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PENN TREATY AMERICAN CORP
Form 8-K
January 08, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 2, 2009

Penn Treaty American Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation)

001-14681

(Commission File Number)

23-1664166

(IRS Employer Identification No.)

3440 Lehigh Street, Allentown, Pennsylvania 18103

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(610) 965-2222**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into Material Definite Agreement

On January 2, 2009, (the Closing Date), Penn Treaty American Corporation (the Company) entered into and closed on an Asset Purchase Agreement (the Agreement) with Network Insurance Senior Health Division ALG, LLC (the Buyer), Network Insurance Senior Health Division, Inc. (NISHD) and Penn Treaty Network America Insurance Company (PTNA), whereby the Buyer purchased substantially all of the assets (the Acquired Assets) and assumed certain liabilities (the Assumed Liabilities) of NISHD. The Company is party to the Agreement as a guarantor, and has agreed to guarantee all of the obligations of NISHD and PTNA thereunder. NISHD is a wholly owned subsidiary of PTNA, which is a wholly owned subsidiary of the Company.

Pursuant to the Agreement, the Buyer purchased from NISHD the Acquired Assets for \$3,233,907 (the Purchase Price). In addition to the Purchase Price, NISHD will retain the renewal commissions with respect to (i) long-term care insurance policies issued prior to 2002 by PTNA, American Network Insurance Company and American Independent Network Insurance Company of New York (each of which is a wholly owned subsidiary of the Company), and (ii) certain long-term care insurance policies issued during 2002 or thereafter by PTNA or any of its affiliates with respect to which NISHD received or was entitled to renewal commissions prior to the Closing Date.

Item 2.01

As described in Item 1.01 and incorporated herein by reference, on January 2, 2009, PTNA, a wholly owned subsidiary of the Company, sold the Acquired Assets to the Buyer.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Asset Purchase Agreement by and among Network Insurance Senior Health Division ALG, LLC, Network Insurance Senior Health Division, Inc., Penn Treaty Network America Insurance Company, Inc., and Penn Treaty American Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PENN TREATY AMERICAN CORPORATION

January 8, 2009

By: /s/ Mark Cloutier

Name: Mark Cloutier

Title: Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

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