

LAWRENCE G. WASDEN  
Attorney General

RICHARD B. BURLEIGH, ISB No. 4032  
Deputy Attorney General  
State of Idaho  
Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Telephone: (208) 334-4219  
Facsimile: (208) 334-4298  
[richard.burleigh@doi.idaho.gov](mailto:richard.burleigh@doi.idaho.gov)

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Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

PENN TREATY NETWORK AMERICA  
INSURANCE COMPANY

Certificate of Authority No. 861  
NAIC No. 63282

Docket No. 18-2495-16

**ORDER REVOKING CERTIFICATE  
OF AUTHORITY**

Idaho Certificate of Authority No. 861 issued to PENN TREATY NETWORK AMERICA INSURANCE COMPANY (PENN TREATY), a Pennsylvania-domiciled insurer licensed to transact life and disability insurance, excluding managed care, in the state of Idaho under said certificate of authority, was suspended by the Director of the Idaho Department of Insurance (Director) by orders dated November 25, 2008; January 6, 2010; December 1, 2010; October 20, 2011; September 17, 2012; August 9, 2013; July 7, 2014; and June 2, 2015.

On January 6, 2009, PENN TREATY was placed into rehabilitation by order of the Commonwealth Court of Pennsylvania, in Cause No. 5 M.D. 2009, based on the Petition for Rehabilitation of Penn Treaty Network America Insurance Company filed by the Pennsylvania

Insurance Commissioner. Thereafter, on May 3, 2012, said court entered an order in the aforesaid cause of action, denying a petition by the Pennsylvania Insurance Commissioner to place PENN TREATY in liquidation, and declaring the court's January 6, 2009, order for rehabilitation to remain in effect.

As of March 31, 2009, PENN TREATY reported capital of two million five hundred thousand eight hundred dollars (\$2,500,800) and surplus of negative two hundred forty-six million seventy-five thousand nine hundred eighty-four dollars (-\$246,075,984), as reflected in its last-filed statutory financial statement of that date.

Idaho Code § 41-326 provides at subsection (1)(b) that the Director shall refuse to continue or shall suspend or revoke a foreign insurer's Idaho certificate of authority if the insurer "no longer meets the requirements for the authority, on account of deficiency of assets or otherwise." It further provides, at subsection (2), that, in cases of insolvency or impairment of required capital or surplus, the Director may take such action without first holding a hearing.

The Director, having reviewed the foregoing and the requirements of Idaho Code § 41-326, and finding that PENN TREATY does not meet the minimum requirements for surplus set forth in Idaho Code § 41-313(1), and good cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Idaho Code § 41-326(1)(b), that Idaho Certificate of Authority No. 861 issued to PENN TREATY be REVOKED effective immediately.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-330(1), that, within four (4) days after notice of this revocation is provided, PENN TREATY shall notify, by any available means, every person authorized to write business in the state of Idaho by said insurance company, to immediately cease to write any further insurance business for PENN TREATY in Idaho.

IT IS FURTHER ORDERED that, within sixty (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 current as of the date of this order, notwithstanding any such listings previously submitted. 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.

DATED this 27<sup>th</sup> day of April, 2016.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

**NOTIFICATION OF RIGHTS**

This is a final order of the Director. 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* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, 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 of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 27 day of April, 2016, I caused a true and correct copy of the foregoing ORDER REVOKING CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

Penn Treaty Network America Insurance Co.  
3440 Lehigh Street  
Allentown, PA 18103

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

Pennsylvania Insurance Department  
Teresa D. Miller, Commissioner  
1326 Strawberry Square, 13<sup>th</sup> Floor  
Harrisburg, PA 17120

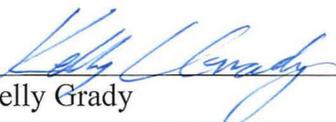
- first class mail
- certified mail
- hand delivery
- via facsimile

Idaho Life and Health Guaranty Association  
Attn: Candie Kinch  
3355 N. Five Mile Road #210  
Boise, ID 83713  
[ckinch@idlifega.org](mailto:ckinch@idlifega.org)

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

Richard B. Burleigh  
Deputy Attorney General  
Idaho Department of Insurance  
700 West State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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

  
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Kelly Grady