

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY OF
PENN TREATY NETWORK AMERICA
INSURANCE COMPANY**

A.I.D. NO. 2009- 010

ORDER OF SUSPENSION

Now on this day the matter of Arkansas Certificate of Authority No. 98 of PENN TREATY NETWORK AMERICA INSURANCE COMPANY, NAIC #63282 ("Company"), a Pennsylvania-domiciled insurer, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department") and by the Finance Division of the Department. From the facts, matters and other things before the Commissioner, he finds as follows:

1. That the Commissioner has jurisdiction over the parties and the subject matter involved herein.
2. That the Company is a life and health insurer domiciled in the Commonwealth of Pennsylvania and authorized to sell life and accident and health insurance in the State of Arkansas.
3. That, as of September 30, 2008, the Company's had a total capital and surplus of negative forty-four million, seven hundred ninety-five thousand, nine hundred thirty-three dollars (-\$44,795,933.00).
4. Based on its total capital and surplus, the Company no longer meets the requirements for the authority originally granted it.

5. On January 6, 2009, the Company was placed in rehabilitation by its domiciliary state and the Insurance Commissioner of the Commonwealth of Pennsylvania was appointed as Rehabilitator.

6. That on this date the Commissioner has determined that the causes as stated make it appropriate and expedient to suspend the Company's Arkansas Certificate of Authority.

7. That, pursuant to Ark. Code Ann. §§ 23-63-212(a)(2), 23-63-213(b), 23-63-214 and 23-63-215, the Commissioner hereby orders an immediate suspension of the Arkansas Certificate of Authority of Penn Treaty Network America Insurance Company. The suspension shall continue and remain in place until further order of the Commissioner.

8. That the Company shall cease writing any and all new business in the State of Arkansas, and shall issue no new insurance policies or assume any new risks located in Arkansas.

9. That during the period of this suspension, the Commissioner hereby waives the requirement that the Company file its annual statements and pay fees, licenses, and taxes due pursuant to the Arkansas Insurance Code.

10. Pursuant to the waiver provisions of Department Rule 56, the Company's payment of the Rule 56 fee ("CFRF") is waived; further, under the provisions of Department Rule 5, any anti-fraud assessments are hereby waived for the Company during the period of suspension.

IT IS SO ORDERED THIS 13th DAY OF FEBRUARY, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS