



## Important Information for Policyholders

**Understanding  
the situation  
and the action  
you need to take.**



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Dear Policyholder,

Over the past year, a rehabilitation team of experts was assembled to help address the financial difficulties experienced by SHIP, your long-term care insurance company.

Based on an extensive evaluation, a comprehensive Rehabilitation Plan was prepared and filed 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,



Michael Humphreys  
Acting 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](http://shipltc.com/court-documents)

## 1

2

3

Step One: Review Your Personalized Options					
<b>Program for John L. Smith</b> <b>Proposed Plan Number: 88261</b>		This chart shows the options currently available to you. Use it to compare the details most important to you.			
Policy Feature	Option 1 Designation: <b>Basic</b>	Option 2 Designation: <b>Basic</b>	Option 3a Designation: <b>Basic</b>	Option 3 Designation: <b>Basic</b>	Option 4 Designation: <b>Basic</b>
Maximum Benefit Period	Unlimited	1,800 Days	1,800 Days	901 Days	Unlimited
Maximum Daily Allowance	Net \$14.86 Gross \$19.11	Net \$27.00 Gross \$34.38	Net \$27.00 Gross \$34.38	Net \$27.00 Gross \$34.38	Net \$31.80 Gross \$40.50
Maximum Lifetime Benefit	Net \$1,074.00 Gross \$1,368.00	Net \$1,296.00 Gross \$1,670.40	Net \$1,296.00 Gross \$1,670.40	Net \$1,296.00 Gross \$1,670.40	Net \$1,512.00 Gross \$1,915.20
Maximum Monthly Benefit	Net \$14.86 Gross \$19.11	Net \$27.00 Gross \$34.38	Net \$27.00 Gross \$34.38	Net \$27.00 Gross \$34.38	Net \$31.80 Gross \$40.50
Waiting Period	No	Yes	Yes	Yes	No
Elimination Period	100 Days	100 Days	100 Days	100 Days	100 Days
Reimbursement	Indemnity	Indemnity	Indemnity	Indemnity	Indemnity
Network	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Cost Sharing	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Portability	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Guaranteed Renewability	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Community Rating	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Rate of Premium Increase	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Rate of Premium Decrease	No Inflation	No Inflation	No Inflation	No Inflation	No Inflation
Individual Premium	\$2,887	\$3,188	\$2,168	\$0	\$3,362
Family Premium	\$2,887	\$3,188	\$2,168	\$0	\$3,362
Individual Premium per \$1,000 of Coverage	Yes	Yes	Yes	Yes	No
Family Premium per \$1,000 of Coverage	Yes	No	No	No	No

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA (IN REHABILITATION)

## Step Two: Learn More About Each Option

We understand that no two polydystrophies are alike. So, to help navigate through the process of making your option decision, we've walked several professionals to consider what may be important to you. We think that, **Please consider the policy features and compare them to your Personalized Options Card** and **your Personalized Options Card** with a description of **How Each Option applies to the policy features.**

<b>If your</b> <b>polydystrophy</b> <b>is</b> <b>diagnosed</b> <b>with</b> <b>the</b> <b>following</b> <b>conditions</b> <b>and</b> <b>you</b> <b>are</b> <b>not</b> <b>currently</b> <b>receiving</b> <b>any</b> <b>other</b> <b>polydystrophy</b> <b>benefits</b> <b>from</b> <b>any</b> <b>other</b> <b>policy</b> <b>or</b> <b>plan</b> <b>that</b> <b>you</b> <b>are</b> <b>not</b> <b>currently</b> <b>receiving</b> <b>any</b> <b>other</b> <b>polydystrophy</b> <b>benefits</b> <b>from</b> <b>any</b> <b>other</b> <b>policy</b> <b>or</b> <b>plan</b> <b>that</b> <b>you</b> <b>are</b> <b>not</b> <b>currently</b> <b>receiving</b> <b>any</b> <b>other</b> <b>polydystrophy</b> <b>benefits</b> <b>from</b> <b>any</b> <b>other</b> <b>policy</b> <b>or</b> <b>plan</b> <b>that</b> <b>you</b> <b>are</b> <b>not</b> <b>currently</b> <b>receiving</b> <b>any</b> <b>other</b> <b>polydystrophy</b> <b>benefits</b> <b>from</b> <b>any</b> <b>other</b> <b>policy</b> <b>or</b> <b>plan</b> <b>that</b> <b>you</b> 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**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. ET.

# 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](http://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](http://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](http://shipltc.com).

**Additional Questions? Call (833) 894-8577.**

Monday through Friday, 8:00 a.m. to 6:00 p.m. ET.

# 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 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. Michael Humphreys 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 on a 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. Michael Humphreys is the Acting 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. ET.





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