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March 27, 2017

****IMPORTANT INFORMATION****
PLEASE KEEP THIS MATERIAL

RE: Notice of Liquidation & Proof of Claim Process

Dear Interested Party:

You are receiving this letter and the enclosed materials because you may have an interest in the status of Penn Treaty Network America Insurance Company (dba Penn Treaty Network America Life Insurance Company in California) ("Penn Treaty").

The Commonwealth Court of Pennsylvania ordered Penn Treaty into liquidation effective March 1, 2017. You should read the enclosed materials carefully and in their entirety. If you believe you may have a claim against Penn Treaty, it is important that you submit a Proof of Claim form in a timely manner. A blank Proof of Claim form and detailed instructions on how to complete and submit your Proof of Claim form are included in the enclosed materials.

FAILURE TO FILE A TIMELY CLAIM MAY RESULT IN DENIAL OF YOUR CLAIM OR CONSIDERATION OF YOUR CLAIM AT A LOWER PRIORITY LEVEL, DEPENDING UPON CONSIDERATION OF "GOOD CAUSE" UNDER THE LATE CLAIMS PROVISION OF ARTICLE V OF THE INSURANCE DEPARTMENT ACT OF 1921.

ATTENTION INSURANCE AGENTS:

If you were a licensed insurance agent who sold insurance policies issued by Penn Treaty and you had a direct contract with Penn Treaty, please be advised that the payment of commissions ceased effective March 1, 2017.

All questions concerning the liquidation of Penn Treaty and the Proof of Claim process should be directed to Penn Treaty's Legal Department, P.O. Box 7066, Allentown, PA 18105-7066 or (800)222-3469 ext. 3635.

Thank you for your prompt attention to this matter.

Sincerely,

Jane M. Bagley, Esquire
Senior Vice President & Corporate Counsel

Enclosures: Penn Treaty Notice of Liquidation
Penn Treaty Proof of Claim Form and Instructions
Questions & Answers Regarding the Liquidation Process

Penn Treaty Network America Insurance Company (In Liquidation)
(Penn Treaty Network America Life Insurance Company in California)
American Network Insurance Company (In Liquidation)

Commonwealth of Pennsylvania
Office of Liquidations, Rehabilitations
and Special Funds



Statutory Liquidator
Of
PENN TREATY NETWORK AMERICA INSURANCE COMPANY
PLEASE CAREFULLY READ THIS MATERIAL IN ITS ENTIRETY
AND RETAIN IT FOR YOUR RECORDS

IF YOU DO NOT FOLLOW THESE CLAIMS
SUBMISSION INSTRUCTIONS
YOUR CLAIM WILL BE DENIED.

NOTICE
TO THE DEBTORS, CLAIMANTS, CREDITORS AND ALL OTHER PERSONS
INTERESTED IN THE AFFAIRS OF
PENN TREATY NETWORK AMERICA INSURANCE COMPANY (IN LIQUIDATION)

NOTICE IS HEREBY GIVEN:

The Commonwealth Court of Pennsylvania ordered Penn Treaty Network America Insurance Company (In Liquidation) (Penn Treaty) into liquidation effective March 1, 2017. Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, was appointed the Statutory Liquidator, and was ordered to take possession of Penn Treaty's property, business and affairs. Deputy Insurance Commissioner Laura Lyon Slaymaker oversees the liquidation on her behalf. A copy of the Court's order can be found at the website www.penn treaty.com.

This information is important. It is recommended that you read it carefully before contacting the Liquidator's Office with questions. You may also want to consult your attorney or insurance advisors before you proceed.

Procedures for Claims Other than Claims for Policy Benefits

If you have a claim against Penn Treaty (other than a claim for policy benefits) that you intend to pursue, you must file a Proof of Claim in order to have your claim considered. Proofs of Claim must be postmarked – or if submitted via facsimile or email, bear a transmission date – on or before August 31, 2017.

It will be several years before all of Penn Treaty's assets are collected and distribution amounts can be determined. As stated above, to participate in a distribution of assets, you must file a Proof of Claim. A Proof of Claim form and detailed instructions for filing a Proof of Claim are included in this Notice packet. You must file a separate Proof of Claim form for each claim you make. If you have more than one claim, you may make copies of the enclosed form, or you may obtain additional Proof of Claim forms by using one of the following methods:

- 1) Visit the Pennsylvania Insurance Department's website at www.insurance.pa.gov/Regulations/LiquidationRehab/Pages/Penn-Treaty-Network-America-Insurance-Company.aspx
- 2) Visit Penn Treaty's website at www.penn treaty.com/Liquidation.aspx
- 3) Email Penn Treaty at poc@penn treaty.com
- 4) If you do not have internet access:
 - a. Call Penn Treaty's Legal Department at (800)222-3469 ext.3635
 - b. Submit a written request to Penn Treaty, ATTN: Legal Department, P.O. Box 7066, Allentown, PA 18105-7066

Proofs of Claim must be postmarked – or if submitted via facsimile or email, bear a transmission date – on or before August 31, 2017. A Proof of Claim shall include the following:

- A Proof of Claim form containing the original signature of the claimant;
- A description of the claim and any security interest;
- Whether collateral security or personal security is pledged;
- Documentation of any payments made on the claim;
- A statement that the amount is justly owed to the claimant; and

- Whenever a claim is based upon an instrument in writing, such as a contract, a copy of that document should be attached to the Proof of Claim. If the document has been destroyed, a statement of the facts and circumstances of the loss must be filed, under oath, with the claim.

All completed, signed Proof of Claim forms and supporting documentation may be submitted by mail, facsimile or email as follows:

Address: Penn Treaty Network America Insurance Company (In Liquidation)
ATTN: Legal Department – Proof of Claim
P.O. Box 7066
Allentown, PA 18105-7066
Facsimile: (610)967-1098
Email: poc@penntreaty.com

If you have any questions about the Proof of Claim process, please call Penn Treaty’s Legal Department at (800)222-3469 ext.3635.

Injunction and Turnover of Penn Treaty Property

Article V of the Insurance Department Act enjoins all persons from instituting or continuing any action at law or in equity or any attachment or execution against Penn Treaty, or the Statutory Liquidator. All persons indebted to, or having any property of, Penn Treaty in their possession, directly or indirectly, are hereby notified to tender an account of the indebtedness or property, including, but not limited to, earned commissions and premiums, collected or uncollected, related to Penn Treaty policies sold by producers or other persons for the benefit of Penn Treaty. Furthermore, all producers and other persons doing business with Penn Treaty are directed not to disburse any monies that come into their possession and are owed to, or claimed by, Penn Treaty, for any purpose other than to make payment to Penn Treaty. All payments, accountings, and property should be sent to Penn Treaty, ATTN: Legal Department, P.O. Box 7066, Allentown, PA 18105-7066.

CHANGE OF ADDRESS NOTIFICATION

YOU ARE REQUIRED BY ARTICLE V OF THE INSURANCE DEPARTMENT ACT TO NOTIFY THE STATUTORY LIQUIDATOR OF YOUR CHANGE OF ADDRESS. FAILURE TO DO SO MAY JEOPARDIZE YOUR RECOVERY FROM THE ESTATE.

You must submit your change of address in writing. For your convenience, you may obtain a “Change of Address” form using the same methods as the Proof of Claim form (see prior page). Otherwise, submit a signed letter stating your name, Penn Treaty policy number, previous address, current address and current telephone number. All change of address notifications must be mailed to the following address:

Penn Treaty Network America Insurance Company (In Liquidation)
ATTN: Legal Department
P.O. Box 7066
Allentown, PA 18105-7066

If you have any questions about changing your address in connection with a Proof of Claim, please call Penn Treaty’s Legal Department at (800)222-3469 ext. 3635.

Included with this Notice is material which answers frequently asked questions regarding the liquidation process. Please review this material carefully. Additional material regarding the liquidation process can be found at the Department's website www.insurance.pa.gov (click on Regulation, then Liquidation & Rehab).

This Notice and the information contained herein are in summary form and may not contain all necessary information for your particular situation. You are urged to consult an attorney if you have any questions. All claims are subject to payment only in accordance with applicable law.

General questions about the liquidation process should be directed to PENN TREATY at:

Penn Treaty Network America Insurance Company (In Liquidation)
ATTN: Legal Department
P.O. Box 7066
Allentown, PA 18105-7066

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM FORM

This Proof of Claim form must be completed and returned. **Failure to return the completed form will result in the denial of your claim.** Please fill in all of the applicable blanks. Attach additional sheets as required. In the event you do not know certain information, please write "unknown". You may supplement your claim later when you have more information, provided you do so promptly after you obtain the information. Please print legibly in ink or type. The form may be duplicated. You are advised to keep a completed copy for your records. The following is some specific additional instruction for certain types of claims. For more information on these types of claims, please refer to the enclosed booklet.

1. If your claim is that of a **GENERAL CREDITOR**, please sign where indicated and attach supporting documentation, such as all outstanding invoices.
2. If your claim is for **AGENTS' BALANCES OR COMMISSIONS**, please sign where indicated and attach a complete accounting by policy/contract supporting your claim.
3. If you have **ANY OTHER** type of claim (including litigation related to a Penn Treaty policy), describe your claim (i.e. stockholder, employee, taxes, license fees, assessments, etc.). Please attach documentation supporting your claim.

The right (but not the obligation) to request additional supporting information is retained by the Liquidator. The failure to promptly provide such additional information may result in the denial of your claim.

The Proof of Claim form must be signed by the claimant, and must contain the claimant's current address and zip code. No claim can be considered for payment without a social security number or tax identification number. Where applicable, the name and address as well as the telephone number of the claimant's attorney, if any, must be shown. **YOU MUST FILE A SEPARATE PROOF OF CLAIM FORM FOR EACH CLAIM YOU MAKE. IF YOU HAVE MORE THAN ONE CLAIM, YOU MAY MAKE COPIES OF THE ENCLOSED FORM, or you may obtain additional Proof of Claim forms by using one of the following methods:**

- 1) Visit the Pennsylvania Insurance Department's website at www.insurance.pa.gov/Regulations/LiquidationRehab/Pages/Penn-Treaty-Network-America-Insurance-Company.aspx
- 2) Visit Penn Treaty's website at www.penntreaty.com/Liquidation.aspx
- 3) Email Penn Treaty at poc@penntreaty.com
- 4) If you do not have internet access:
 - a. Call Penn Treaty's Legal Department at 1-800-222-3469 ext. 3635
 - b. Submit a written request to Penn Treaty, ATTN: Legal Department, P.O. Box 7066, Allentown, PA 18105-7066

All completed, signed Proof of Claim forms and supporting documentation may be submitted by mail, facsimile or email as follows:

Address: Penn Treaty Network America Insurance Company (In Liquidation)
ATTN: Legal Department – Proof of Claim
P.O. Box 7066
Allentown, PA 18105-7066

Facsimile: (610)967-1098

Email: poc@penntreaty.com

NOTE: This form and any supporting documentation must be postmarked – or if submitted via facsimile or email, bear a transmission date – on or before August 31, 2017, subject to the provisions of Article V of the Insurance Department Act pertaining to the late filing of claims.

If you have any questions about the Proof of Claim process, please call Penn Treaty's Legal Department at (800)222-3469 ext.3635.

CHANGE OF ADDRESS

You are required by Article V of the Insurance Department Act to notify the Statutory Liquidator of your change of address. If you fail to do so you may jeopardize your chance of recovery from this estate.

You must submit your change of address in writing. For your convenience, you may obtain a "Change of Address" form using the same methods as the Proof of Claim form (see prior page). Otherwise, submit a signed letter stating your name, Penn Treaty policy number, previous address, current address and current telephone number. All change of address notifications must be mailed to the following address:

Penn Treaty Network America Insurance Company (In Liquidation)
ATTN: Legal Department – Proof of Claim
P.O. Box 7066
Allentown, PA 18105-7066

If you have any questions about changing your address, please call Penn Treaty's Legal Department at (800)222-3469 ext. 3635.

INFORMATION REGARDING CLAIMS AGAINST THE ESTATE OF PENN TREATY NETWORK AMERICA INSURANCE COMPANY (PENN TREATY)

After all claims against this company are evaluated by the Statutory Liquidator and approved by the Court, approved claims will be paid by priority level based on available funds in accordance with 40 P.S. Section 221.1 et seq. The amount of the payment will depend on the assets available. The amount to be paid on an individual claim, if any, will not be known until all claims are evaluated. In any event, payment will not be made for several years. The Statutory Liquidator's receipt of this Proof of Claim form does not constitute any waiver or relinquishment by the Statutory Liquidator of any defense, setoff, or counterclaim that may exist against any person, entity or governmental agency, regarding any action pursued by the Statutory Liquidator of PENN TREATY on behalf of PENN TREATY claimants and creditors.

QUESTIONS & ANSWERS REGARDING THE LIQUIDATION PROCESS

The Commonwealth Court of Pennsylvania has ordered PENN TREATY NETWORK AMERICA Insurance Company (PENN TREATY) and AMERICAN NETWORK Insurance Company (AMERICAN NETWORK) into liquidation effective March 1, 2017. The following will help answer frequently asked questions about making claims and the liquidation procedure.

The Office of Liquidations, Rehabilitations and Special Funds of the Pennsylvania Insurance Department has been assigned the responsibility of liquidating PENN TREATY and AMERICAN NETWORK. All questions concerning the liquidation of PENN TREATY AND/OR AMERICAN NETWORK should be directed to PENN TREATY/AMERICAN NETWORK's Legal Department, P.O. Box 7066, Allentown, PA 18105-7066 (800)222-3469 ext. 3635.

INFORMATION REGARDING THE LIQUIDATION OF PENN TREATY AND AMERICAN NETWORK

1. *What happens when a company is liquidated?*

Liquidation is similar to bankruptcy. When an insurance company is liquidated, the Pennsylvania Insurance Department's Office of Liquidations, Rehabilitations and Special Funds gathers the company's assets and determines what liabilities, such as bills and claim payments, it has. The Statutory Liquidator then develops a plan to distribute the company's assets according to law and submits the plan to the Court for approval. The liquidation process is very complex and is expected to take many years.

2. *I believe I have a claim against PENN TREATY AND/OR AMERICAN NETWORK. How do I make a claim?*

Claims filed against PENN TREATY AND/OR AMERICAN NETWORK by general creditors, stockholders, trade creditors, governmental agencies, reinsurers, cedants, arbitrators, agents, former employees, former officers and directors and other persons interested in the affairs of the company are handled by the Statutory Liquidator. To file a claim for monies owed to you by PENN TREATY AND/OR AMERICAN NETWORK, you must file a Proof of Claim form and any supporting documentation with the Statutory Liquidator. **Proof of Claim forms must be postmarked – or if submitted via facsimile or email, bear a transmission date – on or before August 31, 2017.** If you fail to file a Proof of Claim form by that date, your claim may not be considered to be timely filed. Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level.

Valid and substantiated claims become claims against the estate of the respective company and will be paid at some time in the future to the extent funds are available, on an equal basis with all other claims in the same category. These claims may be paid in full, in part or not at all, depending on the available assets. These claims will not be paid for several years.

a. Claims of general creditors.

General creditors are persons or organizations, including law firms, trade creditors, etc., who provided services to PENN TREATY AND/OR AMERICAN NETWORK prior to the January 6, 2009 Order of Rehabilitation, for which they were not paid, or any person or organization who believes they are owed money by PENN TREATY AND/OR AMERICAN NETWORK regardless of the time period in which the services were incurred, etc. If you believe you have a claim, it will be necessary for you to complete a Proof of Claim form. If you have documentation to support your claim, you should provide a copy of that documentation with your Proof of Claim form.

b. Claims for agent balances or commissions.

If you were a PENN TREATY AND/OR AMERICAN NETWORK agent or producer, and you have a claim for earned commissions, it will be necessary for you to complete a Proof of Claim form. If you have documentation to support your claim, including your most recent statement, you should provide a copy of that documentation with your Proof of Claim form. If you do not have that documentation, you should complete the information requested on the Proof of Claim form and submit it as directed.

c. Other types of claims.

If you have any other type of claim (including litigation related to a PENN TREATY AND/OR AMERICAN NETWORK policy), describe your claim (i.e. stockholder, employee, taxes, license fees, assessments, etc.). When completing the Proof of Claim form, check the box for "All Other" and enter a description. You should attach documentation to support your claim to the Proof of Claim form and submit it as directed.

3. *How do I file a claim against PENN TREATY AND/OR AMERICAN NETWORK?*

If you believe you have a claim against PENN TREATY AND/OR AMERICAN NETWORK, you must file a Proof of Claim form and any supporting documentation with the Statutory Liquidator. Even if you have a claim already pending with PENN TREATY AND/OR AMERICAN NETWORK, you must file a Proof of Claim form. If your claim is a new claim, you should attach documentation to the Proof of Claim form to document your claim. If your claim has already been submitted to PENN TREATY AND/OR AMERICAN NETWORK, you must complete the Proof of Claim form, but it is not necessary for you to attach additional documentation. If additional information is needed at a later date, you will be contacted.

If you have more than one claim against PENN TREATY AND/OR AMERICAN NETWORK, you must file a separate Proof of Claim form for each claim you make. You may make copies of the enclosed Proof of Claim form or you may obtain additional Proof of Claim forms by using one of the methods outlined in Question 5 below.

A Proof of Claim form must contain the original signature of the claimant; a description of the claim and any security interest; whether collateral security or personal security is pledged in accordance with the terms of the policy; documentation of any payments made on the claim; and a statement that the amount is justly owed to the claimant. Please refer to Question 5 for instructions on how to request a Proof of Claim form.

4. *What is the deadline for filing a claim?*

Proof of Claim forms must be postmarked – or if submitted via facsimile or email, bear a transmission date – on or before August 31, 2017. If you fail to file a Proof of Claim form on or before that date, your claim may not be considered to be timely filed. Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level, depending upon consideration of "good cause" under the late claims provision of Article V of the Insurance Department Act of 1921.

5. *How do I request a Proof of Claim form?*

There are several ways to request a Proof of Claim form. They are:

- a. Visit the Pennsylvania Insurance Department's website at www.insurance.pa.gov/Regulations/LiquidationRehab/Pages/AMERICAN-NETWORK-INSURANCE-COMPANY.aspx -OR- www.insurance.pa.gov/Regulations/LiquidationRehab/Pages/Penn-Treaty-Network-America-Insurance-Company.aspx

- b. Visit Penn Treaty/American Network's website at www.penntreaty.com/Liquidation.aspx
- c. Email Penn Treaty/American Network at poc@penntreaty.com
- d. If you do not have internet access:
 - a. Call Penn Treaty/American Network's Legal Department at (800)222-3469 ext.3635
 - b. Submit a written request to Penn Treaty/American Network, ATTN: Legal Department, P.O. Box 7066, Allentown, PA 18105-7066

6. *Where do I send my Proof of Claim form?*

All completed, signed Proof of Claim forms and supporting documentation may be submitted by mail, facsimile or email as follows:

Address:	Penn Treaty/American Network ATTN: Legal Department – Proof of Claim P.O. Box 7066 Allentown, PA 18105-7066
Facsimile:	(610)967-1098
Email:	poc@penntreaty.com

7. *Who do I call if I have questions?*

If you have any questions about the Proof of Claim process, please call Penn Treaty/American Network's Legal Department at (800)222-3469 ext.3635.