



## SHIP IN REHABILITATION FREQUENTLY ASKED QUESTIONS

On January 29, 2020, Senior Health Insurance Company of Pennsylvania (SHIP) was placed in rehabilitation by the Commonwealth Court of Pennsylvania (the Court). The following are answers to frequently asked questions.

### **POLICYHOLDERS**

**Question 1: What is the status of my SHIP policy?**

**Answer:** At this time your policy remains exactly as it was before the Rehabilitation Order. It is important that you continue paying any premiums due under the policy on time to avoid its cancellation. You may continue paying them in the same manner as before.

**Question 2: Can I request changes to my SHIP policy?**

**Answer:** Yes. However, in addition to SHIP's established procedures, all requested changes will be subject to review by the RMT.

**Question 3: I am about to move. Will that affect my SHIP policy?**

**Answer:** No. But it is important that SHIP always have your current and complete contact information. Please be sure SHIP is informed of any change of address promptly.

**Question 4: I am not on claim. Does SHIP's rehabilitation affect me?**

**Answer:** Not at this time. It is important that you continue paying any premiums due under the policy on time to avoid its cancellation. The extent to which the Rehabilitation Plan may eventually affect policyholders will be explained in the proposed Rehabilitation Plan.

**Question 5: I am on claim. Does SHIP's rehabilitation affect me?**

**Answer:** Not at this time. SHIP will continue to provide the benefits to which you are entitled under your policy. All ongoing claims should be reported to SHIP in accordance with its established procedures. The extent to which the Rehabilitation Plan may eventually affect policyholders on claim will be explained in the proposed Rehabilitation Plan.

**Question 6: I am not on claim. Does SHIP's rehabilitation affect me if I go on claim?**

**Answer:** Not at this time. All new claims should be reported to SHIP in accordance with its established procedures. SHIP will continue to provide the benefits to which you are entitled under your policy. The extent to which the Rehabilitation Plan may eventually affect policyholders on claim will be explained in the proposed Rehabilitation Plan.

**Question 7: Should I cancel my SHIP long-term care insurance policy and replace it with a policy from another insurer?**

**Answer:** That is a decision only you can make. You should know, however, that in general long-term care insurance policies become substantially more expensive the older the age at which you first buy them and that newer policies may not provide the coverages currently provided by your SHIP policy. **If you cancel your policy, you will not get any premium back.**

**Question 8: Is it likely that the Rehabilitator will cancel SHIP's long-term care insurance policies as part of the Rehabilitation Plan?**

**Answer:** While we won't know the terms of the Rehabilitation Plan until it is approved by the Commonwealth Court, the RMT does not contemplate seeking authority to cancel SHIP's policies. However, if it becomes necessary to place SHIP in liquidation, it may then be necessary to cancel at least some of SHIP's policies, or parts of those policies.

**Question 9: What are Insurance Guaranty Associations (Guaranty Associations)?**

**Answer:** Guaranty associations are organizations created by statute in each state that are responsible for paying at least some of the amounts owed by insurers in liquidation under their policies.

**Question 10: Are any Guaranty Associations responsible for the amounts SHIP owes me, or may owe me in the future?**

**Answer:** 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. 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. That will change if SHIP is placed in liquidation.

**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.