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1 SHP 2020

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, Insurance Commissioner of the Commonwealth of Pennsylvania and successor Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania ("SHIP") hereby submits this sixth Annual Report regarding SHIP's rehabilitation.

## I. INTRODUCTION

SHIP was placed in rehabilitation by this Court's Order of January 29, 2020. Events in prior years of SHIP's receivership were described in the reports filed by the Rehabilitator on April 1, 2021, April 1, 2022, April 10, 2023, March 31, 2024, and March 28, 2025. Description 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 continued implementation of Phase One of the Rehabilitation Plan approved by the Court and affirmed by the Pennsylvania Supreme Court ("Approved Rehabilitation Plan" or "Plan"), SHIP's financial condition, management of the company's assets and related litigation, including collateral litigation regarding the Plan and delays in its implementation. The preceding five reports provide historical detail for matters discussed in this report.

## II. REPORT

### A. SHIP'S FINANCIAL CONDITION

As with the prior reports, attached as Exhibit A is a financial package prepared for the Court ("Financial Package") by SHIP and Special Deputy Rehabilitator Patrick Cantilo containing a detailed summary of the financial status of SHIP as of December 31, 2025. In summary, and as set forth in detail in the Financial Package, as of December 31, 2025, the total value of SHIP's admitted assets was $327 million, a decline of $192 million from a year earlier. SHIP's liabilities were estimated at $1.589 billion, a decline of $203 million. The resulting deficit of $1.263 billion reflects a slight improvement of $11 million over year-end 2024. Many factors contributed to these results but some that were particularly significant were (1) an improvement in claims experience, (2) a continued decline in income on invested assets due largely to (a) the decline in total invested assets (*see* Ex. A pp. 7,14), (b) deliberate efforts to shorten the duration of those investments to better match the rehabilitation trajectory, and (c) changes in the broader economy, (3) the decline in premium collection (*see* Ex, A p. 15), and (4) the revision of actuarial assumptions for the projection of future liabilities resulting from changing circumstances. The Financial Package includes financial reporting, summaries of significant trends, professional and consulting fees, and an analytics dashboard. The Notes set forth on page four of Exhibit A and throughout the Financial Package should be included in any review of the information contained therein.

### B. REINSURANCE ASSUMED

As reported previously, and consistent with the terms of the Plan, the insurance business that had been 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. They have all entered into 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 against SHIP for losses sustained as a result of their resumption of financial responsibility for the business assumed, but these are general creditor claims that may be paid only after policyholders have been made whole.

### C. ASSET MANAGEMENT AND MARSHALING

#### 1. KINGDOM ENERGY LOAN

In the prior reports, the Rehabilitator advised the Court of the acquisition of all outstanding interests in the Kingdom Energy mortgage loan from CNO (SHIP's former parent) and its affiliates. Efforts to complete foreclosure on the complex collateral underlying that loan (which includes largely coal mining and timber holdings) continue apace and the Rehabilitator remains optimistic that in due course he will realize greater value than the Company's investment in that loan.

The size and complexity of the collateral for the loan on which the Rehabilitator is pursuing foreclosure have resulted in a variety of resource-consuming challenges. Indeed, that litigation has already included two appeals to the Unites States Court of Appeals for the Sixth Circuit, both resulting in decisions favorable to SHIP.

Shortly before the submission of this Report, the United States District Court for the Eastern District of Kentucky entered its Order of Sale as to part of the collateral, clearing the way for disposition of that part after all impediments have finally been removed. A portion of the collateral, the tract known as "Brookside" remains the subject of active disputes. It is anticipated that obtaining an Order of Sale as to that tract will take additional time.

The Rehabilitator continues to address these challenges in due course and is making material progress toward eventual sale of the collateral. The Rehabilitator is also pursuing other initiatives for the monetization of the collateral, or for generating income from its operations.

### 2. BEECHWOOD LITIGATION

In earlier reports, the Rehabilitator advised the Court of litigation that resulted from SHIP's ill-advised agreements with the Beechwood parties. The Rehabilitator has finally been able to fully wind-down that litigation, resulting in an additional net recovery of more than $4 million from the receiver of Platinum Partners Credit Opportunities Fund ("PPCO"). This is in addition to the nearly $9.5 million paid to SHIP by PPCO in 2020.

The most significant remaining piece of Beechwood-specific litigation had been that consisting of claims asserted by the Cayman Islands Joint Official Liquidators of Platinum Partners Value Arbitrage Fund L.P. ("PPVA") against SHIP and Fuzion. SHIP and Fuzion have now resolved those claims through a confidential settlement on what the Special Deputy Rehabilitator concluded were favorable terms. The Special Deputy Rehabilitator is prepared to brief the Court confidentially about those terms.

### 3. BEECHWOOD INVESTMENTS

As part of its involvement with the Beechwood companies, a significant portion of SHIP's assets were invested in instruments of dubious value and limited liquidity. As reported previously, the Rehabilitator has been engaged in a process of liquidating these assets as opportunities presented themselves, relying on specialists to accomplish this. These efforts have borne fruit as certain of those assets were able to be sold at materially higher prices than had been anticipated.

## 4. ASSET RECOVERY LITIGATION

The Rehabilitator commenced two lawsuits in this Court and a confidential arbitration proceeding for matters related to SHIP's financial deterioration. In addition, the Rehabilitator is pursuing claims against its former independent auditor in a case pending in the United States District Court for the District of Minnesota.[1]

One of the suits brought in this Court (*i.e.*, 1 SHP 2022, the *Wegner* case) has been settled tentatively with three defendants, subject to final documentation and court approval, and discussions are continuing with the fourth defendant. The other suit (*i.e.*, 2 SHP 2022) remains in discovery and pre-trial proceedings, although judgments by default have been entered as to certain defendants. The Rehabilitator cannot disclose details of the confidential arbitration, other than to note that it is no longer stayed due to disqualification proceedings that have now been resolved. In the Minneapolis federal court litigation against Eide Bailly, LLP, in January the Magistrate Judge issued a Report and Recommendation that is substantially adverse to SHIP's positions in that litigation. The Rehabilitator has filed objections to the Report and Recommendation with the District Court, and they remain pending at this writing.

[1] The Rehabilitator is pursuing his claims against Eide Bailly LLP as counterclaims in that action. The Minnesota federal court matter was commenced by Eide Bailly LLP as a declaratory judgment action regarding claims raised by the Rehabilitator in a confidential mediation.

5. COVERAGE LITIGATION

The action described in prior reports commenced by the Rehabilitator against XL Specialty Insurance Company and U.S. Specialty Insurance Company in the United States District Court for the Southern District of Indiana has been discontinued by agreement of the parties following the tentative settlement in the *Wegner* case.

**D. POLICY MODIFICATIONS AND POLICYHOLDER ELECTIONS**

As reported previously, and in accordance with the Plan's terms, Policyholder Election Packages were sent to almost 28,000 policyholders. Almost 88% of the policyholders who received packages have timely submitted elections; the remainder of this group were deemed to have elected Plan Options by default. Approximately 63% 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. The Rehabilitator has completed all of the modifications required by the Approved Plan and all policies for which elections have been received have been modified in accordance with those elections.

**E. COLLATERAL CHALLENGES TO THE PLAN**

As explained in prior reports filed with this Court, several insurance regulators (including the Intervenor Regulators from Maine, Massachusetts and Washington) embarked on a campaign of collateral challenges to the Plan. All of those challenges were resolved favorably by agreement or court decision, except those commenced by the insurance commissioners in Iowa and North Dakota. Litigation in those two states has resulted in findings of contempt against SHIP that are the subject of continuing proceedings. However, consistent with this Court's Orders, holders of policies issued in those states were afforded opportunities to request election packages and to elect other options in lieu of automatic downgrades necessary to avoid preferences. As detailed in Exhibit B, the majority of those policyholders availed themselves of those options.

## III. SUCCESS OF PHASE 1 TO DATE

Implementation of the Plan has reduced SHIP's projected policy liabilities by more than $500 million. Nonetheless, a funding deficit of more than $1 billion remains. It is expected that Phase One of the Plan will continue for at least another year (consistent with the five years projected at the time of the hearing on approval of the Plan). During this time, the Rehabilitator continues pursuit of asset marshaling and other initiatives that he hopes will enable prolongation of Phase One of the Approved Rehabilitation Plan.[2] The Rehabilitator monitors key financial indicators constantly and will apprise the Court in subsequent reports about any material

[2] As of the date of this report, the Rehabilitator has not made any decisions as to the scope or timing of a potential Phase 2.

changes in this estimate. The passage of time may affect these projections adversely (reducing the length of Phase One), though it is not expected to make the Plan unviable. Conversely, improvement in the capital markets (and corresponding increases on yield on investments) and continuation of the recent improvement in claims experience may have the opposite, favorable, effect.

## IV. CONCLUSION

Exhibit A (the Financial Package) provides detailed information about the Company. The Rehabilitator stands ready to provide the Court any additional information the Court would find helpful. Although the Plan met with unexpected and unprecedented resistance from certain state insurance regulators, Phase One has now been largely implemented using Opt-In elections for all states in which modifications have been made, and the initial results of the Policyholder Election process have been 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 high take rate for Option 4 (unavailable in liquidation) also reinforces the Rehabilitator's early conclusion that the Rehabilitation Plan would better address policyholder preferences.

At this juncture, the Rehabilitator submits respectfully to the Court his conclusion that the Plan appears to be accomplishing, in substantial part, the goals for which it was designed. The Rehabilitator's attention is now focused on ways to improve SHIP's financial condition and prolong Phase One, as well as on what options should be considered following Phase One. These matters will be the subject of future reports to the Court.

Dated: April 1, 2026

Respectfully submitted,

/s/ Michael J. Broadbent
Dexter R. Hamilton, PA I.D. No. 50225
Michael J. Broadbent, PA I.D. No. 309798
Haryle Kaldis, PA I.D. 324534
COZEN O'CONNOR
1650 Market Street, Suite 2800
Philadelphia, PA 19103
(215) 665-2000

Counsel for Michael Humphreys, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania

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# EXHIBIT A

# SHIP FINANCIAL PACKAGE

# AS OF DECEMBER 31, 2025

# Senior Health Insurance Company of Pennsylvania In Rehabilitation (“SHIP”)

## Court Reporting Package

## December 31, 2025

# SHIP Court Reporting Package
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SHIP
SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)

# SHIP Court Reporting Package

## Financial Reporting Package

## as of December 31, 2025

## Contents:



SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA (IN REHABILITATION)

# Notes

As of December 31, 2025

| | |
|---|---|
| 1 | Policyholder liabilities are being reported based on the most recent quarter-end balance. |
| 2 | Provisions for income tax are reported on a quarterly basis. The overall impact to the Company is immaterial given Company net operating loss (NOL) carryforwards. |
| 3 | Asset valuation reserve ("AVR") is recorded on the most recent quarter-end balance. |
| 4 | Common stock balance includes the equity balance of the Company's wholly-owned subsidiaries Fuzion and HBKY. The balances of each subsidiary are updated monthly based on the prior month's equity balance. |
| 5 | Various general expense items include rehabilitation expenses totaling $12.3 million and $11.2 million during fiscal year 2024 and year-to-date 2025, respectively. |
| 6 | The Company has insurance against certain litigation costs. The amount receivable from this policy is estimated monthly under Insurance Carrier Receivable. Discussions continue with insurance carriers. |
| 7 | During 2024 total reserves decreased by $73 million. An increase of $194 million was the result of the IFRPV adjustment. The gross premium reserve decreased by $267 million. Additional Rehabilitation Plan implementations were made during 2024, accounting for approximately $90 million of the gross premium reserve decrease. Gross premium reserves decreased by $158 million due to normal reductions in open claims and policyholder counts. During 2024, expense and actuarial assumption updates were made, increasing gross premium reserve by $27 million. During 2024, the company experienced a favorable variance to projection of $46 million in gross premium reserve as a result of asset portfolio updates, elevated new money rates, and favorable claims experience.<br><br>During 2025, total reserves decreased by $197 million. An increase of $12 million was a result of the IFRPV adjustment. The gross premium reserve decreased by $209 million primarily due to the normal reduction in open claims and policyholder count which reduced the reserves by $149 million. An additional decrease of $32 million was due to model changes and a decrease of $28 was due to favorable claims experience. |
| 8 | Investment transactions are recorded as cash and receivable/payable for securities as they are being processed by investment accounting. |
| 9 | As assets are sold to meet liquidity needs, there is a focus to also reduce duration to align better with liabilities. This has resulted in realized losses in 2024 and 2025. In 2024, the investment portfolio was in a net unrealized loss position, which resulted in a net realized loss of $28.4 million due to selling assets to meet cash flow needs. This trend has continued in 2025. |
| 10 | Investment income is decreasing as the net asset value decreases to meet operational cash flow needs. |
| 11 | Beginning September 2024, agent commissions resumed to six intervening agencies. The commission accrual balance was adjusted to reflect the balance as of 8/31/2023 which was the balance before the initial plan effective date. |
| 12 | Effective December 31, 2023, SHIP and Fuzion signed a new Administrative Services & Management Agreement. The Agreement includes a long-term retention credit payable to SHIP from Fuzion at the end of the Agreement period. As a result, an intercompany receivable was recorded for $3.9 million as of December 2024 and $5.7 million as of December 2025. This amount will increase each month. Per Statutory Accounting Principles, this receivable on SHIP will be considered a non-admitted asset. |
| 13 | As of May 2024, SHIP has a negative IMR. Statutory guidelines require negative IMR to be shown as a non-admitted asset. |
| 14 | In April 2024, SHIP purchased an Ares alternative investment for $15 million. |
| 15 | In June 2024, SHIP's guaranty funds recoverable was adjusted based on the Company's expectations in offsetting against future premium taxes. |

## Senior Health Insurance Company of Pennsylvania In Rehabilitation

**December 31, 2025**

### Financial Summary (in $000s)

| | Q1-FY24 | Q2-FY24 | Q3-FY24 | Q4-FY24 | | Q1-FY25 | Q2-FY25 | Q3-FY25 | Oct-2025 | Nov-2025 | Dec-2025 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance Sheet | YTD | YTD | YTD | YTD | | YTD | YTD | YTD | YTD | YTD | YTD | |
| SHIP Invested Assets | 679,374 | 621,823 | 565,805 | | 513,287 | 463,616 | 413,241 | 363,709 | 348,441 | 335,464 | | 319,075 |
| Total Admitted Assets | 686,553 | 627,649 | 571,804 | | 518,560 | 469,021 | 420,331 | 371,552 | 356,246 | 343,223 | | 326,757 |
| Reserves | 1,934,631 | 1,878,456 | 1,822,372 | | 1,772,070 | 1,717,523 | 1,666,764 | 1,614,179 | 1,614,179 | 1,614,179 | | 1,573,862 |
| Total Liabilities | 1,955,520 | 1,898,593 | 1,841,873 | | 1,792,421 | 1,738,754 | 1,689,256 | 1,630,429 | 1,629,920 | 1,630,428 | | 1,589,488 |
| Capital and Surplus | (1,268,967) | (1,270,944) | (1,270,069) | | (1,273,861) | (1,269,733) | (1,268,926) | (1,258,877) | (1,273,674) | (1,287,206) | | (1,262,731) |
| Statement of Operations | QTR | QTR | QTR | QTR | YTD | QTR | QTR | QTR | MTD | MTD | MTD | YTD |
| Premiums | 9,074 | 6,939 | 8,195 | 7,962 | 32,171 | 8,008 | 7,007 | 7,105 | 2,115 | 1,861 | 2,757 | 28,852 |
| Investment Income | 2,251 | 2,803 | 4,437 | 8,095 | 17,586 | 1,642 | 2,917 | 4,336 | 1,512 | 1,240 | 1,107 | 12,753 |
| Benefits Paid | 60,573 | 55,171 | 53,209 | 52,578 | 221,530 | 51,187 | 50,159 | 49,701 | 15,834 | 14,170 | 16,097 | 197,148 |
| Change in Reserves | 88,178 | (55,564) | (55,790) | (49,819) | (72,996) | (54,459) | (50,608) | (52,027) | - | - | (39,949) | (197,044) |
| Commissions | 660 | 558 | 592 | 557 | 2,367 | 558 | 553 | (4,404) | (48) | - | 70 | (3,271) |
| Operating Expenses | 6,696 | 7,421 | 4,916 | 6,260 | 25,293 | 6,795 | 6,875 | 5,645 | 1,918 | 1,908 | 1,530 | 24,670 |
| Taxes/Licenses/Fees | 100 | 654 | 149 | 132 | 1,036 | 150 | 139 | 120 | 37 | 50 | 23 | 520 |
| Federal & State Income Taxes | 53 | (177) | (386) | 137 | (373) | (0) | (125) | (141) | - | (1) | (15) | (282) |
| Net (loss) income | (144,934) | 1,679 | 9,943 | 6,212 | (127,101) | 5,419 | 2,931 | 12,546 | (14,114) | (13,026) | 26,108 | 19,864 |
| Ratios | QTR | QTR | QTR | QTR | YTD | QTR | QTR | QTR | MTD | MTD | MTD | YTD |
| Paid Claims Ratio (1) | 667.51% | 795.09% | 649.26% | 660.34% | 688.60% | 639.20% | 715.84% | 699.53% | 748.65% | 761.55% | 583.90% | 683.30% |
| Loss Ratio(2) | 1639.22% | -5.66% | -31.50% | 34.64% | 461.70% | -40.86% | -6.41% | -32.73% | 748.65% | 761.55% | -865.25% | 0.36% |
| Operating Expense Ratio (3) | 73.79% | 106.94% | 59.99% | 78.63% | 78.62% | 84.85% | 98.11% | 79.45% | 90.68% | 102.52% | 55.51% | 85.50% |
| Commission Ratio (4) | 8.45% | 7.69% | 8.34% | 8.66% | 8.28% | 8.48% | 8.89% | -79.50% | -2.59% | 0.00% | 3.58% | -13.76% |

(1) Benefits Paid divided by premiums
(2) Includes benefits paid and change in reserves divided by premiums
(3) Operating expenses divided by premiums
(4) Commissions divided by premiums collected

Senior Health Insurance Company of Pennsylvania In Rehabilitation

Monthly Financial Results - Balance Sheet

As of December 31, 2025

*(in 000s)*

| | Prior Year | | | | Current Year | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1-FY24 | Q2-FY24 | Q3-FY24 | Q4-FY24 | Q1-FY25 | Q2-FY25 | Q3-FY25 | Oct-2025 | Nov-2025 | Dec-2025 |
| **Assets** | | | | | | | | | | |
| Bonds | 617,982 | 554,822 | 504,410 | 449,286 | 399,781 | 348,823 | 290,682 | 279,046 | 271,752 | 254,605 |
| Common Stocks (4) | 11,820 | 12,008 | 12,042 | 11,785 | 11,826 | 11,637 | 11,422 | 11,269 | 11,222 | 11,059 |
| Mortgage Loans | 3,258 | 3,017 | 2,772 | 2,286 | 2,072 | 1,703 | 1,544 | 1,494 | 1,431 | 1,392 |
| Cash and Short Term Investments | 6,027 | 5,879 | 494 | 1,029 | 2,711 | 3,551 | 10,686 | 6,352 | 3,625 | 4,851 |
| Other Invested Assets (14) | 30,352 | 45,525 | 45,660 | 46,429 | 47,179 | 47,451 | 47,043 | 46,991 | 47,185 | 46,903 |
| Receivables for Securities (8) | 9,935 | 572 | 427 | 2,471 | 49 | 78 | 2,333 | 3,290 | 250 | 267 |
| Insurance Carrier Recoverable (6) | 1,171 | 1,388 | 1,603 | 1,407 | 1,724 | 4,224 | 4,990 | 5,117 | 5,192 | 5,369 |
| Investment Income Due | 3,914 | 3,307 | 2,878 | 2,413 | 2,039 | 1,535 | 1,169 | 1,214 | 1,159 | 898 |
| Uncollected Premiums (1) | 1,157 | 586 | 657 | 767 | 823 | 798 | 991 | 991 | 991 | 1,114 |
| Reinsurance Recoverable | 90 | 101 | 94 | 92 | 99 | 90 | 106 | 25 | 40 | 86 |
| Prepaid Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Tax Recoverable (2) | 54 | 210 | 419 | 314 | 314 | 158 | 174 | 174 | 33 | 48 |
| Guaranty Funds Recoverable (15) | 620 | 125 | 125 | 125 | 92 | 92 | 92 | 92 | 92 | 92 |
| Transamerica Receivable | 125 | 62 | 185 | 62 | 245 | 121 | 242 | 122 | 185 | 0 |
| Receivable from Affiliate | 49 | 47 | 39 | 93 | 67 | 70 | 78 | 69 | 67 | 73 |
| **Total Assets** | 686,553 | 627,649 | 571,804 | 518,560 | 469,021 | 420,331 | 371,552 | 356,246 | 343,223 | 326,757 |
| **Liabilities** | | | | | | | | | | |
| Active Life Reserves (1) (7) | 976,674 | 949,298 | 876,326 | 839,453 | 786,074 | 759,873 | 723,581 | 723,581 | 723,581 | 695,324 |
| Disabled Life Reserves (1) (7) | 477,426 | 462,041 | 444,358 | 442,682 | 421,447 | 409,766 | 401,060 | 401,060 | 401,060 | 376,518 |
| IFRPV Adjustment (1) (7) | (821,036) | (834,403) | (799,893) | (811,419) | (791,389) | (804,274) | (811,780) | (811,780) | (811,780) | (799,122) |
| Unfunded Benefit Liability (1) (7) | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 | 1,300,408 |
| Advanced Premiums (1) | 1,159 | 1,112 | 1,173 | 946 | 981 | 990 | 910 | 910 | 910 | 733 |
| Reinsurance Payable | 1 | 15 | 10 | 5 | 3 | 18 | 10 | 3 | (2) | (1) |
| Interest Maintenance Reserve (9) (13) | 1,214 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissions Due (11) | 4,743 | 5,300 | 5,892 | 6,435 | 6,983 | 7,522 | 3,118 | 3,058 | 3,058 | 3,058 |
| General Expenses Due | 3,270 | 3,652 | 2,740 | 2,781 | 3,126 | 4,289 | 2,688 | 2,056 | 2,927 | 2,415 |
| Taxes, licenses and fees Due | 64 | 84 | 127 | 155 | 88 | 44 | 76 | 68 | 93 | 87 |
| Remittance Items Not Allocated | 532 | 343 | 271 | 308 | 314 | 256 | 215 | 383 | 256 | 144 |
| Payable to Affiliate | 899 | 907 | 887 | 962 | 966 | 915 | 893 | 986 | 738 | 763 |
| Asset Valuation Reserve (3) | 7,168 | 7,211 | 7,114 | 7,126 | 7,092 | 6,973 | 6,853 | 6,853 | 6,853 | 6,880 |
| Payable for securities (8) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Unclaimed Property | 2,999 | 2,623 | 2,460 | 2,578 | 2,660 | 2,476 | 2,397 | 2,333 | 2,325 | 2,280 |
| **Total Liabilities** | 1,955,520 | 1,898,593 | 1,841,873 | 1,792,421 | 1,738,754 | 1,689,256 | 1,630,429 | 1,629,920 | 1,630,428 | 1,589,488 |
| **Capital and Surplus** | | | | | | | | | | |
| Common and Preferred Stock | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Surplus Note | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Paid In Capital | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 | 1,198,824 |
| Unassigned Surplus | (2,377,269) | (2,377,269) | (2,377,269) | (2,377,269) | (2,530,185) | (2,530,185) | (2,530,185) | (2,530,185) | (2,530,185) | (2,530,185) |
| Net Income Current Year | (144,934) | (143,256) | (133,313) | (127,101) | 5,419 | 8,351 | 20,897 | 6,782 | (6,244) | 19,864 |
| Unrealized Gain/Loss | (3,176) | (3,079) | (3,571) | (3,640) | (350) | (771) | (1,468) | (1,588) | (1,403) | (2,238) |
| Change in Nonadmitted Assets (12) (13) | (246) | (3,955) | (12,629) | (22,551) | (976) | (2,797) | (4,717) | (5,280) | (5,970) | (6,742) |
| Change in Asset Valuation Reserve (3) | 334 | 291 | 388 | 376 | 34 | 153 | 273 | 273 | 273 | 247 |
| **Total Capital and Surplus** | (1,268,967) | (1,270,944) | (1,270,069) | (1,273,861) | (1,269,733) | (1,268,926) | (1,258,877) | (1,273,674) | (1,287,206) | (1,262,731) |
| **Liabilities, Capital and Surplus** | 686,553 | 627,649 | 571,804 | 518,560 | 469,021 | 420,331 | 371,552 | 356,246 | 343,223 | 326,757 |

Senior Health Insurance Company of Pennsylvania In Rehabilitation

Monthly Financial Results - Income Statement

As of December 31, 2025

*(in 000s)*

| | Prior Year | | | | | Current Year | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1-FY24 | Q2-FY24 | Q3-FY24 | Q4-FY24 | FY2024 | Q1-FY25 | Q2-FY25 | Q3-FY25 | Oct-2025 | Nov-2025 | Dec-2025 | YTD 2025 |
| **Investment Income** | | | | | | | | | | | | |
| Investment income, gross without IMR (10) | 6,615 | 5,951 | 5,234 | 4,768 | 22,568 | 4,328 | 3,779 | 3,873 | 993 | 915 | 1,040 | 14,927 |
| Amortization of IMR (9) | 497 | 407 | 355 | 291 | 1,551 | (8) | (99) | (113) | 84 | (14) | (187) | (336) |
| Net Realized Capital Gains (Losses) (9) | (5,884) | (7,587) | (8,983) | (5,983) | (28,437) | (3,181) | (2,122) | (924) | 96 | (49) | (508) | (6,689) |
| Gains/(Losses) transferred to IMR (9) | 1,165 | 4,162 | 7,986 | 9,164 | 22,476 | 628 | 1,467 | 1,595 | 347 | 439 | 808 | 5,285 |
| Investment Expenses | (142) | (133) | (156) | (146) | (577) | (125) | (110) | (97) | (8) | (51) | (46) | (437) |
| Other Income | 0 | 2 | 1 | 1 | 4 | 0 | 2 | 1 | 0 | (1) | - | 4 |
| **Total Investment Income** | **2,251** | **2,803** | **4,437** | **8,095** | **17,586** | **1,642** | **2,917** | **4,336** | **1,512** | **1,240** | **1,107** | **12,753** |
| **Underwriting Income** | | | | | | | | | | | | |
| Premiums - Collected and Waived | 9,961 | 6,899 | 7,828 | 7,371 | 32,060 | 7,848 | 6,897 | 6,354 | 2,115 | 1,861 | 2,265 | 27,340 |
| Premium Accruals (1) | (887) | 40 | 367 | 592 | 111 | 160 | 110 | 751 | - | - | 492 | 1,513 |
| Claims Paid and Waived | 60,573 | 55,171 | 53,209 | 52,578 | 221,530 | 51,187 | 50,159 | 49,701 | 15,834 | 14,170 | 16,097 | 197,148 |
| Claims - Change in Reserves (1) (7) | (33,213) | (15,379) | (17,599) | (1,745) | (67,936) | (21,235) | (11,676) | (8,702) | - | - | (24,535) | (66,148) |
| Change in ALR (1) (7) | (63,164) | (26,818) | (72,702) | (36,548) | (199,231) | (53,255) | (26,047) | (35,819) | - | - | (28,072) | (143,193) |
| Change in IFRPV Adjustment (1) (7) | 184,554 | (13,367) | 34,510 | (11,526) | 194,171 | 20,031 | (12,885) | (7,506) | - | - | 12,657 | 12,297 |
| Change in UBL (1) (7) | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Underwriting Income** | **(139,676)** | **7,332** | **10,777** | **5,204** | **(116,363)** | **11,280** | **7,456** | **9,431** | **(13,719)** | **(12,309)** | **26,609** | **28,748** |
| **Expenses** | | | | | | | | | | | | |
| Commissions (11) | 660 | 558 | 592 | 557 | 2,367 | 558 | 553 | (4,404) | (48) | - | 70 | (3,271) |
| General Insurance Expense (5) (6) (12) | 6,696 | 7,421 | 4,916 | 6,260 | 25,293 | 6,795 | 6,875 | 5,645 | 1,918 | 1,908 | 1,530 | 24,670 |
| Insurance Taxes, Licenses & Fees (15) | 100 | 654 | 149 | 164 | 1,068 | 150 | 139 | 120 | 37 | 49 | 23 | 519 |
| **Total Expenses** | **7,456** | **8,633** | **5,657** | **6,982** | **28,728** | **7,503** | **7,567** | **1,361** | **1,907** | **1,956** | **1,623** | **21,918** |
| **Net Gain (Loss) from Operations** | **(144,881)** | **1,501** | **9,557** | **6,317** | **(127,506)** | **5,419** | **2,806** | **12,405** | **(14,114)** | **(13,026)** | **26,093** | **19,583** |
| **Investment Income plus Underwriting less Expenses* | | | | | | | | | | | | |
| **Federal Income Tax Expense (Benefit)** (2) | 53 | (177) | (386) | 105 | (405) | (0) | (125) | (141) | - | - | (15) | (281) |
| **Net Income** | **(144,934)** | **1,679** | **9,943** | **6,212** | **(127,101)** | **5,419** | **2,931** | **12,546** | **(14,114)** | **(13,026)** | **26,108** | **19,864** |

Senior Health Insurance Company of Pennsylvania In Rehabilitation

Monthly Financial Results - Expenses

As of December 31, 2025

*(in 000s)*

| | Prior Year | | | | | Current Year | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1-FY24 | Q2-FY24 | Q3-FY24 | Q4-FY24 | FY2024 | Q1-FY25 | Q2-FY25 | Q3-FY25 | Oct-2025 | Nov-2025 | Dec-2025 | YTD 2025 |
| **General Insurance Expense** | | | | | | | | | | | | |
| **Service/Administration Fee** (12) | 2,196 | 2,210 | 2,148 | 1,956 | 8,509 | 2,246 | 2,135 | 2,232 | 752 | 552 | 613 | 8,531 |
| **LTC Administration Fees** (5) | 1,693 | 1,582 | 1,481 | 1,443 | 6,199 | 1,419 | 1,404 | 1,252 | 400 | 381 | 376 | 5,231 |
| **Actuarial Fees** (5) | 425 | 285 | 102 | 416 | 1,227 | 312 | 333 | 252 | 130 | (0) | 287 | 1,314 |
| **Legal Fees** (5) (6) | 1,632 | 2,495 | 439 | 1,705 | 6,271 | 2,051 | 2,210 | 1,187 | 330 | 741 | 133 | 6,653 |
| **Portfolio Management Fees** | 139 | 139 | 145 | 125 | 548 | 124 | 110 | 97 | 30 | 30 | 28 | 419 |
| **Audit Fees - External** | 20 | 7 | - | 10 | 37 | - | 26 | - | 13 | - | - | 39 |
| **Appl Software License Fees** | 53 | 46 | 40 | 40 | 179 | 58 | 39 | 30 | 3 | 4 | 3 | 136 |
| **Claim Cost Containment** | 23 | 16 | 8 | 11 | 58 | 13 | 9 | 12 | 4 | 1 | 8 | 47 |
| **Consulting** (5) | 383 | 546 | 487 | 402 | 1,818 | 480 | 489 | 449 | 153 | 148 | 57 | 1,775 |
| **Postage and Printing** (5) | 62 | 60 | 29 | 52 | 203 | 33 | 56 | 65 | 20 | 15 | 17 | 205 |
| **Election Package** (5) | - | - | - | - | - | - | - | - | - | - | - | - |
| **Bank Service Fees** | 51 | 66 | 63 | 61 | 241 | 63 | 60 | 58 | 21 | 18 | 18 | 238 |
| **Tax Consultation Fees** | 22 | 32 | 25 | 70 | 150 | 8 | 8 | - | 36 | 36 | - | 88 |
| **Insurance** | 104 | 104 | 104 | 110 | 422 | 104 | 104 | 104 | 35 | 35 | 35 | 417 |
| **Agents' Balances Charged Off** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Miscellaneous Expenses** | 36 | (35) | 0 | 7 | 9 | 8 | 1 | 3 | 0 | 0 | (0) | 13 |
| **Investment Expense - Reclass** | (142) | (133) | (156) | (146) | (577) | (125) | (110) | (97) | (8) | (51) | (46) | (437) |
| **Total General Insurance Expense** | **6,696** | **7,421** | **4,916** | **6,260** | **25,293** | **6,795** | **6,875** | **5,645** | **1,918** | **1,908** | **1,530** | **24,670** |
| **Investment Expense - Reclass** | (142) | (133) | (156) | (146) | (577) | (125) | (110) | (97) | (8) | (51) | (46) | (437) |
| **Total General Insurance Expense before Reclass** | **6,838** | **7,554** | **5,072** | **6,407** | **25,870** | **6,919** | **6,984** | **5,742** | **1,926** | **1,959** | **1,576** | **25,107** |
| | | | | | | | | | | | | |
| **Insurance Taxes, Licenses & Fees** | | | | | | | | | | | | |
| **Guaranty Assoc Assessments** (15) | - | 494 | - | - | 494 | - | - | - | - | - | - | - |
| **Interest & Penalties Fees** | - | 0 | - | - | 0 | 4 | 0 | 0 | - | - | - | 4 |
| **Licenses and Fees** | 11 | 10 | 0 | 0 | 22 | 1 | 10 | 0 | 0 | 0 | 0 | 11 |
| **Municipal Taxes** | 8 | 3 | 5 | 0 | 16 | 8 | 3 | 7 | - | - | - | 17 |
| **Premium Taxes** | 81 | 146 | 144 | 132 | 503 | 138 | 125 | 113 | 37 | 49 | 23 | 485 |
| **State Taxes** | - | - | - | 32 | 32 | - | 1 | - | - | (1) | - | 1 |
| **Total Insurance Taxes, Licenses & Fees** | **100** | **654** | **149** | **164** | **1,068** | **150** | **139** | **120** | **37** | **49** | **23** | **519** |

# SHIP Court Reporting Package

## Trend Tracking
## as of December 31, 2025

## Contents:



SHIP
SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**December 31, 2025**
in 000s

| | Jan-2025 | Feb-2025 | Mar-2025 | Apr-2025 | May-2025 | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investment Income Collected** | $ 1,460 | $ 1,417 | $ 1,478 | $ 1,279 | $ 1,258 | $ 1,297 | $ 1,176 | $ 1,609 | $ 1,116 | $ 969 | $ 914 | $ 1,056 |
| **Change in Investment Due and Accrued** | (5) | (22) | (1) | (9) | 5 | (51) | (9) | 2 | (22) | 24 | 1 | (17) |
| **Net Investment Income** | 1,455 | 1,395 | 1,478 | 1,270 | 1,263 | 1,246 | 1,167 | 1,612 | 1,094 | 993 | 915 | 1,040 |
| **Realized Gains/(Losses)** | (1,842) | (704) | (635) | (740) | (787) | (595) | (656) | (215) | (53) | 96 | (49) | (508) |
| **Gains/Losses Transf to IMR** | 121 | 214 | 293 | 404 | 517 | 545 | 652 | 505 | 438 | 347 | 439 | 808 |
| **Amortization of IMR** | 129 | (124) | (14) | (25) | (35) | (39) | (51) | (38) | (23) | 84 | (14) | (187) |
| **Investment General Expenses** | (41) | (41) | (42) | - | (73) | (37) | (32) | (33) | (32) | (8) | (51) | (46) |
| **Management Income** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Premiums Collected & Waived** | 2,503 | 2,482 | 2,864 | 2,325 | 2,317 | 2,258 | 2,038 | 2,177 | 2,140 | 2,115 | 1,860 | 2,265 |
| **Premiums Accrued** | - | - | 160 | - | - | 110 | - | - | 751 | - | - | 492 |
| **Earned Premium** | 2,503 | 2,482 | 3,024 | 2,325 | 2,317 | 2,367 | 2,038 | 2,177 | 2,891 | 2,115 | 1,860 | 2,757 |
| **Claims Paid and Waived** | (17,733) | (16,841) | (16,614) | (16,584) | (17,076) | (16,499) | (17,438) | (15,770) | (16,493) | (15,834) | (14,170) | (16,097) |
| **Change in Claim Reserves** | - | - | 21,235 | - | - | 11,676 | - | - | 8,702 | - | - | 24,535 |
| **Change in Active Life Reserves** | - | - | 53,255 | - | - | 26,047 | - | - | 35,819 | - | - | 28,072 |
| **Change in IFRPV Adjustment** | - | - | (20,031) | - | - | 12,885 | - | - | 7,506 | - | - | (12,657) |
| **Change in UBL** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Change in Premium Deficiency Reserves** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Change in PDR (IMR Release)** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Incurred Claims** | (17,733) | (16,841) | 37,846 | (16,584) | (17,076) | 34,109 | (17,438) | (15,770) | 35,534 | (15,834) | (14,170) | 23,853 |
| **Reinsurance Activity** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Commissions** | 178 | 156 | 225 | 196 | 177 | 179 | 153 | 153 | (4,709) | (48) | - | 70 |
| **G&A Expenses (excluding Inv Exp Reclass)** | 2,382 | 1,956 | 2,582 | 2,598 | 2,203 | 2,183 | 2,120 | 1,829 | 1,793 | 1,926 | 1,959 | 1,576 |
| **G&A Expenses (including Inv Exp Reclass)** | 2,340 | 1,914 | 2,540 | 2,598 | 2,130 | 2,146 | 2,088 | 1,796 | 1,761 | 1,918 | 1,908 | 1,530 |
| **Taxes, Licenses and Fees** | 52 | 44 | 54 | 44 | 45 | 50 | 44 | 39 | 37 | 37 | 50 | 23 |
| **Federal and State Taxes** | - | - | (0) | - | - | (125) | - | - | (141) | - | (1) | (15) |
| **Net Income** | $ (17,978) | $ (15,733) | $ 39,130 | $ (16,188) | $ (16,227) | $ 35,346 | $ (16,605) | $ (13,750) | $ 42,901 | $ (14,114) | $ (13,026) | $ 26,108 |

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**December 31, 2024**
in 000s

| | Jan-2024 | Feb-2024 | Mar-2024 | Apr-2024 | May-2024 | Jun-2024 | Jul-2024 | Aug-2024 | Sep-2024 | Oct-2024 | Nov-2024 | Dec-2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investment Income Collected** | $ 2,365 | $ 2,166 | $ 2,101 | $ 2,060 | $ 1,954 | $ 1,952 | $ 1,785 | $ 1,718 | $ 1,666 | $ 1,610 | $ 1,538 | $ 1,551 |
| **Change in Investment Due and Accrued** | 1 | (20) | 2 | 3 | (10) | (7) | 11 | 43 | 11 | 16 | 49 | 4 |
| **Net Investment Income** | 2,366 | 2,146 | 2,103 | 2,063 | 1,944 | 1,945 | 1,795 | 1,761 | 1,677 | 1,626 | 1,587 | 1,555 |
| **Realized Gains/(Losses)** | (1,284) | (3,237) | (1,363) | (2,195) | (3,387) | (2,005) | (4,994) | (3,358) | (631) | (4,243) | (1,523) | (217) |
| **Gains/Losses Transf to IMR** | 85 | 513 | 568 | 966 | 1,648 | 1,548 | 3,189 | 2,985 | 1,811 | 6,084 | 1,050 | 2,030 |
| **Amortization of IMR** | 171 | 167 | 160 | 147 | 128 | 133 | 108 | 126 | 122 | 196 | 12 | 84 |
| **Investment General Expenses** | (50) | (48) | (44) | (43) | (45) | (45) | (50) | (66) | (40) | (49) | (44) | (54) |
| **Management Income** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Premiums Collected & Waived** | 3,049 | 2,603 | 4,309 | 1,887 | 2,600 | 2,415 | 2,846 | 2,529 | 2,454 | 2,498 | 2,394 | 2,479 |
| **Premiums Accrued** | - | - | (887) | - | - | 40 | - | - | 367 | - | - | 592 |
| **Earned Premium** | 3,049 | 2,603 | 3,422 | 1,887 | 2,600 | 2,454 | 2,846 | 2,529 | 2,821 | 2,498 | 2,394 | 3,071 |
| **Claims Paid and Waived** | (21,164) | (19,722) | (19,687) | (17,860) | (19,130) | (18,181) | (17,999) | (17,102) | (18,107) | (18,100) | (17,250) | (17,227) |
| **Change in Claim Reserves** | - | - | 33,213 | - | - | 15,379 | - | - | 17,599 | - | - | 1,745 |
| **Change in Active Life Reserves** | - | - | 63,164 | - | - | 26,818 | - | - | 72,702 | - | - | 36,548 |
| **Change in IFRPV Adjustment** | - | - | (184,554) | - | - | 13,367 | - | - | (34,510) | - | - | 11,526 |
| **Change in UBL** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Change in Premium Deficiency Reserves** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Change in PDR (IMR Release)** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Incurred Claims** | (21,164) | (19,722) | (107,864) | (17,860) | (19,130) | 37,383 | (17,999) | (17,102) | 37,683 | (18,100) | (17,250) | 32,592 |
| **Reinsurance Activity** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Commissions** | 209 | 176 | 275 | 213 | 199 | 146 | 204 | 188 | 200 | 190 | 175 | 192 |
| **G&A Expenses (excluding Inv Exp Reclass)** | 2,455 | 2,296 | 2,086 | 3,024 | 2,174 | 2,356 | 1,910 | 1,774 | 1,388 | 2,329 | 1,930 | 2,148 |
| **G&A Expenses (including Inv Exp Reclass)** | 2,405 | 2,249 | 2,042 | 2,981 | 2,129 | 2,311 | 1,860 | 1,708 | 1,348 | 2,280 | 1,886 | 2,094 |
| **Taxes, Licenses and Fees** | 60 | 54 | (13) | 58 | 48 | 548 | 57 | 63 | 30 | 45 | 41 | 46 |
| **Federal and State Taxes** | - | - | 53 | - | - | (177) | - | - | (386) | - | - | 137 |
| **Net Income** | $ (19,501) | $ (20,056) | $ (105,376) | $ (18,286) | $ (18,620) | $ 38,585 | $ (17,225) | $ (15,084) | $ 42,252 | $ (14,503) | $ (15,876) | $ 36,592 |

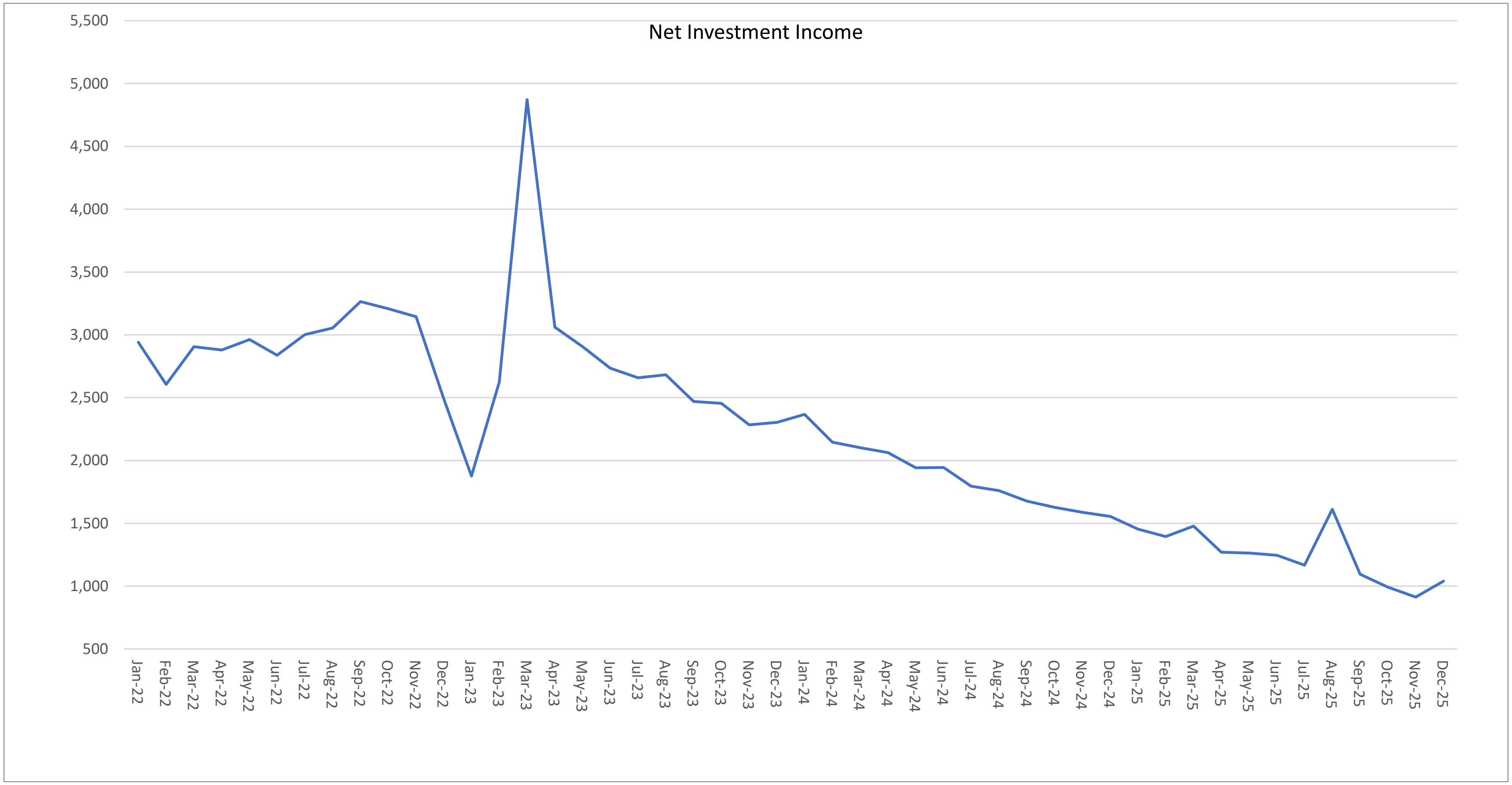
**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**December 31, 2023**
in 000s

| | Jan-2023 | Feb-2023 | Mar-2023 | Apr-2023 | May-2023 | Jun-2023 | Jul-2023 | Aug-2023 | Sep-2023 | Oct-2023 | Nov-2023 | Dec-2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investment Income Collected** | $ 3,136 | $ 3,125 | $ 3,276 | $ 3,062 | $ 2,899 | $ 2,755 | $ 2,667 | $ 2,688 | $ 2,474 | $ 2,453 | $ 2,322 | $ 2,318 |
| **Change in Investment Due and Accrued** | (1,259) | (502) | 1,595 | 0 | 8 | (20) | (8) | (6) | (3) | 2 | (37) | (13) |
| **Net Investment Income** | 1,877 | 2,622 | 4,871 | 3,062 | 2,907 | 2,735 | 2,659 | 2,682 | 2,471 | 2,454 | 2,285 | 2,305 |
| **Realized Gains/(Losses)** | (1,706) | (2,604) | (902) | 576 | (1,012) | (2,526) | (866) | (1,679) | (376) | (2,260) | (8,727) | 1 |
| **Gains/Losses Transf to IMR** | 112 | 446 | 458 | 188 | 622 | 1,274 | 917 | 1,316 | 890 | 2,455 | 7,178 | 1,441 |
| **Amortization of IMR** | 367 | 352 | 358 | 383 | 344 | 312 | 336 | 273 | 254 | 213 | 222 | 316 |
| **Investment General Expenses** | (69) | (46) | (61) | (62) | (60) | (60) | (57) | (56) | (44) | (50) | (69) | (52) |
| **Management Income** | 30 | 99 | 74 | 66 | 67 | (337) | - | - | - | - | - | - |
| **Premiums Collected & Waived** | 3,434 | 2,843 | 3,228 | 2,844 | 3,009 | 2,784 | 2,899 | 2,582 | 3,158 | 3,031 | 2,965 | 2,697 |
| **Premiums Accrued** | (0) | - | (10) | - | - | 293 | - | - | (587) | - | - | 969 |
| **Earned Premium** | 3,434 | 2,843 | 3,218 | 2,844 | 3,009 | 3,077 | 2,899 | 2,582 | 2,571 | 3,031 | 2,965 | 3,665 |
| **Claims Paid and Waived** | (22,130) | (20,930) | (22,574) | (20,093) | (22,380) | (21,392) | (19,969) | (23,358) | (21,596) | (21,146) | (21,466) | (19,760) |
| **Change in Claim Reserves** | - | - | 16,333 | - | - | 4,826 | - | - | 31,034 | - | - | 60,227 |
| **Change in Active Life Reserves** | - | - | 86,015 | - | - | 70,533 | - | - | 493,691 | - | - | 37,436 |
| **Change in IFRPV Adjustment** | - | - | (53,708) | - | - | 1,597 | - | - | (486,720) | - | - | (30,321) |
| **Change in UBL** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Change in Premium Deficiency Reserves** | - | - | 53,708 | - | - | (1,597) | - | - | 222,223 | - | - | - |
| **Change in PDR (IMR Release)** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Incurred Claims** | (22,130) | (20,930) | 79,774 | (20,093) | (22,380) | 53,968 | (19,969) | (23,358) | 238,633 | (21,146) | (21,466) | 47,583 |
| **Reinsurance Activity** | (0) | - | - | - | - | - | - | 13 | - | 0 | (0) | - |
| **Commissions** | 220 | 193 | 188 | 185 | 196 | 193 | 181 | 65 | 410 | 211 | 178 | 176 |
| **G&A Expenses (excluding Inv Exp Reclass)** | 2,224 | 2,115 | 3,170 | 1,973 | 1,921 | 2,055 | 2,476 | 2,207 | 2,693 | 2,527 | 3,219 | (41) |
| **G&A Expenses (including Inv Exp Reclass)** | 2,154 | 2,069 | 3,109 | 1,911 | 1,861 | 1,995 | 2,418 | 2,151 | 2,649 | 2,477 | 3,150 | (93) |
| **Taxes, Licenses and Fees** | 61 | 40 | 38 | 49 | 47 | 53 | 61 | 12 | 87 | 48 | 47 | 46 |
| **Federal and State Taxes** | - | - | - | - | - | (176) | - | - | (181) | - | - | (172) |
| **Net Income** | $ (20,521) | $ (19,519) | $ 84,455 | $ (15,182) | $ (18,606) | $ 56,378 | $ (16,741) | $ (20,455) | $ 241,435 | $ (18,038) | $ (20,988) | $ 55,301 |

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**December 31, 2022**
in 000s

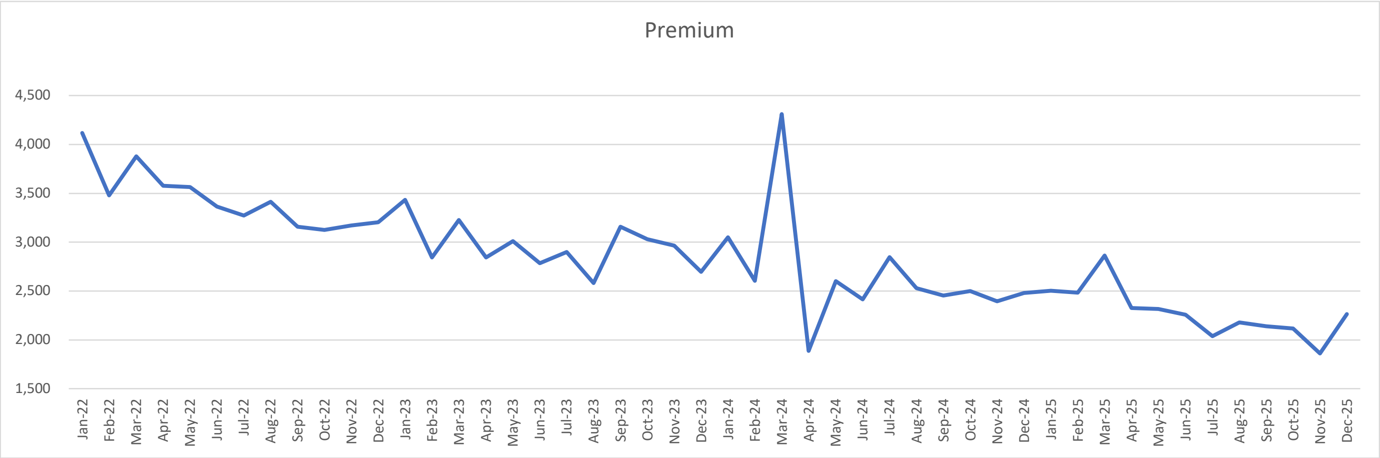
| | Jan-2022 | Feb-2022 | Mar-2022 | Apr-2022 | May-2022 | Jun-2022 | Jul-2022 | Aug-2022 | Sep-2022 | Oct-2022 | Nov-2022 | Dec-2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investment Income Collected** | $ 3,135 | $ 2,779 | $ 3,063 | $ 3,030 | $ 3,094 | $ 2,961 | $ 3,112 | $ 3,160 | $ 3,344 | $ 3,167 | $ 3,436 | $ 3,194 |
| **Change in Investment Due and Accrued** | (195) | (173) | (158) | (151) | (130) | (123) | (110) | (107) | (79) | 41 | (291) | (701) |
| **Net Investment Income** | 2,940 | 2,606 | 2,905 | 2,878 | 2,963 | 2,838 | 3,002 | 3,054 | 3,265 | 3,208 | 3,145 | 2,493 |
| **Realized Gains/(Losses)** | 199 | (1,260) | (6,059) | (730) | (2,891) | (2,109) | (2,881) | (5,287) | (3,226) | (3,995) | (2,456) | (3,478) |
| **Gains/Losses Transf to IMR** | (141) | 83 | 1,110 | 620 | 1,273 | 1,423 | 2,057 | 3,623 | 3,154 | 4,086 | 3,509 | 4,640 |
| **Amortization of IMR** | 807 | (6) | 2,274 | (48) | 700 | 707 | 517 | 534 | 510 | 518 | 570 | 493 |
| **Investment General Expenses** | (79) | (93) | (76) | (76) | (69) | (71) | (71) | (75) | (67) | (61) | (60) | (81) |
| **Management Income** | 55 | 55 | 55 | 55 | 55 | 191 | 93 | 93 | 93 | 93 | - | 893 |
| **Premiums Collected & Waived** | 4,119 | 3,478 | 3,878 | 3,578 | 3,563 | 3,366 | 3,271 | 3,414 | 3,159 | 3,126 | 3,172 | 3,203 |
| **Premiums Accrued** | - | - | 38 | - | - | 285 | - | - | 615 | - | - | 524 |
| **Earned Premium** | 4,119 | 3,478 | 3,916 | 3,578 | 3,563 | 3,650 | 3,271 | 3,414 | 3,774 | 3,126 | 3,172 | 3,727 |
| **Claims Paid and Waived** | (21,950) | (21,079) | (22,184) | (22,946) | (22,288) | (21,159) | (21,410) | (24,417) | (21,540) | (19,945) | (22,655) | (22,177) |
| **Change in Claim Reserves** | - | - | 20,164 | - | - | (3,395) | - | - | 21,839 | - | - | (20,565) |
| **Change in Active Life Reserves** | - | - | 49,260 | - | - | (691,779) | - | - | 86,554 | - | - | (240,062) |
| **Change in IFRPV Adjustment** | - | - | - | - | - | 1,300,408 | - | - | (45,446) | - | - | 319,780 |
| **Change in UBL** | - | - | - | - | - | (1,300,408) | - | - | - | - | - | - |
| **Change in Premium Deficiency Reserves** | - | - | 52,722 | - | - | 783,653 | - | - | - | - | - | (274,334) |
| **Change in PDR (IMR Release)** | - | - | 1,795 | - | - | 24,184 | - | - | - | - | - | - |
| **Incurred Claims** | (21,950) | (21,079) | 101,757 | (22,946) | (22,288) | 91,504 | (21,410) | (24,417) | 41,406 | (19,945) | (22,655) | (237,357) |
| **Reinsurance Activity** | - | - | - | - | - | 12,146 | - | (1) | - | - | - | 8 |
| **Commissions** | 260 | 233 | 258 | 242 | 235 | 190 | 212 | 219 | 189 | 193 | 213 | 201 |
| **G&A Expenses (excluding Inv Exp Reclass)** | 2,575 | 2,638 | 2,702 | 3,137 | 2,442 | 2,432 | 2,582 | 1,766 | 2,100 | 2,708 | 2,791 | 2,390 |
| **G&A Expenses (including Inv Exp Reclass)** | 2,496 | 2,545 | 2,626 | 3,061 | 2,374 | 2,360 | 2,511 | 1,691 | 2,033 | 2,648 | 2,731 | 2,309 |
| **Taxes, Licenses and Fees** | 81 | 84 | 229 | 43 | 88 | 22 | 52 | 47 | 42 | 41 | 44 | 44 |
| **Federal and State Taxes** | - | - | (35) | - | - | (153) | - | - | (106) | - | - | (112) |
| **Net Income** | $ (16,887) | $ (19,078) | $ 102,804 | $ (20,015) | $ (19,389) | $ 107,861 | $ (18,197) | $ (21,020) | $ 46,752 | $ (15,851) | $ (17,763) | $ (231,103) |

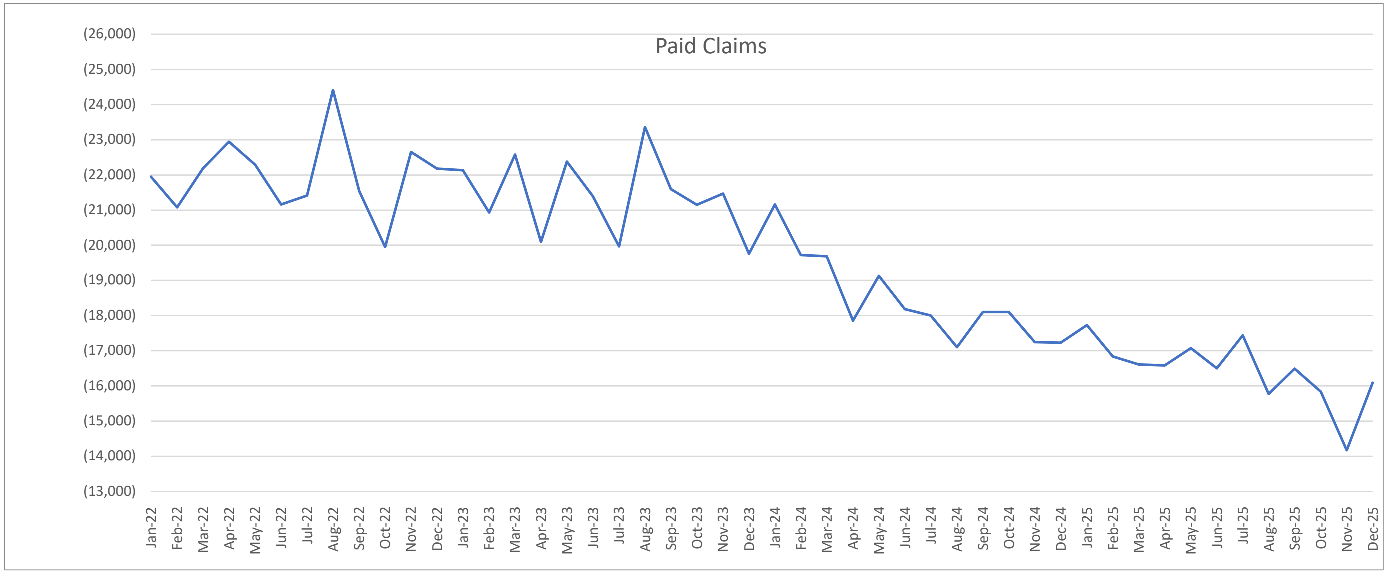
**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Trended Net Investment Income**
**December 31, 2025**
in 000s



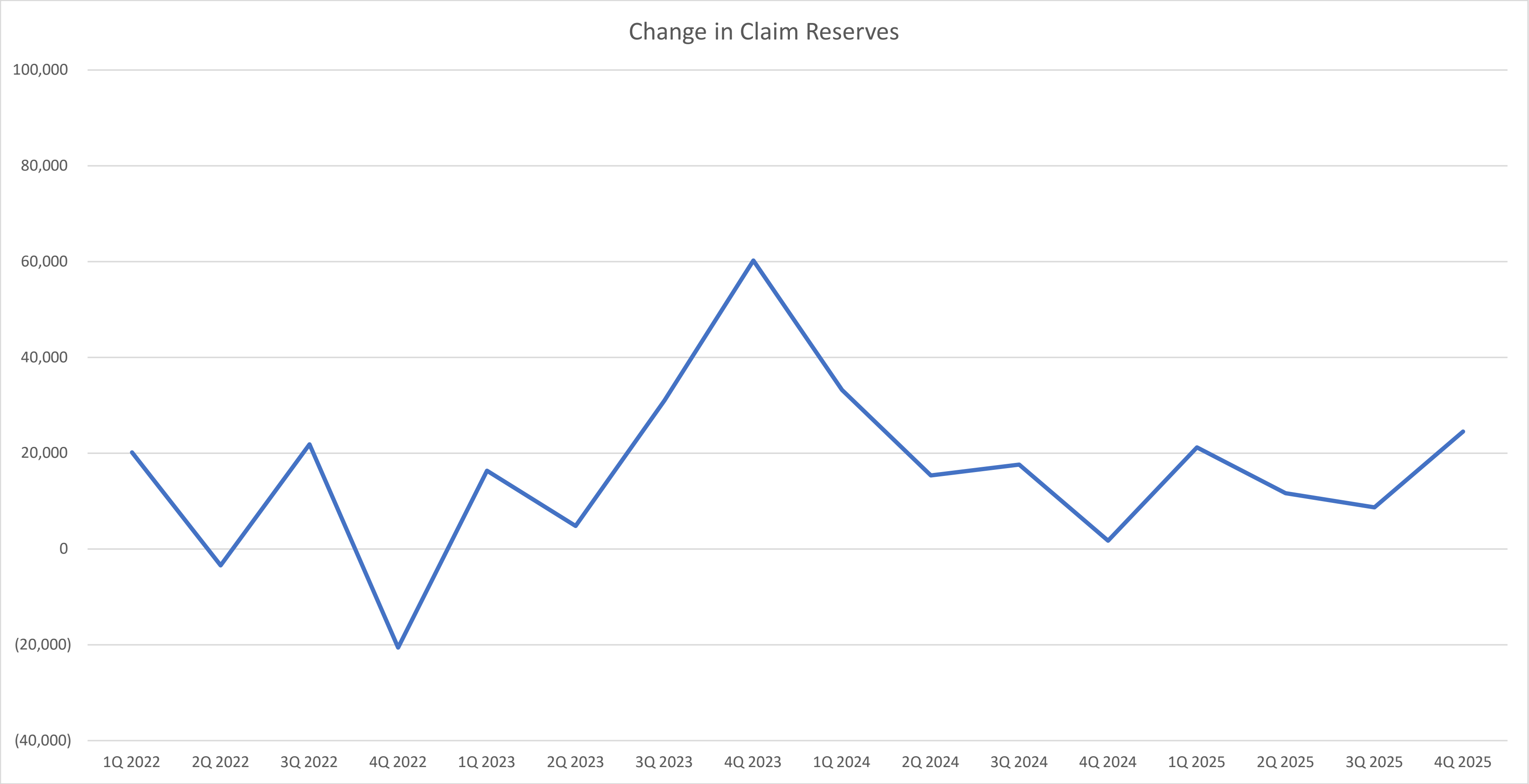

Starting in November 2022, fluctuations in net investment income are primarily due to the change in market value of alternative assets.

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Trended Premium and Paid Claims**
**December 31, 2025**
in 000s

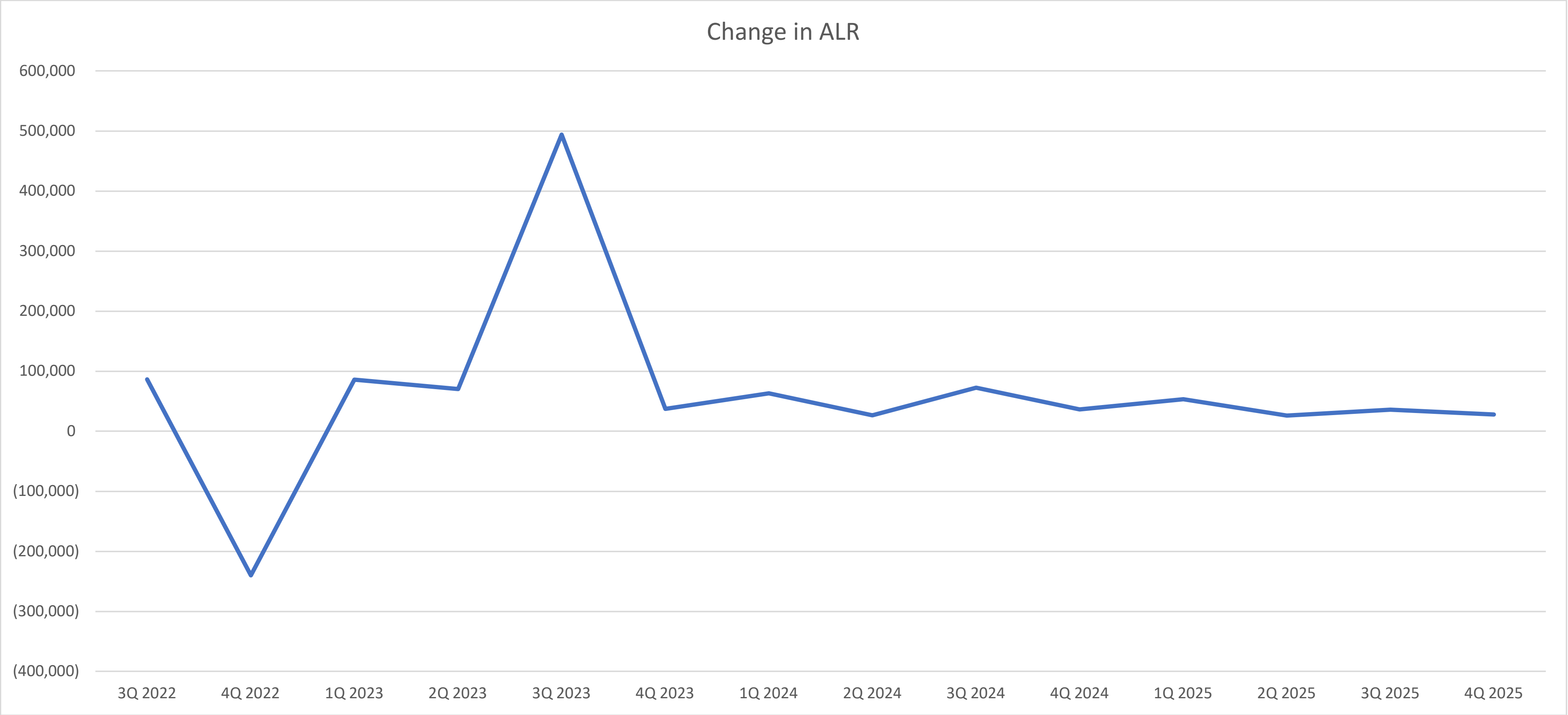


**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Quarterly Trended Change in Claim Reserves**
**December 31, 2025**
in 000s

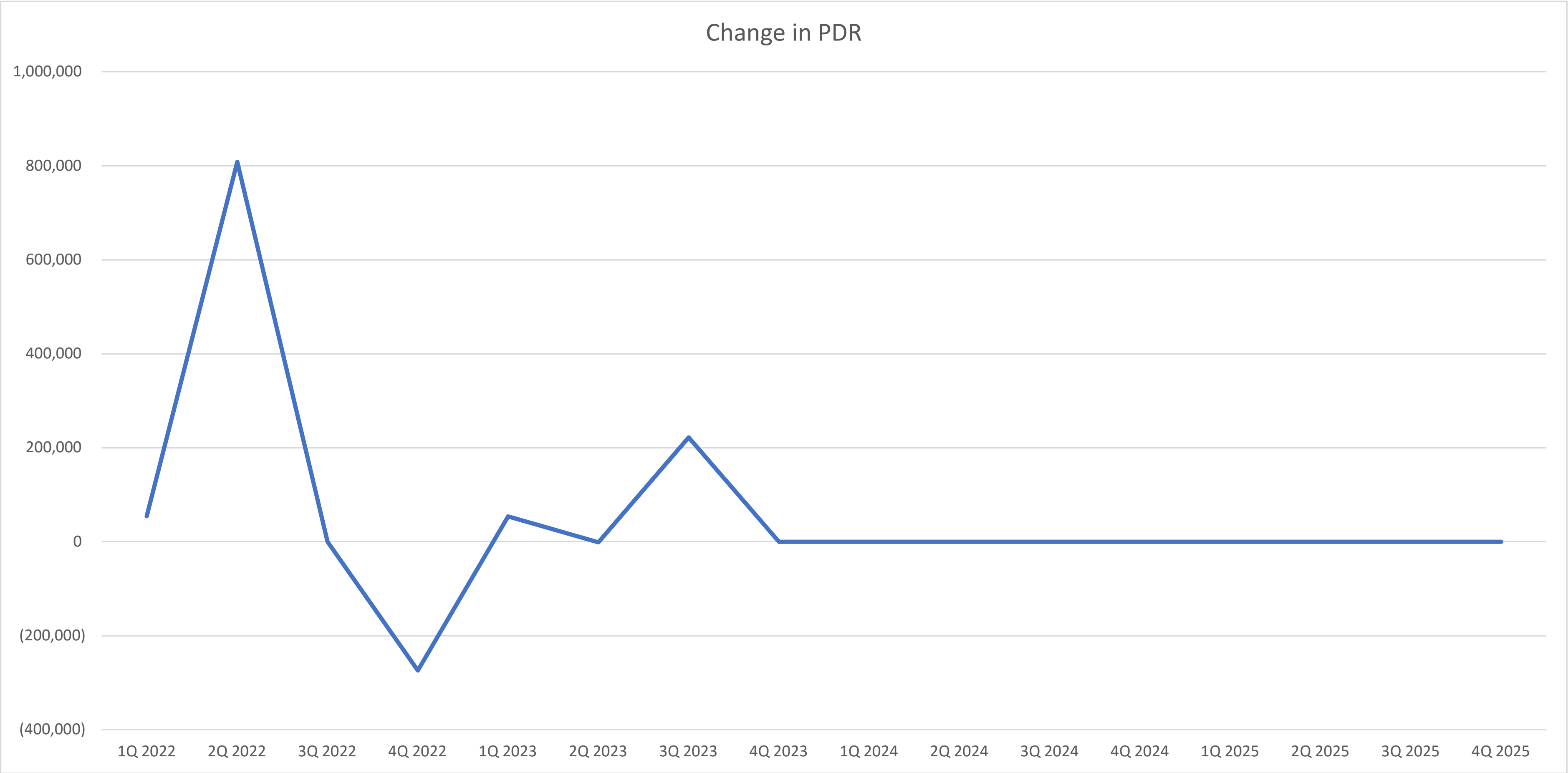


**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Quarterly Trended Change in ALR**
**December 31, 2025**
in 000s



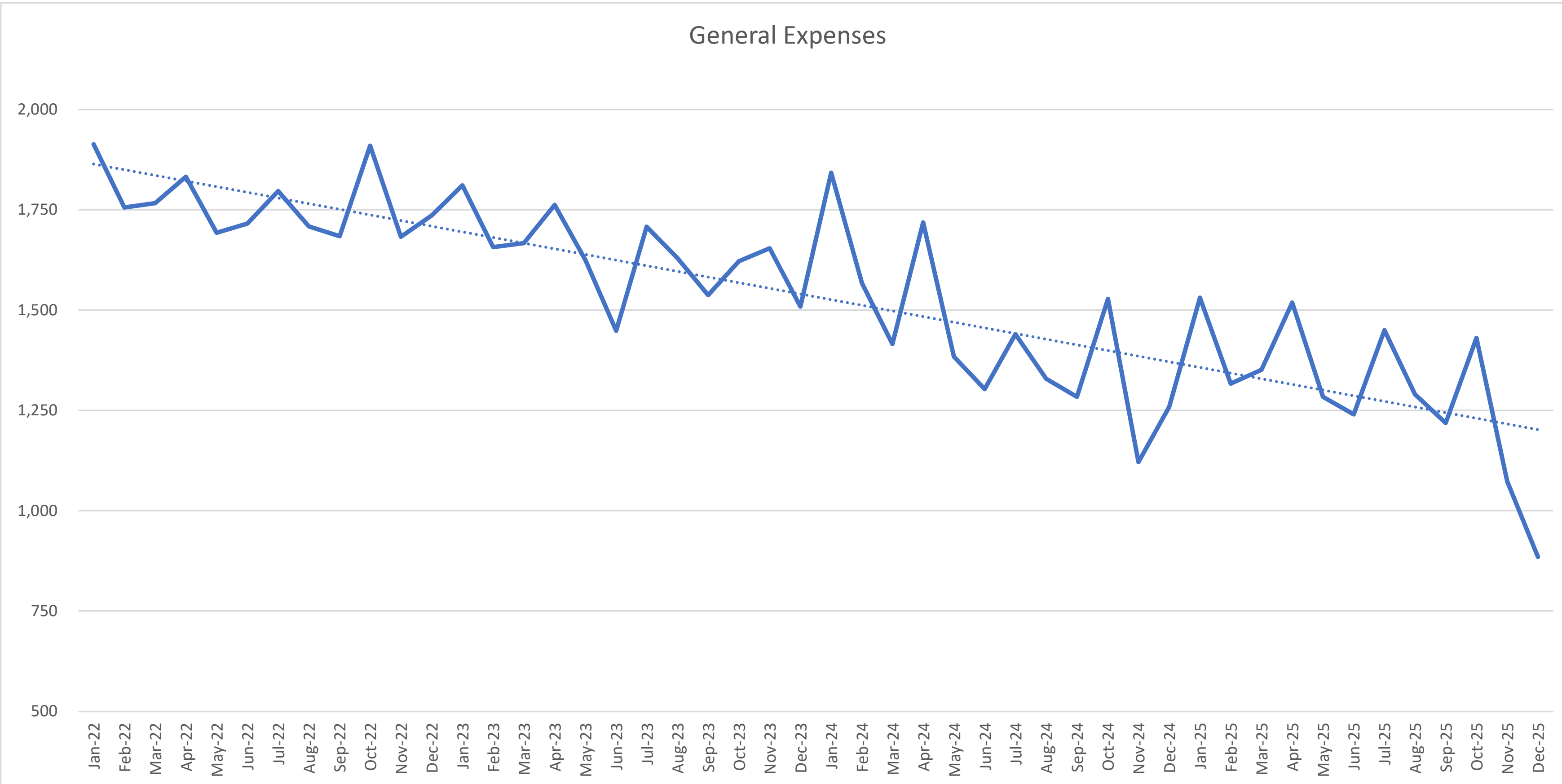

* Methodology change implemented in Q2 2022

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Quarterly Trended Change in PDR**
**December 31, 2025**
in 000s




* Methodology change implemented in Q2 2022

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Trended General Expenses Excluding Rehabilitation Activity**
**December 31, 2025**
in 000s



# SHIP Court Reporting Package

## Professional and Consulting Fees
## as of December 31, 2025

Contents:



SHIP
SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)

**Senior Health Insurance Company of Pennsylvania In Rehabilitation & HBKY**
**Rehabilitation Expenses after Rehabilitation Order**
**Period Ending December 31, 2025**

| Vendor | Inception (Feb 2020 to date) | 2025 YTD | 2025 Dec |
|---|---|---|---|
| **Legal Fees** | | | |
| Robert A. Blaeser ADR, LLC | $ 3,103 | $ - | $ - |
| Cantilo & Bennett (HBKY) | 2,622,817 | 855,427 | (5,038) |
| Comisky Law | 25,000 | 25,000 | - |
| Covington & Burling LLP | 2,372 | 2,372 | - |
| Cozen O'Connor | 14,401,674 | 3,014,879 | (90,538) |
| Farmer Law Office (HBKY) | 75,814 | 75,814 | 8,115 |
| Frost Brown Todd (HBKY) | 1,772,001 | 232,436 | 15,802 |
| FTI Consulting | 320,054 | - | - |
| Global Regulatory Risk & Compliance (HBKY) | 3,954,592 | 1,359,806 | 120,000 |
| Griesing Mazzeo | 23,419 | - | - |
| Kleinbard LLC | 161,740 | 26,689 | - |
| Optimal Dispute Resolution | 2,616 | 2,616 | - |
| Pellis Law Group | 1,668,777 | 115,970 | 7,140 |
| Plews Shadley Racher & Braun | 20,494 | 1,974 | - |
| Post & Schnell | 13,962 | - | - |
| Zuckerman Spaeder, LLP | 151,928 | (17,529) | - |
| **Total Rehabilitation Legal Fees** | 25,220,360 | 5,695,454 | 55,480 |
| **Actuarial Fees** | | | |
| Oliver Wyman | 17,882,575 | 3,362,214 | 455,260 |
| **Total Rehabilitation Actuarial Fees** | 17,882,575 | 3,362,214 | 455,260 |
| **Outsourced Services** | | | |
| Advance Minerals (HBKY) | 3,011 | - | - |
| Anderson Professional Services (HBKY) | 25,000 | 25,000 | - |
| Canidium | 2,253 | - | - |
| Fineline Printing | 121,954 | 6,557 | 52 |
| Fuzion (HBKY) | 89,274 | 19,204 | 1,787 |
| Fuzion (SHIP) | 18,683 | 3,011 | - |
| F&W Forestry Services (HBKY) | 32,693 | 5,505 | - |
| GTK Engineering (HBKY) | 35,542 | 25,727 | - |
| Illumifin | 4,806,768 | 113,158 | 7,384 |
| Institutional Client Management | 415,000 | 90,000 | 7,500 |
| K. Hatfield LTD (HBKY) | 8,600 | 8,600 | 1,000 |
| Kreischer Miller | 3,965 | - | - |
| Nathan Ryan Johnson (HBKY) | 7,050 | 7,050 | - |
| Plymouth Energy (HBKY) | 4,701 | - | - |
| Precision Product Technologies (HBKY) | 14,950 | - | - |
| PricewaterhouseCoopers | 42,200 | - | - |
| Respec (HBKY) | 429,606 | 114,784 | 1,713 |
| Taxes, Licenses, and Fees (HBKY) | 242,950 | - | - |
| TPG Direct | 868,132 | 67,268 | 10,160 |
| UPS | 1,029 | 1,029 | - |
| USPS | 56,510 | 4,000 | - |
| Walton Creek Holdings (HBKY) | 148,947 | 63,552 | 4,821 |
| **Total Rehabilitation Outsourced Services** | 7,378,817 | 554,446 | 34,417 |
| **Estate Management Expense** | | | |
| Cantilo & Bennett | 8,574,914 | 1,134,786 | 4,523 |
| RLR Management Services | 2,957,432 | 379,562 | 20,563 |
| Statutory Liqudators | 1,397,207 | 258,995 | 32,000 |
| **Total Rehabilitation Estate Management Expense** | 12,929,553 | 1,773,342 | 57,086 |
| **Inactive Vendors** | | | |
| E-gineering | 779,563 | - | - |
| ISC Strategies Consulting | 861,770 | - | - |
| Priority Press | 202,585 | - | - |
| RGP | 107,625 | - | - |
| Scribner Hall | 336,227 | - | - |
| UN Communications | 215,572 | - | - |
| William J Mansfield | 209,145 | - | - |
| Zeldis | 96,100 | - | - |
| Other inactive vendors | 274,566 | - | - |
| **Total Inactive Vendors** | 3,083,153 | - | - |
| **Total Rehabilitation Expenses** | **$ 66,494,458** | **$ 11,385,455** | **$ 602,243** |

# SHIP Court Reporting Package

## Analytics Dashboard
## as of December 31, 2025

## Contents:



SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA
(IN REHABILITATION)

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
# Analytic Dashboard

**Quarterly Dashboard**
**December 31, 2025**

**Policies, Premiums, and Reserves as of December 31, 2025**
Breakout Exhibit by Product ID

| Product ID | Number of Members **(1)** | Annualized Premium **(2)** | Total Reserve **(3)** |
|---|---|---|---|
| TPM | 540 | $ 1,258,299 | $ 31,401,411 |
| 10770/10853 | 392 | 332,589 | 9,976,080 |
| 10955/11001 | 2,899 | 7,543,501 | 301,008,915 |
| FQ_Preference | 5,539 | 7,530,630 | 292,534,802 |
| HHC | 1,554 | 1,076,316 | 49,535,394 |
| LTC-1 | 1,340 | 1,958,043 | 42,429,604 |
| LTC-3 | 1,182 | 2,000,022 | 83,080,153 |
| LTC-6 | 4,232 | 5,598,274 | 253,982,145 |
| Other ATL | 387 | 266,852 | 7,207,268 |
| Other_TLI | 123 | 50,583 | 1,739,190 |
| Grand Total | 18,188 | $ 27,615,109 | $ 1,072,894,962 |

(1) Includes paid up policies: NFO or lifetime waiver

(2) Includes policies on waiver of premium

(3) Includes active life reserves, claim reserves, premium deficiency reserves, and gross unearned premium reserves

(4) Rehabilitation was implemented for all policies as of October 2025

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
# Analytic Dashboard

**Quarterly Dashboard**
**December 31, 2025**

| Inforce Policy Persistency Ratio (1) | | |
|---|---|---|
| **Value Date** | **Annualized Plan (2)** | **Actual** |
| Q1 2020 | 85.6% | 85.7% |
| Q2 2020 | 85.0% | 87.8% |
| Q3 2020 | 86.5% | 83.4% |
| Q4 2020 | 86.6% | 83.7% |
| Q1 2021 | 87.5% | 83.2% |
| Q2 2021 | 87.5% | 85.0% |
| Q3 2021 | 87.5% | 86.1% |
| Q4 2021 | 87.5% | 85.1% |
| Q1 2022 | 86.8% | 83.6% |
| Q2 2022 | 86.8% | 86.3% |
| Q3 2022 | 86.8% | 87.3% |
| Q4 2022 | 86.8% | 87.8% |
| Q1 2023 | 85.6% | 83.6% |
| Q2 2023 | 85.6% | 86.6% |
| Q3 2023 | 85.6% | 87.2% |
| Q4 2023 | 85.6% | 84.0% |
| Q1 2024 | 86.2% | 83.8% |
| Q2 2024 | 86.1% | 86.9% |
| Q3 2024 | 85.8% | 85.2% |
| Q4 2024 | 85.6% | 84.8% |
| Q1 2025 | 85.2% | 81.3% |
| Q2 2025 | 85.1% | 84.5% |
| Q3 2025 | 85.1% | 84.0% |
| Q4 2025 | 84.8% | 83.0% |

(1) Percent of members who remain inforce
(2) Source - Milliman CFT through 2020. Oliver Wyman projections beginning Q1 2021

# Senior Health Insurance Company of Pennsylvania in Rehabilitation
# Analytic Dashboard
### LTC In force by Resident State

**Quarterly Dashboard**
**December 31, 2025**

| Resident State | Number of Members (1) | Premium (2) |
|---|---|---|
| Alabama | 48 | 64,708 |
| Alaska | 15 | 10,753 |
| Arizona | 475 | 596,169 |
| Arkansas | 103 | 157,683 |
| California | 1,436 | 2,736,846 |
| Canada | 5 | 15,317 |
| Colorado | 197 | 280,513 |
| Connecticut | 42 | 102,908 |
| Delaware | 57 | 129,326 |
| District of Columbia | 11 | 47,766 |
| Florida | 1,635 | 2,963,604 |
| Georgia | 332 | 654,070 |
| Hawaii | 53 | 87,630 |
| Idaho | 71 | 69,453 |
| Illinois | 752 | 1,418,922 |
| Indiana | 382 | 574,837 |
| Iowa | 402 | 530,857 |
| Kansas | 377 | 343,135 |
| Kentucky | 209 | 239,596 |
| Louisiana | 148 | 198,538 |
| Maine | 135 | 196,654 |
| Maryland | 452 | 1,020,550 |
| Massachusetts | 151 | 251,549 |
| Michigan | 408 | 520,001 |
| Minnesota | 284 | 415,411 |
| Mississippi | 80 | 123,915 |
| Missouri | 458 | 635,140 |

| Resident State | Number of Members (1) | Premium (2) |
|---|---|---|
| Montana | 82 | 123,592 |
| Nebraska | 220 | 393,251 |
| Nevada | 72 | 69,698 |
| New Hampshire | 31 | 60,553 |
| New Jersey | 362 | 760,455 |
| New Mexico | 73 | 103,597 |
| New York | 194 | 284,152 |
| North Carolina | 524 | 856,312 |
| North Dakota | 186 | 279,169 |
| Ohio | 677 | 1,032,218 |
| Oklahoma | 396 | 407,187 |
| Oregon | 152 | 155,193 |
| Pennsylvania | 1,777 | 2,850,144 |
| Rhode Island | 8 | 10,080 |
| South Carolina | 177 | 343,110 |
| South Dakota | 95 | 217,774 |
| Tennessee | 312 | 477,744 |
| Texas | 2,566 | 2,891,869 |
| Utah | 180 | 200,392 |
| Vermont | 11 | 18,037 |
| Virginia | 386 | 664,795 |
| Washington | 662 | 635,707 |
| West Virginia | 28 | 39,185 |
| Wisconsin | 286 | 345,526 |
| Wyoming | 13 | 9,517 |
| Total | 18,188 | $ 27,615,108 |

(1) Number of members inforce
(2) Annualized premiums inforce
(3) Rehabilitation was implemented for all policies as of October 2025

# Quarter Dashboard
## December 31, 2025
**Status on LTC Lapse/Cancel/Death (1)**

**Quarterly Dashboard**
**December 31, 2025**

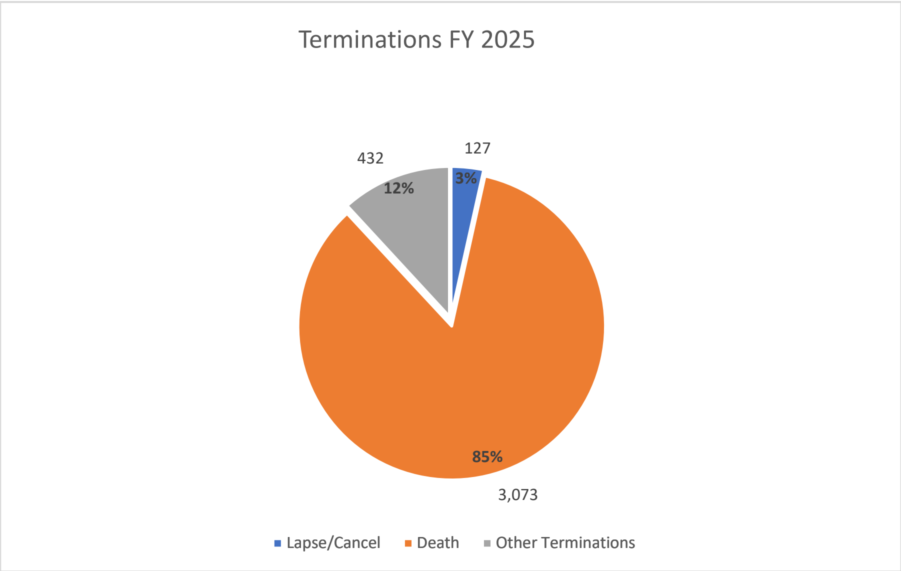
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total YTD | Avg YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premium Paying | 7,428 | 7,305 | 7,188 | 7,089 | 6,957 | 6,865 | 6,785 | 6,695 | 6,587 | 6,472 | 6,399 | 6,290 | 6,290 | 6,838 |
| Claim Waiver / Lifetime Waiver | 5,395 | 5,309 | 5,179 | 5,127 | 5,046 | 4,934 | 4,890 | 4,822 | 4,744 | 4,671 | 4,605 | 4,500 | 4,500 | 4,935 |
| Nonforfeiture | 8,482 | 8,380 | 8,221 | 8,152 | 8,077 | 7,992 | 7,879 | 7,778 | 7,666 | 7,599 | 7,506 | 7,398 | 7,398 | 7,928 |
| | | | | | | | | | | | | | | |
| Lapse | 6 | 7 | 2 | 4 | 10 | 3 | 8 | 7 | 3 | 10 | 3 | 6 | 69 | 6 |
| Cancel | 6 | 5 | 3 | 5 | 9 | 6 | 2 | 4 | 5 | 5 | 2 | 6 | 58 | 5 |
| Death | 269 | 280 | 380 | 204 | 245 | 256 | 210 | 238 | 268 | 219 | 209 | 295 | 3,073 | 256 |
| OTHER TERMINATIONS | | | | | | | | | | | | | | |
| Maxed Benefits | 13 | 19 | 21 | 7 | 25 | 24 | 17 | 12 | 22 | 21 | 18 | 15 | 214 | 18 |
| Other Terminations | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reinstatements | - | - | - | - | 1 | - | - | 2 | - | - | - | - | 3 | 0 |
| Nonforfeiture Conversion | 19 | 16 | 16 | 31 | 27 | 18 | 8 | 14 | 16 | 33 | 9 | 11 | 218 | 18 |
| | | | | | | | | | | | | | | |
| Lapse/Cancel | 12 | 12 | 5 | 9 | 19 | 9 | 10 | 11 | 8 | 15 | 5 | 12 | 127 | 11 |
| Death | 269 | 280 | 380 | 204 | 245 | 256 | 210 | 238 | 268 | 219 | 209 | 295 | 3,073 | 256 |
| Other Terminations | 32 | 35 | 37 | 38 | 52 | 42 | 25 | 26 | 38 | 54 | 27 | 26 | 432 | 36 |
| | | | | | | | | | | | | | | |
| Policies In Force | 21,305 | 20,994 | 20,588 | 20,368 | 20,080 | 19,791 | 19,554 | 19,295 | 18,997 | 18,742 | 18,510 | 18,188 | 18,188 | 19,701 |
| | | | | | | | | | | | | | | |
| Lapse / Cancel Term Rate | 0.06% | 0.06% | 0.02% | 0.04% | 0.09% | 0.04% | 0.05% | 0.06% | 0.04% | 0.08% | 0.03% | 0.06% | 0.59% | 0.05% |
| Annualized Lapse / Cancel Term Rate | 0.67% | 0.68% | 0.29% | 0.52% | 1.12% | 0.54% | 0.61% | 0.68% | 0.50% | 0.95% | 0.32% | 0.78% | N/A | 0.64% |
| Death & Other Term Rate | 1.39% | 1.48% | 1.99% | 1.18% | 1.46% | 1.48% | 1.19% | 1.35% | 1.59% | 1.44% | 1.26% | 1.73% | 16.23% | 1.46% |
| Annualized Death & Other Term Rate | 16.72% | 17.74% | 23.84% | 14.11% | 17.50% | 17.81% | 14.25% | 16.20% | 19.03% | 17.24% | 15.11% | 20.81% | N/A | 17.53% |
| Annualized Total Term Rate | 17.39% | 18.42% | 24.12% | 14.63% | 18.62% | 18.35% | 14.86% | 16.88% | 19.53% | 18.19% | 15.43% | 21.59% | 16.82% | 18.17% |

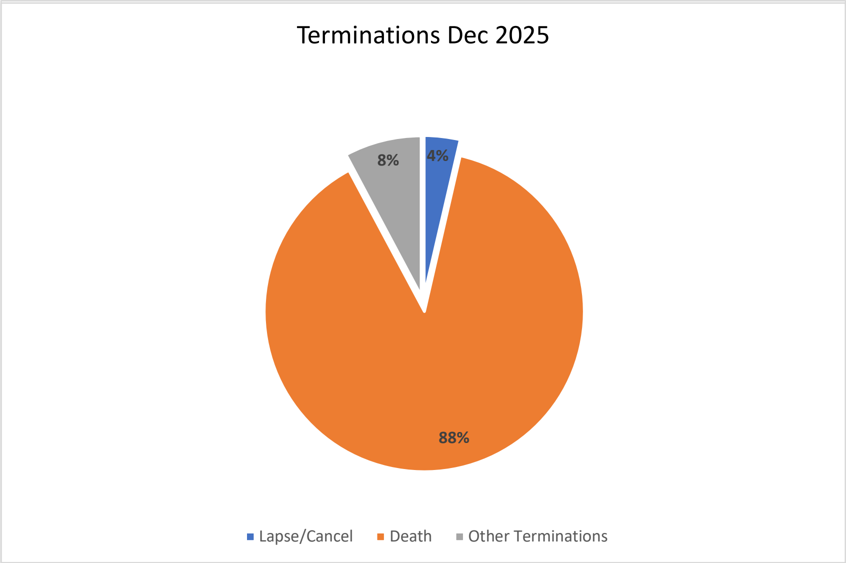
(1) Termination status is based on the reporting month's coverage file and what was known at that point in time. Actual termination reasons may vary due to additional information provided at a later date.

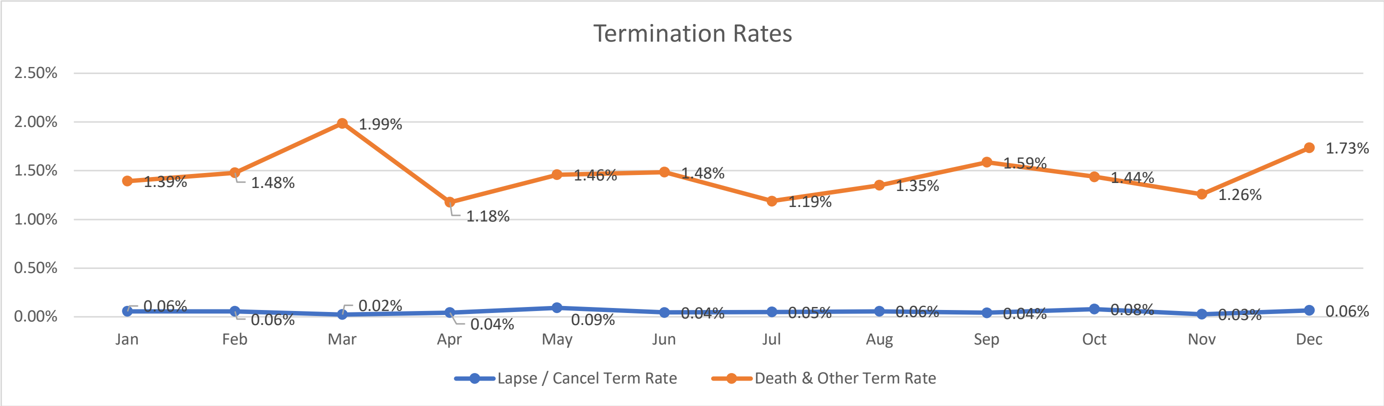
(2) Rehabilitation was implemented for all policies as of October 2025

**Senior Health Insurance Company of Pennsylvania In Rehabilitation**
**Analytic Dashboard**
**Status on LTC Lapse/Cancel/Death**
**Policies inforce as of December 31, 2025 is 18,188**

**Quarterly Dashboard**
**December 31, 2025**



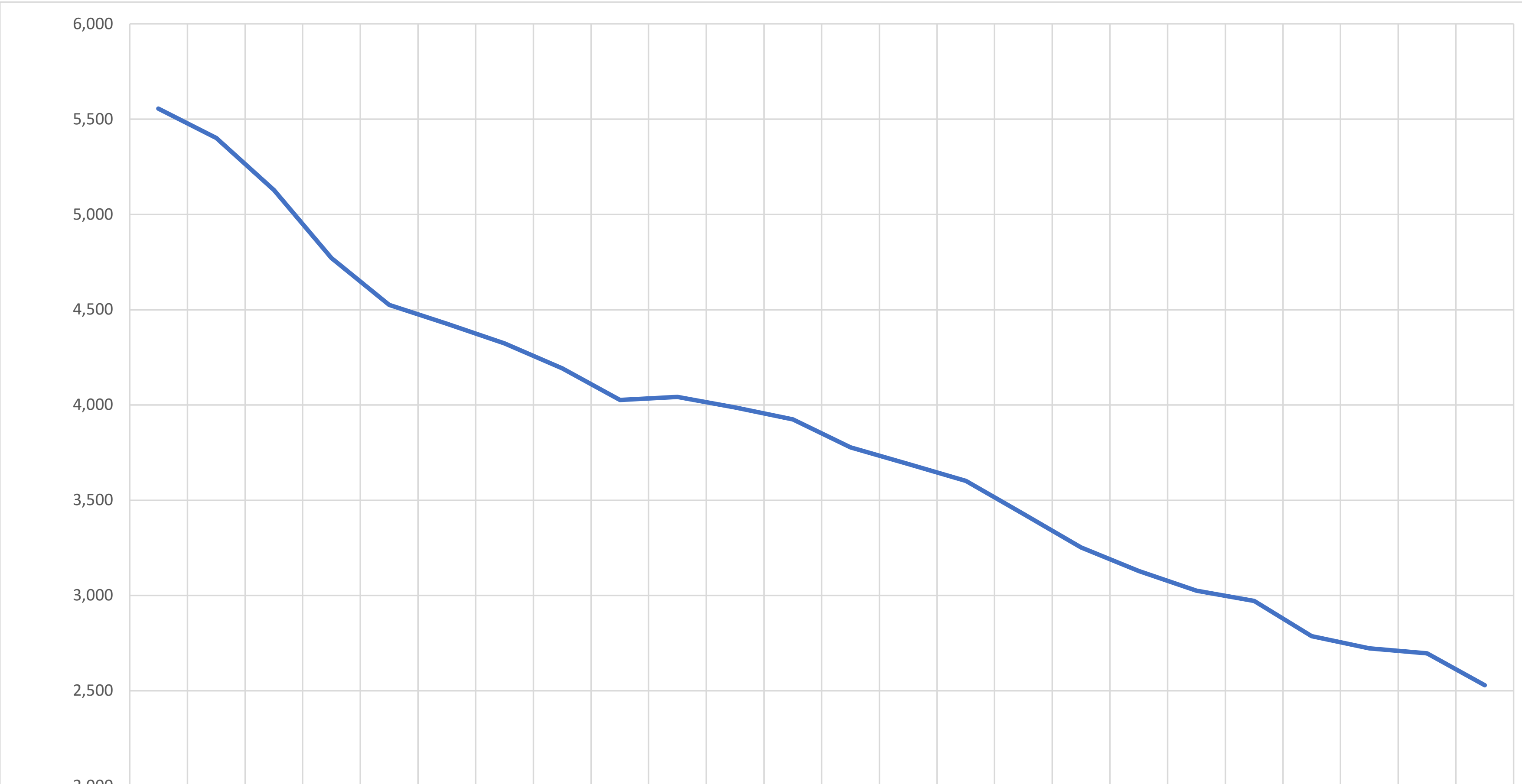




Rehabilitation was implemented for all policies as of October 2025

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
# Analytic Dashboard

**Total Open Claims (1)**

**Quarterly Dashboard**
**December 31, 2025**

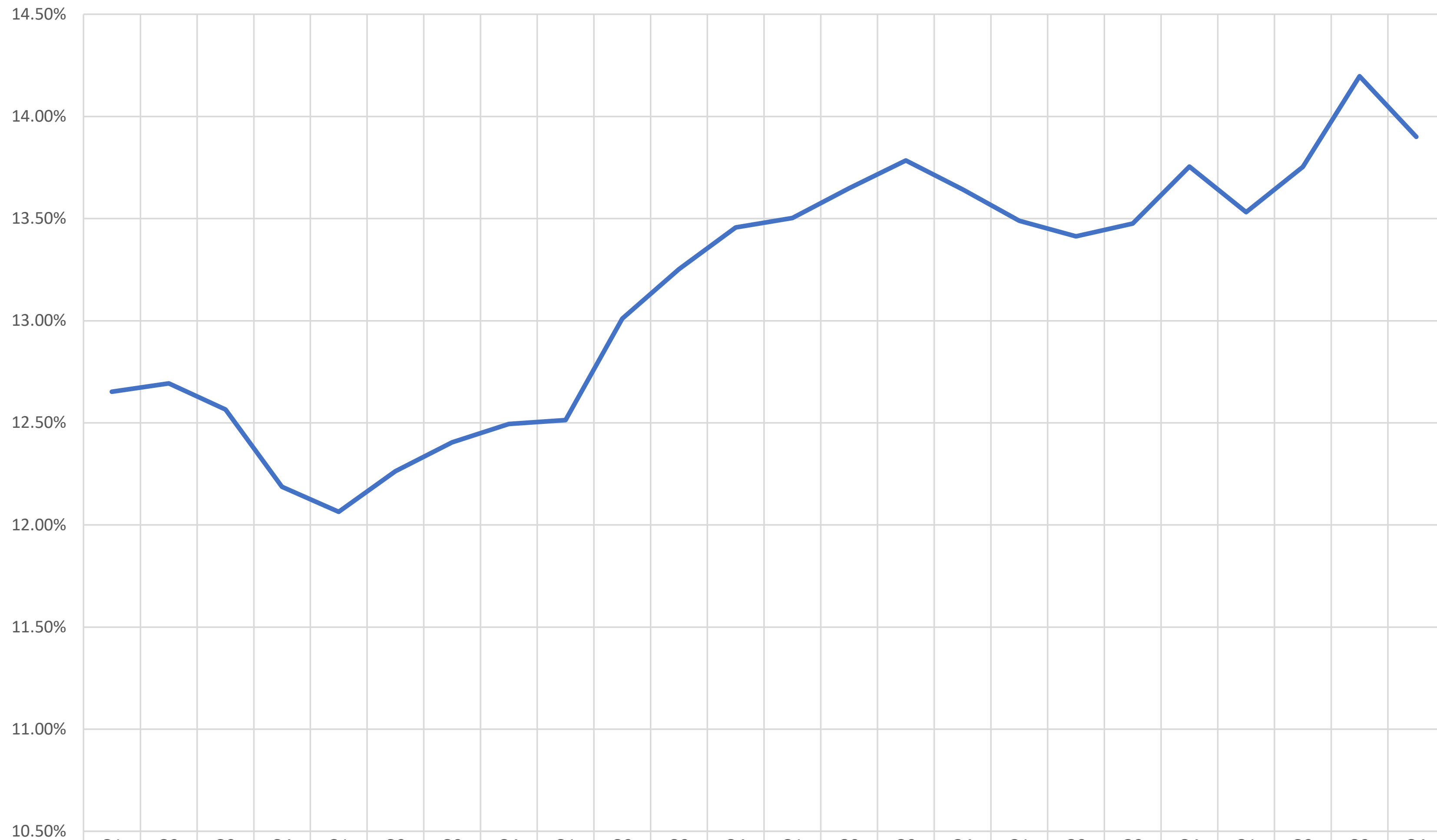



| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claim Count | 5,555 | 5,402 | 5,128 | 4,771 | 4,525 | 4,427 | 4,323 | 4,192 | 4,026 | 4,043 | 3,987 | 3,925 | 3,777 | 3,690 | 3,602 | 3,428 | 3,252 | 3,128 | 3,026 | 2,971 | 2,786 | 2,722 | 2,697 | 2,528 |

(1) Open Claims are those that have had a payment

## Senior Health Insurance Company of Pennsylvania In Rehabilitation
## Analytic Dashboard
**Percentage of Inforce on Claim**

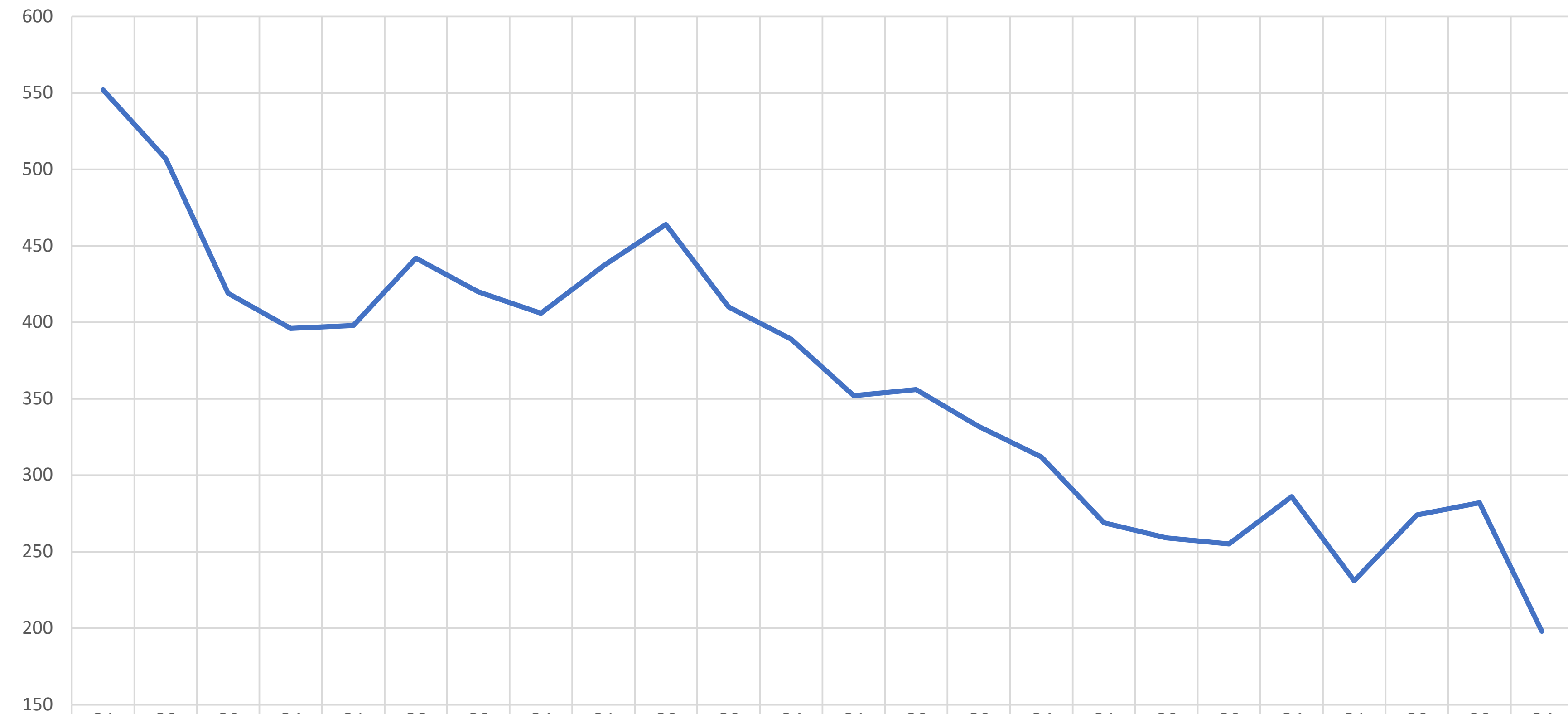
**Quarterly Dashboard**
**December 31, 2025**




| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentage On Claim | 12.65% | 12.69% | 12.56% | 12.19% | 12.06% | 12.26% | 12.40% | 12.50% | 12.51% | 13.01% | 13.25% | 13.46% | 13.50% | 13.65% | 13.78% | 13.64% | 13.49% | 13.41% | 13.48% | 13.76% | 13.53% | 13.75% | 14.20% | 13.90% |

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
# Analytic Dashboard
### New Claim Trend

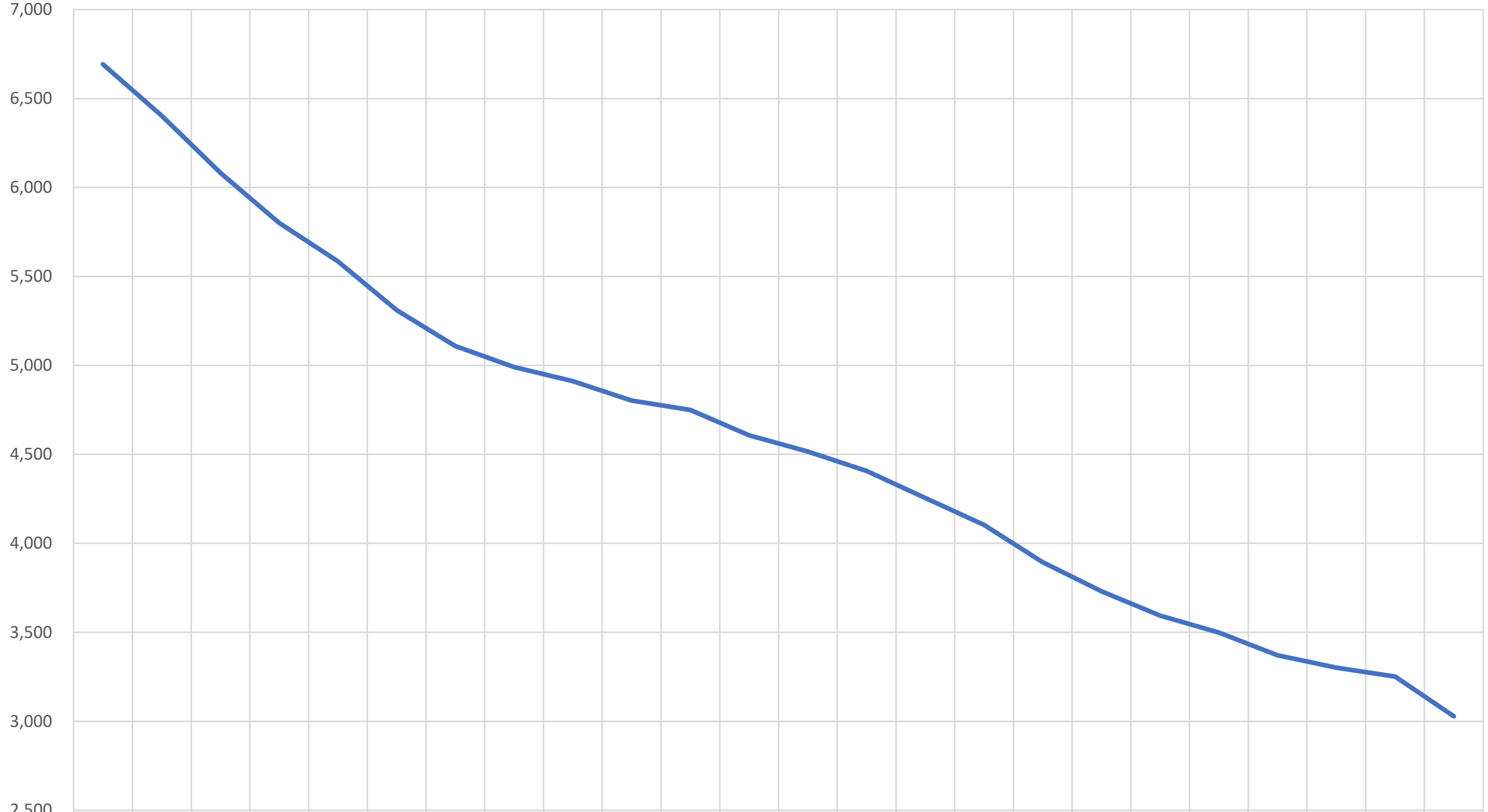
**Quarterly Dashboard**
**December 31, 2025**




| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claim Count | 552 | 507 | 419 | 396 | 398 | 442 | 420 | 406 | 437 | 464 | 410 | 389 | 352 | 356 | 332 | 312 | 269 | 259 | 255 | 286 | 231 | 274 | 282 | 198 |

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
## Analytic Dashboard
### Claims with Payments

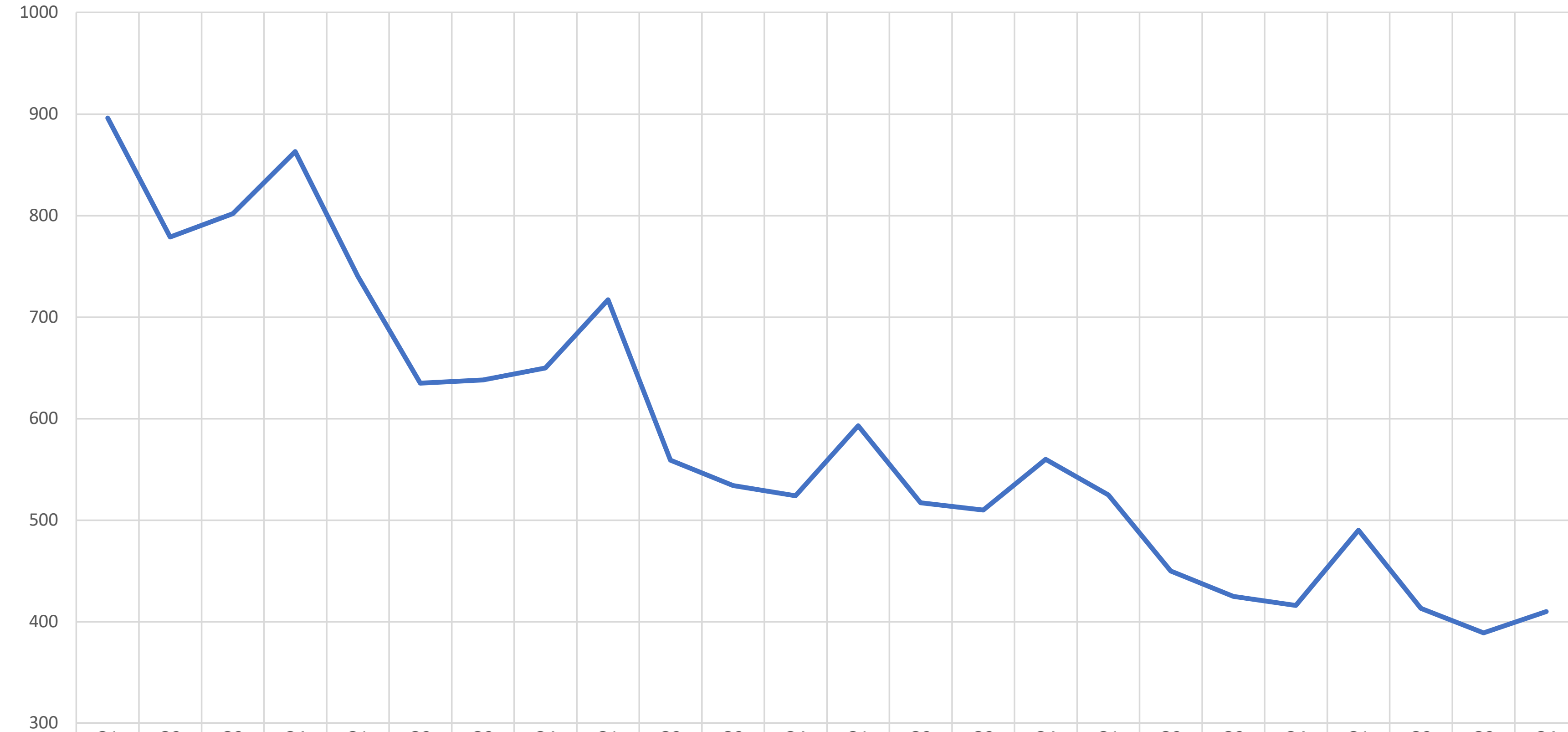
**Quarterly Dashboard**
**December 31, 2025**




| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claim Count | 6,691 | 6,402 | 6,083 | 5,800 | 5,585 | 5,310 | 5,108 | 4,991 | 4,912 | 4,803 | 4,749 | 4,606 | 4,515 | 4,407 | 4,255 | 4,103 | 3,894 | 3,730 | 3,594 | 3,498 | 3,371 | 3,301 | 3,251 | 3,028 |

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
# Analytic Dashboard
### Closed Claims Trend

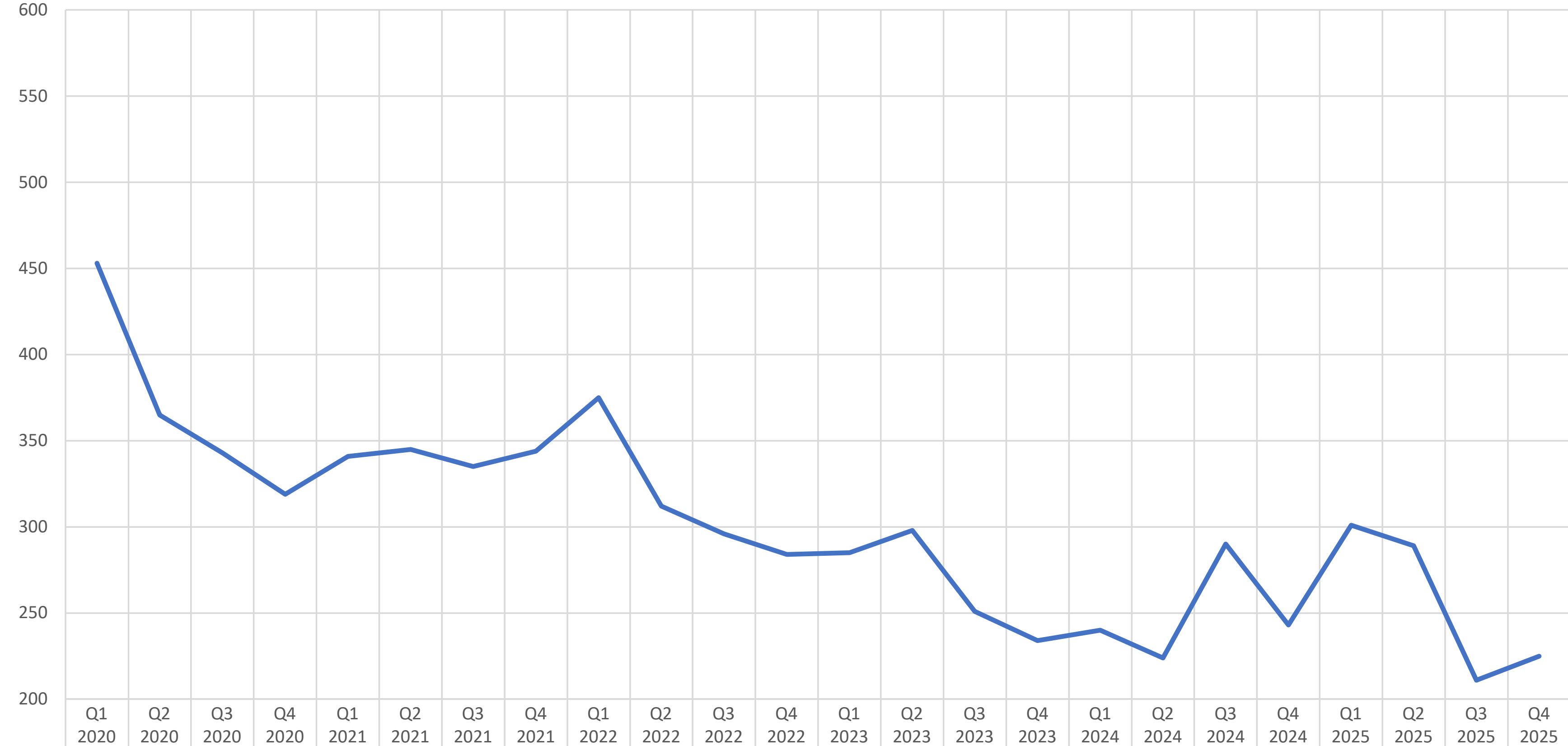
**Quarterly Dashboard**
**December 31, 2025**




| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claim Count | 896 | 779 | 802 | 863 | 740 | 635 | 638 | 650 | 717 | 559 | 534 | 524 | 593 | 517 | 510 | 560 | 525 | 450 | 425 | 416 | 490 | 413 | 389 | 410 |

## Senior Health Insurance Company of Pennsylvania in Rehabilitation
## Analytic Dashboard
### Pending Claims Trend

**Quarterly Dashboard**
**December 31, 2025**



| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claim Count | 453 | 365 | 343 | 319 | 341 | 345 | 335 | 344 | 375 | 312 | 296 | 284 | 285 | 298 | 251 | 234 | 240 | 224 | 290 | 243 | 301 | 289 | 211 | 225 |

# Senior Health Insurance Company of Pennsylvania In Rehabilitation
## Analytic Dashboard
### Complaints Analysis

**Quarterly Dashboard**
**December 31, 2025**

| Month | Total Complaints | Total Justified | Outcome Pending | Claims | Claims DOI | Claims PH | Claims Other | PHS | PHS DOI | PHS PH | PHS Other | MISC | MISC DOI | MISC PH | MISC Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| JAN | 10 | 1 | 0 | 7 | 1 | 4 | 2 | 3 | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| FEB | 13 | 5 | 0 | 10 | 2 | 8 | 0 | 3 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| MAR | 22 | 10 | 0 | 18 | 6 | 9 | 3 | 4 | 1 | 3 | 0 | 0 | 0 | 0 | 0 |
| 1st Quarter Totals | 45 | 16 | 0 | 35 | 9 | 21 | 5 | 10 | 2 | 8 | 0 | 0 | 0 | 0 | 0 |
| APR | 11 | 4 | 0 | 11 | 4 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MAY | 12 | 4 | 0 | 7 | 1 | 5 | 1 | 5 | 3 | 2 | 0 | 0 | 0 | 0 | 0 |
| JUN | 10 | 2 | 0 | 4 | 2 | 2 | 0 | 6 | 2 | 4 | 0 | 0 | 0 | 0 | 0 |
| 2nd Quarter Totals | 33 | 10 | 0 | 22 | 7 | 14 | 1 | 11 | 5 | 6 | 0 | 0 | 0 | 0 | 0 |
| JULY | 15 | 3 | 0 | 9 | 1 | 7 | 1 | 1 | 1 | 0 | 0 | 5 | 4 | 1 | 0 |
| AUGUST | 10 | 1 | 0 | 6 | 2 | 0 | 4 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| SEPTEMBER | 10 | 2 | 0 | 6 | 2 | 0 | 4 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3rd Quarter Totals | 35 | 6 | 0 | 21 | 5 | 7 | 9 | 9 | 9 | 0 | 0 | 5 | 4 | 1 | 0 |
| OCTOBER | 13 | 1 | 0 | 2 | 2 | 0 | 0 | 9 | 9 | 0 | 0 | 2 | 1 | 0 | 1 |
| NOVEMBER | 7 | 2 | 0 | 4 | 0 | 0 | 4 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| DECEMBER | 7 | 1 | 1 | 4 | 1 | 0 | 3 | 2 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| 4th Quarter Totals | 27 | 4 | 1 | 10 | 3 | 0 | 7 | 14 | 14 | 0 | 0 | 3 | 1 | 0 | 2 |
| | | | | | | | | | | | | | | | |
| Year Total | 140 | 36 | 1 | 88 | 24 | 42 | 22 | 44 | 30 | 14 | - | 8 | 5 | 1 | 2 |

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1 SHP 2020

# EXHIBIT B

# SHIP POLICYHOLDER ELECTION STATUS REPORT

# AS OF DECEMBER 31, 2025

## SHIP Policyholder Election Status Report
## As of 12/31/2025

Policyholder Election Phases

The SHIP Policyholder Election Program consists of four distributions.

1. The first mailing occurred in January 2022 and included holders of policies issued 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. A second group of mailings occurred from May 2022 through November 2024 and included Additional Opt-In policyholders, those whose policies were issued 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 3,800 policyholders received Election Packages during these second distributions.

3. The third distribution occurred in October 2023 and included policies for which a new election had to be made. These new elections had to be made because the policy status changed from the initial election option calculation date (7/31/2021) to the elections effective date (9/1/2023). There were approximately 2,600 policyholders who received this mailing and had to make new elections.

4. The fourth and final distribution included the Opt-Out policyholders who were not included in the first three mailings. There were approximately 540 policyholders from IA and ND included in this distribution.

Election Results

Results of the Election Package mailings have been very positive. Approximately 88% of the policyholders responded by submitting their required Election Form before the due dates. The remaining 12% received the applicable default option. Policyholder election results by election option are as follows:

- Option 1: Downgrade Your Policy – 10.7%
- Option 2: Convert to a Basic Policy – 13.0%
- Option 2a: Convert to an Enhanced Basic Policy – 7.0%
- Option 3: Convert to an Enhanced Paid-Up Policy – 19.7%
- Option 4: Keep Your Current Coverage – 49.6%

It is very important to note that approximately 9,000 policyholders in force as of 12/31/2025 made elections that, based on past experience and applicable law, would not have been available to them in Liquidation. This represents approximately 63% of the election responses received.

Also notable is that 1,763 policyholders in force as of 12/31/2025 on premium waiver (13% of the options that have been implemented) elected options that require them to pay differential premiums. Of these, 136 chose Option 2, 91 chose Option 2a, and 1,536 chose Option 4. The vast majority, 1.546 (88%), pay differential premiums of $5,000 or less. The balance range up to more than $14,000.

Fourth Distribution Results

## IA Election Results

### Court Defaults:

| | |
|---|---|
| Did Not Request Election Package | |
| - Benefits Downgraded | 12.9% |
| - Benefits Not Downgraded | 10.9% |
| | |
| Requested Election Package (Non-Responders) | |
| - Benefits Downgraded | 10.6% |
| - Benefits Not Downgraded | 3.6% |

### Elections Made:

| | |
|---|---|
| - Option 1: Downgrade Your Policy | 6.0% |
| - Option 2: Convert to a Basic Policy | 4.3% |
| - Option 2a: Convert to an Enhanced Basic Policy | 4.0% |
| - Option 3: Convert to an Enhanced Paid-Up Policy | 6.6% |
| - Option 4: Keep Your Current Coverage | 41.1% |

## ND Election Results

| Court Defaults: | |
|---|---|
| Did Not Request Election Package | |
| - Benefits Downgraded | 23.1% |
| - Benefits Not Downgraded | 27.5% |
| | |
| Requested Election Package (Non-Responders) | |
| - Benefits Downgraded | 3.8% |
| - Benefits Not Downgraded | 2.5% |

| Elections Made: | |
|---|---|
| - Option 1: Downgrade Your Policy | 1.9% |
| - Option 2: Convert to a Basic Policy | 5.6% |
| - Option 2a: Convert to an Enhanced Basic Policy | 0.6% |
| - Option 3: Convert to an Enhanced Paid-Up Policy | 1.9% |
| - Option 4: Keep Your Current Coverage | 33.1% |

Received 04/01/2026 10:02 AM Commonwealth Court of Pennsylvania

Filed 04/01/2026 10:02 AM Commonwealth Court of Pennsylvania
1 SHP 2020

**CERTIFICATE OF SERVICE**

I, Michael J. Broadbent, hereby certify that on April 1, 2026, I caused to be served the foregoing ANNUAL REPORT OF THE REHABILITATOR ON THE STATUS OF THE REHABILITATION OF SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA attached thereto 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*