEF

42. As set forth above in Paragraphs 1 through 41, SHIP has engaged in and is continuing to engage in the business of insurance in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Maine policyholders.

43. For all the foregoing reasons, the Staff of the Bureau of Insurance request that the Maine Superintendent issue an immediate cease and desist order requiring SHIP and its principals, employees, and agents to halt all "Cover Election Package" activities in this State, including, but not limited to, premium rate or benefit modification implementation, unless and until further order of the Superintendent.

February 8, 2022

Respectfully submitted

AARON M. FREY, Attorney General



THOMAS C. STURTEVANT, JR.

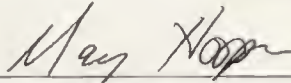
LISA A. WILSON

Assistant Attorneys General

Attorneys for Bureau of Insurance Staff

VERIFICATION

The foregoing allegations are all true to the best of my knowledge and belief.



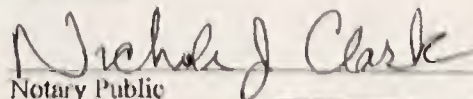
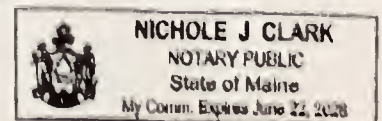
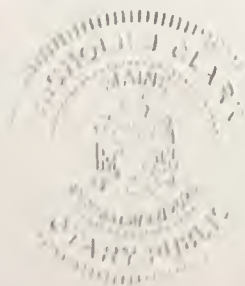
Mary Hooper, Bureau of Ins., Life and Health Actuary

STATE OF MAINE
SOMERSET, SS.

February 8, 2022

Personally appeared the above-named Mary Hooper, Maine Bureau of Insurance, Life and Health Actuary, and made oath that the allegations in the foregoing Verified Complaint are true and correct to the best of her knowledge and belief.

Before me,


Notary Public

Action Required By: March 15, 2022



IMMEDIATE ACTION REQUIRED

Dear 

I'm writing today with important information about your long-term care insurance from Senior Health Insurance Company of Pennsylvania (In Rehabilitation) ("SHIP") and to thank you for your patience and understanding as we guide the company through the rehabilitation process.

As part of this process, you have a very important decision to make at this time. A number of new coverage options are available to you. You are required to select only one option by March 15, 2022.

To get started, please refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these simple steps:


Step 1: Review your personalized options.

Step 2: Learn more about each option.

Step 3: Indicate your choice on the attached Coverage Election Form, detach and mail the completed form to SHIP in the enclosed postage-paid return envelope as soon as possible.

You'll find more details in the "Important Information for Policyholders" booklet and "Summary of Current Coverage" document provided. To watch our informational video series and learn more, visit us online at shipltc.com. Please know we are here to help you. We understand you have a lot invested in your current policy and you want to make sure you will have protection when you need it. Just call us at (833) 894-8577.

Sincerely,



Patrick H. Cantilo
Special Deputy Rehabilitator

Please note that your Coverage Election Form must be postmarked by March 15, 2022.



Coverage Election Form



POLICYHOLDER NAME: [REDACTED]

Best way to reach you, if we have questions.

POLICY NUMBER: [REDACTED]

Phone:

ELECTION EFFECTIVE DATE: April 1, 2022

Email:

IMPORTANT: This form must be signed and postmarked by March 15, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	DEFAULT Option 4 Keep Your Current Coverage
Billable Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium Change (%)	N/A	N/A	-38%	N/A	-100%	0%
Maximum Lifetime Benefit	\$146,000	N/A	\$146,000	N/A	\$73,000	\$146,000
Maximum Lifetime Benefit Change (%)	N/A	N/A	0%	N/A	-50%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	N/A	No	N/A	No	Yes
SELECT ONE ►		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 1, 2022 and cannot be reversed after March 15, 2022.

I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by March 15, 2022, I will receive Option 4 by default.

Signature:

Date: / /
Month Day Year

Print name here:

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other:

Return this form in the postage-paid envelope postmarked by March 15, 2022.

Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



UNV045%PLB9348382

Summary of Current Coverage



SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)

INSURED: [REDACTED]	DATE ISSUED: 11/1/1989
POLICY NUMBER: [REDACTED]	ISSUE AGE: 60
STATE OF ISSUE: ME	CURRENT AGE: 91
STATE OF RESIDENCE: ME	SUMMARY AS OF: 7/31/2021
CURRENT ANNUAL PREMIUM: \$1,350	CURRENT POLICY STATUS: Premium Paying - Not On Claim

Policy Feature	Current Coverage	Description
Maximum Benefit Period ^{1,2}	1,460 Days	The maximum duration during which benefits will be available under the policy.
Maximum Daily Benefit ³	NH: \$100.00 HHC: \$100.00	The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH = Nursing Home, ALF = Assisted Living Facility, HHC = Home Health Care.
Maximum Lifetime Benefit ¹	\$146,000	The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	No	"Yes" means the policy benefits are measured in dollars paid up to the Maximum Lifetime Benefit. "No" means the policy benefits are measured in days paid up to the Maximum Benefit Period days.
Elimination Period ¹	0 Days	The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.
Reimbursement Type ²	Indemnity	The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.
Inflation Benefit	No Inflation	A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effects of inflation on the cost of care.
Extension of Benefits	Included	A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.
Restoration of Benefits	Included	A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).
Return of Premium Benefit	Not Included	A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.
Waiver of Premium Benefit	Included	A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.
2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.
3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.

Note: This document is being provided solely for your convenience and is for reference only. It is not a comprehensive explanation of policy terms or benefits and is not intended to modify or amend any policy provision. All benefit determinations will be processed in accordance with the terms and conditions set forth in your policy and any policy rider(s).

Additional Useful Coverage Information

Coverage information provided on this page does not represent your current coverage. It has been provided to inform you of possible premium and coverage information associated with your policy in future phases of the Rehabilitation Plan. Please refer to the "Important Information for Policyholders" booklet for more detailed information. We encourage you and your trusted advisor to consider this additional useful information as you make your election decision.

INSURED: [REDACTED]

POLICY NUMBER [REDACTED]

Policy Feature	Current Coverage	Description
Rehabilitation Plan Required Benefit Eligibility	No	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.
GA Coverage Limit	\$300,000	Guaranty Associations (GAs) provide coverage for eligible policyholders of insurance companies that are placed in liquidation. GAs offer continuation of coverage up to a defined GA Coverage Limit that is determined by state of residence of the policyholder. This coverage reflects the GA Coverage Limit in your state of residence that would apply in the event SHIP were to be placed in liquidation in the future.
GA Fully Covered	Yes	"Yes" means your projected Maximum Lifetime Benefit is less than or equal to the GA Coverage Limit in your state of residence. "No" means your projected Maximum Lifetime Benefit is greater than the GA Coverage Limit in your state of residence. This is only a projection which may change with changes in circumstances. You may also want to compare the GA Coverage Limit to the Maximum Lifetime Benefit of your policy as shown on the Coverage Election Form.
Potential Uncovered Benefits	\$0	The portion of your Maximum Lifetime Benefit as shown on the Coverage Election Form that exceeds the GA Coverage Limit in your state of residence. Uncovered benefits apply only if a company is placed in liquidation.
Expected Liquidation Rate Increase	0%	This rate increase is the rate increase that could be pursued if SHIP is placed in liquidation. It is a projected number based on certain assumptions made today and could change in the future.
Self-Sustaining Annual Premium	\$1,875	This premium is the annual premium that could be charged to fully fund your policy. It is a projected number based on certain financial assumptions made today, including assets available, benefit payments, and expenses.



9594



SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)



Choosing the Right Coverage Option

A Step-by-Step Guide for Policyholders

Step One: Review Your Personalized Options

Prepared For [REDACTED]
Policy Number [REDACTED]

This chart shows the options currently available to you. Use it to compare the details most important to you.

Policy Feature	DEFAULT				
	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	Option 4 Keep Your Current Coverage
Maximum Benefit Period	N/A	1,825 Days	N/A	913 Days	1,460 Days
Maximum Daily Benefit	N/A	NH: \$80.00 HHC: \$80.00	N/A	NH: \$80.00 HHC: \$80.00	NH: \$100.00 HHC: \$100.00
Maximum Lifetime Benefit	N/A	\$146,000	N/A	\$73,000	\$146,000
Benefit Account Value (Pool of Money)	N/A	Yes	N/A	Yes	No
Elimination Period	N/A	90 Days	N/A	90 Days	0 Days
Reimbursement Type	N/A	Indemnity	N/A	Indemnity	Indemnity
Inflation Benefit	N/A	No Inflation	N/A	No Inflation	No Inflation
Extension of Benefits	N/A	Not Included	N/A	Not Included	Included
Restoration of Benefits	N/A	Not Included	N/A	Not Included	Included
Return of Premium Benefit	N/A	Not Included	N/A	Not Included	Not Included
Waiver of Premium Benefit	N/A	Not Included	N/A	Not Included	Included
Billable Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Rehabilitation Plan Required Benefit Eligibility	N/A	Yes	N/A	Yes	No
Phase Two Rate Increase/Benefit Reduction Possible	N/A	No	N/A	No	Yes

Note: If you do not return your Coverage Election Form on time, the Option identified as "Default" will be deemed to be your choice. Annual Premium is the cost of coverage for policy features listed under each option. Billable Annual Premium is that amount minus any premium that is currently being waived.

In the event the Company is placed in liquidation in the future, available benefits may be reduced below those identified in Your Personalized Options, except for Option 3.

Step Two: Learn More About Each Option

We understand that no two policyholders are alike. To help you navigate through the process of making your election decision, we've outlined several preferences to consider that may be important for you to think about.

Please review the policy features outlined in your Personalized Options chart on page two of this guide.

Some options may not apply to all policies. Options that do not apply to you will appear on your Personalized Options chart with a designation of N/A (Not Applicable) per the policy features.

If your preference is to...	Consider these options	A bit about the options...
Maintain your current premium (recognizing that benefits may be reduced in Phase Two of the Rehabilitation Plan)	Option 1 (Downgrade Your Policy)	<ul style="list-style-type: none"> This option offers reduced benefits while allowing your premium to remain the same. Your benefits will be reduced as shown on your Personalized Options chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Adjust your premium and benefits (designed to balance premium and benefits)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy)	<ul style="list-style-type: none"> These options offer benefits available on a new Basic Policy (Option 2) or a new Enhanced Basic Policy (Option 2a). Option 2a may offer a longer benefit period and more inflation protection. For some policyholders Option 2 may provide the same coverage as Option 2a. The new premium for this new policy will correspond to the benefits displayed on your Personalized Options chart on page two of this guide. These options aim to strike a balance between Option 1 and Option 4, but with two significant benefits: <ol style="list-style-type: none"> You are protected from mandatory future premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan. There is an added safety net where your benefits will not be reduced below coverage levels provided in liquidation.
Stop paying premium altogether (while maintaining a basic level of coverage)	Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> This option offers a paid up insurance policy with benefits displayed on your Personalized Options chart on page two of this guide. This means you will no longer have to pay premium, and coverage will terminate when the Maximum Lifetime Benefit is exhausted. The benefits associated with this option are generally richer than those offered as part of a traditional (non-Rehabilitation) nonforfeiture option. This option will not be subject to premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.
Preserve your current benefits (recognizing that premium may be increased in Phase Two of the Rehabilitation Plan)	Option 4 (Keep Your Current Coverage)	<ul style="list-style-type: none"> This option offers continuation of current coverage at a potentially higher premium rate. You will have the same level of protection you have now at the premium amount displayed on your Personalized Option chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Have certainty (with respect to the premium you will pay and the benefits you will receive throughout the Rehabilitation process)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy) Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> All 3 of these options offer certainty that you will not be subject to mandatory premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.

Step Three: Indicate Your Choice On The Enclosed Form

Your Coverage Election Form must be signed and postmarked by March 15, 2022.

- 1 Tell us how we can reach you, if we have questions.
- 2 Indicate the option you prefer by checking the block associated with your selected option. You should select only one option.
- 3 Sign your name and date the form.
- 4 Mail in the postage-paid return envelope.

Coverage Election Form



POLICYHOLDER NAME: John J. Sample

Best way to reach you, if we have questions.

POLICY NUMBER: 8321

ELECTION EFFECTIVE DATE: 4/20/2022

1

Phone:

Email:

IMPORTANT: This form must be signed and postmarked by February 28, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	Option 4 Keep Your Current Coverage
Billable Annual Premium	\$2,887	\$2,887	\$1,188	\$1,248	\$0	\$3,362
Annual Premium	\$2,887	\$2,887	\$1,188	\$1,248	\$0	\$3,362
Annual Premium Change (%)	N/A	0%	-58.85%	-56.77%	-100%	16.45%
Maximum Lifetime Benefit	Unlimited	Unlimited	\$394,644	\$493,305	\$246,652	Unlimited
Maximum Lifetime Benefit Change (%)	N/A	0%	-60.54%	-50.67%	-75.33%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	Yes	No	No	No	Yes
SELECT ONE ►		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 20, 2022 and cannot be reversed after February 28, 2022.

I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by February 28, 2022, I will receive Option 2 by default.

Signature:

Date: / /
Month Day Year

Print name here:

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other:

Return this form in the postage-paid envelope postmarked by [Decision Date].

Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



P.O. Box 64675, St. Paul, MN 55164-0675

SHIP-EP-LTREF-Q122

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SENIOR HEALTH INS
OF PENNSYLVANIA (I
PO BOX 64675
ST. PAUL, MN 55164-0675



IF YOU DON'T RETURN YOUR COVERAGE ELECTION FORM ON TIME, YOU WILL AUTOMATICALLY RECEIVE THE DEFAULT OPTION IDENTIFIED ON YOUR PERSONALIZED OPTIONS CHART AND ON YOUR COVERAGE ELECTION FORM.

Understanding the Policy Features in Your Personalized Options chart.

The information provided in Step One of the guide was customized just for you. It details the options available to you and provides cost and benefit information for each option. We encourage you to carefully evaluate the benefits, premium, and possibility of future rate increases/benefit reductions in light of your personal situation with a family member or trusted advisor. Maximum Lifetime Benefit and Annual Premium have been provided to enable you and your advisor to compare the maximum lifetime benefits to annual cost for each option.

Policy Feature	Description
Maximum Benefit Period^{1,2}	The maximum length of time your policy pays benefits.
Maximum Daily Benefit³	The most you can collect each day for each type of care: Nursing Home (NH), Assisted Living Facility (ALF), Home Health Care (HHC). Your policy may include certain additional benefits. If your policy includes additional benefits that are based on your NH, ALF, or HHC benefit amount(s), the maximum daily benefit amount for the additional benefits will change based on the option you choose. To learn more about additional benefits please refer to the Glossary of Terms in your Important Information for Policyholders brochure.
Maximum Lifetime Benefit⁴	The maximum benefit amount you can collect from your policy assuming benefit payments begin now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	"Yes" means policy benefits are measured by the total dollar amount paid. "No" means they are measured by the number of days benefits are paid.
Elimination Period^{1,4}	The length of time you must wait after becoming eligible for benefits before you are eligible to receive benefit payments.
Reimbursement Type^{2,5}	Reimbursement means you're covered for actual expenses up to the applicable limit. Indemnity means you'll be paid the full daily amount, regardless of expenses incurred.
Inflation Benefit	A rider or policy provision that increases your coverage at regular intervals to guard against inflation.
Extension of Benefits	A policy provision that allows claim payments to continue, even if your policy lapses for non-payment.
Restoration of Benefits	A policy provision that restores your benefits to the original maximum level, if no claims are filed for an extended period of time, such as 180 days.
Return of Premium Benefit	This policy provision or rider provides for return of some or all of the policy premium paid if you do not have claims during a given time frame (such as ten years or the time your policy was in force).
Waiver of Premium Benefit⁴	With this policy provision, you are not required to pay premiums under certain specified circumstances such as while you are on claim.
Rehabilitation Plan Required Benefit Eligibility⁴	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy if you select this option. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.

2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.

3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.

4. If these features change under an option and benefit eligibility for a claim has been approved prior to the Effective Date, these modifications will only apply to future claims.

5. Under Option 1, if your Reimbursement Type changes from Indemnity to Reimbursement and benefit eligibility for a claim has been approved prior to the Effective Date, this Policy Feature modification will only apply to future claims.

Note: Refer to the Glossary of Terms in the "Important Information for Policyholders" booklet for a more detailed description of each Policy Feature.



Questions About Your Options?

Q1. When will my new coverage or premium go into effect?

Your new coverage or premium will go into effect on the Election Effective Date listed on your Coverage Election Form.

Q2. Can I change my decision once I return the Coverage Election Form?

You can change your decision until the deadline indicated on your Coverage Election Form. Coverage Election Forms post-marked after this date will not be accepted. It is important to submit your Form on time.

Q3. What happens if I do not return my Coverage Election Form?

If you do not return your Coverage Election Form, the Option identified as "Default" on your Personalized Options chart (on page two of this guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to make an election and return your completed Coverage Election Form on time.

Q4. What happens if I return my Coverage Election Form without a signature or if I do not select only one option?

Under these circumstances, your Coverage Election Form will be considered invalid. The Option identified as "Default" on your Personalized Options chart (on page two of the guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to submit a properly completed and signed form.

Q5. What happens if I cannot find my Coverage Election Form?

If you have misplaced your Coverage Election Form, please contact (833) 894-8577. We will promptly send you a new Coverage Election Form.

Q6. Do I need to send any money with my completed Coverage Election Form?

No. You do not need to send any money with your completed Coverage Election Form. You will continue to be billed in the same way you are billed now. If you have not paid premium recently and premium becomes due, a premium notice will be mailed to the address on file.

Q7. Can my premiums increase in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional rate increases in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required premium increase. Similar to Phase One, customized options would be prepared and fully explained to you.

Q8. Can my benefits be reduced in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional benefit reductions in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required benefit reduction. Similar to Phase One, customized options would be prepared and fully explained to you.

Q9. What happens if I cancel or lapse my coverage, instead of making a coverage decision?

If you cancel or lapse your policy *before* your Option becomes effective, your coverage will be converted to a standard paid-up policy. Coverage provided by a standard paid-up policy equals the total premium paid by you since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy *after* your Option becomes effective, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of this guide.

Q10. I am currently receiving benefits under my long-term care policy. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently receiving claim benefit payments. Your benefits may change, depending on the Option you select. If you choose an Option that changes your benefits, your new benefits will start on the date your Option becomes effective. If you do not return your Coverage Election Form, the Option identified as "Default" will be deemed to be your choice.

Q11. What is the difference between Annual Premium and Billable Annual Premium?

Annual Premium is the cost of coverage for policy features listed under each option on your Personalized Options chart. Billable Annual Premium is that amount minus any premium that is currently being waived.

If you currently pay the full premium amount, your Annual Premium and Billable Annual Premium are the same. If your premiums are currently being waived, and your new Annual Premium is greater than the waived premium amount, you will be billed the Annual Billable Premium when your new option becomes effective.

Q12. I currently do not have to pay premium because my policy is on waiver of premium. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently not paying premium.

More Questions? Call (833) 894-8577. Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



Important Information for Policyholders

**Understanding
the situation
and the action
you need to take.**

The information in this brochure provides general guidance and does not address any specific claims or circumstances. It does not constitute a binding legal statement and is not intended to serve as legal advice or complete legal descriptions. Any forward-looking statements are based on current expectations and assumptions that are subject to change. For full legal information, review the Rehabilitation Plan and applicable Court filings found on the SHIP website: shipltc.com.



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Dear Policyholder,

Over the past year, I assembled a rehabilitation team of experts and have worked closely with them to help address the financial difficulties experienced by SHIP, your long-term care insurance company.

Based on our evaluation, we prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court approved our recommended Rehabilitation Plan.

The Plan involves a number of changes, including making adjustments to insurance policies. This brochure and the other documents included in this Election Package have been thoughtfully designed to help you select the policy modification option that best meets your needs as we implement the Approved Rehabilitation Plan.

You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option on your Coverage Election Form that is best for your situation. If you have questions, we are here to help. Just call **(833) 894-8577**.

With warm regards,



Jessica K. Altman
Pennsylvania Commissioner of Insurance

The Situation

Senior Health Insurance Company of Pennsylvania (“SHIP”) is in rehabilitation.

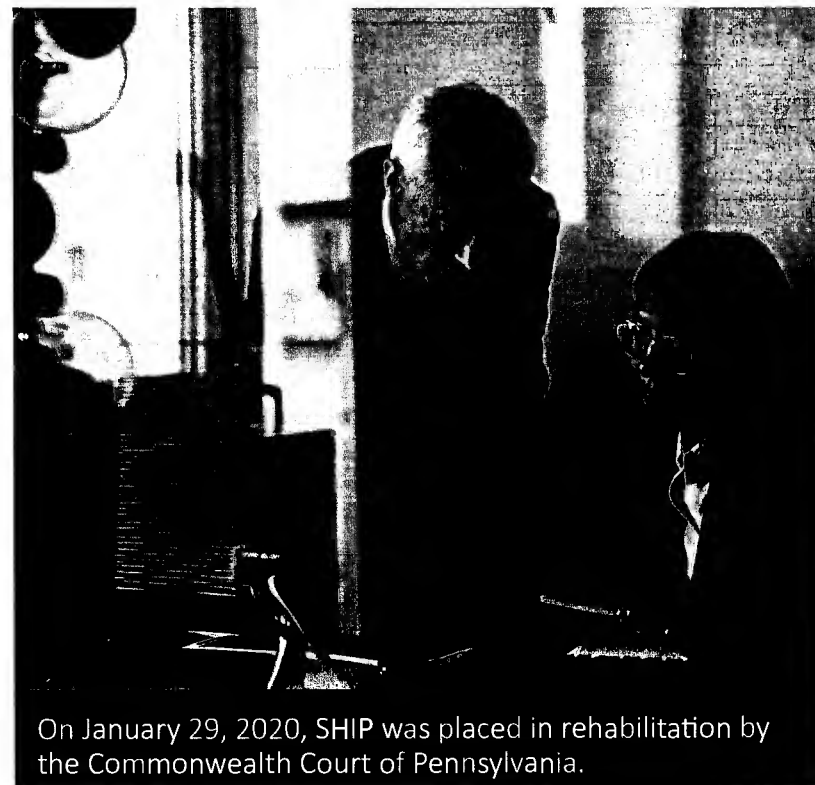
What does that mean?



The insurance industry is monitored and regulated by state insurance departments to protect the interests of policyholders. If an insurance company's financial condition indicates the company does not have adequate funds to fully pay for expected future claims, a court-supervised process called “rehabilitation” is initiated.

On January 29, 2020, SHIP was placed in rehabilitation by the Commonwealth Court of Pennsylvania. This rehabilitation order placed the company under the control of the Pennsylvania Insurance Department. The Pennsylvania insurance commissioner was appointed as SHIP's Rehabilitator to oversee the financial situation, stabilize current operations, develop a rehabilitation plan to maximize the protection of policyholders, and plan for SHIP's future.

After SHIP was ordered into rehabilitation, the Rehabilitator assembled a team of experts, including a Special Deputy Rehabilitator, to carefully evaluate SHIP's financial problems and explore ways to correct them. Together, that team developed a proposed Rehabilitation Plan. The proposed Rehabilitation Plan was filed with and approved by the Commonwealth Court of Pennsylvania, after a week-long evidentiary hearing and more than a month of post hearing briefing.



On January 29, 2020, SHIP was placed in rehabilitation by the Commonwealth Court of Pennsylvania.

Important Details about the Rehabilitation Plan

The Plan's principal goal is to correct the Company's financial condition through policy modifications with a focus on protecting policyholder interests. Providing options to policyholders based on individual circumstances is also an important part of the Plan.

Phases of the Rehabilitation Plan

Phase One begins immediately following approval of the Plan by the Commonwealth Court of Pennsylvania. The goal is to reduce substantially or eliminate the financial deficit by modifying the policies. Reducing or eliminating the financial deficit will enable the company to provide meaningful long-term care coverage to policyholders. This will be achieved by a combination of premium rate increases and policy benefit modifications. This Election Package has been prepared to present policyholders with premium rate increase and policy benefit modification options that will help achieve the goal of the Plan. The Options in the Election Package have been customized for each policyholder and have been prepared using the current policy status (i.e., on claim or not on claim and premium-paying or on premium waiver) for each policy. Policyholders will be asked to select the Option that best meets their needs.

Policies that require modification in Phase One are those paying a current premium below the “If Knew Premium”, which is the premium that should have been charged when the policies were originally issued based on a variety of factors known today about the SHIP policies such as historical claim payments, premium rate increases, policy termination rates, and investment returns.

Phase Two will begin after the results of Phase One have been evaluated. The goal is to narrow or eliminate any financial deficit remaining after Phase One. The timing and details will depend on the results achieved in Phase One. Whether or not Phase Two will be implemented may be subject to change depending on the circumstances following Phase One.

Premium rate increases and policy benefit modifications may be required for policyholders who elected Option 1 (Downgrade Your Policy) or Option 4 (Keep Your Current Coverage) in Phase One. Policyholders will be notified in advance of any required rate increases and benefit reductions. Similar to Phase One,

customized options for each policyholder will be prepared and fully explained. Certain policyholders, including those who elected Option 2 (Convert to a Basic Policy), Option 2a (Convert to an Enhanced Basic Policy), or Option 3 (Convert to an Enhanced Paid-Up Policy) in Phase One, will not face mandatory rate increases or policy benefit modifications in Phase Two of the Plan.

Phase Three will begin after the results of Phase Two have been evaluated. It does not include any policyholder modifications and will not require policyholder elections. This phase is the administrative and final phase.

We’re Working Hard to Find Solutions for You

The Rehabilitation process is complicated and the financial stability of SHIP is a serious matter. The Rehabilitation team meets regularly to work through the many issues that arise during the Rehabilitation process. The Election Package you received has been customized to help you make an important decision about your SHIP long-term care policy. If you have more than one policy, you will receive an Election Package for each policy. You must make a separate election for each policy.

We understand how important your long-term care insurance coverage is to you and your family. We designed this personalized Election Package to help you make an election that best meets your needs. Coverage options presented have been thoughtfully designed to help you choose a solution that meets your needs as we implement the changes brought about by the approved Rehabilitation Plan.

Here’s How You Can Stay Informed

Communicating with you about ongoing rehabilitation activities is our top priority. We will continue to send you notices and share updates about rehabilitation and the court process. You are also encouraged to regularly visit SHIP’s website at shipltc.com/court-documents

What You Need to Do Now

Select one Option and mail your decision by the deadline indicated on your Coverage Election Form.

Use the enclosed "Step-by-Step Guide for Policyholders" to help you choose an option that best suits your needs.

You can also visit us online at shipltc.com to watch our informational video series.

1

Step One: Review Your Personalized Options

This chart shows the options currently available to you. See it in person in the Detail Room at your ship.

Option	Annual Premium	Monthly Premium	Policyholder's Share	Company's Share	Company's Contribution
Option 1	\$1,200.00	\$100.00	\$1,200.00	\$0.00	\$0.00
Option 2	\$1,500.00	\$125.00	\$1,500.00	\$0.00	\$0.00
Option 3	\$1,800.00	\$150.00	\$1,800.00	\$0.00	\$0.00
Option 4	\$2,100.00	\$175.00	\$2,100.00	\$0.00	\$0.00
Option 5	\$2,400.00	\$200.00	\$2,400.00	\$0.00	\$0.00

See the enclosed "Step-by-Step Guide for Policyholders" for more information about each option.

2

Step Two: Learn More About Each Option

We understand that you have many questions about the options available to you. This chart provides information about each option, including the benefits, premiums, and policyholder's share. It also includes information about the company's share and contribution.

Option	Annual Premium	Monthly Premium	Policyholder's Share	Company's Share	Company's Contribution
Option 1	\$1,200.00	\$100.00	\$1,200.00	\$0.00	\$0.00
Option 2	\$1,500.00	\$125.00	\$1,500.00	\$0.00	\$0.00
Option 3	\$1,800.00	\$150.00	\$1,800.00	\$0.00	\$0.00
Option 4	\$2,100.00	\$175.00	\$2,100.00	\$0.00	\$0.00
Option 5	\$2,400.00	\$200.00	\$2,400.00	\$0.00	\$0.00

See the enclosed "Step-by-Step Guide for Policyholders" for more information about each option.

3

Coverage Election Form

SHIP

Policyholder's Name: John J. Smith
Policy Number: 123456789
Election Effective Date: 01/01/2022
Signature: [Signature]
Date: 12/15/2021

Select the option that best suits your needs.

Option	Annual Premium	Monthly Premium	Policyholder's Share	Company's Share	Company's Contribution
Option 1	\$1,200.00	\$100.00	\$1,200.00	\$0.00	\$0.00
Option 2	\$1,500.00	\$125.00	\$1,500.00	\$0.00	\$0.00
Option 3	\$1,800.00	\$150.00	\$1,800.00	\$0.00	\$0.00
Option 4	\$2,100.00	\$175.00	\$2,100.00	\$0.00	\$0.00
Option 5	\$2,400.00	\$200.00	\$2,400.00	\$0.00	\$0.00

Select one option by marking the corresponding box.

Option 1 ☐ Option 2 ☐ Option 3 ☐ Option 4 ☐ Option 5 ☐

Signature: [Signature]
Date: 12/15/2021

Step One: Review your Personalized Options chart. It was designed with you in mind and provides important cost and benefit information for each option. You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option that is best for your situation.

Step Two: Learn more about each option. Compare your options in light of your personal situation. Carefully evaluate the benefits, premium, and possibility of future policy modifications of each option.

Step Three: Complete, sign, and date your Coverage Election Form. Return the Form in the enclosed postage-paid envelope.

YOUR COMPLETED FORM MUST BE POSTMARKED BY THE DATE INDICATED ON YOUR COVERAGE ELECTION FORM.

What Happens Next

After you have selected the option that best suits your needs, here's what you need to know about next steps.

- 1. SHIP will review your Coverage Election Form** to make sure it is complete. You can help us by making sure to:
 - Select only ONE option on the Coverage Election Form.
 - Sign and clearly date the Form.
 - Return ONLY the completed Coverage Election Form in the self-addressed postage-paid return envelope.

PLEASE NOTE, IF SOMEONE ELSE SIGNS THE FORM ON YOUR BEHALF, THE SIGNING AUTHORIZATION MUST BE ON FILE WITH SHIP.

- 2. If your Coverage Election Form is complete,** SHIP will mail you a written confirmation of your Election upon receipt and will process your selected Option.
- 3. If your Coverage Election Form is NOT completed correctly,** if there is time, SHIP will mail you another Coverage Election Form explaining what needs to be corrected. You must complete this new Coverage Election Form. The Form must be returned and postmarked by the date noted on the Form. If you did not submit or correctly complete your Election Form on time, the Default Option will be processed.
- 4. Any modification resulting from your selected Option** will be effective on the Election Effective Date, listed on your Coverage Election Form. If your Option changes your benefits and you are currently receiving claim payments, your new benefits will start on the Election Effective Date. You should continue submitting claims in the same manner you have in the past.

In the event a policyholder's circumstances change as specified in the Plan before the Initial Plan Effective Date (for example by going on claim, becoming eligible for premium waiver, going off claim, or losing a premium waiver) the policyholder will be sent a new Election Package and will be required to select a new option from among options applicable to the new circumstances.

- 5. If a premium payment is due,** you will continue to be billed in the same way you are billed now. If you do not currently pay premiums and a premium payment is due as a result of the Option you have elected, you will receive a premium notice mailed to the address on file. It is important for you to pay premiums as they become due to preserve your coverage.
- 6. If you do not make the premium payment when due,** your coverage will be converted to a paid-up policy. If the date of lapse is before the Election Effective Date, your policy will convert to a standard paid-up policy which has a maximum benefit amount equal to the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy. If the date of the lapse is after the Election Effective Date, your policy will convert to the Enhanced Paid-Up policy as described under Option 3 on your Personalized Options chart on page two of the guide enclosed.
- 7. A Summary of Current Coverage document,** a policy endorsement, and a schedule of benefits that reflect your policy modifications and features will be mailed to you within a few weeks after your Election Effective Date, listed on your Coverage Election Form.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Frequently Asked Questions

Q1. What is Rehabilitation?

Rehabilitation is a court-supervised process intended to remedy an insurance company's impaired financial condition for the benefit of policyholders and creditors.

On January 29, 2020, Senior Health Insurance Company of Pennsylvania ("SHIP") was placed in rehabilitation by the Commonwealth Court of Pennsylvania (the "Court"). The Court appointed Pennsylvania Insurance Commissioner Jessica K. Altman (the "Commissioner") as Rehabilitator, and she appointed Patrick H. Cantilo as Special Deputy Rehabilitator ("SDR").

The Rehabilitator is charged with protecting SHIP's policyholders, creditors, and the public, including making sure policyholders' coverage continues as long as premiums are paid when due, subject to Plan modifications. Under rehabilitation, the Commissioner conducts an independent, in-depth financial analysis of the insurance company and evaluates and implements opportunities to improve the companies' financial status. The Rehabilitator's actions are dictated by Pennsylvania laws and regulations and are subject to review by the Commonwealth Court of Pennsylvania.

Q2. What is the purpose of the Election Package?

The Rehabilitator and her Rehabilitation team prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court recently approved the Rehabilitation Plan.

The approved Plan involves a number of changes, including making adjustments to insurance policies. These adjustments to the insurance policies include premium rate changes and policy benefit modification options. The purpose of the Election Package is to help policyholders select the option that best meets policyholder needs.

Q3. What actions do I need to take?

You need to make an important choice about your long-term care insurance coverage. Options for your coverage have been thoughtfully customized with you in mind. Refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these steps:

Step 1: Review your "Personalized Options" on page 2.

Step 2: Review "Learn More About Each Option" on page 3.

Step 3: Indicate your choice on the enclosed Coverage Election Form and mail the completed form to SHIP in the enclosed postage-paid return envelope by the deadline indicated on the form.

Q4. How can I learn more about SHIP's rehabilitation and the Election Package?

We created an informational video series to help our policyholders, their families and advisors better understand the content of this Election Package, get help understanding their choices and learn how to choose their best option.

The video series is available online at shipltc.com and is accessible from smartphones, tablets, and laptops. It also features information on the phases of the rehabilitation plan, how to notify us of your decision, and what you can expect after completing and returning your Coverage Election Form.

Q5. I am currently receiving claim benefits. Do I need to do anything different?

Claims for policy benefits will continue to be processed and paid in the normal course of business. You should continue submitting claims in the same manner that you have in the past. Any policy or benefit modifications resulting from your selected Option on the enclosed Coverage Election Form will become effective on the Election Effective Date listed on that Form.

Frequently Asked Questions

Q6. What happens if I decide to stop paying my premiums?

If you cancel or lapse your policy before the Election Effective Date, your coverage will be converted to a standard paid-up policy. Coverage provided by this policy will have a maximum benefit amount which equals the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy after the Election Effective Date, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of the enclosed Step-by-Step Guide for Policyholders. Policy Feature amounts for cancelled or lapsed policies could be different from those displayed under Option 3 due to policy-specific benefit payments and inflation.

Q7. Can I do anything to avoid possible mandatory premium increases or benefit reductions in Phase Two?

You can select one of Options 2, 2a, or 3 in Phase One. Policyholders who choose those options in Phase One are not subject to mandatory modifications in Phase Two.

Q8. Are any policies exempt from mandatory premium increases or benefit reductions in Phase Two regardless of which Option they choose in Phase One?

Options 2, 2a, and 3 are exempt from mandatory modifications in Phase Two. If you select Option 1 or Option 4 in Phase One, you may or may not be exempt from mandatory modifications in Phase Two. If the Guaranty Association Coverage Limit (found on the "Summary of Current Coverage" document) is equal to or greater than the Maximum Lifetime Benefit (of the Phase One Option chosen), you will be exempt from mandatory modifications in Phase Two. If the Annual Premium (of the Phase One Option chosen) is equal to or greater than the Hypothetical Phase Two Annual Premium (found on the enclosed "Summary of Current Coverage" document), you may be exempt from mandatory modifications in Phase Two. Otherwise, selecting Options 1 or 4 may not exempt you from Phase Two modifications.

Q9. If my policy is not subject to mandatory modifications in Phase Two, can I still choose a different Option at that time?

Certain voluntary changes can be made in Phase Two, but you cannot increase coverage.

Q10. Are policyholder elections permanent?

Yes. Once the Coverage Election Form due date passes, you cannot change the option you selected. If the Coverage Election Form is not received on time, you cannot change the "Default" option. All benefit and/or premium changes elected (or defaulted to) pursuant to the Court-approved Rehabilitation Plan are permanent changes to the policy.

Q11. Have any other rehabilitation alternatives been considered?

A number of alternatives have been explored and the Rehabilitator determined they are either not feasible or that the Plan is preferable under the current circumstances.

Q12. Is there a possibility SHIP could be liquidated?

The Pennsylvania Commonwealth Court could decide at some time in the future to place SHIP into liquidation.

Q13. How is liquidation different from rehabilitation?

Under rehabilitation, the Pennsylvania Insurance Commissioner evaluates and implements actions to restore the company's financial condition to a favorable status. The Insurance Commissioner recommends liquidation when the Commissioner believes rehabilitation efforts should no longer be pursued.

In the insurance industry, rehabilitation is a process that allows the Rehabilitator to formulate a plan for restructuring the company and/or modifying the policies to protect policyholder interests. Liquidation is a court-directed process that prescribes the disposition of assets and liabilities for an insurer when it is determined that future policyholder obligations cannot be fully met.

Frequently Asked Questions

Q14. What would happen if SHIP were liquidated?

If SHIP were ordered into liquidation, it is probable that state insurance guaranty associations would continue coverage for policyholders up to applicable statutory coverage limits. Generally, Guaranty Associations become responsible for an insurer's obligations only if the insurer is found by the Court to be insolvent and placed in liquidation. If SHIP is placed in liquidation, policyholders may be subject to future rate increases and benefit reductions.

SHIP has not been placed in liquidation. Therefore, no Guaranty Association is responsible for SHIP's policy obligations at this time. For information about state guaranty associations, please visit nolhga.com.

Q15. How does coverage in the Rehabilitation Plan compare to coverage in liquidation?

Under the Rehabilitation Plan you have at least one option that provides coverage greater than or equal to coverage you would receive in liquidation from the Guaranty Associations. The Plan offers other options unlikely to be available in liquidation.

Q16. Where can I get more details about these matters?

The Approved Rehabilitation Plan is on SHIP's website. Please visit shipltc.com.

Additional Questions? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Glossary of Terms

Additional Benefits: Some long-term care policies include benefits other than nursing home, facility, home health care, or adult day care. Examples of these include, but are not limited to, bed reservation benefit, respite care, hospice care, caregiver training, medic alert, prescription drug benefit, homemaker services, and ambulance services.

Benefits: Money an insurance company pays to policyholders or care providers for services the insurance policy covers.

Benefit Account Value (Pool of Money): A policy provision that indicates whether the policy includes benefits in dollars up to the total Maximum Lifetime Benefit or includes each day paid up to the Maximum Benefit Period days.

Claim: A request made to pay benefits for eligible services.

Commonwealth Court or Court: The Commonwealth Court of Pennsylvania, which is the rehabilitation court for SHIP and has exclusive authority over SHIP's rehabilitation.

Coverage Election Form: The election form, included in this Election Package, on which a policyholder specifies the Option he or she chooses under the Rehabilitation Plan to modify their policy.

Effective Date: The date the provisions of the Rehabilitation Plan, including modification of long-term care policies and Policyholder Elections, will become effective following approval of the Rehabilitation Plan.

Elimination Period: The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.

Extension of Benefits: A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.

Guaranteed Renewable Policy: An insurance company guarantees the policyholder the right to renew the policy for life, as long as the policyholder pays the premiums on time. Most long-term care insurance policies are guaranteed renewable.

Guaranty Association: Organizations created by statute in each state that are responsible for continuation of insurance coverage for eligible policyholders of insurance companies that are placed in liquidation. These organizations offer continuation of coverage up to a defined Guaranty Association Coverage Limit that is determined by state of residence of the policyholder.

Inflation Benefit: A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effect of inflation on the cost of care.

Lapse: When a policyholder owes premium on their insurance policy but stops paying the premium, resulting in the termination of the policy and loss of insurance protection and benefits.

Liquidation: A legal step a state insurance department takes when an insurance company can't recover from its financial troubles.

Long-Term Care Insurance: Insurance that offers benefits to pay for nursing home care, home health care, and/or other services for individuals who can't perform daily living activities or must be supervised due to illness or cognitive impairment.

Maximum Benefit Period: The maximum duration during which benefits will be available under the policy.

Maximum Daily Benefit: The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH= Nursing Home, ALF= Assisted Living Facility, HHC= Home Health Care.

Maximum Lifetime Benefit: The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.

Policy Benefit Limit: The maximum benefit amount a policy will pay. Some policies define the policy benefit limit in years (one, two, three or more, or even lifetime). Others define the policy benefit limit as a total dollar amount. Policies often use words such as "total lifetime benefit," "maximum lifetime benefit," or "total plan benefit" to describe their maximum benefit limit.

Glossary of Terms

Policy Modifications: Premium rate changes or benefit reductions implemented for each policyholder in accordance with the terms of the Rehabilitation Plan.

Policyholder Election: The election by a policyholder to modify the premiums or benefits of his or her policy under the Rehabilitation Plan.

Policyholder Election Date: The date by which the Coverage Election Form must be properly completed, signed, and postmarked in order for the election to be effective.

Premium: The amount you pay for your insurance coverage.

Rehabilitation: A court-supervised process intended to remedy an insurance company's financial deterioration for the benefit of policyholders and creditors.

Rehabilitation Plan: A plan to correct an insurance company's financial situation through policy modifications and other cost cutting measures while protecting policyholder interests. The plan is proposed by the Rehabilitator and approved by the Court.

Rehabilitator: The state insurance commissioner appointed by the Court to oversee an insurance company's rehabilitation process. The commissioner takes legal control of the company and does an independent, in-depth financial analysis of the company. The commissioner is charged with the protection of the company's policyholders, creditors, and the public. The rehabilitator's actions are dictated by the laws and regulations of the state and are subject to review by the Court. Jessica K. Altman is the Rehabilitator for SHIP.

Reimbursement Type: The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.

Reinstatement Provisions: A policy provision that provides for a policyholder who meets certain conditions to reinstate their policy after it has been canceled because premiums were not paid on time.

Glossary of Terms



Restoration of Benefits: A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).

Return of Premium Benefit: A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.

Special Deputy Rehabilitator: An individual appointed by the Rehabilitator to oversee the day-to-day affairs of the company and to prepare a plan for the company's rehabilitation. Patrick H. Cantilo is the Special Deputy Rehabilitator for SHIP.

State Insurance Commissioner: A state regulator who heads the state insurance department and monitors and regulates insurance agents and companies. Jessica K. Altman is the State Insurance Commissioner in Pennsylvania.

State Insurance Department: The state regulatory agency responsible for administering laws and regulations for all types of insurance.

Waiver of Premium Benefit: A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Exhibit 23

STATE OF MAINE
BUREAU OF INSURANCE

In re: Senior Health Insurance Company
of Pennsylvania (SHIP) (in rehabilitation)

Docket No. INS-22-200

**EMERGENCY CEASE AND
DESIST ORDER & NOTICE OF
PENDING PROCEEDING AND
HEARING**

On February 8, 2022, through counsel, Maine Bureau of Insurance Staff submitted a Verified Complaint alleging that Senior Health Insurance Company of Pennsylvania (SHIP) is transacting insurance business in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Maine policyholders. (*See Verified Complaint attached hereto.*) I have reviewed the alleged violations specified in Counts I through VIII of the Verified Complaint, which are incorporated herein by reference, and find, based on the verified allegations, that good cause exists for me to issue the requested Emergency Cease and Desist Order.

EMERGENCY CEASE AND DESIST ORDER

Effective immediately, except as otherwise provided herein, SHIP and its principals, employees, and agents shall halt disseminating, implementing, or enforcing in this State the “Coverage Election Package” or otherwise interfering with the rights of SHIP’s Maine policyholders or violating the insurance laws and regulations of this State, including, but not limited to, notifying Maine policyholders of proposed rate or benefit modifications under Maine policies or requesting that Maine policyholders select rates or benefits different under Maine policies from those authorized by the Maine Superintendent and called for under the terms of the contract, charging additional premium, or withholding, delaying or encumbering benefits in whole or in part, until such time as otherwise ordered by the Maine Superintendent.

This Order does not prohibit filing a premium increase request, or a proposed schedule of rates for proposed voluntary policy modifications, for review by the Superintendent in the manner prescribed by Maine law with sufficient supporting information to enable the Superintendent to determine whether the requested rates are neither inadequate, excessive, nor unfairly discriminatory. This Order does not prohibit SHIP from sending notices of any such filing to consumers if the notices have been reviewed by the Superintendent for accuracy and compliance with Maine law, and have not been disapproved.

NOTICE OF PENDING PROCEEDING AND HEARING

Pursuant to 24-A M.R.S.A. §§ 229 and 230, 5 M.R.S. § 9052, and Insurance Rule Chapter 350, the Superintendent hereby gives notice that a public hearing will be held in the above-captioned matter beginning at 9:00 a.m. on February 18, 2022, unless a later date is agreed to by the Superintendent and all parties. Members of the public, including SHIP policyholders, are invited to attend the hearing. The hearing will take place by an audio-visual link, and instructions for registering for and attending the hearing remotely, by either audio-visual link or telephone, will be posted on the Bureau of Insurance website.

The purpose of the proceeding and hearing is for the Superintendent to determine whether grounds exist to continue in force a Cease and Desist Order against SHIP and to consider appropriate sanctions for any proven violations and such additional remedial measures as may be appropriate for the protection of Maine policyholders.

SHIP is a party to this proceeding. Bureau of Insurance Staff filing the Verified Complaint will be participating in this matter in an advocacy capacity, including presenting evidence and questioning witnesses. Persons wishing to intervene as parties in this proceeding

shall file their applications in writing with the Superintendent no later than 3:00 p.m. on February 16, 2022. *See* 5 M.R.S. § 9054. Applicants should either hand deliver their intervention applications to the attention of the Superintendent at the offices of the Bureau of Insurance, 76 Northern Avenue, Gardiner, Maine or mail them to the Superintendent at the following address:


Eric Cioppa, Superintendent
Bureau of Insurance
Maine Department of Professional and Financial Regulation
#34 State House Station
Augusta, Maine 04333-0034

The Superintendent will conduct the proceeding and hearing in accordance with the provisions of the Maine Administrative Procedure Act, 5 M.R.S. chapter 375, subchapter 4; 24-A M.R.S. §§ 229 to 236; Bureau of Insurance Rule chapter 350; and any rulings of the Superintendent. All parties to the proceeding have the right to present evidence and witnesses at the hearing and have the right to be represented by counsel. Failure of any party to appear may result in disposition by default with respect to that party. The Superintendent, however, may set aside a default for good cause.

The Department of Professional and Financial Regulation does not discriminate on the basis of disability in the admission to, access to, or operation of its programs, services, or activities. Individuals in need of auxiliary aid for effective communication at the hearing are invited to make their needs and preference known to the Superintendent of Insurance sufficiently in advance of the hearing so that appropriate arrangements can be made.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

February 8, 2022



Eric A. Cioppa
Superintendent

Exhibit 24

STATE OF MAINE
BUREAU OF INSURANCE

In re: Senior Health Insurance Company
of Pennsylvania (SHIP) (in rehabilitation)

Docket No. INS-22-200

**ORDER DELEGATING
AUTHORITY TO ACT AS
PRESIDING OFFICER &
SETTING TIME FOR
EXCHANGE OF WITNESS &
EXHIBIT LISTS**

Hearing in this proceeding is set for 9:00 a.m. EST on February 18, 2022 as set forth in the February 8, 2022 Emergency Cease and Desist Order & Notice of Pending Proceeding and Hearing (the “February 8 Order”).

Title 24-A M.R.S. §§ 210 and 231(1) authorize the Superintendent to delegate to an employee of the Bureau of Insurance the exercise or discharge in the Superintendent’s name of such powers, duties, or functions of the Superintendent as he deems appropriate.

Senior Staff Attorney Benjamin Yardley is given the power to act in the name of the Superintendent as presiding officer and decisionmaker in this proceeding with all authority to regulate the course of the proceeding, rule on motions and requests, conduct and regulate any day(s) of hearing, administer oaths and affirmations, rule on the admissibility of evidence, hold oral argument, issue a final decision, take other action as authorized by statute or rule, and to otherwise exercise such powers, duties, and functions which would be required of the Superintendent if he were the presiding officer and decisionmaker in the proceeding. Any official act taken by Benjamin Yardley in the proceeding shall be deemed an official act of the Superintendent. No further order of the Superintendent is required for Benjamin Yardley to act in the name of the Superintendent in the proceeding.

On February 14, 2022, Bureau of Insurance Staff (“Staff”) filed a request that a deadline of Noon (EST) February 17, 2022 be set for the filing and simultaneous exchange of witness and exhibit lists by Senior Health Insurance of Pennsylvania (“SHIP”) and Staff. An early exchange of this information is desirable for the orderly conduct of this proceeding. The February 8 Order allowed interested parties to intervene as parties by filing applications with the Superintendent no later than 3:00 p.m. on February 16, 2022.

SHIP, Staff, and any person who has filed an application to intervene as provided in the February 8 Order shall file with Hearing Officer Yardley at Noon, February 17, 2022 their witness and exhibit lists and shall at the same time send their lists to all other parties to this proceeding. Any party who does not intend to use witnesses or exhibits at the hearing or any continuance thereof shall notify Hearing Officer Yardley and all other parties of that intent by Noon, February 17, 2022.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

February 15, 2022



Eric A. Cioppa
Superintendent

Exhibit 25



February 17, 2022

VIA EMAIL (BENJAMIN.YARDLEY@MAINE.GOV)

Michael J. Broadbent

Direct Phone 215-665-4732

Direct Fax 215-701-2288

mbroadbent@cozen.com

Presiding Officer Benjamin Yardley
34 State House Station
Augusta, ME 04333-0034

**Re: *In re Senior Health Insurance Company of Pennsylvania, in Rehabilitation*
No. INS-22-200**

Dear Presiding Officer Yardley:

This firm is counsel to SHIP, SHIP's Rehabilitator, and SHIP's Special Deputy Rehabilitator. We are in receipt of the *Emergency Cease and Desist Order & Notice of Pending Proceeding and Hearing* ("CDO"), scheduling a hearing on February 18, 2022, in the above-referenced matter, as well as other communications regarding the CDO and CDO hearing.

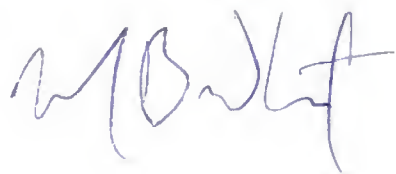
As you know, on July 31, 2020, Superintendent Eric A. Cioppa caused to be filed in case No. 1 SHP 2020, in the Commonwealth Court of Pennsylvania ("Pennsylvania Court"), styled In Re: Senior Health Insurance Company of Pennsylvania (In Rehabilitation), his *Joint Application for Intervention of the Maine Superintendent of Insurance and the Massachusetts Commissioner of Insurance and Request to Grant Leave to Extend the Time to Intervene*. That application was granted on September 15, 2020, thereby making Superintendent Cioppa and the Maine Bureau of Insurance a party in that proceeding over whom the Pennsylvania Court thereby gained personal jurisdiction.

It is our considered view that the CDO and its underlying proceeding are in direct conflict with, and violation of, the orders of the Pennsylvania Court and of an Order of the Supreme Court of Pennsylvania entered in an appeal pursued by Superintendent Cioppa. We will address that matter separately.

Under the circumstances, it is our position that the State of Maine and its Bureau of Insurance do not have jurisdiction over the matters (and parties) addressed in the CDO, and it is not the intention of SHIP, SHIP's Rehabilitator, or SHIP's Special Deputy Rehabilitator to appear in this proceeding. We provide this notice as a courtesy and in reservation of all of the rights of SHIP, the Rehabilitator, and the Special Deputy Rehabilitator.

Respectfully

COZEN O'CONNOR

A handwritten signature in blue ink, appearing to read "MJ Broadbent", is positioned below the firm name.

By: Michael J. Broadbent

MJB

cc: Mark Randlett (*via email*)
Thomas C. Sturtevant (*via email*)
Robert A. Wake (*via email*)
Lisa A. Wilson (*via email*)
Superintendent Eric A. Cioppa (*via email*)
Patrick H. Cantilo (*via email*)

Exhibit 26

STATE OF MAINE
BUREAU OF INSURANCE

In re: Senior Health Insurance Company
of Pennsylvania (in rehabilitation)

NAIC Company Code 76325

Docket No. INS-22-200

DECISION AND ORDER

Introduction

The foundation of insurance is spreading risk. The many pool their resources in the form of premiums so that those who must make claims for covered events have protection against their losses. Spreading risk also applies when insurers become insolvent. The admitted insurers in each state pay assessments into the state's guaranty fund, and the guaranty fund arranges for payment of covered claims, up to a statutory cap, paid for by an assessment on other insurers in the same general category of business as the insolvent insurer. In property/casualty insolvencies, assessments may be reflected in rates.¹ In life/health insolvencies, insurers may offset assessments against their premium tax liability.² In either case, the public policy is to spread the impact of an insolvency far beyond the insolvent carrier's policyholders. This is important because, if it is unlikely that the insolvent insurer can be rehabilitated, responsible regulation should protect the insolvent carrier's policyholders from further losses.

Procedural Background

On February 8, 2022, through counsel, Maine Bureau of Insurance Staff submitted a Verified Complaint alleging that Senior Health Insurance Company of Pennsylvania (the "Company") is transacting insurance business in this State in a manner that is causing or is reasonably expected to cause significant, imminent, and irreparable injury to Maine policyholders. Superintendent Cioppa issued an Emergency Cease and Desist Order the same day, pursuant to 24-A M.R.S. § 12-A(2-A), and served notice on the Company, in accordance with 24-A M.R.S. § 12-A(2-A)(C), of the Emergency Order and scheduled hearing to determine whether there were grounds to continue the Order in force, and if so, to consider appropriate sanctions for any proven violations and such additional remedial measures as may be appropriate for the protection of Maine policyholders. The notice advised the Company that failure to appear

¹ 24-A M.R.S. § 4447.

² 24-A M.R.S. § 4621.

may result in a disposition by default, which could be set aside for good cause. *See* 5 M.R.S. § 9053(3).

On February 15, Superintendent Cioppa issued an order pursuant to 24-A M.R.S. §§ 210 and 231(1) designating me as hearing officer and delegating the power to act as decisionmaker with all powers that would otherwise be exercised by the Superintendent. There was no request for continuance. However, on February 17, a letter was submitted by the Company's attorney stating that neither the Company, its Rehabilitator, nor its Special Deputy Rehabilitator intended to appear in this proceeding and that the Company does not consider itself subject to the jurisdiction of this State. A public adjudicatory hearing was held as scheduled, by videoconference, on February 18. As stated in its February 17, 2022 letter, the Company did not attend or otherwise participate in the proceeding.

Staff, participating in an advocacy capacity pursuant to 5 M.R.S. § 9054(5), presented testimony, supported by documentary evidence,³ by one of the Company's Maine policyholders and by the actuary in charge of reviewing long-term care insurance rate filings on behalf of the Superintendent. When the public was invited to present comments and testimony, the daughter of another policyholder gave sworn testimony about her mother's situation. I took official notice of four additional documents: the Company's Rehabilitation Plan; its application for approval of its Pennsylvania rates; the February 2, 2022 order of the Pennsylvania Commonwealth Court concerning the Company's use of those rates on an extraterritorial basis; and the Company's letter advising me of its refusal to appear.

Findings and Discussion of Facts

Staff has the burden to prove its factual allegations through credible evidence, notwithstanding the Company's refusal to participate in this proceeding. Based on the evidence in the record, I find that:

The Company is a Pennsylvania-domiciled life and health insurance company with a principal place of business in Carmel, Indiana. The Company and its predecessor entities have been continuously licensed in Maine since May 3, 1991, and the Company holds Maine Certificate of Authority LHF32655. The Company specialized in long-term care insurance,⁴ and ceased writing new business in 2003. The Company currently has approximately 350 policies still in force that were issued in Maine. Each of these policies remains subject to Maine law for as long as the policy is still in force, even if the policyholder lives elsewhere.

On January 9, 2020, the Pennsylvania Commonwealth Court placed the Company into rehabilitation because of the continuing deterioration of its financial condition, and appointed the Pennsylvania Insurance Commissioner to manage the Company as its Rehabilitator. The

³ At the hearing, I granted Staff's motion to file two supplemental exhibits. The evidentiary record closed when those exhibits were filed that afternoon.

⁴ Although it also wrote other types of business, all of its non-long-term care business was assumed by another insurer in 2008.

Rehabilitator, on behalf of the Company, waived its right to hearing and consented to an order suspending its Maine certificate of authority and stipulating, in accordance with 24-A M.R.S. § 419(2), that the Company “may not transact any new insurance business in Maine but will be allowed to continue to renew and service existing business. The Company must continue to make required filings and pay all required fees and taxes.” *Suspension of Certificate of Authority, In re Senior Health Insurance Company of PA, in Rehabilitation*, Maine Bureau of Insurance. Docket No. INS-20-300, March 9, 2020.

Although the Company is still able to pay claims as they come due, long-term care insurance is a lifetime promise, and the Company’s future obligations leave it with a projected shortfall of about 1.2 billion dollars. The Commonwealth Court has approved a Rehabilitation Plan that, by its terms, grants the Rehabilitator the authority to increase premiums and reduce benefits on a nationwide basis in an attempt to close the Company’s “Funding Gap.” Superintendent Cioppa and the Insurance Commissioners of Massachusetts and Washington intervened in the Pennsylvania court proceeding to challenge the legality and fairness of this Plan. They have appealed the Plan’s approval to the Pennsylvania Supreme Court. The chief insurance regulators in 26 other states and the District of Columbia have supported the appeal as *amici curiae*.

While the appeal is pending, the Company has begun measures to implement the Plan, which calls for staged premium increases. In Phase One, the Plan states that policies will be rated on an “If Knew” basis – meaning a premium that in the Rehabilitator’s judgment would have been approved by regulators at the time the policy was issued, if we knew then what we know now about the Company’s experience over the course of the intervening decades. This general approach is widely used, but the Plan’s version of “If Knew” rating differs from the usual methodology. In particular, it uses a “*seriatim*” approach that rates each policy on a stand-alone basis as of its actual date of issue, rather than following a uniform rate schedule applicable to all policies within the same block of business. The Plan also includes a “differential premium” charge for policyholders whose premium is currently being waived as the result of a claim, transforming the policy’s waiver-of-premium benefit to a premium discount.⁵

The Plan also offers policyholders up to four different benefit reductions in lieu of the Phase One premium increase; the exact number of choices depends on the type of policy and the premium the policyholder is currently paying. The Plan’s centerpiece is the “Basic Policy” option. This comprises Option 2 and Option 2a. The Rehabilitator described the “Basic Policy” in the Pennsylvania proceeding as a “right sized” policy with a more affordable price. The benefit reductions in Option 2 include, but are not limited to: a maximum benefit period no longer than four years, inflation protection not to exceed 1½% per year, a reduced daily benefit, and more stringent conditions to qualify for benefits. Option 2a is similar, but extends the

⁵ The differential premium charge applies only to contractual waivers of premium, not to fully paid-up “nonforfeiture” policies which are exempt by law from any further premium charges or benefit reductions.

maximum benefit period to five years and increases the inflation protection to 2% per year, unless these exceed the levels in the policyholder's existing policy.

Although the price of a "Basic Policy" is low enough that most policyholders would get substantial premium reductions instead of premium increases, the degree of benefit reductions would still make these options highly profitable for the Company. The Rehabilitator predicts that the Company's entire deficit would be eliminated if all policyholders downgrade their benefits to one of the two "Basic Policy" packages.

As an incentive to "right-size" their policies, the Plan exempts policyholders from Phase Two rate increases if they agree to cut their benefits to the Basic Policy level or to surrender their policies in return for a paid-up "nonforfeiture" policy. Otherwise, in Phase Two the Plan will impose "self-sustaining" premium rates unless the policy is "Fully Covered." To be "Fully Covered" means that there is no chance, however remote, that the policy's future benefits could possibly exceed the applicable guaranty association limit by even a dollar. "Self-sustaining" premium rates mean rates that are sufficient to recoup the policyholder's proportionate share of the Company's deficit. In other words, a policyholder aged 86⁶ would be required, within his or her remaining life span, not only to pay back every dollar the Company has lost over the past two or three decades on his or her own policy,⁷ but also to pay a share of the Company's much greater losses on all the policyholders who have died, surrendered their policies, or had their premiums waived – approximately 95% of the Company's original policyholder base.⁸

The Plan puts these rates in place by purporting to exempt the Company from the filing requirements of any state except Pennsylvania, unless the state agrees to become an Opt-Out State under the so-called "Issue-State Rate Approval Option." Under this process, the Company files premiums for review in each Opt-Out State, and the state determines a fair and lawful rate for each policy according to the laws of that state. But the Company will only honor that determination if the premium approved by the Opt-Out State is at least as high as the premium the Company has requested. If an Opt-Out State determines that a premium requested by the Company is excessive, the affected policyholders lose the right to keep their current policies and pay the state-approved premium for those policies. If the policyholders keep their policies, they must pay the full requested premium that their state had disapproved. If they choose instead to pay the state-approved premium, the Company will substitute a different policy with reduced benefits.⁹

⁶ This is the average age of the Company's policyholders.

⁷ "If knew" rates, by contrast, are intended to charge a fair price going forward, but not to claw back what a company has already lost in past years by its failure to predict the full expected cost of the policy.

⁸ Although Self-Sustaining rates are priced on a break-even basis, the impact of removing the profit load that is built into the Phase One rates is dwarfed by the magnitude of the past losses that the Company seeks to recapture in its Phase Two rates but not in its Phase One rates.

⁹ This is the default option. The Plan's Options 2, 2a, and 3 are not available in Opt-Out States. The Plan provides that the only way a policyholder in an Opt-Out State can avoid Self-Sustaining rates in Phase Two is to surrender his or her existing policy and accept a statutory nonforfeiture policy with lower benefits than Option 3.

Consumers buy insurance products with affordability in mind, but the point of rate review is to ensure that the premium is appropriate for the benefits provided. As the Bureau’s Life and health actuary, Mary Hooper, testified, “you can’t approve rates unless you also know what benefits those correspond to. So when we approve for a rate filing, it comes with the rate tables that correspond to that benefit.” An Opt-Out State’s authority to determine a reasonable price for a policy is meaningless if the state must relinquish its authority to decide what policy the Company may sell for that price.¹⁰ As Ms. Hooper observed, holding the premium steady while reducing the benefits is still an increase in the premium rate – the unit cost of coverage – so the Plan’s branding of the opt-out process as Issue-State “Rate Approval” is deceptive. This process fails to comply with the statutory requirement to submit the premiums for each specific policy form for review and approval under 24-A M.R.S. § 2736. Because the Superintendent could not ignore his statutory obligation to enforce the Maine Insurance Code,¹¹ Maine declined to participate in the Plan’s Opt-Out process.

On November 4, 2021, the Pennsylvania Department approved an actuarial memorandum submitted on behalf of the Rehabilitator in support of the proposed rating methodology. On the basis of that approval, the Commonwealth Court found that “The Rehabilitator has established the reasonableness of the premium rates charged,” and issued an order on February 2, 2022, authorizing the Company to use its Phase One rates in Pennsylvania and in any other state, including Maine, that did not agree to participate in the so-called “opt out” process. The Order also authorizes the Company to use the Phase One Pennsylvania rates “for the calibration of benefit adjustments” in “opt-out” states.

The Company asserts that the Rehabilitation Plan exempts it from compliance with Maine law. It has therefore not filed any proposed rates or proposed modifications to policy forms for review in Maine.

In January 2022, shortly before the Commonwealth Court approved the Pennsylvania rates, the Company sent “election packages” to policyholders around the country,¹² including Maine. Each policyholder’s election package included a form, to be signed and returned to the Company, which included:

- Notice that the Company intends to implement the premium increase or benefit reduction on a specified date in April 2022, which is the same day of the month as the policy’s original effective date;
- A table comparing, for each option offered by the Company: the premium the Company intends to charge and the percentage increase or decrease from the

¹⁰ The terms of the Plan also provide that policyholders in “opt out” states are not given the right to protect themselves from Phase Two rate increases by agreeing to slash their benefits to the “Basic Policy” level.

¹¹ 24-A M.R.S. § 211.

¹² A different timetable and different options will apply in Opt-Out States.

current premium, the maximum lifetime benefit and the percentage decrease if applicable, and whether “Phase Two Rate Increase / Benefit Reduction Possible”;

- Notice that the form must be signed and postmarked by a specified date or the Company will select the designated “default option.” The two election forms in evidence in this proceeding had response deadlines of March 11 and March 15,¹³ 2022;¹⁴
- A set of checkboxes and the instruction: “Select the option that best suits your needs”; and
- An attestation that: “I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April [date], 2022 and cannot be reversed after [date], 2022.”

The package also included 22 pages of more detailed explanatory material, including this warning for policyholders who choose to keep their current coverage: “The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.”

One witness, AS, who turned 93 shortly after the hearing, has been a policyholder since 1989. She testified that she was initially tempted to throw her election package away, and that she found it “very confusing for – I don’t know about a younger person, but for an elderly person to know which – which was the correct way to jump on the matter.” Another witness, CB, testified that her mother asked her for help because she “was just overwhelmed with the decision that she was going to have to make, the amount of information that she was going to have to go through.... [I]t went to the point where she and I are having conversations of, you know, I’m 90 years old, I’ve paid all this – these premiums for my long-term care policy, now I’m not going to be covered when I need it the most.” CB testified that it was “very unfair of SHIP to be asking these elderly policyholders to make these kinds of decisions at their ages.”

CB’s mother is also one of the policyholders affected by the Plan’s conversion of premium waivers to premium discounts. She and her late husband had paid for a lifetime waiver-of-premium rider, a benefit described as follows in the Plan:

The *Lifetime Waiver of Premium* provision permits suspension of premium payments upon the death of a covered spouse after a qualifying period

¹³ The reason for the difference is not clear. The policyholder with the earlier effective date had the later response deadline.

¹⁴ Policyholders who are not subject to a Phase One premium increase will keep their own policies unless they affirmatively choose some other option. However, the Company will involuntarily downgrade policyholders to the “Basic Policy” if they are subject to any proposed Phase One increase and fail to return the election form, unless they are on waiver of premium, in which case they will be downgraded to a level sufficient to eliminate the proposed “differential premium.”

(typically five, seven, or ten years). The Lifetime Waiver of Premium provision, as the name implies, is permanent.

However, “permanent” means something different under the Plan than policyholders had understood it to mean. CB testified that when her mother became the sole policyholder in 2014, she was promised that she would never have to pay premium again. But now, the Company intends to charge her a “differential premium” each month unless she agrees to a benefit reduction, and she must agree to a more drastic benefit reduction in order to avoid the risk of being saddled with a “self-sustaining differential premium” in Phase Two. In CB’s words: “And, you know, what I don’t understand is how a company offer a lifetime waiver of premium and now come back and say, well, if you want your coverage, you’re going to have to pay premiums.... [Y]ou know, the rug is kind of being pulled from under her not knowing – not having that sense of security that if she needs nursing home care, you know, will it be covered?”

After these witnesses testified, Ms. Hooper reaffirmed her statements in the Verified Complaint and explained the supporting documentation. She described the information that an insurer seeking a premium increase is required to provide to the Bureau and to the affected policyholders, and the Bureau’s process for reviewing the proposed increase to verify that the requested premiums are not inadequate, excessive, or unfairly discriminatory.¹⁵ This includes a filing checklist outlining the essential elements of information that must be included in each rate filing and the legal basis for requiring each item. She presented a copy of the completed checklist previously submitted by the Company with one of its Maine rate filings.

Although the Plan’s rationale for taking the rate approval power away from the states is that some states have abused that power, Ms. Hooper testified that this has not been the case in Maine, which has a history of granting actuarially justified rate increases. Many policyholders, in Maine and other states, are already paying adequate “If Knew” rates by the Company’s own assumptions, as illustrated by the notice that AS will not be subject to a Phase One rate increase, and the Phase One rate increase for CB’s mother’s policy is only 2%.¹⁶ Nevertheless, each of them has been told that if they do not agree to substantial benefit reductions, they will face “self-sustaining” premium increases in Phase Two.

Ms. Hooper explained why it is impossible to determine, from the limited information that the Company has provided in the Rehabilitation Plan and in its Commonwealth Court rate filing, whether the Company’s expected loss ratio calculations are reasonable. The Pennsylvania rate filing says only that the Department of Insurance has reviewed the Company’s October 14 Actuarial Memorandum, which in turn says that the rates are based on the Company’s “best estimate actuarial assumptions, as documented in Oliver Wyman’s Assumption Report dated August 24, 2021.” An analysis of those assumptions is at the heart of any meaningful rate

¹⁵ 24-A M.R.S. § 2736(2).

¹⁶ This is the increase the Company would charge if she had not been promised a lifetime waiver of premium. In her case, she is being charged the 2% amount as the applicable “differential premium.”

review process, but the Company did not file the Assumption Report with Maine either in the System for Electronic Rate and Form Filing or in this proceeding. There is no indication that the Company showed it to the Pennsylvania Insurance Department staff that performed the independent review ordered by the Commonwealth Court. Thus, we are unable to judge the reasonableness, for example, of the projections of how many policyholders will be on claim, when those claims will begin, how long they will last, or the discount rate used to reduce those claims to present value. We also do not know whether the Company's calculations charge its policyholders to recoup its substantial losses from the failed Beechwood and Roebling transactions.

Although the "if knew" principle is actuarially sound, at least at a high level of generality, that does not mean it would justify any rate that is branded "the If Knew Rate." In particular, a 60% loss ratio was not designed to be applied in hindsight decades later. Allowing the Company a 40% margin for expenses and profit is based in part upon the risk assumed due to the high level of uncertainty. The Company is asking for a rate that would include 40% for expenses and profit "if we knew," but the 40% is based on the fact that we did not know. There is still a substantial amount of uncertainty remaining in 2022, but not nearly as much as when the policies were issued in the 1980s and 1990s. In Maine, the applicable standards for reconstructing a fair "if knew" margin are set forth in 02-031 C.M.R. ch. 420, and the Company must comply with those standards. The Rehabilitation Plan even seems to recognize this point, by defining "If Knew Premium" to require satisfying "the minimum loss ratio applicable to the policy form." However, the Plan then states that "For the sake of simplicity, under the Plan this will be assumed to be 60%." The problem is that we do not know what analysis underlies the assumed target loss ratio. Furthermore, as discussed earlier, even if the target loss ratio were assumed to be lawful, reasonable, and accurately calculated, the resulting premium rates could nevertheless be excessive if the underlying actuarial assumptions are flawed or unduly conservative. And when a policyholder has met his or her policy's conditions for waiver of premium, charging any premium at all is inherently excessive.

The Pennsylvania filing is also vague about the Company's proposal for premiums to be "based on each policyholder's individual characteristics (e.g., gender, issue age)." Ms. Hooper's testimony explained why the rates cannot be meaningfully reviewed without knowing the methodology the Company uses to calculate the premium differences for these rating factors, and without knowing whether these are the only applicable rating characteristics. "E.g." is not a lawful rating factor. Furthermore, Ms. Hooper testified that even though gender rating, with proper actuarial support, is not prohibited by law for long-term care insurance, a decision whether to approve the use of gender rating would have to depend on whether or not the policies in question are currently gender rated. This information is not in the Company's Pennsylvania rate filing.¹⁷ This information vacuum puts the Bureau in the difficult position of not knowing if female policyholders bought policies in reliance on a promise that they would not be charged a

¹⁷ Similar issues would be raised if the Company proposed to change its existing issue-age rating structure.

higher premium because of their gender. If that were the case, this is an example of the fine points of state regulation that the Plan disregards.

In addition to treating similarly situated policyholders differently, the Plan also charges the same premiums to policyholders who are in very different situations. The lifetime guarantee of renewability is a fundamental element of long-term care coverage. Insurers design long-term care programs with level premium structures under which policyholders pay premium for many years with very little expectation of receiving benefits until later in life. This builds value that allows policyholders to keep their coverage at an established premium when they are older.¹⁸ The insurer may not take this accumulated value away from the policyholder by terminating or involuntarily reducing coverage.¹⁹ Yet this is the principal mechanism by which the Company seeks to reduce or eliminate its deficit. The Rehabilitator's calculations show that these transactions would be highly profitable for the Company, and those profits would come at the expense of the policyholders.

The Company's Challenge to the Superintendent's Jurisdiction

At the hearing, I ruled that the Company's assertion that the Superintendent lacks jurisdiction is in the nature of a motion to dismiss, and that if the Company had appeared and filed a proper motion to dismiss, I would have denied the motion. I will now explain the basis for that ruling more fully.

The Company observes that it is the subject of pending litigation in Pennsylvania, and that Superintendent Cioppa, in his official capacity as Maine's chief insurance regulator, is "a party in that proceeding over whom the Pennsylvania Court thereby gained personal jurisdiction."²⁰ The Company asserts that "Under the circumstances, it is our position that the State of Maine and its Bureau of Insurance do not have jurisdiction over the matters (and parties) addressed in the [Emergency Cease and Desist Order]."

The Company has not explained how or why these "circumstances" deprive the State (or the Superintendent) of jurisdiction over the Company's activities in Maine. The issue is not whether Pennsylvania courts have personal jurisdiction over the Superintendent, but whether the Superintendent and the Maine courts have personal jurisdiction over the Company. It is possible for both of these things to be true, but only one is relevant to this proceeding. The Company has unquestionably submitted to personal jurisdiction in Maine when it requested and obtained its

¹⁸ It must be kept in mind, however, that there is a difference between a level premium design and a guaranteed level premium. Although rates are set with the expectation that increases will not be necessary for the life of the policyholder, there are mechanisms to approve and implement rate increases if an insurer can prove that its initial assumptions are no longer valid.

¹⁹ If a policyholder agrees to a voluntary reduction in coverage, the terms of the transaction must fairly reflect the years that the policyholder has prepaid for a policy with richer benefits.

²⁰ The Company asserts further that the Bureau of Insurance is also, separately, a party to the Pennsylvania proceeding. That is not accurate, but the inaccuracy is not relevant unless the Company is conceding the Superintendent's jurisdiction to decide this matter but challenging Bureau Staff's authority to prosecute it.

license to do business in Maine, subject to the Maine Insurance Code and the Superintendent's regulatory authority.²¹ The Company reaffirmed Maine's jurisdiction over it when the Rehabilitator consented to the Superintendent's order suspending its Maine certificate of authority while requiring the Company to "continue to make required filings."

Furthermore, the Pennsylvania Commonwealth Court has granted the Company an exemption from compliance with Maine law, and I have before me a petition to enforce Maine law. The question here is which tribunal has subject matter jurisdiction over the Company's premium rates and policy benefits, not which parties are subject to personal jurisdiction. Unquestionably, 24-A M.R.S. §§ 2736 through 2736-B grant the Superintendent the authority to review and approve or disapprove premium rates and the jurisdiction to adjudicate premium rating disputes, subject to the appeal rights provided by the Maine Administrative Procedure Act. It is also beyond question that Pennsylvania has the same powers when a Maine insurer does business in Pennsylvania. The Pennsylvania order is void for lack of subject matter jurisdiction because it purports to preempt Maine law and to apply Pennsylvania law extraterritorially to its domestic insurer – acts over which the Pennsylvania Court has no legal authority.

Under the federal system of the United States, a corporation's internal affairs are governed by its state of domicile, but when the corporation requests permission to do business in another state, it agrees to submit to the laws and regulatory authority of that state. There is no "rehabilitation exception" releasing a foreign corporation from those obligations if bad luck or mismanagement have left the corporation in dire financial circumstances. In the exercise of its *in rem* jurisdiction over the Company, Pennsylvania may invest a receiver with powers to take extraordinary measures to prevent the Company's insolvency, but these powers do not include the power to usurp the authority of other states to regulate the Company's activities, at the expense of non-Pennsylvania residents, in those states, no matter how much the Company might wish.

Likewise, a state does not have the power to impose its laws extraterritorially to shield its citizens or its domestic corporations from the consequences of their actions outside the state borders. For example, all states, including Maine, have agreed to recognize the validity of out-of-state drivers' licenses. If a driver we would consider unfit holds a valid out-of-state license, we defer to the home state and respect that license even if a Maine license would have been revoked based on the same history of illegality or incompetence. But the validity of that license does not allow such drivers to follow their home state laws extraterritorially while they are in Maine. If they are stopped by our police while driving on our roads, their blood alcohol levels must comply with Maine law even if a higher level would be permissible in the driver's home state.

²¹ By contrast, Bureau Staff have not asserted personal jurisdiction over the Rehabilitator or Special Deputy Rehabilitator, who have not been named as parties to this proceeding.

There is a difference between the ability to take an action and the right to take that action. That is why so much of the justice system is devoted to remedial measures after a wrongful act has already been committed. The Superintendent and other intervening State Regulators have tried, unsuccessfully so far, to prevent the Commonwealth Court from exceeding its jurisdiction. However, the Commonwealth Court's order approving the Plan did not resolve the present conflict, but rather created the conflict. Even if the Superintendent had the power to grant the Company an exemption from its obligations under Maine law, the Superintendent did not do so. The Superintendent has never conceded Pennsylvania's power to apply its laws extraterritorially and allow the Company to violate Maine law. Quite the opposite: the Superintendent has openly and consistently challenged that power from the beginning. That is the foundation of the State Regulators' intervention in the Pennsylvania proceeding. The Superintendent intervened in the Pennsylvania proceeding for the limited purpose of challenging the legality of the Plan. The application to intervene did not include any express or implied agreement to be bound by any orders of the Pennsylvania courts that they lacked jurisdiction to issue. The Commonwealth Court approved the application but did not condition it in any way on the Superintendent's waiver of regulatory authority or on the Superintendent's consent to be bound by any order purporting to abrogate that authority. The Company, by contrast, has always operated, from the day it began doing business in Maine and continuing through its receivership, under a Maine certificate of authority that is conditioned on its ongoing obligation to conduct its Maine operations in compliance with Maine law.

Conclusions

For these reasons, I conclude that Staff has proven that the Company has:

1. failed to comply with its obligation to file its proposed premium rates for review by the Superintendent in accordance with 24-A M.R.S. § 2736. This requirement is not a mere procedural formality, because the minimal information the Company has provided through other means strongly suggests that the proposed rates are both excessive and unfairly discriminatory. It is true that these rates are below the level the Company needs to meet its obligations, but that does not make them fair and lawful. If the Company does not have the funds to keep its promises while charging reasonable premiums, the remedy is not to shift the burden of the Company's insolvency to the policyholders through excessive premiums, but to recognize that the Company is insolvent and enable the guaranty associations to step in to protect the policyholders;
2. violated both 24-A M.R.S. §§ 2736 and 5084(2) by stating that it will implement the proposed rates even if they are not approved;
3. violated 24-A M.R.S. § 5084(1) by sending policyholders a rate increase notice that fails to state that the rate is subject to regulatory approval; fails to inform them of their right to request a hearing; fails to inform them of their right to provide written comments on the proposed rate increase to the Bureau of

Insurance; and fails to provide the Bureau's contact information. The Company has also violated 02-031 C.M.R. ch. 420, § 8 by failing to provide notice at least 90 days before the proposed effective date of the rate increases;

4. violated 24-A M.R.S. §§ 2152, 2153, and 2154, which prohibit unfair and deceptive practices; misrepresentation of the financial condition of an insurer or the terms of an insurance policy or the benefits and advantages promised thereby; and untrue, deceptive, or misleading advertisements or announcements. The witnesses who had to decipher the election packages testified that they were confusing and overwhelming. Misleading statements in the election package include, without limitation, the following:
 - AS was warned that her policy would be subject to “mandatory future premium increases or benefit reductions” in Phase Two unless she chose an option involving substantial benefit reductions, but she was also assured that her policy was “Fully Covered” and therefore exempt from Phase Two. Only one of those statements can be true.
 - The statement that the “Plan’s principal goal is to correct the Company’s financial condition through policyholder modifications with a focus on protecting policyholder interests” is contradicted by the Company’s own calculations. The Plan is designed to push policyholders away from the Options most favorable to the policyholder and into the options most favorable to the Company.
 - As part of the effort to encourage the “Basic Policy” Options 2 and 2a, the Company overstates the benefits provided by these options.²² The statement that these options “aim to strike a balance between Option 1 [downgrade policy to keep current premium] and Option 4 [keep current policy]” is false. For most policyholders, Options 2 and 2a provide less coverage than Option 1, which is why the Plan predicts that they will be more effective at shrinking the Company’s deficit.
 - The statement that Options 2 and 2a have “an added safety net where your benefits will not be reduced below coverage levels provided in liquidation” is confusing and misleading. It appears to refer to the feature that ensures that the **maximum possible benefit** will not be reduced unless it exceeds the guaranty association limit (\$300,000) in Maine. But that is very different from saying the benefits themselves will not be reduced. For example, AS has

²² The Phase One rate calculations indicate that for typical policyholders, Options 2 and 2a provide less than half the actuarial value of their current policy. Even the policyholder who testified, who already has a “right-sized” policy with a maximum lifetime benefit of \$146,000 (less than half the guaranty association limit) would see her actuarial value reduced to about 62% of its current value if she accepted Option 2.

a policy with a maximum lifetime benefit of \$146,000. Because it is “fully covered,” there would be no loss of benefits if she kept her present policy and the Company were liquidated. By contrast, she would incur a significant loss of benefits if she accepted the offer to downgrade to Option 2 – the expected value of the policy as calculated by the Company would decrease by 38%. The so-called “added safety net” ensures that her “Option 2” would have the same \$146,000 maximum benefit, but it would be significantly less likely that the policy would actually pay that amount.

- Likewise, it is confusing and misleading to assure the policyholder: “Under the Rehabilitation Plan you have at least one option that provides coverage greater than or equal to coverage you would receive in liquidation from the Guaranty Associations.” This appears to be another attempt to encourage the false impression that “coverage” is the same as the maximum lifetime benefit.²³
- “Step 3” in AS’s policyholder guide states, accurately, that the coverage election form must be postmarked by March 15, but it is accompanied by an illustration of a form that has a February 28 response deadline. This is confusing, and a policyholder might feel rushed to make a response by February 28 just in case.

Even with the March 15 response date, the process is already too rushed, and some policyholders were given deadlines of March 11, and possibly earlier. It smacks of classic high-pressure sales tactics to require the policyholder to make irrevocable elections of coverage on short notice, without adequate information, before the Superintendent has even been given the opportunity to review the choices the Company has offered. The policyholder notice is headed, in large, boldface type: “**IMMEDIATE ACTION REQUIRED.**” But the only reason immediate action is required is because the Company has chosen to require it. This scare tactic is unnecessary and unfair. The effect on the Company of delaying rate increases a few more months is inconsequential compared to the size of the Company’s deficit, especially when the Company has acknowledged in its Plan that 25% to 40% of its policyholders are already paying “If Knew” premiums that are adequate by the Company’s own assumptions. Moreover, if prompt rate approvals were really a matter of urgency for the Company, the Rehabilitator could have developed and filed rate increases with the Superintendent and other state regulators in 2020.

²³ Alternatively, it is tautological that any policy “provides coverage greater than or equal to” the coverage that same policy would provide in liquidation. But that is not a distinguishing feature of this Plan, only another way of saying that liquidation might limit benefits but does not add new benefits that were not already in the policy.

It is also an unfair practice for the Company to make a reduction in benefits the “default option” for the majority of policyholders, imposing it involuntarily on policyholders who have never requested it or who “do not clearly mark only one election,”²⁴ and for the Company to make its obligation to renew its customers’ existing policies depend on the customer’s agreement to submit to open-ended “self-sustaining” rate increases in Phase Two. The Company is forcing policyholders to sign a statement acknowledging that their choice is voluntary, but a choice made under these conditions cannot be voluntary.

Order

Therefore, pursuant to 24-A M.R.S. § 12-A(2-A)(D), the order issued by Superintendent Cioppa on February 8 is hereby REAFFIRMED and remains in effect unless vacated or modified by the Superintendent or a Maine court of competent jurisdiction:

Except as provided below, the Company and its principals, employees, and agents shall halt disseminating, implementing, or enforcing in this State the “Coverage Election Package” or otherwise interfering with the rights of the Company’s Maine policyholders or violating the insurance laws and regulations of this State, including, but not limited to, notifying Maine policyholders of proposed rate or benefit modifications under Maine policies or requesting that Maine policyholders select rates or benefits different under Maine policies from those authorized by the Maine Superintendent and called for under the terms of the contract, charging additional premium, or withholding, delaying or encumbering benefits in whole or in part, until such time as otherwise ordered by the Maine Superintendent.

This Order does not prohibit the Company from filing a premium increase request, or a proposed schedule of rates for proposed voluntary policy modifications, for review by the Superintendent in the manner prescribed by Maine law with sufficient supporting information to enable the Superintendent to determine whether the requested rates are inadequate, excessive, or unfairly discriminatory. This Order does not prohibit the Company from sending notices of any such filings to policyholders if the notices have been reviewed by the Superintendent for accuracy and compliance with Maine law, and have not been disapproved.

In addition to the relief ordered on February 8, it is further ORDERED:

The Company shall provide all policyholders who have already made elections, or who make elections while this Order remains in force, with a meaningful opportunity to reconsider their decisions without penalty. The Company shall not treat any election to reduce benefits as binding unless it is the policyholder’s affirmative choice and has been made after all options offered by the Company and their corresponding premium rates have been approved by the

²⁴ This might even include policyholders who return an election but mark it as submitted under protest.

Superintendent, and after the Company has provided full and accurate notice in compliance with this Order and with Maine law, together with a reasonable time to make a decision.

The Company shall also provide the Superintendent with a list of all policyholders to whom a coverage election form was mailed, their respective policy numbers, and their most recent contact information in the Company's records.

Notice of Appeal Rights

This Decision and Order is a final agency action of the Superintendent of Insurance within the meaning of the Maine Administrative Procedure Act. It may be appealed to the Superior Court in the manner provided by 24-A M.R.S. § 236, 5 M.R.S. §§ 11001 *et seq.*, and M.R. Civ. P. 80C. Any party to the proceeding may initiate an appeal within thirty days after receiving this notice. Any aggrieved non-party whose interests are substantially and directly affected by this Decision and Order may initiate an appeal within forty days after the issuance of this decision. There is no automatic stay pending appeal; application for stay may be made in the manner provided in 5 M.R.S. § 11004.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

March 17, 2022

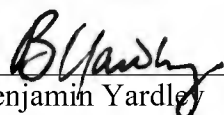

Benjamin Yardley
Designated Hearing Officer

Exhibit 27

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

**SENIOR HEALTH INSURANCE
COMPANY OF PENNSYLVANIA,**

Authorized Insurer.

Order No. 22-0104

WAOIC No. 69145

NAIC 76325

ORDER TO CEASE AND DESIST

Pursuant to RCW 48.02.080(3)(a), the Insurance Commissioner of the state of Washington (“Insurance Commissioner”) orders the above-named Respondent, and its officers, directors, trustees, employees, agents, and affiliates to immediately cease and desist from:

- A. Disseminating, implementing, or enforcing in Washington the “Coverage Election Package” sent to Respondent’s Washington policyholders, described further below;
- B. Implementing any election or choice made by a Washington policyholder under the terms of the “Coverage Election Package,” or attempting to enforce such election or choice against any Washington policyholder;
- C. Requesting that Washington policyholders select rates or benefits different from those authorized by the Insurance Commissioner and called for under the terms of the contract;
- D. Charging Washington policyholders additional premium, or withholding, delaying or encumbering benefits in whole or in part, without authorization by the Insurance Commissioner; and
- E. Making, issuing, or circulating any “Coverage Election Form” or similar correspondence or communication for Washington policies that is false or deceptive; contains misrepresentations; and/or is untrue, deceptive, or misleading.

BASIS:

1. Senior Health Insurance Company of Pennsylvania (“SHIP”) is a Pennsylvania-domiciled life and disability insurance company that became authorized to issue long-term care insurance (“LTC”) policies in Washington beginning in 1989.

ORDER TO CEASE AND DESIST AND
IMPOSING FINE
ORDER NO. 22-0104

1

State of Washington
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

2. In recent years, SHIP experienced financial distress and faced the possibility of insolvency. SHIP has approximately 1,204 policies remaining in force that were issued in Washington and subject to Washington law.

3. On April 1, 2019, the Insurance Commissioner issued Order No. 19-0154, suspending SHIP's authority to sell, solicit, or issue new policies or certificates of coverage for one year, on the basis that SHIP's reported capital and surplus was below the minimum required in RCW 48.05.340. The Order provides that the continuation of existing coverages to existing members is required during the term of this suspension, and that the Order does not relieve SHIP from any pending or accrued reporting, filing, or fee/tax payment required by Title 48 RCW. SHIP did not appeal or contest this Order.

4. On December 21, 2020, the Insurance Commissioner again suspended SHIP's authority to sell, solicit, or issue policies or certificates of coverage to new members for one year pursuant to Order No. 20-0879. The basis was once more that SHIP's reported capital and surplus was below the minimum required in RCW 48.05.340. The Order provides that the continuation of existing coverages to existing members is required during the term of this suspension, and that the Order does not relieve SHIP from any pending or accrued reporting, filing, or fee/tax payment required by Title 48 RCW. SHIP again did not appeal or contest Order No. 20-0879.

5. On January 29, 2020, upon the application of Jessica Altman, the Commissioner of Insurance for the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania, in docket number 1 SHP 2020, entered an Order of Rehabilitation placing SHIP into rehabilitation in accordance with the provisions of Pennsylvania law.

6. The Order of Rehabilitation appointed Commissioner Altman and her successors in office as statutory Rehabilitator of SHIP pursuant to the provisions of 40 P.S. § 221.14, et seq. and required the Rehabilitator to prepare a plan of rehabilitation. Commissioner Altman appointed Patrick Cantilo as Special Deputy Rehabilitator, with the power to act on the Rehabilitator's behalf.

7. On April 22, 2020, the Rehabilitator filed her Application for Approval of the Plan of Rehabilitation for SHIP and contemporaneously filed a Rehabilitation Plan.

8. On September 15, 2020, the Insurance Commissioner was granted intervention as a party in the Rehabilitation Proceeding.

9. The Rehabilitation Plan was approved by a Memorandum Opinion and Order of the Pennsylvania Commonwealth Court on August 24, 2021, as amended on November 4, 2021. However, the Commonwealth Court did not issue any order purporting to approve premium rates under the Rehabilitation Plan until February 2, 2022.

10. The Insurance Commissioner and the other intervening jurisdictions appealed the Rehabilitation Plan to the Pennsylvania Supreme Court (Middle District), No. 71 MAP 201. The appeal challenges the Commonwealth Court's asserted authority to approve premium rates and vary contractual benefits for the policies at issue even if contrary to the statutes and regulations of the states where the policyholders are located.

11. By Order issued January 31, 2022, the Pennsylvania Supreme Court denied the insurance regulators' request for stay pending appeal of the Rehabilitation Plan. The appeal otherwise remains pending before the Pennsylvania Supreme Court. Importantly, the Commonwealth Court has never approved nor ruled on the form the of the Coverage Election Package, nor discussed state laws and regulations regarding false or misleading communications to policyholders in the business of insurance.

12. In late-January 2022, without authorization by the Insurance Commissioner, and prior to any purported approval of premium rates by the Commonwealth Court, the SHIP Rehabilitator mailed a "Coverage Election Package" to Washington policyholders which advises them of purportedly forthcoming premium and/or benefit modifications that would begin as early as April 1, 2022. The "Coverage Election Package" requires Washington policyholders to complete and return their election form with a postmark date of no later than March 15, 2022.

13. The "Coverage Election Package" offers five coverage options to Washington policyholders, including downgrading the policy, converting to a basic policy or to an enhanced basic policy, converting to an enhanced paid-up policy, and keeping their current policy. Each of these benefit changes is also accompanied by premium rate changes relative to the benefits offered under the rates and forms currently approved for such Washington policies. If a Washington policyholder does not make a coverage election by the March 15, 2022, specified postmark date, SHIP will on its own exercise the basic policy coverage option, resulting in a significant benefit reduction under a Washington insurance policy.

14. Certain provisions of the Coverage Election Package are misleading to consumers. Specifically, so-called Option 1 – Downgrade Your Policy, and Option 4 – Keep Your Current Coverage, both advertise that their respective Maximum Lifetime Benefit is “Unlimited.” However, other materials explain that “[p]remium rate increases and policy benefit modifications may be required for policyholders who elected Option 1 (Downgrade Your Policy) or Option 4 (Keep Your Current Coverage) in Phase One,” making the claim of unlimited lifetime benefits misleading at best. The Coverage Election Package also requires consumers to state that they make any election “voluntarily” even though Option 1 is selected for all consumers who do not select their own option from the package, and when there is uncertainty regarding the legality of the Rehabilitation Plan, as discussed further below.

15. The “Coverage Election Package” fails to advise Washington policyholders that the premium rates and policy modifications under the Rehabilitation Plan are on appeal to the Pennsylvania Supreme Court. SHIP thus is requiring Washington policyholders to make final and binding coverage elections without any explanation to Washington policyholders about how their rates and benefits would be reconfigured if the Rehabilitation Plan is overturned or otherwise modified by the court in a manner that affects rates and benefits.

16. In addition to the pending appeal of the order approving the Rehabilitation Plan before the Pennsylvania Supreme Court, injunctions and administrative cease and desist orders have been issued against SHIP, enjoining the Rehabilitator from implementing the Rehabilitation Plan in multiple jurisdictions. For example, state courts in Louisiana and South Carolina have granted preliminary injunctions against SHIP upon finding that the insurance regulator’s challenges to the Rehabilitation Plan demonstrated a likelihood of success on the merits and that a preliminary injunction was necessary to prevent irreparable harm to policyholders. Similar, states such as Maine, Ohio, Connecticut, as well as the District of Columbia, have issued administrative orders to cease and desist to SHIP regarding the same conduct at issue in this matter.

17. Despite the substantial legal uncertainty surrounding these ongoing legal proceedings, the Coverage Election Package fails to disclose to Washington that pending litigation may overturn or modify the Rehabilitation Plan and options afforded to policyholders. Even so, the Coverage Election Package asserts that Washington policyholder elections and SHIP-imposed

elections are deemed irrevocable even if the Rehabilitation Plan is overturned or otherwise modified on appeal.

18. Even if the rates proposed by SHIP are approvable in Washington, the Coverage Election Package fails to adequately inform Washington policyholders that select the policy downgrade, the paid-up policy option, or their current policy terms could face more rate increases during Phase Two of the Rehabilitation Plan.

19. On February 2, 2022, the Rehabilitation Court approved SHIP's use of nationwide premium rates including in Washington. However, SHIP has not submitted to the Insurance Commissioner the premium rates that SHIP intends to use on insurance coverage provided to Washington policyholders, beginning as early as April 1, 2022, nor obtained the Insurance Commissioner's approval to such rates. SHIP has also failed to make all required regulatory filings with the Insurance Commissioner related to SHIP's transaction of insurance in this State, including the required filing of all forms prior to use.

20. Each of the coverage options offered by the Coverage Election Package represents either a reduction in the benefits offered by the Washington policies or an increase in premium rates, or some combination thereof. None of these modifications of the Washington policies for Washington policyholders has been filed with, nor approved by, the Insurance Commissioner for Washington State.

21. The most recent filings by SHIP for Washington included one rate and form filing (state tracking numbers 351565 and 351574, respectively), which were filed with the Insurance Commissioner on September 21, 2018, and subsequently withdrawn. No filings of either rates or forms have been approved for SHIP since at least September 14, 2016, and the five filings since then have either been withdrawn or rejected.

22. Less than one month since the Coverage Election Package was mailed to Washington policyholders, at least eight (8) complaints regarding the Coverage Election Package have been filed with the Insurance Commissioner on behalf of Washington policyholders, either confused by its contents or upset at SHIP's attempt to change contractual benefits, or both.

23. SHIP's effort to change one particular contractual benefit is especially troubling. Certain Washington policyholders have a Lifetime Waiver of Premium for Survivor provision in their contracts, which provides, upon death of a spouse, "the surviving person may continue the

Policy in force for the rest of his or her life and all subsequent premiums will be waived.” This provision has been triggered for some of the Washington policyholders in previous years and confirmed by the insurer. SHIP’s Coverage Election Package, wherein Option 4 – Keep Your Current Coverage, requires a billable annual premium of \$12,199, is fundamentally incompatible with this specific important contractual benefit.

24. RCW 48.19.010(2) provides that every insurer shall, with respect to disability insurance, before using file with the Insurance Commissioner its manual of classification, manual of rules and rates, and any modifications thereof except as provided under RCW 48.43.733 or rate filing requirements established by a specific statute or federal law.

25. RCW 48.18.100(1) provides that no insurance policy form or application form where written application is required and is to be attached to the policy, or printed life or disability rider or endorsement form may be issued, delivered, or used unless it has been filed with and approved by the Insurance Commissioner.

26. RCW 48.02.080(3)(a) provides if the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this code or any regulation or order of the Insurance Commissioner, he or she may issue a cease and desist order.

27. RCW 48.30.040 provides no person shall knowingly make, publish, or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein.

28. RCW 48.30.090 provides no person shall make, issue or circulate, or cause to be made, issued or circulated any misrepresentation of the terms of any policy or the benefits or advantages promised thereby, or the dividends or share of surplus to be received thereon, or use any name or title of any policy or class of policies misrepresenting the nature thereof.

29. WAC 284-50-020(1) applies Chapter 284-50 WAC to every "advertisement," as that term is defined in WAC 284-50-030(1), (7), (8) and (9), unless otherwise specified in these rules, intended for presentation distribution, or dissemination in this state when such presentation, distribution, or dissemination is made either directly or indirectly by or on behalf of an insurer, or insurance producer as those terms are defined in the insurance code of this state and these rules.

30. WAC 284-50-020(2) provides that every insurer shall establish and at all times maintain a system of control over the content, form, and method of dissemination of all

advertisements of its policies. All such advertisements, regardless of by whom written, created, designed, or presented, shall be the responsibility of the insurer for whom such advertisements are prepared.

31. WAC 284-50-030(1) provides in relevant part that an advertisement for the purpose of these rules shall include: (a) printed and published material, audio visual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, television scripts, billboards, and similar displays; and (b) descriptive literature and sales aids of all kinds issued by an insurer, or insurance producer for presentation to members of the insurance buying public, including but not limited to circulars, leaflets, booklets, depictions, illustrations, and form letters.

32. WAC 284-50-050(1) provides that the format and content of an advertisement shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the Insurance Commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence, within the segment of the public to which it is directed.

33. WAC 284-50-050(2) provides that advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.

34. WAC 284-50-060(1) provides in relevant part that no advertisement shall omit information or use words, phrases, statements, references, or illustrations if the omission of such information or use of such words, phrases, statements, references, or illustrations has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered, or premium payable.

35. WAC 284-50-070(1) provides that when an advertisement which is an invitation to contract refers to either a dollar amount, or a period of time for which any benefit is payable, or the cost of the policy, or specific policy benefit, or the loss for which such benefit is payable, it shall also disclose those exceptions, reductions, and limitations affecting the basic provisions of the policy without which the advertisement would have the capacity or tendency to mislead or deceive.

36. The Respondent's actions described herein violate Insurance Code provisions that include RCW 48.30.040 (false and misleading representations), RCW 48.30.090 (misrepresentation of policy terms and benefits), WAC 284-50-050(1) and (2), WAC 284-50-060(1), WAC 284-50-070(1) (false, misleading, deceptive advertisements), RCW 48.19.010(2) (disability rate filing required), and RCW 48.18.100(1) (form filing required).

NOTICE OF OPPORTUNITY FOR HEARING

Respondents have the right to demand a hearing in accordance with RCW 48.04.010, WAC 284-02-070, and WAC 10-08-110. Respondents have 90 days from the receipt of this Order to demand a hearing. **If the Insurance Commissioner does not receive a hearing demand from Respondent within 90 days from the date Respondent received this Order, Respondent's right to a hearing is conclusively deemed to have been waived.**

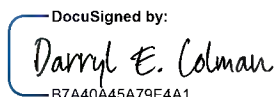
This Order shall remain in effect subject to the further order of the Insurance Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 1st day of March, 2022.



MIKE KREIDLER
Insurance Commissioner

By and through his designee

DocuSigned by:

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DARRYL E. COLMAN
Attorney Manager
Legal Affairs Division

AMENDED CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER TO CEASE AND DESIST NO. 22-0104 on the following individuals by depositing in the U.S. Mail via State Consolidated Mail Service with proper postage affixed to:

Senior Health Insurance Company of Pennsylvania
550 Congressional Blvd
Suite 200
Carmel, IN 46032
krickard@shipltc.com

Courtesy Copy To:

Specialty Deputy Rehabilitator for Senior Health Insurance Company of Pennsylvania
Patrick H. Cantilo
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758
phcantilo@cb-firm.com

Counsel for Senior Health Insurance Company of Pennsylvania
Michael John Broadbent
Cozen O'Connor
1900 Market Street
Philadelphia, PA 19103
mbroadbent@cozen.com

Acting Insurance Commissioner for the Commonwealth of Pennsylvania
Michael Humphreys
1326 Strawberry Square
Harrisburg, PA 17120

SIGNED this 1st day of March, 2022, at Tumwater, Washington.

DocuSigned by:

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Kimberly Shoblom
Paralegal
Legal Affairs Division

ORDER TO CEASE AND DESIST AND
IMPOSING FINE
ORDER NO. 22-0104

LA – 1669384 – 1

Exhibit 28



April 12, 2022

VIA E-MAIL

Re: Senior Health Insurance Plan of Pennsylvania ("SHIP")

Dear Esteemed Colleagues and Friends,

It was great to see many of you last week in Kansas City. Thank you for making my first meeting with a black badge feel as normal as possible, at least given the circumstances. This e-mail is intended to follow up on a few themes that I discussed with several of you in one-off conversations last week about the SHIP rehabilitation. Please note that my goal is to be as open and transparent as possible, while recognizing that anything I say or write, even if done so in a confidential regulator-regulator context, may nonetheless appear in any of the ongoing litigation matters surrounding SHIP.

First, attached is an updated version of the SHIP Election Package Report. This report was previously shared with you on March 11, but I wanted to share with you the most up-to-date information on the elections of policyholders in your states. For your convenience, I am also attaching the *Annual Report of the Rehabilitator* that was submitted to the Commonwealth Court on April 1. Included in that report is the updated election package figures reporting that 85 percent of policyholders had submitted elections with more than **60 percent of respondents' electing options that we do not believe, based on experience with Penn Treaty's liquidation, would have been available should we have immediately pursued liquidation for SHIP.**

Second, it became clear to me last week that providing additional perspective on Phase 1 and the possible transition to Phase 2 (or liquidation) would be helpful to the membership. **As I consider the future for SHIP's rehabilitation, please know that Phase 2 is neither imminent nor definite.** Instead, as we have previously stated, we will evaluate the results of Phase 1, engage a full vetting of the data with chief insurance regulators, and approach the Commonwealth Court before taking any definitive steps after Phase 1.

In fact, as the election packages are coming in, we now believe that we will be able to stay in Phase 1 (post policy modifications) for several years. While we are still working to quantify that window more specifically, we currently believe "several" to mean at least five years and maybe longer before we would have to decide any next steps. With policyholders at an average age of 88, these additional years in a modified policy of their choosing may represent a benefit over liquidation for many policyholders.

So how do we figure that we will be able to stay in Phase 1, without any additional rate increases, you might ask. Based on current data, we expect to reduce SHIP's deficit of approximately \$1.3 Billion, by at least half after modifying policies in Phase 1. That will still leave an obviously sizeable deficit, but it also provides us time to let the rehabilitation plan play itself out for a longer period before Pennsylvania must decide on Phase 2 or perhaps liquidation. In addition, halving the deficit also means that the plan is projected to save our states' taxpayers at least \$550 Million. The rehabilitation plan has been criticized by some commissioners in court filings as being "industry friendly" when compared to liquidation, presumably because it would require smaller assessments on life and health insurance companies if we ever pursue liquidation as the current (potential assessment base) deficit will be reduced. As we all know, however, those insurance industry assessments are ultimately borne by our

Office of the Insurance Commissioner

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www.insurance.pa.gov | ra-in-commissioner@pa.gov

taxpayers, as insurers can offset assessments generally through inflated rates on other policyholders or by offsetting premium tax payments due, in most cases, to a state's General Fund. Thus, one might consider the rehabilitation as "taxpayer friendly" in that it substantially reduces the amount of money ultimately born by the taxpayers if SHIP were to be liquidated in the future.

My current plan is, therefore, to run SHIP off after modifying policies in Phase 1 until we need to act in the future. We will NOT simply roll into Phase 2 after not completely closing the current SHIP deficit in Phase 1. As insurance regulators, we all believe that insurance policyholders should pay fair premiums. Phase 1 does just that; to steal a term from our past principles-based reserving efforts, Phase 1, "right-sizes" amounts policyholders pay in premium. In doing so, it provides quality options to policyholders, including options that at least match guaranty association limits and one that provides an enhanced non-forfeiture benefit that we believe has never been offered in the context of a receivership.

The rehabilitation plan has seen its share of opposition. Some object to Pennsylvania's approach to right-sizing rates, others philosophically believe that liquidation should be pursued if we do not think we will immediately and completely fill SHIP's deficit. Still other states do not believe that a domestic state regulator through its court system may control the operations of a company in receivership without being bound by the laws of every state in the country. I understand you. I hear you. I simply disagree. I believe the rehabilitation plan is best for policyholders and taxpayers and is fully consistent with our state-based system of insurance regulation. I will be glad to continue providing updates as the rehabilitation moves forward and I welcome your thoughts and questions.

Sincerely,



Mike Humphreys
Pennsylvania Insurance Commissioner

Exhibit 29



SHIP Policyholder Election Package Status Report

As Of 04/10/2022

Election Packages Mailed and Response Results

Responses

Issue State	Responses Required	Option 1 %	Option 2 %	Option 2a %	Option 3 %	Option 4 Above GA %	Option 4 GA Covered %	Responses Received %	Responses Received #	Available in Liquidation #	Available in Liquidation %	Not Available in Liquidation #	Not Available in Liquidation %
AK	14	9.09%	27.27%	0.00%	9.09%	36.36%	18.18%	78.57%	11	3	27.27%	8	72.73%
AR	142	9.92%	10.74%	9.09%	21.49%	33.06%	15.70%	85.21%	121	31	25.62%	90	74.38%
AZ	537	7.22%	8.07%	7.01%	23.57%	27.39%	26.75%	87.71%	471	160	33.97%	311	66.03%
CO	204	5.39%	10.78%	6.59%	23.95%	25.75%	27.54%	81.86%	167	55	32.93%	112	67.07%
DE	62	12.28%	5.26%	12.28%	22.81%	21.05%	26.32%	91.94%	57	22	38.60%	35	61.40%
FL	2,548	8.59%	6.17%	9.44%	19.06%	26.71%	30.02%	87.72%	2,235	863	38.61%	1,372	61.39%
GA	437	11.17%	10.65%	5.19%	16.88%	39.22%	16.88%	88.10%	385	108	28.05%	277	71.95%
IL	1,166	6.61%	10.89%	8.56%	15.76%	36.87%	21.30%	88.16%	1,028	287	27.92%	741	72.08%
IN	625	2.91%	8.74%	7.47%	22.77%	16.76%	41.35%	87.84%	549	243	44.26%	306	55.74%
KS	523	5.84%	12.12%	3.46%	18.61%	37.66%	22.29%	88.34%	462	130	28.14%	332	71.86%
KY	301	7.28%	8.43%	4.21%	20.69%	20.31%	39.08%	86.71%	261	121	46.36%	140	53.64%
MA	222	6.81%	6.28%	8.38%	22.51%	26.18%	29.84%	86.04%	191	70	36.65%	121	63.35%
ME	231	11.17%	5.85%	3.72%	26.06%	18.09%	35.11%	81.39%	188	87	46.28%	101	53.72%
MI	422	6.60%	9.76%	6.33%	16.62%	30.08%	30.61%	89.81%	379	141	37.20%	238	62.80%
MN	325	12.00%	19.00%	4.00%	22.33%	19.33%	23.33%	92.31%	300	106	35.33%	194	64.67%
MO	649	7.34%	11.19%	2.62%	17.48%	35.49%	25.87%	88.14%	572	190	33.22%	382	66.78%
MS	115	5.43%	8.70%	2.17%	16.30%	48.91%	18.48%	80.00%	92	22	23.91%	70	76.09%
MT	124	3.77%	10.38%	12.26%	22.64%	20.75%	30.19%	85.48%	106	36	33.96%	70	66.04%
NC	644	9.20%	9.20%	11.75%	19.25%	31.86%	18.74%	91.15%	587	164	27.94%	423	72.06%
NE	320	8.00%	10.55%	2.18%	12.00%	43.27%	24.00%	85.94%	275	88	32.00%	187	68.00%
NH	13	9.09%	27.27%	18.18%	0.00%	45.45%	0.00%	84.62%	11	1	9.09%	10	90.91%
NJ	511	10.49%	9.21%	14.56%	24.41%	6.85%	34.48%	91.39%	467	210	44.97%	257	55.03%
NM	88	5.48%	16.44%	10.96%	16.44%	28.77%	21.92%	82.95%	73	20	27.40%	53	72.60%
NV	56	4.88%	4.88%	4.88%	51.22%	4.88%	29.27%	73.21%	41	14	34.15%	27	65.85%
OK	528	8.08%	13.30%	5.94%	19.48%	27.32%	25.89%	79.73%	421	143	33.97%	278	66.03%
OR	129	4.85%	11.65%	9.71%	23.30%	12.62%	37.86%	79.84%	103	44	42.72%	59	57.28%
OT	1	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	1	0	0.00%	1	100.00%
PA	2,958	8.08%	10.48%	4.80%	18.68%	18.91%	39.06%	87.42%	2,586	1,219	47.14%	1,367	52.86%
TN	363	4.02%	12.38%	8.67%	22.91%	32.51%	19.50%	88.98%	323	76	23.53%	247	76.47%
TX	3,335	8.85%	11.98%	4.24%	21.67%	29.08%	24.18%	81.35%	2,713	896	33.03%	1,817	66.97%
UT	235	7.80%	15.61%	0.98%	34.15%	8.78%	32.68%	87.23%	205	83	40.49%	122	59.51%
VA	451	8.27%	9.52%	11.78%	21.55%	31.58%	17.29%	88.47%	399	102	25.56%	297	74.44%
VT	8	0.00%	0.00%	16.67%	50.00%	16.67%	16.67%	75.00%	6	1	16.67%	5	83.33%
WA	636	10.07%	9.33%	5.78%	26.49%	14.74%	33.58%	84.28%	536	234	43.66%	302	56.34%
WI	425	7.08%	7.90%	7.63%	22.89%	20.44%	34.06%	86.35%	367	151	41.14%	216	58.86%
WY	15	0.00%	15.38%	7.69%	30.77%	30.77%	15.38%	86.67%	13	2	15.38%	11	84.62%
Total	19,363	8.00%	10.12%	6.62%	20.37%	26.22%	28.66%	86.26%	16,702	6,123	36.66%	10,579	63.34%



Schedule Of Future Mailings

Future Mailing – Additional Opt-In States

<u>State</u>	<u>Target Mailing</u>	<u>Policy Count</u>
AL	May 2022	24
CA	May 2022	1,894
HI	May 2022	67
SD	May 2022	146
WV	May 2022	<u>42</u>
		2,173

Future Mailing – Opt-Out States

<u>State</u>	<u>Target Mailing</u>	<u>Policy Count</u>
CT	June 2022	21
DC	June 2022	5
IA	TBD	582
ID	June 2022	47
MD	June 2022	641
ND	TBD	274
OH	June 2022	<u>950</u>
		2,520

Future Mailing – Other States

<u>State</u>	<u>Target Mailing</u>	<u>Policy Count</u>
LA	TBD	208
SC	TBD	<u>201</u>
		409



Policyholder Election Options: Opt-In States

- Option 1: Downgrade Your Policy

Maintain your current premium (recognizing that benefits may be reduced in Phase Two of the Rehabilitation Plan)

The Downgrade allows the policyholder to avoid the rate increase. Each downgrade is a single combination of one or more of the 11 benefit reductions as follows: remove Restoration of Benefits, remove Extension of Benefits, adopt Rehabilitation Plan Required Benefit Eligibility, discontinue Return of Premium accruals, remove Inflation, convert to a Reimbursement policy, modify Maximum Daily Benefits, increase the Elimination Period, modify Maximum Benefit Period, remove all Waiver of Premium provisions, and convert to a Pool of Money policy. Calculations are performed at the policy level in order to achieve the Downgrade Target Premium where downgraded benefits match current premium on an if Knew basis.

- Option 2: Convert to a Basic Policy

Adjust your premium and benefits (designed to balance premium and benefits)

The Basic Policy provides a balance between reasonable premium and adequate level of coverage. This Option includes the following base modifications: four-year Maximum Benefit Period, 90-day Elimination Period, discontinue Return of Premium accruals, remove Extension of Benefits, adjust inflation to 1.5%, modify Maximum Daily Benefits, adopt Rehabilitation Plan Required Benefit Eligibility, convert to an Indemnity policy, convert to a Pool of Money policy, remove Restoration of Benefits, and remove all Waiver of Premium provisions.

- Option 2a: Convert to an Enhanced Basic Policy

Adjust your premium and benefits (designed to balance premium and enhanced benefits)

The Enhanced Basic Policy is similar to the Basic policy with the following exceptions: five-year Maximum Benefit Period and inflation adjustment to 2%, if current benefits exceed these limits.

- Option 3: Convert to an Enhanced Paid-Up Policy

Stop paying premium altogether (while maintaining a basic level of coverage)

The Enhanced Paid-Up Policy is a non-forfeiture option that provides a reasonable level of coverage. This Option includes the following modifications: 2.5-year Maximum Benefit Period, convert to an Indemnity policy, remove Extension of Benefits, remove Return of Premium, remove Restoration of Benefits, convert to a Pool of Money policy, 90-day Elimination Period, adopt Rehabilitation Plan Required Benefit Eligibility, remove Inflation, and modify Maximum Daily Benefits.

- Option 4: Keep Your Current Coverage

Preserve your current benefits (recognizing that premium may be increased in Phase Two of the Rehabilitation Plan)

Policyholders can maintain their current level of benefits.



Policyholder Election Options: Opt-Out States

- **Option A: Pay the Approved Increased Premium and Downgrade Your Policy**

The Opt-Out State approved rate increase will be offered in conjunction with benefit downgrades to align benefits with the approved rate increase. The downgrades follow the downgrades in Option 1 above with the following exceptions: the downgrade will not increase the Elimination Period or remove Waiver of Premium provisions.

- **Option B: Maintain Your Current Premium and Downgrade Your Policy**

This option allows policyholders to avoid the rate increase. The downgrade method is the same as Option A.

- **Option C: Convert to a Standard Paid-Up Non-Forfeiture Policy**

The standard non-forfeiture benefit is equal to 100% of all premiums paid since the policy issue date, reduced by the sum of any claim payments and returned premium payments made since the policy issue date. No premium payments are required to maintain this non-forfeiture benefit option.

- **Option D: Voluntarily Pay the Full If Knew Premium Rate and Keep Your Current Coverage**

Policyholders can maintain their current level of benefits by voluntarily paying the Full If Knew premium rate.

Exhibit 30



Action Required By: March 15, 2022

B: P6 B561

A [REDACTED] L S [REDACTED]

PO BOX [REDACTED]

CHINA VLG ME 04926-[REDACTED]



IMMEDIATE ACTION REQUIRED

Dear [REDACTED]:

I'm writing today with important information about your long-term care insurance from Senior Health Insurance Company of Pennsylvania (In Rehabilitation) ("SHIP") and to thank you for your patience and understanding as we guide the company through the rehabilitation process.

As part of this process, you have a very important decision to make at this time. A number of new coverage options are available to you. You are required to select only one option by March 15, 2022.

To get started, please refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these simple steps:

Step 1: Review your personalized options.

Step 2: Learn more about each option.

Step 3: Indicate your choice on the attached Coverage Election Form, detach and mail the completed form to SHIP in the enclosed postage-paid return envelope as soon as possible.

You'll find more details in the "Important Information for Policyholders" booklet and "Summary of Current Coverage" document provided. To watch our informational video series and learn more, visit us online at shipltc.com. Please know we are here to help you. We understand you have a lot invested in your current policy and you want to make sure you will have protection when you need it. Just call us at (833) 894-8577.

Sincerely,

Patrick H. Cantilo
Special Deputy Rehabilitator

Please note that your Coverage Election Form must be postmarked by March 15, 2022.



Coverage Election Form



POLICYHOLDER NAME: A [REDACTED] L S [REDACTED]

Best way to reach you, if we have questions.

POLICY NUMBER: [REDACTED] 3382

Phone:

ELECTION EFFECTIVE DATE: April 1, 2022

Email:

IMPORTANT: This form must be signed and postmarked by March 15, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	DEFAULT Option 4 Keep Your Current Coverage
Billable Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	\$1,350	N/A	\$835	N/A	\$0	\$1,350
Annual Premium Change (%)	N/A	N/A	-38%	N/A	-100%	0%
Maximum Lifetime Benefit	\$146,000	N/A	\$146,000	N/A	\$73,000	\$146,000
Maximum Lifetime Benefit Change (%)	N/A	N/A	0%	N/A	-50%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	N/A	No	N/A	No	Yes
SELECT ONE ►		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 1, 2022 and cannot be reversed after March 15, 2022.

I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by March 15, 2022, I will receive Option 4 by default.

Signature:

Date:

Month

Day

Year

Print name here:

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other:

Return this form in the postage-paid envelope postmarked by March 15, 2022.

Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



UNV045%PLB9348382

Summary of Current Coverage



INSURED: A [REDACTED] L S [REDACTED]

DATE ISSUED: 11/1/1989

POLICY NUMBER: [REDACTED] 8382

ISSUE AGE: 60

STATE OF ISSUE: ME

CURRENT AGE: 91

STATE OF RESIDENCE: ME

SUMMARY AS OF: 7/31/2021

CURRENT ANNUAL PREMIUM: \$1,350

CURRENT POLICY STATUS: Premium Paying - Not On Claim

Policy Feature	Current Coverage	Description
Maximum Benefit Period ^{1,2}	1,460 Days	The maximum duration during which benefits will be available under the policy.
Maximum Daily Benefit ³	NH: \$100.00 HHC: \$100.00	The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH = Nursing Home, ALF = Assisted Living Facility, HHC = Home Health Care.
Maximum Lifetime Benefit ¹	\$146,000	The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	No	"Yes" means the policy benefits are measured in dollars paid up to the Maximum Lifetime Benefit. "No" means the policy benefits are measured in days paid up to the Maximum Benefit Period days.
Elimination Period ¹	0 Days	The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.
Reimbursement Type ²	Indemnity	The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.
Inflation Benefit	No Inflation	A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effects of inflation on the cost of care.
Extension of Benefits	Included	A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.
Restoration of Benefits	Included	A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).
Return of Premium Benefit	Not Included	A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.
Waiver of Premium Benefit	Included	A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.

2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.

3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.

Note: This document is being provided solely for your convenience and is for reference only. It is not a comprehensive explanation of policy terms or benefits and is not intended to modify or amend any policy provision. All benefit determinations will be processed in accordance with the terms and conditions set forth in your policy and any policy rider(s).

Additional Useful Coverage Information



Coverage information provided on this page does not represent your current coverage. It has been provided to inform you of possible premium and coverage information associated with your policy in future phases of the Rehabilitation Plan. Please refer to the "Important Information for Policyholders" booklet for more detailed information. We encourage you and your trusted advisor to consider this additional useful information as you make your election decision.

INSURED: A [REDACTED] L S [REDACTED]

POLICY NUMBER: [REDACTED] 8382

Policy Feature	Current Coverage	Description
Rehabilitation Plan Required Benefit Eligibility	No	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.
GA Coverage Limit	\$300,000	Guaranty Associations (GAs) provide coverage for eligible policyholders of insurance companies that are placed in liquidation. GAs offer continuation of coverage up to a defined GA Coverage Limit that is determined by state of residence of the policyholder. This coverage reflects the GA Coverage Limit in your state of residence that would apply in the event SHIP were to be placed in liquidation in the future.
GA Fully Covered	Yes	"Yes" means your projected Maximum Lifetime Benefit is less than or equal to the GA Coverage Limit in your state of residence. "No" means your projected Maximum Lifetime Benefit is greater than the GA Coverage Limit in your state of residence. This is only a projection which may change with changes in circumstances. You may also want to compare the GA Coverage Limit to the Maximum Lifetime Benefit of your policy as shown on the Coverage Election Form.
Potential Uncovered Benefits	\$0	The portion of your Maximum Lifetime Benefit as shown on the Coverage Election Form that exceeds the GA Coverage Limit in your state of residence. Uncovered benefits apply only if a company is placed in liquidation.
Expected Liquidation Rate Increase	0%	This rate increase is the rate increase that could be pursued if SHIP is placed in liquidation. It is a projected number based on certain assumptions made today and could change in the future.
Self-Sustaining Annual Premium	\$1,875	This premium is the annual premium that could be charged to fully fund your policy. It is a projected number based on certain financial assumptions made today, including assets available, benefit payments, and expenses.



9594



SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)



Choosing the Right Coverage Option

A Step-by-Step Guide for Policyholders

Step One: Review Your Personalized Options

Prepared For A **LS**
Policy Number: **8382**

This chart shows the options currently available to you. Use it to compare the details most important to you.

Policy Feature	DEFAULT				
	Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	Option 4 Keep Your Current Coverage
Maximum Benefit Period	N/A	1,825 Days	N/A	913 Days	1,460 Days
Maximum Daily Benefit	N/A	NH: \$80.00 HHC: \$80.00	N/A	NH: \$80.00 HHC: \$80.00	NH: \$100.00 HHC: \$100.00
Maximum Lifetime Benefit	N/A	\$146,000	N/A	\$73,000	\$146,000
Benefit Account Value (Pool of Money)	N/A	Yes	N/A	Yes	No
Elimination Period	N/A	90 Days	N/A	90 Days	0 Days
Reimbursement Type	N/A	Indemnity	N/A	Indemnity	Indemnity
Inflation Benefit	N/A	No Inflation	N/A	No Inflation	No Inflation
Extension of Benefits	N/A	Not Included	N/A	Not Included	Included
Restoration of Benefits	N/A	Not Included	N/A	Not Included	Included
Return of Premium Benefit	N/A	Not Included	N/A	Not Included	Not Included
Waiver of Premium Benefit	N/A	Not Included	N/A	Not Included	Included
Billable Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Annual Premium	N/A	\$835	N/A	\$0	\$1,350
Rehabilitation Plan Required Benefit Eligibility	N/A	Yes	N/A	Yes	No
Phase Two Rate Increase/Benefit Reduction Possible	N/A	No	N/A	No	Yes

Note: If you do not return your Coverage Election Form on time, the Option identified as "Default" will be deemed to be your choice. Annual Premium is the cost of coverage for policy features listed under each option. Billable Annual Premium is that amount minus any premium that is currently being waived.

In the event the Company is placed in liquidation in the future, available benefits may be reduced below those identified in Your Personalized Options, except for Option 3.

Step Two: Learn More About Each Option

We understand that no two policyholders are alike. To help you navigate through the process of making your election decision, we've outlined several preferences to consider that may be important for you to think about. **Please review the policy features outlined in your Personalized Options chart on page two of this guide.** Some options may not apply to all policies. Options that do not apply to you will appear on your Personalized Options chart with a designation of N/A (Not Applicable) per the policy features.

If your preference is to...	Consider these options	A bit about the options...
Maintain your current premium (recognizing that benefits may be reduced in Phase Two of the Rehabilitation Plan)	Option 1 (Downgrade Your Policy)	<ul style="list-style-type: none"> This option offers reduced benefits while allowing your premium to remain the same. Your benefits will be reduced as shown on your Personalized Options chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Adjust your premium and benefits (designed to balance premium and benefits)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy)	<ul style="list-style-type: none"> These options offer benefits available on a new Basic Policy (Option 2) or a new Enhanced Basic Policy (Option 2a). Option 2a may offer a longer benefit period and more inflation protection. For some policyholders Option 2 may provide the same coverage as Option 2a. The new premium for this new policy will correspond to the benefits displayed on your Personalized Options chart on page two of this guide. These options aim to strike a balance between Option 1 and Option 4, but with two significant benefits: <ol style="list-style-type: none"> You are protected from mandatory future premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan. There is an added safety net where your benefits will not be reduced below coverage levels provided in liquidation.
Stop paying premium altogether (while maintaining a basic level of coverage)	Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> This option offers a paid up insurance policy with benefits displayed on your Personalized Options chart on page two of this guide. This means you will no longer have to pay premium, and coverage will terminate when the Maximum Lifetime Benefit is exhausted. The benefits associated with this option are generally richer than those offered as part of a traditional (non-Rehabilitation) nonforfeiture option. This option will not be subject to premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.
Preserve your current benefits (recognizing that premium may be increased in Phase Two of the Rehabilitation Plan)	Option 4 (Keep Your Current Coverage)	<ul style="list-style-type: none"> This option offers continuation of current coverage at a potentially higher premium rate. You will have the same level of protection you have now at the premium amount displayed on your Personalized Option chart on page two of this guide. The premium rates and benefits associated with this option are not guaranteed and may change significantly in Phase Two of the Rehabilitation Plan.
Have certainty (with respect to the premium you will pay and the benefits you will receive throughout the Rehabilitation process)	Option 2 (Convert to a Basic Policy) Option 2a (Convert to an Enhanced Basic Policy) Option 3 (Convert to an Enhanced Paid-Up Policy)	<ul style="list-style-type: none"> All 3 of these options offer certainty that you will not be subject to mandatory premium rate increases or benefit reductions in Phase Two of the Rehabilitation Plan.

Step Three: Indicate Your Choice On The Enclosed Form

Your Coverage Election Form must be signed and postmarked by March 15, 2022.

- 1 Tell us how we can reach you, if we have questions.
- 2 Indicate the option you prefer by checking the block associated with your selected option. You should select only one option.
- 3 Sign your name and date the form.
- 4 Mail in the postage-paid return envelope.

Coverage Election Form



POLICYHOLDER NAME: John J. Sample

Best way to reach you, if we have questions.

POLICY NUMBER: 8321

Phone:

ELECTION EFFECTIVE DATE: 4/20/2022

Email:

IMPORTANT: This form must be signed and postmarked by February 28, 2022.

Select the option that best suits your needs.

Policy Feature	Your Current Policy	DEFAULT				
		Option 1 Downgrade Your Policy	Option 2 Convert to a Basic Policy	Option 2a Convert to an Enhanced Basic Policy	Option 3 Convert to an Enhanced Paid-Up Policy	Option 4 Keep Your Current Coverage
Billable Annual Premium	\$2,887	\$ 887	\$ 188	\$ 248	\$0	\$ 362
Annual Premium	\$2,887	\$2,887	\$1,188	\$1,248	\$0	\$3,362
Annual Premium Change (%)	N/A	0%	-58.85%	-56.77%	-100%	16.45%
Maximum Lifetime Benefit	Unlimited	Unlimited	\$394,644	\$493,305	\$246,652	Unlimited
Maximum Lifetime Benefit Change (%)	N/A	0%	-60.54%	-50.67%	-75.33%	0%
Phase Two Rate Increase/Benefit Reduction Possible	N/A	Yes	No	No	No	Yes
SELECT ONE ►		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sign below.

I understand the election I have made above and acknowledge that I have made the election voluntarily. I agree that the changes I have requested will become effective April 20, 2022 and cannot be reversed after February 28, 2022. I understand that if I do not clearly mark only one election, or if I do not return this signed form postmarked by February 28, 2022, I will receive Option 2 by default.

Signature:

Date: / /
Month Day Year

Print name here:

Signatory authority: ☐ Power of Attorney ☐ Conservator ☐ Other:

Return this form in the postage-paid envelope postmarked by [Decision Date].
Questions? Call (833) 894-8577, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



P.O. Box 64675, St. Paul, MN 55164-0675

SHIP-EP-LTREF-0122

BUSINESS

FIRST-CLASS MAIL PERM
POSTAGE WILL BE PAID BY A

SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA, INC.
PO BOX 64675
ST. PAUL, MN 55164-0675



IF YOU DON'T RETURN YOUR COVERAGE ELECTION FORM ON TIME, YOU WILL AUTOMATICALLY RECEIVE THE DEFAULT OPTION IDENTIFIED ON YOUR PERSONALIZED OPTIONS CHART AND ON YOUR COVERAGE ELECTION FORM.

Understanding the Policy Features in Your Personalized Options chart.

The information provided in Step One of the guide was customized just for you. It details the options available to you and provides cost and benefit information for each option. We encourage you to carefully evaluate the benefits, premium, and possibility of future rate increases/benefit reductions in light of your personal situation with a family member or trusted advisor. Maximum Lifetime Benefit and Annual Premium have been provided to enable you and your advisor to compare the maximum lifetime benefits to annual cost for each option.

Policy Feature	Description
Maximum Benefit Period^{1,2}	The maximum length of time your policy pays benefits.
Maximum Daily Benefit³	The most you can collect each day for each type of care: Nursing Home (NH), Assisted Living Facility (ALF), Home Health Care (HHC). Your policy may include certain additional benefits. If your policy includes additional benefits that are based on your NH, ALF, or HHC benefit amount(s), the maximum daily benefit amount for the additional benefits will change based on the option you choose. To learn more about additional benefits please refer to the Glossary of Terms in your Important Information for Policyholders brochure.
Maximum Lifetime Benefit¹	The maximum benefit amount you can collect from your policy assuming benefit payments begin now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.
Benefit Account Value (Pool of Money)	"Yes" means policy benefits are measured by the total dollar amount paid. "No" means they are measured by the number of days benefits are paid.
Elimination Period^{1,4}	The length of time you must wait after becoming eligible for benefits before you are eligible to receive benefit payments.
Reimbursement Type^{2,5}	Reimbursement means you're covered for actual expenses up to the applicable limit. Indemnity means you'll be paid the full daily amount, regardless of expenses incurred.
Inflation Benefit	A rider or policy provision that increases your coverage at regular intervals to guard against inflation.
Extension of Benefits	A policy provision that allows claim payments to continue, even if your policy lapses for non-payment.
Restoration of Benefits	A policy provision that restores your benefits to the original maximum level, if no claims are filed for an extended period of time, such as 180 days.
Return of Premium Benefit	This policy provision or rider provides for return of some or all of the policy premium paid if you do not have claims during a given time frame (such as ten years or the time your policy was in force).
Waiver of Premium Benefit⁴	With this policy provision, you are not required to pay premiums under certain specified circumstances such as while you are on claim.
Rehabilitation Plan Required Benefit Eligibility⁴	"Yes" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan will apply to your policy if you select this option. Rehabilitation Plan Benefit Eligibility requires that you 1) be expected to require care for at least 90 days, and be unable to perform two or more Activities of Daily Living (i.e., eating, dressing, bathing, transferring, toileting, and continence) without substantial hands-on or standby assistance; or 2) for at least 90 days, need substantial assistance due to a severe cognitive impairment. In either case a licensed healthcare professional must certify a plan of care. "No" means the benefit eligibility requirements outlined in the SHIP Rehabilitation Plan do not apply. The benefit eligibility requirements of your policy do not change.

1. Your Maximum Benefit Period, Maximum Lifetime Benefit, and Elimination Period may be lower than what is shown if you are currently receiving benefits or have received benefits in the past.
 2. Maximum Benefit Period and Reimbursement Type are shown for the highest level of care covered by the policy.
 3. Some policies may have Monthly or Weekly benefits instead of Daily benefits.
 4. If these features change under an option and benefit eligibility for a claim has been approved prior to the Effective Date, these modifications will only apply to future claims.
 5. Under Option 1, if your Reimbursement Type changes from Indemnity to Reimbursement and benefit eligibility for a claim has been approved prior to the Effective Date, this Policy Feature modification will only apply to future claims.
- Note: Refer to the Glossary of Terms in the "Important Information for Policyholders" booklet for a more detailed description of each Policy Feature.



Questions About Your Options?

Q1. When will my new coverage or premium go into effect?

Your new coverage or premium will go into effect on the Election Effective Date listed on your Coverage Election Form.

Q2. Can I change my decision once I return the Coverage Election Form?

You can change your decision until the deadline indicated on your Coverage Election Form. Coverage Election Forms post-marked after this date will not be accepted. It is important to submit your Form on time.

Q3. What happens if I do not return my Coverage Election Form?

If you do not return your Coverage Election Form, the Option identified as "Default" on your Personalized Options chart (on page two of this guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to make an election and return your completed Coverage Election Form on time.

Q4. What happens if I return my Coverage Election Form without a signature or if I do not select only one option?

Under these circumstances, your Coverage Election Form will be considered invalid. The Option identified as "Default" on your Personalized Options chart (on page two of the guide) and on your Coverage Election Form will be deemed to be your choice. Please be sure to submit a properly completed and signed form.

Q5. What happens if I cannot find my Coverage Election Form?

If you have misplaced your Coverage Election Form, please contact (833) 894-8577. We will promptly send you a new Coverage Election Form.

Q6. Do I need to send any money with my completed Coverage Election Form?

No. You do not need to send any money with your completed Coverage Election Form. You will continue to be billed in the same way you are billed now. If you have not paid premium recently and premium becomes due, a premium notice will be mailed to the address on file.

Q7. Can my premiums increase in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional rate increases in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required premium increase. Similar to Phase One, customized options would be prepared and fully explained to you.

Q8. Can my benefits be reduced in Phase Two of the Rehabilitation Plan?

If you elect Option 1 or Option 4, your policy may be subject to additional benefit reductions in Phase Two of the Rehabilitation Plan. You would be notified in advance of any required benefit reduction. Similar to Phase One, customized options would be prepared and fully explained to you.

Q9. What happens if I cancel or lapse my coverage, instead of making a coverage decision?

If you cancel or lapse your policy *before* your Option becomes effective, your coverage will be converted to a standard paid-up policy. Coverage provided by a standard paid-up policy equals the total premium paid by you since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy *after* your Option becomes effective, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of this guide.

Q10. I am currently receiving benefits under my long-term care policy. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently receiving claim benefit payments. Your benefits may change, depending on the Option you select. If you choose an Option that changes your benefits, your new benefits will start on the date your Option becomes effective. If you do not return your Coverage Election Form, the Option identified as "Default" will be deemed to be your choice.

Q11. What is the difference between Annual Premium and Billable Annual Premium?

Annual Premium is the cost of coverage for policy features listed under each option on your Personalized Options chart. Billable Annual Premium is that amount minus any premium that is currently being waived.

If you currently pay the full premium amount, your Annual Premium and Billable Annual Premium are the same. If your premiums are currently being waived, and your new Annual Premium is greater than the waived premium amount, you will be billed the Annual Billable Premium when your new option becomes effective.

Q12. I currently do not have to pay premium because my policy is on waiver of premium. Do I still have to return the Coverage Election Form?

Yes. You must return your completed Coverage Election Form even if you are currently not paying premium.

More Questions? Call (833) 894-8577. Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.



Important Information for Policyholders

**Understanding
the situation
and the action
you need to take.**

The information in this brochure provides general guidance and does not address any specific claims or circumstances. It does not constitute a binding legal statement and is not intended to serve as legal advice or complete legal descriptions. Any forward-looking statements are based on current expectations and assumptions that are subject to change. For full legal information, review the Rehabilitation Plan and applicable Court filings found on the SHIP website: shipltc.com.



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Dear Policyholder,

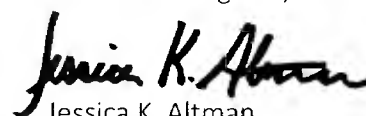
Over the past year, I assembled a rehabilitation team of experts and have worked closely with them to help address the financial difficulties experienced by SHIP, your long-term care insurance company.

Based on our evaluation, we prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court approved our recommended Rehabilitation Plan.

The Plan involves a number of changes, including making adjustments to insurance policies. This brochure and the other documents included in this Election Package have been thoughtfully designed to help you select the policy modification option that best meets your needs as we implement the Approved Rehabilitation Plan.

You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option on your Coverage Election Form that is best for your situation. If you have questions, we are here to help. Just call **(833) 894-8577**.

With warm regards,



Jessica K. Altman
Pennsylvania Commissioner of Insurance

The Situation

Senior Health Insurance Company of Pennsylvania (“SHIP”) is in rehabilitation.

What does that mean?



The insurance industry is monitored and regulated by state insurance departments to protect the interests of policyholders. If an insurance company’s financial condition indicates the company does not have adequate funds to fully pay for expected future claims, a court-supervised process called “rehabilitation” is initiated.

On January 29, 2020, SHIP was placed in rehabilitation by the Commonwealth Court of Pennsylvania. This rehabilitation order placed the company under the control of the Pennsylvania Insurance Department. The Pennsylvania insurance commissioner was appointed as SHIP’s Rehabilitator to oversee the financial situation, stabilize current operations, develop a rehabilitation plan to maximize the protection of policyholders, and plan for SHIP’s future.

After SHIP was ordered into rehabilitation, the Rehabilitator assembled a team of experts, including a Special Deputy Rehabilitator, to carefully evaluate SHIP’s financial problems and explore ways to correct them. Together, that team developed a proposed Rehabilitation Plan. The proposed Rehabilitation Plan was filed with and approved by the Commonwealth Court of Pennsylvania, after a week-long evidentiary hearing and more than a month of post hearing briefing.



On January 29, 2020, SHIP was placed in rehabilitation by the Commonwealth Court of Pennsylvania.

Important Details about the Rehabilitation Plan

The Plan’s principal goal is to correct the Company’s financial condition through policy modifications with a focus on protecting policyholder interests. Providing options to policyholders based on individual circumstances is also an important part of the Plan.

Phases of the Rehabilitation Plan

Phase One begins immediately following approval of the Plan by the Commonwealth Court of Pennsylvania. The goal is to reduce substantially or eliminate the financial deficit by modifying the policies. Reducing or eliminating the financial deficit will enable the company to provide meaningful long-term care coverage to policyholders. This will be achieved by a combination of premium rate increases and policy benefit modifications. This Election Package has been prepared to present policyholders with premium rate increase and policy benefit modification options that will help achieve the goal of the Plan. The Options in the Election Package have been customized for each policyholder and have been prepared using the current policy status (i.e., on claim or not on claim and premium-paying or on premium waiver) for each policy. Policyholders will be asked to select the Option that best meets their needs.

Policies that require modification in Phase One are those paying a current premium below the "If Knew Premium", which is the premium that should have been charged when the policies were originally issued based on a variety of factors known today about the SHIP policies such as historical claim payments, premium rate increases, policy termination rates, and investment returns.

Phase Two will begin after the results of Phase One have been evaluated. The goal is to narrow or eliminate any financial deficit remaining after Phase One. The timing and details will depend on the results achieved in Phase One. Whether or not Phase Two will be implemented may be subject to change depending on the circumstances following Phase One.

Premium rate increases and policy benefit modifications may be required for policyholders who elected Option 1 (Downgrade Your Policy) or Option 4 (Keep Your Current Coverage) in Phase One. Policyholders will be notified in advance of any required rate increases and benefit reductions. Similar to Phase One,

customized options for each policyholder will be prepared and fully explained. Certain policyholders, including those who elected Option 2 (Convert to a Basic Policy), Option 2a (Convert to an Enhanced Basic Policy), or Option 3 (Convert to an Enhanced Paid-Up Policy) in Phase One, will not face mandatory rate increases or policy benefit modifications in Phase Two of the Plan.

Phase Three will begin after the results of Phase Two have been evaluated. It does not include any policyholder modifications and will not require policyholder elections. This phase is the administrative and final phase.

We're Working Hard to Find Solutions for You

The Rehabilitation process is complicated and the financial stability of SHIP is a serious matter. The Rehabilitation team meets regularly to work through the many issues that arise during the Rehabilitation process. The Election Package you received has been customized to help you make an important decision about your SHIP long-term care policy. If you have more than one policy, you will receive an Election Package for each policy. You must make a separate election for each policy.

We understand how important your long-term care insurance coverage is to you and your family. We designed this personalized Election Package to help you make an election that best meets your needs. Coverage options presented have been thoughtfully designed to help you choose a solution that meets your needs as we implement the changes brought about by the approved Rehabilitation Plan.

Here's How You Can Stay Informed

Communicating with you about ongoing rehabilitation activities is our top priority. We will continue to send you notices and share updates about rehabilitation and the court process. You are also encouraged to regularly visit SHIP's website at shipltc.com/court-documents

What You Need to Do Now

Select one Option and mail your decision by the deadline indicated on your Coverage Election Form.

Use the enclosed "Step-by-Step Guide for Policyholders" to help you choose an option that best suits your needs.

You can also visit us online at shipltc.com to watch our informational video series.

1

Step One: Review Your Personalized Options

Required for John L. Sample
Policy Number: 0001

For: [Name] [Address] [City] [State] [Zip]

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

2

Step Two: Learn More About Each Option

What you need to know about each option is provided in this section. It includes information about the benefits, premiums, and other features of each option. It also includes information about the process for selecting an option and the deadline for doing so.

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

3

Coverage Election Form

Required for John L. Sample
Policy Number: 0001

For: [Name] [Address] [City] [State] [Zip]

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Options 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Step One: Review your Personalized Options chart. It was designed with you in mind and provides important cost and benefit information for each option. You are encouraged to review the information carefully and consult with a family member or trusted advisor to choose the option that is best for your situation.

Step Two: Learn more about each option. Compare your options in light of your personal situation. Carefully evaluate the benefits, premium, and possibility of future policy modifications of each option.

Step Three: Complete, sign, and date your Coverage Election Form. Return the Form in the enclosed postage-paid envelope.

YOUR COMPLETED FORM MUST BE POSTMARKED BY THE DATE INDICATED ON YOUR COVERAGE ELECTION FORM.

What Happens Next

After you have selected the option that best suits your needs, here's what you need to know about next steps.

1. SHIP will review your Coverage Election Form to make sure it is complete. You can help us by making sure to:

- Select only ONE option on the Coverage Election Form.
- Sign and clearly date the Form.
- Return ONLY the completed Coverage Election Form in the self-addressed postage-paid return envelope.

PLEASE NOTE, IF SOMEONE ELSE SIGNS THE FORM ON YOUR BEHALF, THE SIGNING AUTHORIZATION MUST BE ON FILE WITH SHIP.

2. If your Coverage Election Form is complete, SHIP will mail you a written confirmation of your Election upon receipt and will process your selected Option.

3. If your Coverage Election Form is NOT completed correctly, if there is time, SHIP will mail you another Coverage Election Form explaining what needs to be corrected. You must complete this new Coverage Election Form. The Form must be returned and postmarked by the date noted on the Form. If you did not submit or correctly complete your Election Form on time, the Default Option will be processed.

4. Any modification resulting from your selected Option will be effective on the Election Effective Date, listed on your Coverage Election Form. If your Option changes your benefits and you are currently receiving claim payments, your new benefits will start on the Election Effective Date. You should continue submitting claims in the same manner you have in the past.

In the event a policyholder's circumstances change as specified in the Plan before the Initial Plan Effective Date (for example by going on claim, becoming eligible for premium waiver, going off claim, or losing a premium waiver) the policyholder will be sent a new Election Package and will be required to select a new option from among options applicable to the new circumstances.

5. If a premium payment is due, you will continue to be billed in the same way you are billed now. If you do not currently pay premiums and a premium payment is due as a result of the Option you have elected, you will receive a premium notice mailed to the address on file. It is important for you to pay premiums as they become due to preserve your coverage.

6. If you do not make the premium payment when due, your coverage will be converted to a paid-up policy. If the date of lapse is before the Election Effective Date, your policy will convert to a standard paid-up policy which has a maximum benefit amount equal to the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy. If the date of the lapse is after the Election Effective Date, your policy will convert to the Enhanced Paid-Up policy as described under Option 3 on your Personalized Options chart on page two of the guide enclosed.

7. A Summary of Current Coverage document, a policy endorsement, and a schedule of benefits that reflect your policy modifications and features will be mailed to you within a few weeks after your Election Effective Date, listed on your Coverage Election Form.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Frequently Asked Questions

Q1. What is Rehabilitation?

Rehabilitation is a court-supervised process intended to remedy an insurance company's impaired financial condition for the benefit of policyholders and creditors.

On January 29, 2020, Senior Health Insurance Company of Pennsylvania ("SHIP") was placed in rehabilitation by the Commonwealth Court of Pennsylvania (the "Court"). The Court appointed Pennsylvania Insurance Commissioner Jessica K. Altman (the "Commissioner") as Rehabilitator, and she appointed Patrick H. Cantilo as Special Deputy Rehabilitator ("SDR").

The Rehabilitator is charged with protecting SHIP's policyholders, creditors, and the public, including making sure policyholders' coverage continues as long as premiums are paid when due, subject to Plan modifications. Under rehabilitation, the Commissioner conducts an independent, in-depth financial analysis of the insurance company and evaluates and implements opportunities to improve the companies' financial status. The Rehabilitator's actions are dictated by Pennsylvania laws and regulations and are subject to review by the Commonwealth Court of Pennsylvania.

Q2. What is the purpose of the Election Package?

The Rehabilitator and her Rehabilitation team prepared a comprehensive Rehabilitation Plan and filed the Plan with the Pennsylvania Commonwealth Court for the Court's review and approval. The Court recently approved the Rehabilitation Plan.

The approved Plan involves a number of changes, including making adjustments to insurance policies. These adjustments to the insurance policies include premium rate changes and policy benefit modification options. The purpose of the Election Package is to help policyholders select the option that best meets policyholder needs.

Q3. What actions do I need to take?

You need to make an important choice about your long-term care insurance coverage. Options for your coverage have been thoughtfully customized with you in mind. Refer to the enclosed "Step-by-Step Guide for Policyholders" and follow these steps:

Step 1: Review your "Personalized Options" on page 2.
Step 2: Review "Learn More About Each Option" on page 3.
Step 3: Indicate your choice on the enclosed Coverage Election Form and mail the completed form to SHIP in the enclosed postage-paid return envelope by the deadline indicated on the form.

Q4. How can I learn more about SHIP's rehabilitation and the Election Package?

We created an informational video series to help our policyholders, their families and advisors better understand the content of this Election Package, get help understanding their choices and learn how to choose their best option.

The video series is available online at shipltc.com and is accessible from smartphones, tablets, and laptops. It also features information on the phases of the rehabilitation plan, how to notify us of your decision, and what you can expect after completing and returning your Coverage Election Form.

Q5. I am currently receiving claim benefits. Do I need to do anything different?

Claims for policy benefits will continue to be processed and paid in the normal course of business. You should continue submitting claims in the same manner that you have in the past. Any policy or benefit modifications resulting from your selected Option on the enclosed Coverage Election Form will become effective on the Election Effective Date listed on that Form.

Frequently Asked Questions

Q6. What happens if I decide to stop paying my premiums?

If you cancel or lapse your policy before the Election Effective Date, your coverage will be converted to a standard paid-up policy. Coverage provided by this policy will have a maximum benefit amount which equals the total amount paid by you in premium since the issue date of your policy, reduced by the sum of any claim payments and any returned premium payments made to you since the issue date of your policy.

If you cancel or lapse your policy after the Election Effective Date, your coverage will be converted to the Enhanced Paid-Up Policy as described under Option 3 on your Personalized Options chart on page two of the enclosed Step-by-Step Guide for Policyholders. Policy Feature amounts for cancelled or lapsed policies could be different from those displayed under Option 3 due to policy-specific benefit payments and inflation.

Q7. Can I do anything to avoid possible mandatory premium increases or benefit reductions in Phase Two?

You can select one of Options 2, 2a, or 3 in Phase One. Policyholders who choose those options in Phase One are not subject to mandatory modifications in Phase Two.

Q8. Are any policies exempt from mandatory premium increases or benefit reductions in Phase Two regardless of which Option they choose in Phase One?

Options 2, 2a, and 3 are exempt from mandatory modifications in Phase Two. If you select Option 1 or Option 4 in Phase One, you may or may not be exempt from mandatory modifications in Phase Two. If the Guaranty Association Coverage Limit (found on the "Summary of Current Coverage" document) is equal to or greater than the Maximum Lifetime Benefit (of the Phase One Option chosen), you will be exempt from mandatory modifications in Phase Two. If the Annual Premium (of the Phase One Option chosen) is equal to or greater than the Hypothetical Phase Two Annual Premium (found on the enclosed "Summary of Current Coverage" document), you may be exempt from mandatory modifications in Phase Two. Otherwise, selecting Options 1 or 4 may not exempt you from Phase Two modifications.

Q9. If my policy is not subject to mandatory modifications in Phase Two, can I still choose a different Option at that time?

Certain voluntary changes can be made in Phase Two, but you cannot increase coverage.

Q10. Are policyholder elections permanent?

Yes. Once the Coverage Election Form due date passes, you cannot change the option you selected. If the Coverage Election Form is not received on time, you cannot change the "Default" option. All benefit and/or premium changes elected (or defaulted to) pursuant to the Court-approved Rehabilitation Plan are permanent changes to the policy.

Q11. Have any other rehabilitation alternatives been considered?

A number of alternatives have been explored and the Rehabilitator determined they are either not feasible or that the Plan is preferable under the current circumstances.

Q12. Is there a possibility SHIP could be liquidated?

The Pennsylvania Commonwealth Court could decide at some time in the future to place SHIP into liquidation.

Q13. How is liquidation different from rehabilitation?

Under rehabilitation, the Pennsylvania Insurance Commissioner evaluates and implements actions to restore the company's financial condition to a favorable status. The Insurance Commissioner recommends liquidation when the Commissioner believes rehabilitation efforts should no longer be pursued.

In the insurance industry, rehabilitation is a process that allows the Rehabilitator to formulate a plan for restructuring the company and/or modifying the policies to protect policyholder interests. Liquidation is a court-directed process that prescribes the disposition of assets and liabilities for an insurer when it is determined that future policyholder obligations cannot be fully met.

Frequently Asked Questions

Q14. What would happen if SHIP were liquidated?

If SHIP were ordered into liquidation, it is probable that state insurance guaranty associations would continue coverage for policyholders up to applicable statutory coverage limits. Generally, Guaranty Associations become responsible for an insurer's obligations only if the insurer is found by the Court to be insolvent and placed in liquidation. If SHIP is placed in liquidation, policyholders may be subject to future rate increases and benefit reductions.

SHIP has not been placed in liquidation. Therefore, no Guaranty Association is responsible for SHIP's policy obligations at this time. For information about state guaranty associations, please visit nolhga.com.

Q15. How does coverage in the Rehabilitation Plan compare to coverage in liquidation?

Under the Rehabilitation Plan you have at least one option that provides coverage greater than or equal to coverage you would receive in liquidation from the Guaranty Associations. The Plan offers other options unlikely to be available in liquidation.

Q16. Where can I get more details about these matters?

The Approved Rehabilitation Plan is on SHIP's website. Please visit shipltc.com.

Additional Questions? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Glossary of Terms

Additional Benefits: Some long-term care policies include benefits other than nursing home, facility, home health care, or adult day care. Examples of these include, but are not limited to, bed reservation benefit, respite care, hospice care, caregiver training, medic alert, prescription drug benefit, homemaker services, and ambulance services.

Benefits: Money an insurance company pays to policyholders or care providers for services the insurance policy covers.

Benefit Account Value (Pool of Money): A policy provision that indicates whether the policy includes benefits in dollars up to the total Maximum Lifetime Benefit or includes each day paid up to the Maximum Benefit Period days.

Claim: A request made to pay benefits for eligible services.

Commonwealth Court or Court: The Commonwealth Court of Pennsylvania, which is the rehabilitation court for SHIP and has exclusive authority over SHIP's rehabilitation.

Coverage Election Form: The election form, included in this Election Package, on which a policyholder specifies the Option he or she chooses under the Rehabilitation Plan to modify their policy.

Effective Date: The date the provisions of the Rehabilitation Plan, including modification of long-term care policies and Policyholder Elections, will become effective following approval of the Rehabilitation Plan.

Elimination Period: The time period during which a policyholder qualifies for benefits but for which no benefits are yet payable.

Extension of Benefits: A provision in the policy permitting claim payments to continue for a policy on claim that lapses due to non-payment of premium.

Guaranteed Renewable Policy: An insurance company guarantees the policyholder the right to renew the policy for life, as long as the policyholder pays the premiums on time. Most long-term care insurance policies are guaranteed renewable.

Guaranty Association: Organizations created by statute in each state that are responsible for continuation of insurance coverage for eligible policyholders of insurance companies that are placed in liquidation. These organizations offer continuation of coverage up to a defined Guaranty Association Coverage Limit that is determined by state of residence of the policyholder.

Inflation Benefit: A rider purchased or a policy provision that provides for defined increases in benefits at regular intervals in order to protect against the effect of inflation on the cost of care.

Lapse: When a policyholder owes premium on their insurance policy but stops paying the premium, resulting in the termination of the policy and loss of insurance protection and benefits.

Liquidation: A legal step a state insurance department takes when an insurance company can't recover from its financial troubles.

Long-Term Care Insurance: Insurance that offers benefits to pay for nursing home care, home health care, and/or other services for individuals who can't perform daily living activities or must be supervised due to illness or cognitive impairment.

Maximum Benefit Period: The maximum duration during which benefits will be available under the policy.

Maximum Daily Benefit: The maximum daily dollar amount available on a covered date of care as specified in the policy, for each eligible type of care. NH= Nursing Home, ALF= Assisted Living Facility, HHC= Home Health Care.

Maximum Lifetime Benefit: The maximum benefit amount available for the life of the policy, reflecting inflation assuming benefits start now. This benefit amount may not include eligible Restoration of Benefits associated with the policy.

Policy Benefit Limit: The maximum benefit amount a policy will pay. Some policies define the policy benefit limit in years (one, two, three or more, or even lifetime). Others define the policy benefit limit as a total dollar amount. Policies often use words such as "total lifetime benefit," "maximum lifetime benefit," or "total plan benefit" to describe their maximum benefit limit.

Glossary of Terms

Policy Modifications: Premium rate changes or benefit reductions implemented for each policyholder in accordance with the terms of the Rehabilitation Plan.

Policyholder Election: The election by a policyholder to modify the premiums or benefits of his or her policy under the Rehabilitation Plan.

Policyholder Election Date: The date by which the Coverage Election Form must be properly completed, signed, and postmarked in order for the election to be effective.

Premium: The amount you pay for your insurance coverage.

Rehabilitation: A court-supervised process intended to remedy an insurance company's financial deterioration for the benefit of policyholders and creditors.

Rehabilitation Plan: A plan to correct an insurance company's financial situation through policy modifications and other cost cutting measures while protecting policyholder interests. The plan is proposed by the Rehabilitator and approved by the Court.

Rehabilitator: The state insurance commissioner appointed by the Court to oversee an insurance company's rehabilitation process. The commissioner takes legal control of the company and does an independent, in-depth financial analysis of the company. The commissioner is charged with the protection of the company's policyholders, creditors, and the public. The rehabilitator's actions are dictated by the laws and regulations of the state and are subject to review by the Court. Jessica K. Altman is the Rehabilitator for SHIP.

Reimbursement Type: The method by which the Daily Benefit will be paid out. Reimbursement provides coverage for the actual expenses of care up to specified limits. Indemnity pays the full daily benefit amount regardless of expenses incurred.

Reinstatement Provisions: A policy provision that provides for a policyholder who meets certain conditions to reinstate their policy after it has been canceled because premiums were not paid on time.

Glossary of Terms



Restoration of Benefits: A policy provision under which the benefit period for a policyholder will be restored to the original Maximum Benefit Period after receiving some or all claim benefits if the policyholder does not need or receive care during a specified period of time (such as 180 days).

Return of Premium Benefit: A rider purchased or policy provision which provides for the return of a percentage of premium paid by the policyholder (such as 80%) in consideration of the absence of claim payments during a given period of time in which the policy was in force (such as ten years), or upon policy termination.

Special Deputy Rehabilitator: An individual appointed by the Rehabilitator to oversee the day-to-day affairs of the company and to prepare a plan for the company's rehabilitation. Patrick H. Cantilo is the Special Deputy Rehabilitator for SHIP.

State Insurance Commissioner: A state regulator who heads the state insurance department and monitors and regulates insurance agents and companies. Jessica K. Altman is the State Insurance Commissioner in Pennsylvania.

State Insurance Department: The state regulatory agency responsible for administering laws and regulations for all types of insurance.

Waiver of Premium Benefit: A policy provision under which the policyholder is no longer required to pay premiums for coverage in specified circumstances, such as eligibility for benefits.

Need More Information? Call (833) 894-8577.

Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

Exhibit 31

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7200
www.Insurance.wa.gov

**OFFICE OF
INSURANCE COMMISSIONER**

In the Matter of)	Order No. 20-0879
SENIOR HEALTH INSURANCE)	
COMPANY OF PENNSYLVANIA)	ORDER SUSPENDING AUTHORITY
)	TO ISSUE NEW POLICIES
An Authorized Insurer.)	

TO: Patrick Cantilo - Special Deputy Rehabilitator
Senior Health Insurance Company of Pennsylvania (In Rehabilitation)
550 Congressional Blvd., Suite 200
Carmel, IN 46032

IT IS ORDERED and you are hereby notified that the authority of Senior Health Insurance Company of Pennsylvania under Certificate of Authority No. 1793 as a life and disability insurer to issue new policies is hereby suspended for one year pursuant to RCW 48.05.150, 48.05.340, and WAC 284-16-320.

THIS ORDER IS BASED ON THE FOLLOWING:

The Insurance Commissioner of the State of Washington finds that there presently exist conditions precluding Senior Health Insurance Company of Pennsylvania from being eligible to hold a Certificate of Authority authorizing it to transact new business in this state. Specifically, Senior Health Insurance Company of Pennsylvania filed its quarterly statement as of September 30, 2019, reporting statutory capital and surplus of (\$540,839,833), which is below the required minimum capital and surplus of \$4,800,000 required by RCW 48.05.340.

Based on its capital and surplus, reported to the Insurance Commissioner on its most recently filed financial statement as of September 30, 2019, the Insurance Commissioner of the State of Washington finds the sale, solicitation, or issuance of policies or certificates to new members by Senior Health Insurance Company of Pennsylvania is no longer authorized in this state, pursuant to WAC 284-16-320.

The continuation of existing coverages to existing members is required during the term of this suspension.

Page 2

Order No. 20-0879

This order does not relieve Senior Health Insurance Company of Pennsylvania from any pending or accrued reporting, filing, or fee/tax payment required by Title 48 RCW.

Chapters 48.04 and 34.05 RCW provide Senior Health Insurance Company of Pennsylvania the right to demand a hearing on this order.

ENTERED at Olympia, Washington this 21st day of December, 2020.

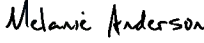
DocuSigned by:

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Melanie J. Anderson, Deputy
Company Supervision Division

Exhibit 32



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
Superintendent

March 9, 2020

CERTIFIED MAIL

Patrick H. Cantilo, Special Deputy Rehabilitator
Cantilo & Bennett, L.L.P.
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758

RE: Senior Health Insurance Company of PA, in Rehabilitation - NAIC # 76325
Suspension of Certificate of Authority
Docket No. INS-20-300

Dear Mr. Cantilo:

On January 29, 2020, Senior Health Insurance Company of Pennsylvania (SHIP) was placed into Rehabilitation per Order of Rehabilitation No. 1 SHP 2020. Due to the actions in the state of domicile, SHIP does not qualify for continuing authority to transact insurance in the State of Maine pursuant to provisions of 24-A M.R.S. §§ 417(2)(A) and 417(3).

In light of the foregoing, please be advised that the Certificate of Authority of SHIP to transact insurance in Maine is hereby suspended indefinitely, effective immediately. During the term of the suspension, SHIP may not transact any new insurance business in Maine but will be allowed to continue to renew and service existing business. The Company must continue to make required filings and pay all required fees and taxes. Should the Company, at any time, submit an application to the Superintendent of Insurance to lift this suspension and reinstate its authority to write new business, the Superintendent will determine whether the grounds for suspension remain in existence.



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www.maine.gov/insurance

Phone: (207) 624-8475

TTY: Please call Maine Relay 711

Consumer Assistance: 1-800-300-5000

Fax (207) 624-8599

The Superintendent has obtained the Rehabilitator's consent on behalf of SHIP to the entry of this Order of Suspension on the basis of the Company's Rehabilitation, waiving the Company's right to hearing under 24-A M.R.S. § 417(3). Therefore, pursuant to 5 M.R.S. § 9053(2), this order constitutes a final agency action of the Superintendent of Insurance and is effective immediately.

Per Order of



Eric A. Cioppa
Superintendent of Insurance

Exhibit 33



August 26, 2021

Via E-Mail

Re: Senior Health Insurance Company of Pennsylvania, In Rehabilitation

Dear Commissioner,

As you know, we have sent you several communications in addition to the numerous conversations we have had regarding the Rehabilitation proceeding for Senior Health Insurance Company of Pennsylvania (SHIP). In October 2020, and again in March of this year, we wrote you about our inclusion in the Proposed Rehabilitation Plan of a new “Issue-state Rate Approval” section that would permit states to opt out of the Plan’s premium rate approval process. Most recently we wrote to notify you that on May 3, 2021, we filed the Second Amended Rehabilitation Plan just before the hearing on the Plan commenced in the Commonwealth Court of Pennsylvania (the Court) on May 17, 2021. That amendment remains available on SHIP’s website, www.shipltc.com.

I write you now to advise you that, on August 25, 2021, the Court entered its Order Approving the Rehabilitation Plan (Approval Order), which, subject to certain specified modifications, approved the Second Amended Rehabilitation Plan (the “Approved Plan”). The [Approval Order](#) is also available on SHIP’s website. The issue-state rate approval section remains in the Approved Plan, unchanged from the Second Amended Rehabilitation Plan.

As provided in that section, in the next few weeks we expect to send you formal notice of each state’s opportunity to opt out of the rate approval provisions of the Approved Plan. That notice will advise you of the “Opt-out Deadline” and the precise method by which you must advise the Rehabilitator if you elect to opt out of the rate approval provisions of the Approved Plan with respect to the SHIP long-term care (LTC) insurance policies issued in your state. States that do not properly elect to opt-out by the Opt-out Deadline will be deemed to have opted into that section of the Approved Plan.

We believe strongly that the Approved Plan, including its premium rate adjustment provisions, is reasonable and fair and is in the best interest of SHIP LTC policyholders. As you are probably aware, the Approved Plan is the product of extensive analysis and actuarial modeling and of careful thought and balancing of difficult competing interests. It is our view that opting out of the rate approval provisions of the Approved Plan may not be in the best interest of the affected policyholders. We encourage every Commissioner, Director, or Superintendent to evaluate

this matter carefully, including the possible disadvantages of opting out. This matter is discussed at length in Section V. beginning at page 108 of the Approved Plan.

We thought it would be helpful to give you advance notice that you will soon be required to make that decision. Of course, you will not need to do anything if you do not wish to opt out of the rate approval provisions of the Approved Plan. We would be happy to discuss this matter with you in more detail if that would be of value. To do that, please send an email to Deputy Commissioner Laura Lyon Slaymaker at lsaymaker@pa.gov. Moreover, we can provide you an updated seriatim file for LTC policies issued in your state with the projected if knew premium. Please let Special Deputy Rehabilitator Patrick Cantilo (phcantilo@cb-firm.com) know if you would like such a file.

In closing, let me confirm that I am very pleased that the Commonwealth Court has approved the rehabilitation plan. Arriving at the Plan was a challenging process that required many difficult decisions. This Plan represents what we and our team of experts think is the best solution to a problem that is not likely to go away soon. I am extremely grateful for all the support that we have received from so many of you and your staff along the way.

With warm regards,



Jessica K. Altman

Pennsylvania Insurance Commissioner

Exhibit 34

Lori K. Wing-Heier, Alaska Department of Commerce, Community, and Economic Development, Director

Evan G. Daniels, Arizona Department of Insurance and Financial Institutions, Director

Alan McClain, Arkansas Insurance Department, Commissioner

Andrew N. Mais, Connecticut Insurance Department, Commissioner

Karima M. Woods, District of Columbia Department of Insurance, Securities, and Banking, Commissioner

John F. King, Georgia Office of Insurance and Safety Fire, Commissioner

Colin M. Hayashida, Hawaii Department of Commerce and Consumer Affairs, Insurance Commissioner

Dean L. Cameron, Idaho Department of Insurance, Director

Amy L. Beard, Indiana Department of Insurance, Commissioner

Douglas M. Ommen, Iowa Insurance Division, Commissioner

James J. Donelon, Louisiana Department of Insurance, Commissioner

Eric A. Cioppa, Maine Bureau of Insurance, Superintendent

Gary D. Anderson, Massachusetts Division of Insurance, Commissioner

Kathleen A. Birrane, Maryland Insurance Administration, Commissioner

Mike Chaney, Mississippi Department of Insurance, Commissioner

Troy Downing, Office of the Montana State Auditor, Commissioner of Securities and Insurance

Christopher R. Nicolopoulos, New Hampshire Department of Insurance, Commissioner

Marlene Caride, New Jersey Department of Banking and Insurance, Commissioner

Russell Toal, Office of the Superintendent of Insurance for the State of New Mexico, Superintendent

Mike Causey, North Carolina Department of Insurance, Commissioner

Jon Godfread, North Dakota Insurance Department, Commissioner

Judith L. French, Ohio Department of Insurance, Director

Glen Mulready, Oklahoma Department of Insurance, Commissioner

Elizabeth Kelleher Dwyer, Rhode Island Division of Insurance, Superintendent

Raymond G. Farmer, South Carolina Department of Insurance, Director

Larry D. Deiter, South Dakota Commissioner of Insurance, Director

Jonathan T. Pike, Utah Insurance Department, Commissioner

Michael S. Pieciak, Vermont Department of Financial Regulation, Commissioner

Mike Kreidler, Office of the Insurance Commissioner for the State of Washington, Commissioner

Nathan D. Houdek, Wisconsin Office of the Commissioner of Insurance, Commissioner

Allan L. McVey, West Virginia Offices of the Insurance Commissioner, Commissioner

Jeffrey P. Rude, Wyoming Department of Insurance, Commissioner

February 11, 2022

BY E-MAIL

Honorable Jessica K. Altman
Commissioner of Insurance
Commonwealth of Pennsylvania
1326 Strawberry Square
Harrisburg, PA 17120

Re: Proposed Plan of Rehabilitation for the Senior Health Insurance Plan of Pennsylvania (“SHIP”)

Dear Commissioner Altman:

We write as your insurance regulatory colleagues to respectfully ask that you either withdraw the proposed plan of rehabilitation for SHIP (“Plan”) or suspend efforts to implement the Plan while the Commonwealth Court’s August 24, 2021 approval order is the subject of appeal to the Pennsylvania Supreme Court.

We write because historically states have been able to come together to address regulatory issues even when there was disagreement. The opposition of 32 chief insurance regulators to SHIP’s plan of rehabilitation demonstrates significant concerns about the Plan. It may embolden some critics to question the effectiveness of our efforts to achieve an integrated, but state-based, regulatory structure.

SHIP's elderly policyholders now face the prospect of confusion and distress as they receive option election packages from the Rehabilitator based on premium rates that may well be superseded by the Pennsylvania Supreme Court's future decision. (Insurance departments are receiving questions and expressions of concern from SHIP policyholders as the election packages are being distributed.) The risk of such a reversal is shown by the recent decisions of courts in Louisiana and South Carolina to enjoin implementation of the Plan in those states. Each judge found that reversal of the Commonwealth Court's order approving the Plan was likely. This week a temporary restraining order was issued by a court in North Dakota.

Even more litigation can be expected as efforts are made to force jurisdictions that opted-out of the Plan's rate-setting process to act on the Rehabilitator's rate increase applications. So too, efforts to cause policyholders to respond to option election package are likely to trigger policyholder-protective litigation in numerous jurisdictions. Regulators may feel compelled to act in order to protect policyholders in their respective states.

For all these reasons, we respectfully ask that you reconsider your support of the Plan and its implementation while the approval order is under appeal.

Sincerely,

Lori K. Wing-Heier, Alaska
Evan G. Daniels, Arizona
Alan McClain, Arkansas
Andrew N. Mais, Connecticut
Karima M. Woods, District of Columbia
John F. King, Georgia
Colin M. Hayashida, Hawaii
Dean L. Cameron, Idaho
Amy L. Beard, Indiana
Douglas M. Ommen, Iowa
James J. Donelon, Louisiana
Eric A. Cioppa, Maine
Gary D. Anderson, Massachusetts
Kathleen A. Birrane, Maryland
Mike Chaney, Mississippi
Troy Downing, Montana

Christopher R. Nicolopoulos, New Hampshire
Marlene Caride, New Jersey
Russell Toal, New Mexico
Mike Causey, North Carolina
Jon Godfread, North Dakota
Judith L. French, Ohio
Glen Mulready, Oklahoma
Elizabeth Kelleher Dwyer, Rhode Island
Raymond G. Farmer, South Carolina
Larry D. Deiter, South Dakota
Jonathan T. Pike, Utah
Michael S. Pieciak, Vermont
Mike Kreidler, Washington
Nathan D. Houdek, Wisconsin
Allan L. McVey, West Virginia
Jeffrey P. Rude, Wyoming

Exhibit 35



Department of Professional and Financial Regulation

Bureau of Insurance

State of Maine

Maine Insurance Superintendent Issues Cease and Desist Order Against Senior Health Insurance Company of Pennsylvania (SHIP)

February 10, 2022

On Tuesday, February 8, 2022, Maine Insurance Superintendent Eric Cioppa issued a Cease and Desist Order against Senior Health Insurance Company of Pennsylvania (SHIP). Superintendent Cioppa also scheduled a virtual public hearing for Friday, February 18 at 9 a.m., to consider whether the Order should remain in place.

Approximately 350 Mainers, with an average age of 86 years, are SHIP long-term care insurance policyholders.

The Order states: "Effective immediately, SHIP and its principals, employees, and agents shall halt disseminating, implementing, or enforcing in this State the 'Coverage Election Package' or otherwise interfering with the rights of SHIP's Maine policyholders...."

The Order was issued as a result of SHIP's actions, following the placement of the company into rehabilitation by Pennsylvania's Commissioner of Insurance in January 2020. The Rehabilitation Plan was approved by the Pennsylvania Commonwealth Court in August 2021 and subsequently appealed by the State of Maine, the Commonwealth of Massachusetts, and the State of Washington. The appeal is pending before the Pennsylvania Supreme Court. A request to stay the Rehabilitation Plan while the appeal is considered was submitted by the three intervening jurisdictions but was denied.

A total of 30 jurisdictions have stated their opposition to the Rehabilitation Plan as being unfair to policyholders; the three intervening jurisdictions that have appealed the order approving the Plan and 27 jurisdictions that signed the amicus brief in support of the appeal.

SHIP's appointed Rehabilitator began taking action under the Plan in late January of this year by sending a "Coverage Election Package" to Maine policyholders, requiring them to select modified benefits or premium increases by March 15, 2022, with an effective date as early as April 1, 2022.

The Order calls for SHIP to immediately cease its actions related to the sending of the Coverage Election Package to Maine policyholders. The Order also requires SHIP to cease activities related to proposed rate increases or benefit changes without following Maine laws requiring prior notice to consumers and prior review and approval of the Superintendent of Insurance.

The hearing will determine whether the Cease and Desist Order should remain in place, whether any sanctions should be imposed for violations that are proven, and whether other remedial issues should be taken. If all parties to the action agree, it is also possible that the hearing may be rescheduled.

Those who wish to attend the hearing need to preregister through a link on the Bureau's website. SHIPs Maine policyholders may contact the Bureau's Consumer Health Care Division for more information by calling 800-300-5000 (TTY 711) or emailing Insurance.PFR@maine.gov.

Consumers with questions about insurance matters can obtain information and assistance from the Maine Bureau of Insurance by visiting www.maine.gov/insurance, calling 800-300-5000 (TTY 711), or e-mailing Insurance.PFR@maine.gov.

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Credit



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Exhibit 36



OFFICE OF
INSURANCE COMMISSIONER

March 1, 2022

Dear SHIP Policyholder,

I'm reaching out to you to discuss your long-term care insurance company, Senior Health Insurance Company of Pennsylvania or "SHIP," and the changes it is asking you to make to your policy. You may have received a letter or 'Coverage Election Package' detailing some actions the company is telling you to make this month. I understand that any changes to your premium or coverage are upsetting and that you bought this policy to take care of your needs. I want to share the actions I am taking to try to get you the best deal possible in a difficult situation. I also want you to have complete and accurate information about this important decision. The company is in serious financial trouble and cannot realistically recover.

The SHIP Receivership

SHIP is located in Pennsylvania, and the Pennsylvania Insurance Commissioner asked the Pennsylvania court to place the company in receivership. There are two options for a company in receivership: Rehabilitation or liquidation. In rehabilitation, the company continues to do business and the court appointed receiver tries to make changes that will allow the company to become solvent once again. In liquidation, everyone agrees that the company cannot recover, and it stops doing business. In addition, the policyholder protections of the state's Guarantee Fund Association are triggered.

Currently, the Pennsylvania court has appointed a receiver that is pursuing rehabilitation and is trying to cover the company's \$1.2 billion shortfall by cutting benefits and raising premiums. In other words, it is looking to its policyholders to shoulder SHIP's financial shortfalls.

Several states, including Washington, believe this is unfair to policyholders. We have filed an appeal with the Pennsylvania Supreme Court to have the rehabilitation plan overturned and require the company go into liquidation. Liquidation will make sure more of the benefits you currently have are paid through Washington's Guaranty Fund Association.

Sadly, this is not the first long term care insurance company to be in trouble. Long term care insurance is a relatively new insurance product, and it was not priced appropriately when it first began. This means there has not been enough premium collected over the years to pay the claims that are now coming due.

I want to be clear – even if we win our appeal, *SHIP will not recover*. And even if the protections of the Guarantee Fund Associations are triggered, the total benefits paid to any Washington policyholder will be capped at \$500,000. You have a difficult choice to make.

OFFICE OF INSURANCE COMMISSIONER

The Coverage Election Package

SHIP has sent its 'Coverage Election Package' to policyholders across the country. However, the proposed new premiums and benefit reductions have not been reviewed or approved by my office, as is required by Washington state law. In addition, the information presented in these Coverage Election Packets is inaccurate. Because of this, I ordered the company to stop soliciting signatures for these unapproved changes, and to stop using incomplete and inaccurate information. This action is separate from our appeal regarding the rehabilitation plan.

If you have received a Coverage Election Package, you need to make the best decision you can for your own situation. But I am urging you to carefully consider your choices and respond to SHIP by March 15. If you do not respond, by default you may be placed into the option that has the most severe reduction in benefits.

You should also be aware of the misleading descriptions of two options that promise an unlimited "Maximum Lifetime Benefit." Unfortunately, these benefit options will NOT be unlimited. The receiver knows that policyholders will have to make additional reductions in benefits and increases in premiums in the next phase of the rehabilitation plan. It also knows that SHIP will likely be moved into liquidation regardless of the reductions policyholders are being asked to make now. The company is insolvent, it is not going to recover from its insolvency, and it cannot deliver an unlimited benefit. Your benefits offered under this plan will likely be capped at the Washington State Guarantee Fund Association limit of \$500,000.

If you need assistance or have questions about what is best for your personal situation, please contact your insurance agent. Unfortunately, my office cannot offer specific legal or financial advice. However, if you want to file a complaint with my office, please go to www.insurance.wa.gov and be sure to attach any letters you have received from SHIP.

I'm sorry that I do not have better news for you, but I want you to know that I am doing everything in my authority to make sure your interests are protected.

Sincerely,



Mike Kreidler
Washington state Insurance Commissioner



Exhibit 37

Kreidler orders Senior Health Insurance Company of Pennsylvania (SHIP) to stop interfering with the rights of Washington policyholders



Listen to this article now

4 min listen

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Contact Public Affairs: 360-725-7055

March 1, 2022

OLYMPIA, Wash. – Insurance Commissioner Mike Kreidler has [ordered the insolvent Senior Health Insurance Company of Pennsylvania \(SHIP\)](#), of Pennsylvania, to immediately stop soliciting signatures from Washington’s 1,200 plus policyholders for unapproved benefit and rate changes.

SHIP’s appointed rehabilitator sent letters to policyholders in Washington and other states containing a “Coverage Election Package” that requires they choose a reduced benefit or premium increase by March 15, 2022, with an effective date as soon as April 1. Neither the premium increases nor benefits changes have been approved by Kreidler’s office, as required by state law.

SHIP sold long-term care insurance policies to seniors throughout Washington. The financially troubled company was placed into rehabilitation by Pennsylvania’s Commissioner of Insurance in

January 2020. A rehabilitation plan for the company was approved by the Pennsylvania Commonwealth Court in August 2021. Kreidler, along with commissioners from Maine and Massachusetts, appealed the rehabilitation plan, claiming it was unfair to policyholders. Their appeal is pending before the Pennsylvania Supreme Court. Twenty-seven other insurance regulators signed an amicus brief in support of the appeal.

In the meantime, any SHIP policyholder who has already received a Coverage Election Package from SHIP must select an option and postmark their response to the company by March 15 if they want to keep the reduced policy.

"I'm hopeful the Pennsylvania Supreme Court will see the facts of this case and grant our appeal," said Kreidler. "The average SHIP policyholder is 86 years old. It's critical they have the best option possible in the face of this company's demise. The rehabilitator's plan puts the burden of filling a \$1.2 billion funding gap entirely on elderly consumers who put their faith in the company to be there when they needed them."

Individual states have the sole authority to approve or deny rates and forms for companies doing business in their jurisdiction. Kreidler and the other objecting regulators believe the rehabilitation plan disproportionately puts the burden of the company's insolvency unfairly onto policyholders and ignores their rights under states' guaranty fund associations. State guaranty associations are set up in each state to pay claims when an insurer is placed in liquidation. Washington's guaranty association pays claims up to \$500,000 for a policyholder of a liquidated insurer. This provides some limited protection for policyholders but is no panacea. SHIP will not recover from its financial insolvency, but liquidating the company and triggering the states' guaranty associations will offset some of the impact on policyholders. The rehabilitator letter directs SHIP policyholders to select one of five coverage options, with an accompanying premium change:

- | Downgrading your policy
- | Converting to a basic policy
- | Converting to an enhanced basic policy
- | Converting to an enhanced paid-up policy
- | Keeping your current policy

But two of the options—downgrading your policy and keeping your current policy—advertise that the Maximum Lifetime Benefit is "unlimited." Kreidler's office found this claim to be misleading at best, because the company will not have the funds to fulfill this promise. The package also requires policyholders to attest that any selection they make is voluntary, however if someone does not select an option, one is made for them.

"Given that the March 15 deadline is pending, and we cannot wait for the court to decide, I'm encouraging all SHIP policyholder who have received notice from the company to make the best

decision they can for their own situation,” said Kreidler. “If you’re confused by the notice you’ve received, contact your agent or file a complaint with our office.”



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Exhibit 38

VERIFICATION

I, Eric A. Smith, am counsel to the Maine Acting Superintendent of Insurance and the Washington Insurance Commissioner in this matter. I hereby verify that Exhibits 1-37 to the Answer of the Maine Acting Superintendent of Insurance and the Washington Insurance Commissioner to Rule to Show Cause (identified on the attached list) are true and correct copies of the documents to the best of my knowledge, information and belief.

I understand that I make this Verification subject to the penalties of 18 Pa. Stat. § 4904 relating to unsworn falsifications to authorities.

Dated: June 22, 2022



Eric A. Smith

PROOF OF SERVICE

I hereby certify that on this day I caused the foregoing document to be served by electronic delivery to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the below addresses.

Cozen O'Connor
shipcomments@cozen.com
rehabilitation@shipltc.com

Patrick Cantilo
service@cb-firm.com

A copy of the foregoing was also served by electronic transmission via PacFile and was served upon the email addresses shown on the master service list available as of the date of filing, and upon the persons admitted as intervenors, with address by U.S. mail on:

James F. Lapinski
P.O. Box 291395
Port Orange, FL 32129

Georgianna Parisi
257 Regency Ridge Drive
Dayton, OH 45459

Dated: June 22, 2022

/s/ Stephen G. Harvey
Stephen G. Harvey