

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Penn Treaty Network America Insurance Company in Rehabilitation	:	No. 1 PEN 2009
	:	
and	:	
	:	
In Re: American Network Insurance Company in Rehabilitation	:	No. 1 ANI 2009
	:	

**APPLICATION OF THE POLICYHOLDERS COMMITTEE
FOR LEAVE TO RETAIN EXPERT WITNESS
AT THE EXPENSE OF PTNA AND ANIC**

The Committee of Policyholders of Penn Treaty Network America Insurance Company (“PTNA”) and American Network Insurance Company (“ANIC”), by their undersigned counsel, seeks leave from the Court to retain an expert witness at the expense of PTNA and ANIC, to testify concerning aspects of multi-state insurance guarantee system and premium rate regulation, for the reasons set forth below.

1. By their formal comments, briefs and oral arguments, certain intervening parties have proposed modifications of the Second Amended Plan that the Committee believes are contrary to the general interests of policyholders, including eliminating the allocation of any assets for over the limit claims in the future, as well as immediate premium increases and involuntary benefit cuts, including cutting of inflation benefits.

2. These proposals touch on important policy issues, including, but not limited to: the role of guaranty associations in the context of insurance regulation in general and more specifically in the context of handling insolvencies; the spreading of insolvency costs through the guaranty association system; whether the guaranty association system represents a grand bargain between the life and health insurance industry and regulators, whereby policyholders of an

insolvent insurer receive limited coverage under their policies, and in return the associations receive all the premium and all the assets, notwithstanding policyholder claims in excess of guaranty association caps; the pricing and regulation of LTC insurance products, and how regulators have responded over time to insurers' requests for premium increases for older LTC policies.

3. The Committee wishes to address some of those policy issues through a testifying expert.

4. The Committee has tentatively retained Sandy Praeger as its expert witness, subject to the approval of this application.

5. Ms. Praeger was the elected Insurance Commissioner of Kansas from 2003 to 2015, serving under Governors Kathleen Sebelius, Mark Parkinson and Sam Brownback. She is a graduate of the University of Kansas. She was elected Mayor of Lawrence, Kansas in 1986, and thereafter served in the Kansas legislature, including the state Senate from 1992 to 2003.

5. Ms. Praeger is a past president of the National Association of Insurance Commissioners.

6. Ms. Praeger's hourly fee would be \$350.

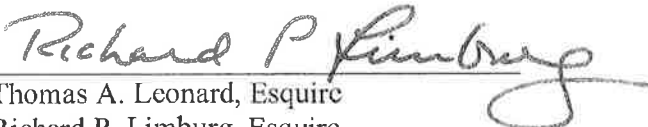
7. Ms. Praeger may call on other resources, including counsel, who would be billed to the estate at rates equal to or lower than her hourly rate.

8. The Rehabilitator has been advised of this application and has no objection thereto.

WHEREFORE, the Committee respectfully requests that the Court grant leave for the Committee to retain Sandy Praeger as a testifying expert at the expense of PTNA and ANIC at

the rate of \$350 per hour, and that she be permitted to call on other resources, including counsel, who would be billed to the estate at rates equal to or lower than her approved rate.

Respectfully submitted,

By: 
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Dated: October 26, 2015

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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Insurance Company in Rehabilitation

No. 1 PEN 2009

and

In Re: American Network Insurance
Company in Rehabilitation

No. 1 ANI 2009

[PROPOSED] ORDER

AND NOW, this ____ day of _____, 2015, upon consideration of the Application of the Committee of Policyholders of PTNA and ANIC for Leave to Retain an Expert Witness at the Expense of PTNA and ANIC, and the responses thereto, it is hereby ORDERED that the Application is GRANTED, and the Committee is authorized to retain Sandy Praeger as a testifying expert at the expense of PTNA and ANIC. Ms. Praeger's rate of \$350 per hour is approved and she may call on other resources, including counsel, who would be billed to the estate at rates equal to or lower than her approved rate.

BY THE COURT:

Mary Hannah Leavitt, J.

CERTIFICATE OF SERVICE

I certify that on October 26, 2015, I caused a true and correct copy of the foregoing Application to be served on the following persons by email at the email addresses indicated below:

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