

**Press Release**  
**For Immediate Release**  
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**Pennsylvania Supreme Court Affirms 2012 Commonwealth Court Denial Of Pennsylvania Insurance Department's Petitions To Liquidate Long-Term Care Insurance Companies Penn Treaty Network America Insurance Company And American Network Insurance Company**

Frisco, TX – July 22, 2015 – Penn Treaty American Corporation (PTAC) today announced that on July 20, 2015 the Supreme Court of Pennsylvania in a 4-1 decision affirmed the 2012 order of the Commonwealth Court of Pennsylvania that disallowed efforts by the Pennsylvania Insurance Department (PID) to liquidate two long-term care insurance (LTCI) companies domiciled in Pennsylvania. The Commonwealth Court decision was described in PTAC's Press Release of May 9, 2012 (available at <http://www.penn treaty american.com/downloads/20120509-pressrelease.pdf>) . The Supreme Court accepted PTAC's argument that on the record before the Commonwealth Court, the petitions to liquidate were properly denied.

The Commonwealth Court's order of May 3, 2012 that was affirmed by the Supreme Court was issued after a 30-day trial and review of more than 1,000 pages of post-trial briefing and thousands of pages of trial exhibits by Judge Mary Hannah Leavitt of the Commonwealth Court, who denied the PID's petitions to liquidate Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company (the Companies). Headquartered in Allentown, Pennsylvania, the Companies are subsidiaries of PTAC of Frisco, Texas. The Companies' policyholders reside in 49 states and the District of Columbia.

The Commonwealth Court's order that was affirmed by the Supreme Court is the first time a petition to liquidate an insurance company has been defeated in Pennsylvania. Nationwide, such petitions filed by state insurance departments are routinely granted.

The Companies' Boards of Directors consented to rehabilitations of the Companies shortly before entry of the Orders placing the Companies in rehabilitation in early 2009. Since then, the PID has been responsible for pursuing rehabilitations of the Companies. In late 2009, the PID sought Orders by which the rehabilitations would be terminated and the Companies would be liquidated. The Companies' Boards authorized their Chairman, Eugene J. Woznicki, to intervene to defend against the petitions to liquidate. Mr. Woznicki and the Companies' ultimate parent company, PTAC (collectively, the Intervenors), were permitted to intervene to defend against the petitions to liquidate, and they vigorously contested the PID's efforts. In addition to their efforts to defend against the PID's unsuccessful appeal, since the 2012 order the Intervenors have had several discussions with the PID and other interested parties regarding an appropriate rehabilitation approach. In October of 2014 the latest version of the PID's rehabilitation plan was presented by the PID to the Commonwealth Court for approval, and the hearing on whether the plan should be approved began on July 13, 2015. It is expected to continue later this year after the parties engage in additional discovery.

Intervenor Eugene J. Woznicki, Chairman of the Boards of Directors of the Companies and PTAC who has more than 25 years' experience with LTICI issues, welcomed the Supreme Court's ruling: "We are pleased to see that the Supreme Court recognized that the record we presented to the Commonwealth Court properly supported denial of these liquidation petitions. We look forward to working with the Court, the PID, and other interested parties to ensure the approval and implementation of an appropriate rehabilitation plan."

The Intervenors were represented and advised by the Philadelphia office of Ballard Spahr LLP by lead trial counsel and head of the firm's Insurance Practice Group Douglas Y. Christian, who argued the appeal to the Supreme Court, and litigator Benjamin M. Schmidt, Business and Finance partner Justin P. Klein, and Senior Paralegal/Trial Support Specialist Keith A. Garland, Sr.

Many of the statements in this press release are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the rehabilitation proceedings and working with the PID to form a plan of rehabilitation, are based on the reasonable assumptions of PTAC's management and board of directors at the time of this press release. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by any forward looking statements. Although we believe that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.