

Michigan Life & Health
Insurance Guaranty Association

1640 Haslett Road, Suite 160
Haslett, MI 48840-8683
telephone 517-339-1755
fax 517-339-5500
email jcolpean@milifega.org

To: Member Company
Michigan Life & Health Insurance Guaranty Association

From: John C. Colpean, General Counsel & Administrator

Date: November 30, 2017

Re: Penn Treaty Network America Insurance Company Liquidation & Assessments

Health Account Assessment

The Board of Directors of the Michigan Life & Health Insurance Guaranty Association (hereafter “MLHIGA”) has approved a health account assessment in the aggregate amount of \$23,630,000 on its members to cover the estimated remaining costs and expenses relative to the Penn Treaty Network America Insurance Company (Penn Treaty) insolvency.

Your share of the assessment has been calculated pursuant to section 500.7709 of the Michigan Compiled Laws and is set forth on the enclosed worksheet. Your share of the assessment is based on the percentage that the Michigan health premiums for your company bears to the total Michigan health premiums for all member companies for the 3 most recent calendar years for which information is available.

Background

On July 27, 2016, a petition was filed by the receiver in the Commonwealth Court of Pennsylvania seeking the liquidation of Penn Treaty. On March 1, 2017, the petition was approved by the Court, which triggered MLHIGA and the life and health insurance guaranty associations in every state where Penn Treaty was licensed.

Penn Treaty wrote primarily long-term-care (LTC) insurance, along with a small number of other health insurance policies. As a result, MLHIGA member companies that wrote health insurance in Michigan are being assessed to fund MLHIGA’s obligations to covered Penn Treaty policyholders.

Final Penn Treaty Assessment

The enclosed assessment is the assessment needed to fund MLHIGA's Penn Treaty obligations. Absent negative claim experiences or other unforeseen events, MLHIGA does not anticipate making future assessments to fund MLHIGA's Penn Treaty obligations.

The enclosed assessment is in compliance with section 500.7709(6) of the Michigan Compiled Laws, which states in part that assessments "shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible."

Pursuant to section 500.7709(14) of the Michigan Compiled Laws, if a member insurer wishes to protest an assessment, the amount assessed shall be paid to MLHIGA pending the outcome of the protest.

If you have any questions regarding this assessment or the Penn Treaty liquidation, please contact me at (517) 339-1898 (direct line) or jcolpean@milifega.org. You can also find current information about the liquidation on the Penn Treaty website (www.penntreaty.com) and the MLHIGA website (www.milifega.org) which includes a FAQ document with more details about the receivership.

Payment is due on or before February 1, 2018

Please be advised, Section 500.7709(1) of the Michigan Compiled Laws states in part:
"Assessments shall accrue interest at 12% per annum on and after the due date."

Michigan Life Health Insurance Guaranty Association
(Member Balances Due re: Penn Treaty 11/30/2017 Assessment)

NAIC	Name	Balance Due
80985	4 EVER LIFE INSURANCE COMPANY	145,629
71854	AAA LIFE INSURANCE COMPANY	7,820
71471	ABILITY INSURANCE COMPANY	1,733
22667	ACE AMERICAN INSURANCE COMPANY	14,216
33898	AEGIS SECURITY INSURANCE CO	141
60054	AETNA LIFE INSURANCE CO	496,019
82406	ALL SAVERS INSURANCE CO	20,945
60134	ALLIANCE HEALTH AND LIFE INSURANCE CO	647,149
90611	ALLIANZ LIFE INS CO OF NORTH AMERICA	9,984
60186	ALLSTATE LIFE INSURANCE COMPANY	1,509
19720	AMERICAN ALTERNATIVE INSURANCE COMPANY	1,036
60275	AMERICAN BANKERS LIFE ASR CO OF FLORIDA	677
12321	AMERICAN CONTINENTAL INSURANCE COMPANY	51,491
60380	AMERICAN FAMILY LIFE ASSURANCE COMPANY	386,248
60410	AMERICAN FIDELITY ASSURANCE CO	16,234
60488	AMERICAN GENERAL LIFE INSURANCE COMPANY	13,184
60518	AMERICAN HEALTH & LIFE INS CO	4,738
60534	AMERICAN HERITAGE LIFE INS CO	29,854
60577	AMERICAN INCOME LIFE INSURANCE CO	6,155
65811	AMERICAN MODERN LIFE INSURANCE CO	345
60739	AMERICAN NATIONAL INSURANCE CO	440
71773	AMERICAN NATIONAL LIFE INS OF TEXAS	2,930
60801	AMERICAN PUBLIC LIFE INSURANCE COMPANY	1,378
60836	AMERICAN REPUBLIC INSURANCE	2,011
42978	AMERICAN SECURITY INSURANCE CO	302
60895	AMERICAN UNITED LIFE INSURANCE CO	2,695
61301	AMERITAS LIFE INSURANCE CORP	35,703
27928	AMEX ASSURANCE CO	3,196
60250	AMFIRST INSURANCE COMPANY	1,388
11150	ARCH INSURANCE COMPANY	428
71439	ASSURITY LIFE INSURANCE CO	79,679
61492	ATHENE ANNUITY & LIFE ASSURANCE CO.	1,451
61689	ATHENE ANNUITY AND LIFE COMPANY	184
27154	ATLANTIC SPECIALTY INSURANCE COMPANY	2,308
84522	AUTO CLUB LIFE INSURANCE CO	1,409
61190	AUTO-OWNERS LIFE INSURANCE CO	10,789
62944	AXA EQUITABLE LIFE INSURANCE COMPANY	4,406
37273	AXIS INSURANCE COMPANY	4,096
71919	BANKERS FIDELITY ASSURANCE COMPANY	130
61239	BANKERS FIDELITY LIFE INSURANCE COMPANY	13,457
61263	BANKERS LIFE AND CASUALTY CO	57,258
38245	BCS INSURANCE CO	10,796
37540	BEAZLEY INSURANCE COMPANY, INC	193
64890	BERKLEY LIFE AND HEALTH INS CO	3,920
71714	BERKSHIRE LIFE INSURANCE CO OF AMERICA	34,859
90638	BEST LIFE & HEALTH INSURANCE COMPANY	2,980
54291	BLUE CROSS BLUE SHIELD OF MI MUTUAL INS	13,132,069

Michigan Life Health Insurance Guaranty Association
(Member Balances Due re: Penn Treaty 11/30/2017 Assessment)

61476	BOSTON MUTUAL LIFE INSURANCE CO	1,244
87726	BRIGHTHOUSE LIFE INSURANCE COMPANY	4,873
80659	CANADA LIFE ASSURANCE CO	123
19518	CATLIN INSURANCE COMPANY INC.	1,900
61751	CENTRAL STATES HEALTH & LIFE CO OF OMAHA	2,188
34274	CENTRAL STATES INDEMNITY CO OF OMAHA	7,951
80896	CENTRE LIFE INSURANCE COMPANY	1,421
10642	CHEROKEE INSURANCE CO	105,456
61832	CHESAPEAKE LIFE INSURANCE CO, THE	20,366
67369	CIGNA HEALTH AND LIFE INSURANCE COMPANY	227,844
76236	CINCINNATI LIFE INSURANCE CO, THE	1,161
62626	CMFG LIFE INSURANCE COMPANY	69,199
62049	COLONIAL LIFE & ACCIDENT INS CO	33,657
62065	COLONIAL PENN LIFE INSURANCE CO.	34,865
76023	COLUMBIAN LIFE INSURANCE CO	217
62146	COMBINED INSURANCE CO OF AMERICA	51,124
84824	COMMONWEALTH ANNUITY & LIFE INS COMPANY	275
77828	COMPANION LIFE INSURANCE CO	149,900
62308	CONNECTICUT GENERAL LIFE INS CO	6,608
62359	CONSTITUTION LIFE INSURANCE CO	2,546
71730	CONTINENTAL AMERICAN INSURANCE COMPANY	28,804
20443	CONTINENTAL CASUALTY CO	52,313
71404	CONTINENTAL GENERAL INSURANCE CO	7,809
68500	CONTINENTAL LIFE INS CO OF BRENTWOOD TN	7,439
62553	COUNTRY LIFE INSURANCE CO	829
71129	DEARBORN NATIONAL LIFE INSURANCE CO	14,831
62634	DELAWARE AMERICAN LIFE INSURANCE CO	365
73474	DENTEGRA INSURANCE COMPANY	18,067
62952	EQUITABLE LIFE & CASUALTY INSURANCE CO	10,802
77968	FAMILY HERITAGE LIFE INS CO OF AMERICA	2,898
63053	FAMILY LIFE INSURANCE CO	5,509
21555	FARM BUREAU MUTUAL INS CO OF MICHIGAN	132
63177	FARMERS NEW WORLD LIFE INSURANCE CO	277
20281	FEDERAL INSURANCE CO	3,405
63258	FEDERATED LIFE INSURANCE CO	3,131
13935	FEDERATED MUTUAL INSURANCE CO	140,663
71870	FIDELITY SECURITY LIFE INSURANCE CO	48,812
90328	FIRST HEALTH LIFE & HEALTH INSURANCE CO	618
91642	FORETHOUGHT LIFE INSURANCE CO	1,566
62324	FREEDOM LIFE INSURANCE CO OF AMERICA	5,936
63665	GENERAL AMERICAN LIFE INSURANCE CO	557
65536	GENWORTH LIFE AND ANNUITY INSURANCE CO	2,789
70025	GENWORTH LIFE INSURANCE COMPANY	155,745
70939	GERBER LIFE INSURANCE CO	22,219
91472	GLOBE LIFE & ACCIDENT INSURANCE CO	2,311
62286	GOLDEN RULE INSURANCE CO	246,823
63967	GOVERNMENT PERSONNEL MUTUAL LIFE INS CO	9,744
16691	GREAT AMERICAN INSURANCE CO	1,175

Michigan Life Health Insurance Guaranty Association
(Member Balances Due re: Penn Treaty 11/30/2017 Assessment)

18694	GREAT MIDWEST INSURANCE CO	1,838
68322	GREAT-WEST LIFE & ANNUITY INSURANCE	4,378
80705	GREAT-WEST LIFE ASSURANCE CO	684
64211	GUARANTEE TRUST LIFE INSURANCE CO	18,376
64238	GUARANTY INCOME LIFE INSURANCE COMPANY	180
64246	GUARDIAN LIFE INSURANCE CO OF AMER	237,305
64327	HARLEYSVILLE LIFE INSURANCE CO	940
70815	HARTFORD LIFE & ACCIDENT INSURANCE CO	96,825
88072	HARTFORD LIFE INSURANCE CO	3,019
92711	HCC LIFE INSURANCE CO	55,792
70670	HEALTH CARE SERVICE CORPORATION	4,345
12826	HEALTHPLUS INSURANCE COMPANY	326,096
93440	HM LIFE INSURANCE COMPANY	28,452
73288	HUMANA INSURANCE COMPANY	152,047
70580	HUMANADENTAL INSURANCE COMPANY	6,384
64580	ILLINOIS MUTUAL LIFE INSURANCE COMPANY	8,460
26581	INDEPENDENCE AMERICAN INSURANCE COMPANY	4,681
29742	INTEGON NATIONAL INSURANCE CO	646
64904	INVESTORS HERITAGE LIFE INSURANCE CO	182
65056	JACKSON NATIONAL LIFE INSURANCE CO	3,276
65080	JOHN ALDEN LIFE INSURANCE CO	19,061
93610	JOHN HANCOCK LIFE & HEALTH INSURANCE CO	914
65838	JOHN HANCOCK LIFE INSURANCE CO (USA)	118,858
65110	KANAWHA INSURANCE CO	15,968
65129	KANSAS CITY LIFE INSURANCE CO	16,058
65315	LIBERTY LIFE ASSURANCE CO OF BOSTON	51,654
65331	LIBERTY NATIONAL LIFE INSURANCE CO	604
66753	LIBERTY UNION LIFE ASSURANCE CO	45,779
65498	LIFE INSURANCE CO OF NORTH AMERICA	173,639
97691	LIFE OF THE SOUTH INSURANCE COMPANY	1,080
77720	LIFESECURE INSURANCE COMPANY	9,124
65595	LINCOLN BENEFIT LIFE CO	3,965
65927	LINCOLN HERITAGE LIFE INSURANCE COMPANY	3,318
62057	LINCOLN LIFE & ANNUITY COMPANY	287
65676	LINCOLN NATIONAL LIFE INSURANCE CO	170,816
76694	LONDON LIFE REINSURANCE CO	119
65722	LOYAL AMERICAN LIFE INSURANCE CO	15,214
65781	MADISON NATIONAL LIFE INS CO, INC	19,063
65870	MANHATTAN LIFE INSURANCE CO, THE	4,743
61883	MANHATTANLIFE ASSURANCE CO OF AMERICA	682
38970	MARKEL INSURANCE CO	796
65935	MASSACHUSETTS MUTUAL LIFE INS CO	34,827
69515	MEDAMERICA INSURANCE CO	4,252
29076	MEDICAL MUTUAL OF OHIO	1,413
79987	MEDICO CORP LIFE INSURANCE COMPANY	8,371
31119	MEDICO INSURANCE COMPANY	7,003
65978	METROPOLITAN LIFE INSURANCE CO	450,768
66087	MID-WEST NATIONAL LIFE INS CO OF TN	2,506

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66168	MINNESOTA LIFE INSURANCE COMPANY	41,356
66370	MONY LIFE INSURANCE CO	790
88668	MUTUAL OF AMERICA LIFE INSURANCE CO	273
71412	MUTUAL OF OMAHA INSURANCE CO	29,994
66583	NATIONAL GUARDIAN LIFE INSURANCE CO	43,138
82538	NATIONAL HEALTH INSURANCE CO	2,674
30155	NATIONAL INS CO OF WISCONSIN, INC	522
66680	NATIONAL LIFE INSURANCE CO	3,295
87963	NATIONAL TEACHERS ASSOCIATES LIFE INS CO	1,203
19445	NATIONAL UNION FIRE INS CO OF PITTS	35,161
66869	NATIONWIDE LIFE INSURANCE CO	23,852
91626	NEW ENGLAND LIFE INSURANCE CO	151
66915	NEW YORK LIFE INSURANCE CO	16,159
81264	NIPPON LIFE INSURANCE CO OF AMERICA	41,689
21105	NORTH RIVER INSURANCE CO	733
69000	NORTHWESTERN LONG TERM CARE INSURANCE CO	42,930
67091	NORTHWESTERN MUTUAL LIFE INSURANCE	56,264
89206	OHIO NATIONAL LIFE ASR CORPORATION	2,682
67172	OHIO NATIONAL LIFE INSURANCE CO	1,090
24147	OLD REPUBLIC INSURANCE CO	137
67261	OLD REPUBLIC LIFE INSURANCE CO	286
76007	OLD UNITED LIFE INSURANCE CO	5,209
13100	OMAHA INSURANCE COMPANY	43,879
76112	OXFORD LIFE INSURANCE CO	4,391
70785	PACIFICARE LIFE & HEALTH INSURANCE CO	1,572
67539	PAN-AMERICAN LIFE INSURANCE CO	21,446
11518	PARAMOUNT INSURANCE COMPANY	16,962
67598	PAUL REVERE LIFE INSURANCE CO	17,352
93777	PAVONIA LIFE INSURANCE CO. OF MICHIGAN	549
67628	PEKIN LIFE INSURANCE CO	9,958
67644	PENN MUTUAL LIFE INSURANCE CO	827
67660	PENNSYLVANIA LIFE INSURANCE CO	3,750
67784	PHILADELPHIA AMERICAN LIFE INS CO	361
12816	PHP INSURANCE COMPANY	109,807
72125	PHYSICIANS LIFE INSURANCE CO	576
80578	PHYSICIANS MUTUAL INSURANCE CO	8,066
97152	PLATEAU INSURANCE COMPANY	339
61271	PRINCIPAL LIFE INSURANCE COMPANY	92,089
12208	PRIORITY HEALTH INSURANCE COMPANY	611,603
68047	PROFESSIONAL INSURANCE CORPORATION	4,156
68136	PROTECTIVE LIFE INSURANCE CO	1,483
68195	PROVIDENT LIFE & ACCIDENT INS CO	88,908
68241	PRUDENTIAL INSURANCE CO OF AMERICA	83,447
68284	PYRAMID LIFE INSURANCE CO	108
39217	QBE INSURANCE CORPORATION	3,043
68381	RELIANCE STANDARD LIFE INSURANCE CO	66,533
67105	RELIASTAR LIFE INSURANCE CO	34,091
61360	RELIASTAR LIFE INSURANCE COMPANY OF NY	1,242

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61700	RENAISSANCE LIFE & HEALTH INS CO OF AMER	59,597
68462	RESERVE NATIONAL INSURANCE CO	350
12471	RETAILERS INSURANCE COMPANY	1,439
65005	RIVERSOURCE LIFE INSURANCE COMPANY	41,936
69914	SEARS LIFE INSURANCE COMPANY	481
93742	SECURIAN LIFE INSURANCE CO	6,486
76325	SENIOR HEALTH INSURANCE CO OF PENNSYLVAN	9,014
68810	SENTRY LIFE INSURANCE CO	1,022
81434	SHELTERPOINT LIFE INSURANCE COMPANY	318
68845	SHENANDOAH LIFE INSURANCE CO	309
38776	SIRIUS AMERICA INSURANCE COMPANY	24,908
69019	STANDARD INSURANCE CO	50,760
86355	STANDARD LIFE AND ACCIDENT INSURANCE CO	29,398
69078	STANDARD SECURITY LIFE INS CO OF NY	20,331
68985	STARMOUNT LIFE INSURANCE COMPANY	8,774
38318	STARR INDEMNITY & LIABILITY COMPANY	107
25178	STATE FARM MUTUAL AUTOMOBILE INS CO	57,113
69116	STATE LIFE INSURANCE CO	1,204
77399	STERLING LIFE INSURANCE COMPANY	691
80926	SUN LIFE AND HEALTH INSURANCE CO (US)	3,992
80802	SUN LIFE ASR COMPANY OF CANADA	89,784
68608	SYMETRA LIFE INSURANCE COMPANY	64,046
69345	TEACHERS INSURANCE AND ANNUITY ASSOCIAT	1,682
60142	TIAA-CREF LIFE INSURANCE COMPANY	753
69477	TIME INSURANCE COMPANY	99,637
10952	TRANSAMERICA CASUALTY INSURANCE COMPANY	294
70688	TRANSAMERICA FINANCIAL LIFE INSURANCE CO	145
86231	TRANSAMERICA LIFE INSURANCE COMPANY	57,151
66281	TRANSAMERICA PREMIER LIFE INSURANCE CO	29,184
92525	TRUASSURE INSURANCE COMPANY	250
61425	TRUSTMARK INSURANCE CO (MUTUAL)	13,361
62863	TRUSTMARK LIFE INSURANCE CO	9,138
80314	UNICARE LIFE & HEALTH INSURANCE CO	6,059
11121	UNIFIED LIFE INSURANCE COMPANY	8,440
91529	UNIMERICA INSURANCE COMPANY	10,168
62596	UNION FIDELITY LIFE INSURANCE CO	794
69744	UNION LABOR LIFE INSURANCE CO	10,766
70408	UNION SECURITY INSURANCE COMPANY	35,870
92916	UNITED AMERICAN INSURANCE CO	81,729
85766	UNITED CONCORDIA INSURANCE CO	9,187
69930	UNITED INSURANCE COMPANY OF AMERICA	521
69868	UNITED OF OMAHA LIFE INSURANCE CO	186,054
42129	UNITED SECURITY ASSURANCE CO OF PENNSYLV	356
21113	UNITED STATES FIRE INSURANCE CO	9,396
70106	UNITED STATES LIFE INS CO IN CITY OF NY	7,420
72850	UNITED WORLD LIFE INSURANCE CO	6,634
79413	UNITEDHEALTHCARE INSURANCE CO	1,502,950
97179	UNITEDHEALTHCARE LIFE INSURANCE COMPANY	32,809

Michigan Life Health Insurance Guaranty Association
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62235	UNUM LIFE INSURANCE COMPANY OF AMERICA	282,594
97772	US HEALTH AND LIFE INSURANCE CO	65,319
69663	USAA LIFE INSURANCE CO	6,822
39616	VISION SERVICE PLAN INSURANCE CO	143,280
70319	WASHINGTON NATIONAL INSURANCE CO	16,108
25011	WESCO INSURANCE CO	158
70483	WESTERN & SOUTHERN LIFE INS CO	2,278
39845	WESTPORT INSURANCE CORP	12,322
65900	WILCO LIFE INSURANCE CO	124
53139	WISCONSIN PHYSICIANS SERVICE INS CORP	1,901
16535	ZURICH AMERICAN INSURANCE CO	9,333