

STATE OF IOWA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

IN THE MATTER OF THE)
CERTIFICATE OF AUTHORITY OF:)
PENN TREATY NETWORK AMERICA) **SUSPENSION ORDER**
INSURANCE COMPANY)
(NAIC No: 63282))

JURISDICTION

The Iowa Insurance Commissioner ("Commissioner") is authorized to issue a Suspension Order to an insurance company licensed to do business in Iowa pursuant to section 507C.60, Code of Iowa (2011).

FINDINGS OF FACT

Penn Treaty Network America Insurance Company ("PENN TREATY"), a Pennsylvania corporation, has been authorized to do business in Iowa since December 31, 1972.

On or about January 6, 2009, upon consideration of then Insurance Commissioner of the Commonwealth of Pennsylvania, Joel S. Ario's Petition for Rehabilitation of PENN TREATY, the Commonwealth Court of Pennsylvania, before Judge Mary Hannah Leavitt (Case No. 5 M.D. 2009), issued an Order of Rehabilitation against PENN TREATY. The Pennsylvania Insurance Commissioner and his successors in office are appointed Rehabilitator of PENN TREATY and are directed to rehabilitate PENN TREATY under the laws of the State of Pennsylvania.

CONCLUSIONS OF LAW

Rehabilitation is a form of delinquency proceeding. See Iowa Code section 507C.2(7) (2011).

Pursuant to section 507C.60, Code of Iowa (2011), without advance notice or a hearing, the Commissioner may suspend immediately the certificate of authority of any insurer as to which receivership, conservatorship, rehabilitation, or other delinquency proceedings have been commenced in any state by the public insurance supervisory official of that state.

The insurance supervisory official of the State of Pennsylvania commenced a rehabilitation proceeding against PENN TREATY.

ORDER

Pursuant to section 507C.60, Code of Iowa (2011), the Iowa certificate of authority issued to PENN TREATY is suspended. The period of suspension shall be continuous from the date of this order until terminated by further written order of the Commissioner.

During the period of suspension, PENN TREATY shall not solicit or issue new policies of insurance or assume any Iowa risk. PENN TREATY shall file its annual statement and pay any fees and taxes required to be paid. PENN TREATY may service any existing policies of insurance issued to persons residing in Iowa.

NOTICE

Pursuant to Iowa Code, chapter 17A (2011), PENN TREATY may request a hearing relating to this Order. If PENN TREATY wants a hearing, it must deliver or mail a written request for a hearing to the Commissioner addressed to: Iowa Insurance Division, Attn: Matt Hargrafen, 330 Maple Street, Des Moines, Iowa 50319. The written request must be received by the Commissioner within 30 days after the issuance date of this Order.

Upon receipt of a timely request for hearing, PENN TREATY will be notified of the date, time and location of the hearing.

In the event that PENN TREATY chooses not to appeal this final agency action, PENN TREATY is waiving the right of confrontation and cross-examination of witnesses, production of evidence and of judicial review.

Dated this 3rd day of June, 2011.

IOWA INSURANCE DIVISION



JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

Copy to:

Michael F. Consedine, Commissioner
Pennsylvania Insurance Department
Rehabilitator of Penn Treaty Insurance Company
1209 Strawberry Square
Harrisburg, PA 17120

Matthew Hargrafen
Iowa Insurance Division
Local