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FILED

NOV 25 2008

**Department of Insurance
State of Idaho**

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:)	
)	Docket No. 18-2495-08
PENN TREATY NETWORK)	
AMERICA INSURANCE COMPANY)	ORDER OF SUSPENSION
)	OF CERTIFICATE
Certificate of Authority No. 861)	OF AUTHORITY
NAIC No. 63282)	
_____)	

WHEREAS, the Department of Insurance (“Department”) issued a notice of intent to seek an order of suspension to PENN TREATY NETWORK AMERICA INSURANCE COMPANY (“PENN TREATY”), a Pennsylvania state domiciled insurer licensed for life and disability insurance in the state of Idaho under Certificate of Authority No. 861 based on unsound financial condition, pursuant to Idaho Code § 41-327(2)(a) and IDAPA 18.01.66.011.06 as its net loss as of December 31, 2007 was Fifteen Million Four Hundred Eighty-Two Thousand One Hundred Forty-Five Dollars (\$15,482,145), which amount is greater than fifty percent (50%) of the remaining surplus as regards policy holders in excess of the statutory minimum, which amount was Twenty-Five Million Ninety Thousand Nine Hundred Seventy-Eight Dollars (\$25,090,978), and

WHEREAS, since the Department issued its notice on October 20, 2008 to PENN TREATY, the company has filed its September 30, 2008 quarterly financial statement reflecting surplus of negative Forty-seven Million Two Hundred Ninety-six Thousand Seven Hundred Thirty-three Dollars (-\$47,296,733).

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the provisions of Idaho Code § 41-326(1)(b) (based on deficiency of surplus as defined by Idaho Code § 41-313) and Idaho Code § 41-327(2)(a) (as provided in the original notice), that Certificate of Authority No. 861, issued to PENN TREATY be SUSPENDED effective immediately, and that PENN TREATY comply with each of the requirements of Idaho Code § 41-329, including § 41-329(2) which states: “During the suspension period the insurer shall not solicit or write any new business in this state, but shall file its annual statement, pay fees, licenses, and taxes as required under this code, and may service its business already in force in this state, as if the certificate of authority had continued in full force”, and that pursuant to this section, said suspension be continued for a period of one (1) year from the date of this order. The Director may terminate the suspension sooner if the cause for said suspension is terminated and PENN TREATY is otherwise in compliance with the provisions of Title 41, Idaho Code.

IT IS FURTHER ORDERED, pursuant to the provisions of Idaho Code § 41-330, that PENN TREATY, within four (4) days after notice of this suspension is received, notify, by any available means, every person authorized to write business by said insurance company in the state of Idaho, to immediately cease any further writing of such business.

IT IS FURTHER ORDERED, that PENN TREATY promptly return Certificate of Authority No. 861 to the Idaho Department of Insurance, as required by Idaho Code § 41-323(2).

IT IS FURTHER ORDERED, that within 60 days of the date of this order PENN TREATY file with the Director a complete listing of its policies owned by or issued to residents

of the State of Idaho. Such list shall include the name and address of each policyholder and insured, policy type, face amount, and cash surrender value of the policy, as applicable.

NOTIFICATION OF RIGHTS

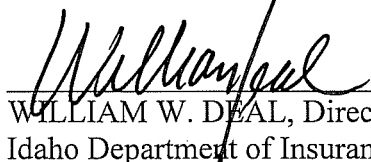
This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* section 67-5246(4), Idaho Code.

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days (a) of this final order, (b) of an order denying any petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 25TH day of November 2008.



WILLIAM W. DEAL, Director
Idaho Department of Insurance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have on this 25th day of November 2008, caused a true and correct copy of the foregoing order to be served upon the following by designated means:

Penn Treaty Network America Insurance Co.
Mark David Cloutier
3440 Lehigh St.
Allentown, PA 18103-7001

- first class mail
- certified mail
- hand delivery
- via facsimile

Pennsylvania Department of Insurance
1345 Strawberry Square
Harrisburg, PA 17120

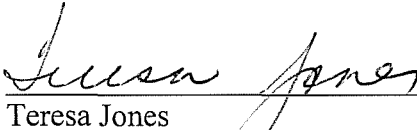
- first class mail
- certified mail
- hand delivery
- via facsimile

Candie Kinch
Idaho Life and Health Guaranty Association
4700 N. Cloverdale Rd., Ste 204
Boise, ID 83713-1068
ckinch@idlifega.org

- first class mail
- certified mail
- hand delivery
- via email

Thomas A. Donovan
Deputy Attorney General
Idaho Department of Insurance
700 West State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile



Teresa Jones
Assistant to the Director