

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Penn Treaty Network America
Insurance Company in Rehabilitation

No. 1 PEN 2009

AND

In Re: American Network Insurance
Company in Rehabilitation

No. 1 ANI 2009

**APPLICATION FOR RELIEF
TO MODIFY THE PLAN TO ELIMINATE THE USE OF ESTATE ASSETS
TO PAY “UNCOVERED BENEFITS” CLAIMS MADE UNDER
POLICIES TERMINATED PURSUANT TO 40 P.S. §§ 221.20 AND 221.21**

Aetna Life Insurance Company, Anthem, Inc., Cigna Corporation, HM Life Insurance Company, QCC Insurance Company, United Concordia Life and Health Insurance Company, United Concordia Insurance Company and UnitedHealthcare Insurance Company (collectively, the “Health Insurers”) through their undersigned counsel hereby request that the Court enter an order in substantially the form submitted herewith, which provides as follows:

- (1) The assets of Penn Treaty Network America Insurance Company (“PTNA”) and American Network Insurance Company (“ANIC” and, together with PTNA, the “Companies”) may not be used for the payment of PTNA policyholder claims that accrue more than thirty days following the liquidation of PTNA.
- (2) The proposed Second Amended Plan of Rehabilitation for the

Companies cannot be approved unless it is modified to eliminate the “Uncovered Benefits Trust” or any other use of the Companies’ assets to provide coverage for “Uncovered Benefits” resulting from claims accruing more than thirty days following the order of liquidation of PTNA.

The reasons supporting the requested relief are set forth in the attached Brief in Support of this Application for Relief.

Respectfully submitted,

Dated: April 2, 2015

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By:



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ORDER

AND NOW, this ___ day of _____, 2015,
upon consideration of the Health Insurers' Application for Relief to Modify the
Plan to Eliminate the Use of Estate Assets to Pay "Uncovered Benefits" Claims
Made Under Policies Terminated Pursuant to 40 P.S. §§ 221.20 and 221.21, it is
hereby ORDERED that the Application for Relief is GRANTED. It is further
ORDERED that:

- (1) Section 520 of the Insurance Department Act of 1921, as amended (the "Act"), 40 P.S. § 221.20, and Section 521 of the Act, 40 P.S. § 221.21, bar the payment of policyholder claims that accrue more than thirty days after the date of entry of a liquidation order; and
- (2) The Rehabilitator's proposed Second Amended Plan of Rehabilitation for Penn Treaty America Network Insurance Company ("PTNA") and American Network Insurance Company (together, the "Companies") cannot be approved unless it is modified to eliminate the "Uncovered Benefits Trust" or any other use of the Companies' assets to provide coverage for "Uncovered Benefits" resulting from claims accruing more than thirty days following the order of liquidation of PTNA.

J.