

MA, ME, NS, WV, KS + CT



tel 800.362.0700  
www.pennitreaty.com

June 5, 2009

Dear Agent:

Recently, Penn Treaty Network America Insurance Company ("PTNA"), an affiliate of American Network Insurance Company ("ANIC") applied to the Commonwealth Court of Pennsylvania ("the Court") to suspend the payment of agent commissions for renewing PTNA long-term care insurance policies. Please be aware that ANIC is continuing the payment of agent commissions for ANIC policies and we plan to continue ANIC commission payments going forward.

Although PTNA and ANIC were both placed into rehabilitation by the Court on January 6, 2009, the financial circumstances of the companies are very different and warrant distinct rehabilitation approaches. PTNA's recent action was taken to protect PTNA policyholders' future interests while a rehabilitation plan is formulated for the Court. ANIC commission payments are being continued because ANIC policyholders' future interests are not expected to be adversely affected by continuing the commission payments.

Our agents have been significant contributors to ANIC's past success. We appreciate your contributions and value your ongoing support.

Sincerely,

Robert L Robinson, CLU, ChFC  
Chief Rehabilitation Officer

American Network Insurance Company (In Rehabilitation)

3440 Lehigh Street :: Allentown, PA 18103