



Frequently Asked Questions

Senior Health Insurance Company of Pennsylvania (In Rehabilitation)

Key Events and Information

- January 29, 2020 - SHIP was placed in rehabilitation by order of the Commonwealth Court of Pennsylvania (the "Court"). The Court appointed Pennsylvania Insurance Commissioner Jessica K. Altman as statutory Rehabilitator, and she appointed Patrick H. Cantilo as Special Deputy Rehabilitator ("SDR").
- April 22, 2020 - the Rehabilitator filed a proposed Plan of Rehabilitation ("Plan") with the Court.
- October 21, 2020 - the Rehabilitator filed a proposed Amended Rehabilitation Plan with the Court ("Amended Plan").
- May 3, 2021 - the Rehabilitator filed a proposed Second Amended Rehabilitation Plan (the "Second Amended Plan") with the Court.
- May 17 - 21, 2021 - a Court hearing on the Second Amended Plan was held.
- August 25, 2021 - the Court approved the Second Amended Plan.
- September 13, 2021 – the Agent Settlement was approved.
- September 30, 2021 – the Approved Rehabilitation Plan (the "Approved Plan") was filed.

Rehabilitation Court Proceedings

Q1. What is the current status of Senior Health Insurance Company of Pennsylvania?

Senior Health Insurance Company of Pennsylvania ("SHIP" or the "Company") remains in rehabilitation by order of the Court. The Rehabilitator is charged with the protection of SHIP's policyholders, creditors, and the public, including making sure policyholders' coverage continues as long as premiums are paid when due. The Rehabilitator continues to oversee the administration of SHIP policies and claim administration utilizing SHIP's personnel.

Q2. Why was SHIP placed into rehabilitation?

The Pennsylvania Insurance Commissioner worked with consulting firms to conduct an independent, in-depth financial analysis of SHIP's current financial condition and future financial projections. The results indicate that SHIP does not have adequate assets (including premiums to be collected in the future) to fully pay for expected future claims. Rehabilitation is a court-supervised process intended to remedy an insurance company's impaired financial condition for the benefit of policyholders and creditors.

Q3. When will the Plan be implemented?

Implementation of the Plan will begin after the Final Order of Approval.

Information on Premiums, Claims, and Policy Modifications

Q4. What happens if I decide to stop paying my premiums?

If you cancel or lapse your policy before the Rehabilitation Plan Option you select becomes effective, your coverage will be converted to a standard paid-up policy. Coverage provided by a standard paid-up policy 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.

Q5. Is there any change to the premium payment process?

No. The process to pay premiums remains the same.

- **Bank drafts:** Your premiums will continue to be deducted from your bank account based on your existing agreement.
- **Mailed or express delivery payments:**
Premium payments should continue to be mailed to:

Senior Health Insurance Company of Pennsylvania (In Rehabilitation)
Dept CH 14356, Palatine, IL 60055-4356

or sent via express or overnight delivery to:

Senior Health Insurance Company of Pennsylvania (In Rehabilitation)
Attn: 14356
5505 N. Cumberland Ave. Ste. 307
Chicago, IL 60656

Q6. If 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.

Q7. Where should I submit claims?

The process to submit claims to SHIP remains the same.

- **File a new claim or ask question about the claims process:** Continue to call (877) 450-5824 Monday through Friday from 8:00 AM to 6:00 PM Eastern Standard Time.
- **Submit claim information:** Continue to send your documents to:

Senior Health Insurance Company of Pennsylvania (In Rehabilitation)
P.O. Box 64913
St. Paul, MN 55164

or continue to send by fax to (952) 983-5253.

Q8. Will the policy modifications under the approved Plan be permanent?

All benefit and/or policy changes pursuant to the Court-approved Rehabilitation Plan will be permanent changes to your policy.

Q9. When will policy modifications and rate increases take effect?

Your policy modifications and rate increases will go into effect on the date the Rehabilitation Plan Option you select becomes effective. Options available to you associated with the Rehabilitation Plan and Option effective dates will be communicated to you after final approval of the Plan. We are hopeful that final Plan approval will occur within a few months.

Rehabilitation Versus Liquidation

Q10. Is there a possibility SHIP will be liquidated?

The Pennsylvania Commonwealth Court could decide at some time in the future to place SHIP into liquidation.

Q11. 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 there is no reasonable opportunity to restore the company to a sound financial condition.

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.

Q12. What would happen if SHIP were liquidated?

In the event SHIP would be 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 found by the Court to be insolvent and 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 www.nolhga.com.

Q13. 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.

Contact Information

Q14. Who can answer questions about rehabilitation?

Rehabilitation information is posted in the rehabilitation section of our Website at www.shipltc.com/court-documents.

For rehabilitation related information:

- Policyholders may call 833-894-8577 between 8:00 AM and 6:00 PM Eastern Standard Time.
- Agents and Brokers may call 877-956-7447 between 10:00 AM and 4:00 PM Eastern Standard Time.
- Vendors may call 855-871-9330 between 10:00 AM and 4:00 PM Eastern Standard Time.

Please be aware that we expect an increase in call volume and there may be delays in responding to some calls. We apologize in advance for any such inconvenience.

Q15. Who can answer questions about my policy?

If you have questions about claims or other policyholder service inquiries, please call Customer Service at 877-450-5824.

ABOUT THESE QUESTIONS AND ANSWERS: The information contained in these questions and answers is intended to be general guidance and does not address any specific claim or circumstances. Nothing herein constitutes a binding legal statement by the Commissioner, the Rehabilitator, the SDR, the Department or SHIP. The statements contained herein are not intended to serve as, and do not constitute, legal advice or complete legal descriptions of the events or matters to which they relate. Any forward-looking statements are based on current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. For full legal information, interested parties should review the Rehabilitation Order and the applicable Pennsylvania statutes and other legal authorities.