

SERFF Tracking Number: SHPA-126886641 State: Arkansas
 Filing Company: Senior Health Insurance Company of Pennsylvania State Tracking Number: 47191
 Company Tracking Number: 2009 SHIP LTC-1 AR
 TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.002 Non Qualified
 Product Name: SHIP Individual Long Term Care Insurance
 Project Name/Number: 2009 SHIP LTC-1 Rate Increase Filing/2009 SHIP LTC-1 AR

Filing at a Glance

Company: Senior Health Insurance Company of Pennsylvania

Product Name: SHIP Individual Long Term Care Insurance SERFF Tr Num: SHPA-126886641 State: Arkansas

TOI: LTC03I Individual Long Term Care SERFF Status: Closed-Approved-Closed State Tr Num: 47191

Sub-TOI: LTC03I.002 Non Qualified Co Tr Num: 2009 SHIP LTC-1 AR State Status: Approved-Closed
 Filing Type: Rate Reviewer(s): Harris Shearer, Stephanie Fowler

Author: Tim Cassidy Disposition Date: 02/02/2011
 Date Submitted: 11/02/2010 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval
 State Filing Description:

Implementation Date: 02/02/2011

General Information

Project Name: 2009 SHIP LTC-1 Rate Increase Filing
 Project Number: 2009 SHIP LTC-1 AR
 Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Authorized
 Date Approved in Domicile: 04/15/2009
 Domicile Status Comments: Pennsylvania, SHIP's state of domicile, approved a 20% increase for implementation in 2009 and another 20% increase to be implemented one year later.

Explanation for Combination/Other:
 Submission Type: New Submission
 Overall Rate Impact: 13%

Market Type: Individual
 Individual Market Type:
 Filing Status Changed: 02/02/2011
 State Status Changed: 02/03/2011
 Created By: Tim Cassidy
 Corresponding Filing Tracking Number:

Deemer Date:
 Submitted By: Tim Cassidy
 Filing Description:
 November 2, 2010

Arkansas Insurance Department

SERFF Tracking Number: SHPA-126886641 State: Arkansas
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Attn: Life and Health Rate Review Section

Re: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA
FEIN # 23-0704970 NAIC # 76325
INDIVIDUAL ACCIDENT AND HEALTH INSURANCE
Rate Increase for:
Policy Form Series ATL-LTC-1, ATL-LTC-1(REV) and Associated Riders

Dear Sir or Madam:

On behalf of Senior Health Insurance Company of Pennsylvania (SHIP), we at Univita are submitting the enclosed actuarial memorandum for your review and approval. A letter from SHIP authorizing Univita to make this rate filing on behalf of SHIP is attached.

SHIP was organized by the Pennsylvania Department of Insurance under the oversight of the Senior Healthcare Oversight Trust. Both SHIP and the Trust operate without a profit objective, and with the objective of meeting all policyholder obligations while spending down its assets over time. SHIP exclusively administers a closed block of Long Term Care policies, projected to extend over the next 40 to 50 years. SHIP seeks only those rate increases necessary to support this obligation. SHIP's rate increase requests reflect the elimination of profit, operating expenses that have been reduced by onethird, a lower target RBC (authorized by the Pennsylvania Department of Insurance), and the ultimate spend-down of SHIP's assets. SHIP projects the ability to meet its obligations through the collection of ongoing premiums (including limited rate increases), investment income, and the utilization of its \$3 billion in reserves over the life of this block.

The purpose of the requested rate increase is to assist in maintaining the solvency of SHIP so that future policyholder obligations can be met. The enclosed actuarial memorandum details the request for a 13% increase in the rates for SHIP's long term care insurance policy forms and associated riders noted above. We are requesting this rate increase because persistency and claim experience are expected to produce lifetime loss ratios that exceed the minimum required loss ratio.

SHIP will offer insureds alternatives to the rate increase. First, if the requested rate increase is approved, SHIP will offer a Non-forfeiture option, which results in a paid-up policy with a pool of funds available for future claims equal to premiums paid less any claims paid. In addition, SHIP will offer insureds the ability to reduce policy benefits through various options in order to reduce the impact of the rate increase. The options available to each policyholder vary depending on the policyholder's particular policy.

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The rates will be effective upon approval and will apply to all existing policyholders in this policy form. The rate increase will apply to inforce business only as SHIP no longer markets these policy forms.

We trust that you will find our filing to be in order and hope that you will grant your Department's approval to this submission. If you have any questions or would like to discuss any of the materials included in this submission, please feel free to call me toll free at 1-888-312-5824. You may also send an email to tcassidy@univitahealth.com.

We look forward to hearing from you.

Sincerely,
Timothy P. Cassidy

Company and Contact

Filing Contact Information

Tim Cassidy, Director, Compliance Services tcassidy@univitahealth.com
(Univita)
5 Commonwealth Road 508-651-8800 [Phone] 24 [Ext]
Suite 2B 508-651-8804 [FAX]
Natick, MA 01760

Filing Company Information

Senior Health Insurance Company of Pennsylvania CoCode: 76325 State of Domicile: Pennsylvania
1289 City Center Dr., Suite 200 Group Code: Company Type: Health
Carmel, IN 46032 Group Name: State ID Number:
(800) 888-4918 ext. [Phone] FEIN Number: 23-0704970

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No

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Product Name: SHIP Individual Long Term Care Insurance
Project Name/Number: 2009 SHIP LTC-1 Rate Increase Filing/2009 SHIP LTC-1 AR
Fee Explanation:
Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|---|---------|----------------|---------------|
| Senior Health Insurance Company of Pennsylvania | \$50.00 | 11/02/2010 | 41426259 |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|-----------------|------------------|------------|----------------|
| Approved-Closed | Stephanie Fowler | 02/02/2011 | 02/02/2011 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|---------------------------|------------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending Industry Response | Stephanie Fowler | 01/04/2011 | 01/04/2011 | Tim Cassidy | 01/11/2011 | 01/11/2011 |
| Pending Industry Response | Stephanie Fowler | 11/30/2010 | 11/30/2010 | Tim Cassidy | 12/22/2010 | 12/22/2010 |

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Disposition

Disposition Date: 02/02/2011

Implementation Date: 02/02/2011

Status: Approved-Closed

Comment: The negotiated rate increase of 10% has been approved to be implemented on or after February 2, 2011.

This approval is subject to the following:

- Increases will not be given more frequently than once in a twelve-month period;
- The insured shall be notified by the insurer of its intention to increase the rate for renewal not less than thirty (30) days prior to the effective date of the renewal.

Rate data does NOT apply to filing.

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| Schedule | Schedule Item | Schedule Item Status | Public Access |
|----------------------------|--|-----------------------------|----------------------|
| Supporting Document | Health - Actuarial Justification | Approved | No |
| Supporting Document | Third Party Filer Authorization | Approved | Yes |
| Supporting Document | Cover Letter | Approved | Yes |
| Supporting Document | 12/22/2010 Response Letter and Exhibit | Approved | No |
| Supporting Document | 1/11/2011 Response Letter | Approved | Yes |

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 01/04/2011
Submitted Date 01/04/2011
Respond By Date 02/04/2011

Dear Tim Cassidy,

This will acknowledge receipt of the captioned filing. Based on the possible impact a 13% increase would have on the citizens of Arkansas, we would be willing to accept a 10% increase for the plans contained in this filing.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

SERFF Tracking Number: SHPA-126886641 State: Arkansas
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Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/11/2011
Submitted Date 01/11/2011

Dear Harris Shearer,

Comments:

Thank you for your letter of January 4, 2011.

Response 1

Comments: Please see the attached response letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 1/11/2011 Response Letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Tim Cassidy

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Product Name: SHIP Individual Long Term Care Insurance
Project Name/Number: 2009 SHIP LTC-1 Rate Increase Filing/2009 SHIP LTC-1 AR

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/30/2010
Submitted Date 11/30/2010
Respond By Date 12/30/2010

Dear Tim Cassidy,

This will acknowledge receipt of the captioned filing. Due to the significant increase requested, please attached the experience for this block of business by age and duration of coverage.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

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Project Name/Number: 2009 SHIP LTC-1 Rate Increase Filing/2009 SHIP LTC-1 AR

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/22/2010
Submitted Date 12/22/2010

Dear Harris Shearer,

Comments:

Thank you for your letter of November 30.

Response 1

Comments: Please see the attached response letter and exhibit.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 12/22/2010 Response Letter and Exhibit

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Tim Cassidy

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Supporting Document Schedules

| | Item Status: | Status Date: |
|--|---------------------|---------------------|
| Satisfied - Item: Third Party Filer Authorization Comments: Attachment: Third Party Filer_Cassidy_4.2010.pdf | Approved | 02/02/2011 |

| | Item Status: | Status Date: |
|---|---------------------|---------------------|
| Satisfied - Item: Cover Letter Comments: Attachment: 2009 AR LTC-1 Cover Letter.pdf | Approved | 02/02/2011 |

| | Item Status: | Status Date: |
|---|---------------------|---------------------|
| Satisfied - Item: 1/11/2011 Response Letter Comments: Attachment: 2009 AR 1 11 11 LTC-1 Response Letter.pdf | Approved | 02/02/2011 |



April 27, 2010

Univita
Timothy Cassidy
5 Commonwealth Road, Suite 2B
Natick, MA 01760

RE: Third Party Filer Authorization Letter

Dear Mr. Cassidy:

This letter authorizes Univita to make various policy form filings, including premium rate filings, on behalf of Senior Health Insurance Company of Pennsylvania (SHIP).

This authorization will remain in full force and effect until the earlier of (a) your receipt of a written notification from SHIP expressly terminating this authorization; or (b) December 31, 2012.

If you have any questions, please contact Kim Helsley at (317) 566-7564.

Sincerely,

Brian C. Wegner
Executive Vice President and Chief Operating Officer



Timothy P. Cassidy
Director, Compliance Services
Univita Health, Inc.
5 Commonwealth Rd
Suite 2B
Natick MA 01760

Tel: 508.651.8800
Fax: 508.651.8804

www.univitahealth.com

November 2, 2010

Arkansas Insurance Department
Attn: Life and Health Rate Review Section

**Re: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA
FEIN # 23-0704970 NAIC # 76325
INDIVIDUAL ACCIDENT AND HEALTH INSURANCE
Rate Increase for:
Policy Form Series ATL-LTC-1, ATL-LTC-1(REV) and Associated Riders**

Dear Sir or Madam:

On behalf of Senior Health Insurance Company of Pennsylvania (SHIP), we at Univita are submitting the enclosed actuarial memorandum for your review and approval. A letter from SHIP authorizing Univita to make this rate filing on behalf of SHIP is attached.

SHIP was organized by the Pennsylvania Department of Insurance under the oversight of the Senior Healthcare Oversight Trust. Both SHIP and the Trust operate without a profit objective, and with the objective of meeting all policyholder obligations while spending down its assets over time. SHIP exclusively administers a closed block of Long Term Care policies, projected to extend over the next 40 to 50 years. SHIP seeks only those rate increases necessary to support this obligation. SHIP's rate increase requests reflect the elimination of profit, operating expenses that have been reduced by one-third, a lower target RBC (authorized by the Pennsylvania Department of Insurance), and the ultimate spend-down of SHIP's assets. SHIP projects the ability to meet its obligations through the collection of ongoing premiums (including limited rate increases), investment income, and the utilization of its \$3 billion in reserves over the life of this block.

The purpose of the requested rate increase is to assist in maintaining the solvency of SHIP so that future policyholder obligations can be met. The enclosed actuarial memorandum details the request for a 13% increase in the rates for SHIP's long term care insurance policy forms and associated riders noted above. We are requesting this rate increase because persistency and claim experience are expected to produce lifetime loss ratios that exceed the minimum required loss ratio.

SHIP will offer insureds alternatives to the rate increase. First, if the requested rate increase is approved, SHIP will offer a Non-forfeiture option, which results in a paid-up policy with a pool of funds available for future claims equal to premiums paid less any claims paid. In addition, SHIP will offer insureds the ability to reduce policy benefits through various options in order to reduce the impact of the rate increase. The options available to each policyholder vary depending on the policyholder's particular policy.

The rates will be effective upon approval and will apply to all existing policyholders in this policy form. The rate increase will apply to inforce business only as SHIP no longer markets these policy forms.

We trust that you will find our filing to be in order and hope that you will grant your Department's approval to this submission. If you have any questions or would like to discuss any of the materials included in this submission, please feel free to call me toll free at 1-888-312-5824. You may also send an email to tcassidy@univitahealth.com.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy P. Cassidy". The signature is written in a cursive style with a large, stylized initial "T".

Timothy P. Cassidy



Timothy P. Cassidy
Director, Compliance Services
Univita Health, Inc.
5 Commonwealth Rd
Suite 2B
Natick MA 01760

Tel: 508.651.8800
Fax: 508.651.8804
www.univitahealth.com

January 11, 2011

Arkansas Insurance Department
Attn: Stephanie Fowler

**Re: SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA
FEIN # 23-0704970 NAIC # 76325
INDIVIDUAL ACCIDENT AND HEALTH INSURANCE
Rate Increase for:
Policy Form Series ATL-LTC-1, ATL-LTC-1(REV) and Associated Riders
SERFF Tracking Number: SHPA-126886641**

Dear Ms. Fowler:

SHIP would like to accept the Department's counteroffer of a 10% rate increase for the above captioned policy form series.

In addition, to avoid any possible confusion, we would like to point out that Section 10 of the originally submitted actuarial memorandum contained the following language regarding nonforfeiture:

"Upon approval of the requested 13% rate increase, SHIP agrees to offer a nonforfeiture benefit to policyholders impacted by the rate increase."

In accordance with the language in the original actuarial memorandum, because the Department will not approve the proposed 13% premium rate increase, a nonforfeiture offer will not be made to policyholders under the terms of the filing.

We trust that the Department will now approve this submission. If you have any questions, please feel free to call me toll free at 1-888-312-5824. You may also send an email to tcassidy@univitahealth.com.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Timothy P. Cassidy". The signature is written in a cursive, flowing style.

Timothy P. Cassidy