



October 15, 2013

**By UPS**

The Honorable Dave Jones  
Insurance Commissioner  
California Department of Insurance  
300 Capitol Mall  
Sacramento, California 95814

Re: Field Claims Examination Report  
Senior Health Insurance Company of Pennsylvania, NAIC #76325

Dear Commissioner Jones:

The Senior Health Insurance Company of Pennsylvania ("SHIP" or "We") hereby submits its response pursuant to California Insurance Code section 12938(b)(2) to the California Department of Insurance ("Department") adopted report of the market conduct examination of its claims handling practices with respect to long term care claims closed during the period of May 1, 2011 through April 30, 2012 ("Exam Report").

We would like to thank the Department for its professionalism and cooperation during the examination process. While we object to any assertion that SHIP engaged in a pattern or practice of claims handling that violates California law, we carefully considered each of the Department's allegations in the Exam Report and invested significant time and resources in addressing the Department's concerns. As reflected throughout the report, SHIP has comprehensive procedures in place to conduct and pursue a thorough, fair and objective investigation designed to provide for prompt, accurate and efficient payment of claims.

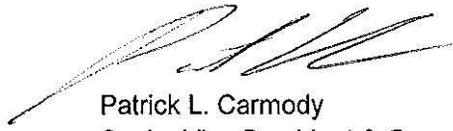
As you know, SHIP operates without a profit motive and its exclusive mission is to meet the servicing and claims obligations of its policyholders. Every dollar of customer premium is applied to supporting service and claims and we believe strongly in the quality of SHIP's claims handling practices. SHIP has an ongoing commitment to its customers and is an industry leader in customer service. We appreciate the opportunity to work with the Department to meet our shared objective of providing excellent service to California insureds.

The Honorable Dave Jones

October 15, 2013

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Sincerely,

A handwritten signature in black ink, appearing to read 'P. Carmody', with a long horizontal flourish extending to the right.

Patrick L. Carmody

Senior Vice President & General Counsel

Senior Health Insurance Company of Pennsylvania

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cc: Towanda David; California Department of Insurance (via e-mail)