## PA Department of Insurance

## 2009 Press Releases

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## COMMONWEALTH OF PENNSYLVANIA

Insurance Department Commonwealth News Bureau Room 308, Main Capitol Harrisburg, PA 17120

**Contact:** Rosanne Placey or Melissa Fox (717) 787-3289

Policyholders with questions on claims or non-claim matters may call 800-362-0700, ext. 3190.

Frequently Asked Questions

Rehabilitation Order: Penn Treaty Network America Insurance Company

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## COURT APPROVES ORDER TO PROTECT PENN TREATY POLICYHOLDERS, ENSURE CONTINUITY OF CARE Insurance Department Takes Control of Struggling Allentown-based Insurer & Subsidiary

**HARRISBURG** -- Insurance Commissioner Joel Ario announced today that the Commonwealth Court approved his petition for an Order of Rehabilitation for Penn Treaty Network America Insurance Co. and its subsidiary, American Network Insurance Co.

The order places the company under the statutory control of the Pennsylvania Insurance Department. It also grants the commissioner direct authority to preserve the company's assets and oversee its current financial situation and operations, while continuing to pay policyholder claims.

"It is the Insurance Department's responsibility to take action when a company is in financially hazardous condition," Ario said. "Placing Penn Treaty into rehabilitation will make certain that long-term care policyholder claims are paid, helping to ensure continuity of care for a community in need.

"We gave Penn Treaty time to find a buyer and infuse new capital. To date, the company has been unable to raise enough capital, so we must protect the company's assets and put policyholder protections into place. I want to assure policyholders that their policies remain in effect during this rehabilitation and that their premiums should continue to be paid in order for coverage to remain in place."

This rehabilitation is the first receivership action the department has taken in more than four years.

Penn Treaty, headquartered in Allentown, provides long-term care insurance to more than 126,000 policyholders. Together, Penn Treaty Network America Insurance Co. and its subsidiary, American Network Insurance Co., write long-term care insurance in all 50 states and the District of Columbia.

The Insurance Department will perform an independent, comprehensive evaluation of the company's finances. Based upon this review and analysis, the department then will determine the viability of a rehabilitation plan. Any plan will give payment priority to policyholder claims.

Policyholders and other interested parties will receive further information about the rehabilitation in the future. In the interim, policyholders with questions on claims or non-claim matters may use the following toll-free number: 800-362-0700, ext. 3190.

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