

# **Long Term Care Policyholders of Penn Treaty and American Network**

## **Current Company Status**

On October 2, 2009, the Pennsylvania Insurance Department filed petitions with the Commonwealth Court of Pennsylvania to liquidate Penn Treaty Network America Insurance Company and its subsidiary, American Network Insurance Company. As of November 16, no hearing date has been set. The companies are currently in Rehabilitation under the direction of the Pennsylvania Department pending action on the petitions by the Court.

For Pennsylvania's filings and other information visit [Pennsylvania Press Release on Penn Treaty and American Network](#).

## **Proposed Plans for Policy Obligations**

The petitions ask that policy obligations of the two companies be transferred to the various state guaranty associations which will preserve their guaranteed policy renewability rights and long term care coverage. If approved, Idaho policy obligations would be transferred to the Idaho Life and Health Insurance Guaranty Association. Policyholders can contact the Association through their [website](#) or by telephone at (208)378-9510

## **What Would Happen to the Companies' Policies under the Guaranty Association?**

Policyholders must continue to pay premiums in accordance with their policy provisions to keep their policies in force. Notices to policyholders with instructions where to send their premium payments and how to submit claims would be mailed at approximately the same time the date of liquidation is finalized.

Subject to individual policy provisions and limits, policyholders would have up to \$300,000 of coverage under the Association.

Under the guaranty association law, the Association has the same rights and obligations under the policy as the original insurance company had, so the guaranty associations could seek premium increases. Any increases would have to be approved by the Idaho Department of Insurance, just as if the insurance companies had requested them. The Association may also try to find other insurance companies to assume the business which in turn would need approval from the Department of Insurance to increase rates.

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