



Wisconsin Insurance Security Fund

On Behalf of Covering Guaranty Associations

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www.penn treaty.com

Frequently Asked Questions

Penn Treaty Network America Insurance Company

Key Information

- As of March 1, 2017, Penn Treaty Network America Insurance Company (Penn Treaty) is in liquidation.
- The Wisconsin Insurance Security Fund (WISF) has been triggered and will provide coverage in accordance with Chapter 646 of the Wisconsin Statutes to Wisconsin resident policyholders on March 1, 2017.
- WISF has, through its national association, contracted to use the existing Penn Treaty computer systems, policy/claims records, and staff to administer the policies.
- **To be eligible for WISF coverage, it is very important that you continue paying your policy premiums in full and on time.**
- The process used to ask policy questions and for claim submissions remains unchanged from the processes used by Penn Treaty prior to liquidation.

General Information About This Document

1. Why was this document created?

These Frequently Asked Questions were prepared by the affected state guaranty associations (including WISF) and Penn Treaty. They are intended to respond to common questions that policyholders may have about the liquidation of Penn Treaty and ongoing insurance coverage.

Liquidation Court Proceedings

2. What is the current status of Penn Treaty?

On March 1, 2017, Penn Treaty was placed in liquidation by order of the Commonwealth Court of Pennsylvania. Penn Treaty had been in Court-supervised rehabilitation since 2009, with policy and claim administration under the supervision of the Pennsylvania Insurance Commissioner from Penn Treaty's office in Allentown, Pennsylvania.

3. Why was Penn Treaty ordered into liquidation?

The Pennsylvania Insurance Commissioner worked with consulting firms to review Penn Treaty's current financial condition and future financial projections. The results indicate that Penn Treaty does not have adequate assets (including premiums to be collected in the future) to fully pay for expected future claims. In addition, the results indicate that the deficit to pay future claims is substantial.

4. What will happen to my insurance policy now that Penn Treaty is being liquidated and WISF is involved?

The WISF will provide specified coverage to Penn Treaty policyholders, based on Wisconsin law (Chapter 646 of the Wisconsin Statutes). The WISF will manage your policy and claims, your policy benefits may change due to statutory limitations, but **your process for filing claims and paying your premiums will stay the same.**

Information on Premiums, Claims, and Benefits

5. Should I keep paying my premiums?

Failure to pay policy premiums in full and on time may cause your policy to terminate, and you will lose your benefits, including your WISF coverage protection. Premiums under your policy provisions and Wisconsin law may be adjusted in the future but the WISF will give you prior notice of any adjustments.

6. Is there any change to the premium payment process?

No. The process to pay premiums is the same.

- ***Bank drafts:*** No changes are necessary. Your premiums will continue to be deducted from your bank account based on your existing agreement.
- ***Mailed payments:*** No changes are necessary at this time. Premium payments should continue to be mailed to Penn Treaty, P.O. Box 70257, Philadelphia, PA 19176-0257.

- ***Important note:*** To continue to be eligible for WISF coverage, you must continue paying policy premiums in full and on time. **Failure to pay policy premiums in full and on time may cause your policy to terminate and you will lose benefits, including WISF coverage.**

7. Where should I submit claims?

The process to submit a claim on your Penn Treaty coverage remains the same.

- File a new claim or ask questions about the claim process: Continue to call 1-800-362-0700 (Monday–Friday, 8 a.m. – 6:30 p.m. ET).
- Submit claim information: Continue to send your documents to the same address: Penn Treaty, Attn: Claims Department, PO Box 7066, Allentown, PA 18105-7066. Or continue to send by fax to 610-965-6962.

8. Will the WISF pay my long-term-care benefits in full?

It depends. WISF is established by Wisconsin law. WISF provides up to \$300,000 in protection for long-term care insurance subject to other statutory limitations and exclusions. Benefits paid before March 1, 2017, do not count against the \$300,000 WISF coverage limit.

Your policy will be fully covered if the benefit limit provided by your policy is below the WISF coverage limit but it will not be fully covered if the benefit limit provided by your policy exceeds \$300,000.

9. If my policy benefits are higher than the state guaranty association coverage limits, do I lose the difference in coverage?

Claims that exceed the coverage limit but are within the policy limits will be processed differently. Those claims will be processed by the Penn Treaty Liquidator for possible additional coverage. Those claims may be paid from the remaining Penn Treaty assets. If your policy benefits are higher than the WISF's coverage limit, you will receive information about these possible additional benefits in a separate notice.

10. What is the Wisconsin Insurance Security Fund (WISF)?

Every state (including the District of Columbia and Puerto Rico) has a life and health insurance guaranty association to protect state residents when insurers with which they have policies becomes insolvent and is placed into liquidation. The WISF is Wisconsin's guaranty association and it provides continuing coverage and benefits when a life or health insurance company goes out of business.

11. When does my WISF coverage start?

WISF coverage was triggered when the court issued the liquidation order to Penn Treaty.

Contact Information

12. Who can answer questions about liquidation?

If you have questions about liquidation, you should continue to contact Penn Treaty's Policyholder Services at 1-800-362-0700.

For updated information about the company's liquidation, visit www.PennTreaty.com.
For information about WISF, visit <http://www.wilifega.org/>

13. Who can answer questions about my policy?

If you have policy or claim questions, you should continue to contact Penn Treaty's Policyholder Services at 1-800-362-0700.

14. Who can answer questions about my WISF coverage?

You can contact the WISF by any of the following:

Toll Free by Phone: 844-344-5484

E-mail: wisconsin@wisf-madison.org

By Mail: 2820 Walton Commons Lane, Suite 135, Madison, WI 53718.