

Insurance Commissioners (NAIC) Insurance Regulatory Information System (IRIS) ratios.

Whereas, based on the company's hazardous condition, the Commissioner issued (ORDER#: SA01-002) on September 5, 2001, and suspended the Certificate of Authority of Penn Treaty Network America Insurance Company to transact business of insurance in the District of Columbia.

Whereas, on December 7, 2005, the records of Penn Treaty, including the company's financial statements and projections provided by the company, and both the NAIC standard comparing the loss in a 12 month to total capital & surplus and the most recent IRIS ratios were reviewed and examined by the Department to determine whether the financial condition of the company was sound and whether the surplus level had improved.

Whereas, the Department determined, based on its December 7, 2005 review that the financial condition of Penn Treaty was sound, the surplus level was sufficient to transact business in the District of Columbia, and that the company does not meet the NAIC hazardous financial condition criterion.

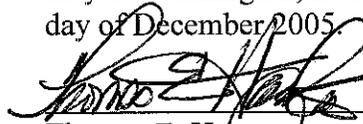
Whereas, based on the foregoing, the Department has concluded that Penn Treaty should be permitted to transact business in the District of Columbia and that its certificate of authority should be reinstated based on the belief that the reinstatement of the company's certificate of authority would not adversely affect the public interest.

Therefore, EFFECTIVE IMMEDIATELY, it is hereby ORDERED by the Acting Commissioner of the Department of Insurance, Securities, and Banking:

That the Certificate of Authority authorizing Penn Treaty Network America Insurance Company, a foreign corporation in the District of Columbia, to transact business of insurance in the District of Columbia is hereby REINSTATED, effective the date of this Order;

That Penn Treaty Network America Insurance Company shall be permitted to transact insurance business or related activities in the District of Columbia.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of this Department at the City of Washington, D.C., this 20th day of December 2005.


Thomas E. Hampton
Acting Commissioner
Department of Insurance, Securities,
and Banking