

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Penn Treaty Network America : No. 1 PEN 2009
Insurance Company (in Liquidation) :

ORDER

AND NOW, this 19th day of April, upon consideration of the Application for Approval of Section 536 Asset Transfer (Application) filed by Michael Humphreys in his capacity as Statutory Liquidator of Penn Treaty Network America Insurance Company (in Liquidation) (Company), it is ORDERED as follows:

1. The Court APPROVES the Liquidator's request under Section 536 of Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, *as amended*, 40 P.S. § 221.36, to make an early distribution of the Company's assets to the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) on the Omnibus Proof of Claim filed by NOLHGA on May 1, 2018, on behalf of each of its member guaranty associations in a jurisdiction where the Company was licensed (Affected Associations).

2. The Liquidator shall, within 14 days of the date of this Order, transfer \$135 million in cash to NOLHGA on behalf of the Affected Associations as a Section 536 early access distribution (First NOLHGA Payment).

3. The Liquidator shall set aside \$19 million of the Company's assets for administrative expenses or other contingencies as an Administrative Holdback within 14 days of the date of this Order. *See* Section 536(b) of Article V, 40 P.S. §221.36(b).

4. The Liquidator shall, within 14 days of making the First NOLHGA Payment and setting aside the Administrative Holdback, transfer the Company's remaining available assets in cash to NOLHGA on behalf of the Affected Associations (Second NOLHGA Payment).

5. In the event the assets reserved in the Administrative Holdback are insufficient to cover claims identified in Section 536(b)(4) of Article V, 40 P.S. § 221.36(b)(4), the Liquidator shall notify NOLHGA of the amount of assets to be returned to the Liquidator in accordance with the November 17, 2016, Early Access Agreement among NOLHGA, the Affected Associations and the Insurance Commissioner, then Rehabilitator of the Company, previously approved by this Court.



MARY HANNAH LEAVITT, President Judge Emerita