

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

MICHAEL F. CONSEDINE, INSURANCE	:	
COMMISSIONER OF THE COMMONWEALTH	:	
OF PENNSYLVANIA,	:	
	:	
Plaintiff,	:	
	:	
v.	:	DOCKET NO. 5 M.D. 2009
	:	
PENN TREATY NETWORK AMERICA	:	
INSURANCE COMPANY,	:	
	:	
Defendant.	:	

Re: Petition for Liquidation of Penn Treaty Network America Insurance Company (In Rehabilitation)

ORDER

AND NOW, this _____ day of _____, 2012, upon consideration of: the Rehabilitator’s Amended Petition (“Petition”) for Liquidation of Penn Treaty Network America Insurance Company (In Rehabilitation); the Intervenor’s Response; testimony given and exhibits introduced at the hearing held on January 31, February 1-4, 11, 14-18, 22-24, March 22-25, April 12, September 19-22, Oct. 24-27, and Nov. 1-2, 2011; the stipulations of the parties, the parties’ principal and reply briefs, including proposed findings of fact and conclusions of law; and the arguments made on February __, 2012, it is ORDERED as follows:

1. The Petition is DENIED without prejudice for the reasons explained in the accompanying Opinion.
2. The Rehabilitator shall take those actions to rehabilitate the company set forth in the rehabilitation Order of January 6, 2009, this Order, and the subsequent Order of the Court, discussed below.

3. Before such an Order is issued, the Court will schedule a conference with the Rehabilitator and the Intervenors to discuss the parties' positions regarding the proposed content of the Order that will govern the future rehabilitation of the company. The Rehabilitator and the Intervenors shall consult with each other prior to that conference to determine whether they can reach agreement on an appropriate rehabilitation approach. To the extent they cannot reach agreement either before or as a result of the conference, the Court will expeditiously receive submissions and hear argument on areas of disagreement, after which it will issue an appropriate Order detailing the steps the Rehabilitator will be required to take to effectuate the rehabilitation of the company.

4. In connection with this process, the Court expects the Rehabilitator and the Intervenors to discuss and if possible reach agreement on a stipulated approach to:

- a. actuarially justified premium rate increases and decreases, both voluntary and involuntary;
- b. benefit reduction options, both voluntary and involuntary, including product specific approaches;
- c. state regulators, the NAIC and NOLHGA to further the goal of a proper and effective rehabilitation;
- d. the involvement of affected constituencies, including policyholders and agents, in consideration of an appropriate rehabilitation approach;
- e. the appointment of a special deputy to manage or assist in the management of the rehabilitation;

- f. timetables and progress reporting for rehabilitation efforts, including reports to the Court;
 - g. the nature of expected actuarial services relating to the rehabilitation;
- and
- h. the Intervenors' involvement in future rehabilitation efforts.
5. The Rehabilitator shall prepare for resumption of pursuit of actuarially justified premium rate increases.
6. The Rehabilitator shall take no actions inconsistent with a proper rehabilitation of the company.
7. The Court will award fees and costs to the Intervenors, in response to their fee petition, in an amount to be determined by agreement of the parties or, if necessary, further Order of this Court after submission of the parties' positions and oral argument relating thereto.

BY THE COURT:

MARY HANNAH LEAVITT, Judge