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Rehabilitation update

The proposed Rehabilitation Plans for Penn Treaty Network America (PTNA) and American Network (ANIC), filed with the Commonwealth Court of Pennsylvania on April 30, remain under consideration.

On September 24, 2013, the Court authorized the formation of a Policyholders Committee to represent the interests of policyholders in the rehabilitation of PTNA and ANIC.

The Court directed that the Rehabilitator, the Policyholders Committee and other various parties meet regularly to discuss the proposed Rehabilitation Plans. The various other parties include those who represent agents, investors, guaranty associations, and several other health insurers. A status conference with the Court is expected to take place in

December 2013 to discuss the progress of these meetings.

The Court has not yet scheduled a hearing to consider the proposed plans. Neither the proposed Rehabilitation Plans nor any amended plans will be implemented unless and until they are approved by the Court.

Information available on PennTreaty.com

Rehabilitation information is posted on our website, www.PennTreaty.com. Click on the "Rehabilitation" tab at the top of the page to find the following information:

- The proposed Rehabilitation Plans and updates to the proposed plans

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Claims for benefits: what to expect

Once you know that you will need long-term care services, please call Policyholder Services at 1-800-362-0700, ext. 3190 to discuss filing a claim. Our representatives will be happy to answer your questions and send you an information packet containing complete instructions and required forms for you to complete and mail or fax to us.

The claims examiner collects and reviews the required information to determine benefit eligibility, using a two-step process:

1. Benefit eligibility: Your medical condition and care needs are evaluated to determine if they meet the eligibility requirements of your policy.

2. Provider eligibility: The care provider or facility you choose is evaluated to determine if it meets the criteria listed in your policy.

It takes an average of 35 to 45 days after a claim is initiated to make an eligibility determination. To expedite this process, it is important that all requested information be provided to us as soon as possible.

In 2012, Penn Treaty processed 97% of all claims within 15 days and 99% of claims within 30 days of receipt of all completed information.

Review your policy

Are you familiar with the coverage in your long-term care insurance policy? Periodically review your policy and its riders to be sure you understand your benefits. Pay particular attention to the following:

Care setting – Does your policy cover care in a facility? Care at home? Both?

Maximum Daily Benefit – What is the most your policy may pay each day you need care?

Maximum Benefit Period – How long can you potentially receive benefits? Some maximum benefit periods are a fixed number of years, some are dollars, some are periods of time and others have unlimited or lifetime coverage.

Elimination Period – An elimination period or deductible refers to the time period that you are eligible for benefits but you must pay for those services out of your pocket before the policy begins to pay. During the elimination period, you are responsible for paying for your care and bills must be sent to the company to count toward the elimination period or deductible.

Inflation Protection – Inflation Protection is an optional rider that may have been purchased with your policy. It can help protect a policyholder from the rising cost of care over time.

Help us process your claim more quickly by following these guidelines: When faxing claim forms, please number the pages. Do not change the pre-printed policy number on any forms. Do not write over or obscure the barcode on claim forms.

Tips for keeping your back healthy

Back pain doesn't necessarily have to be a part of aging. You can help prevent back pain by taking steps to keep your back healthy and strong. It's all about relieving pressure, reducing strain, protecting the spine, and strengthening the muscles.

Build muscle strength and flexibility

Exercises that focus on strengthening your core—the muscles of your back and abdomen—can reduce your risk of back-related incidents, such as strains and muscle spasms. Low-impact aerobic activities, such as walking and swimming, can increase strength and endurance in your back. It is also important to maintain flexibility in your hips and upper legs to align your pelvic bones and improve how your back feels. In addition, some forms of yoga and tai chi can help you improve strength, balance, and flexibility.

Maintain a healthy weight

Excess weight puts a strain on the back, so maintaining a healthy weight can help prevent back pain.

Eat a nutritious diet

Strong bones can help prevent osteoporosis, one of the most common causes of back pain later in life, particularly for women. Talk to your doctor about making sure you get enough calcium and vitamin D in your diet and/or with supplements.

Use proper body mechanics

Bad posture when sitting or standing puts undue stress on the back. Practice good posture to protect your spine. Don't slouch, round your shoulders, or bend sideways while standing. Avoid standing in one place for long periods of time; move around as much as possible to stretch your muscles. Wearing comfortable, low-heeled shoes can also help reduce the strain on your back while standing.

For sitting, choose a chair that provides firm support to your lower back, and keep your knees level with your hips or a little higher. Change your position frequently, or get up and walk around from time to time.

Lifting and carrying heavy objects can strain your back. Whenever possible, take some weight off your shoulders by carrying less, distributing the weight to both sides of the body, or shifting the weight from shoulder to shoulder to give each side a rest. For heavier loads, consider using a rolling cart or bag with wheels. When you have to lift heavy objects, don't bend at the waist. Squat with your legs and keep your back upright as you grasp the object and stand upright again. Let your legs do the lifting, not your back.

This is not medical advice. Please consult your health care provider to determine the appropriateness of this information as it relates to your own health.



"Penn Treaty" is the brand name for Penn Treaty Network America Insurance Company (In Rehabilitation) (*dba* Penn Treaty Network America Life Insurance Company in California) and/or its subsidiaries, American Network Insurance Company (In Rehabilitation) and American Independent Network Insurance Company of New York.

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ADDRESS SERVICE REQUESTED

"Rehabilitation update" continued from front cover.

- Frequently asked questions about rehabilitation and the proposed Rehabilitation Plans
- Court filings and orders
- Information about the Policyholders Committee which has been formed to represent policyholders' interests in the rehabilitation proceedings

Plan comments

In response to the proposed Rehabilitation Plans, the Court received 282 formal comments by the Court's deadline of August 30. Another 244 informal

comments were also submitted and were considered by the Rehabilitator. A summary of the issues raised in these comments is available at www.PennTreaty.com.

Staying current with rehabilitation information

- Visit www.PennTreaty.com to see new court documents as they are issued.
- Call Policyholder Services at 1-800-362-0700 with questions.
- When there are significant developments or changes, the company will communicate with policyholders through mailings.