

REQUEST FOR PENN TREATY NETWORK AMERICA CHECK-O-MATIC

The undersigned hereby requests that Penn Treaty Network America Insurance Company'sSM Check-O-Matic Plan be made applicable to the payment of premium on the policies listed below. (It is understood that the Plan does not apply to payment of policy loans or interest thereon.)

For the purpose of obtaining payment of premiums on such policies, Penn Treaty Network America Insurance CompanySM shall be and is hereby authorized to draw a check each due date in the amount of premium due on such policies. Each check shall be drawn upon (and charged against) the checking account indicated below.

IMPORTANT: PLEASE ATTACH A VOIDED COPY OF YOUR CHECK

FILE	CO.	FORM	POLICY NO.	HOME OFFICE USE ONLY	BANK ACCOUNT NO.	PREMIUM

TRANSIT NO.	HOME OFFICE USE ONLY	ROUTE NO.
		BILL DATE MODE

The conditions under which such Plan shall be applicable are as set on the reverse side hereof, to which conditions the undersigned hereby agrees.

Date _____

Name of Applicant for Insurance (If Not Depositor) _____

Bank Signature of Depositor _____

Signature of Applicant (If Not Depositor) _____

AUTHORIZATION TO HONOR CHECKS DRAWN BY THE PENN TREATY NETWORK AMERICA INSURANCE COMPANYSM

Account No. _____

Name of Depositor (As Shown on Bank Record) _____

Name of Bank (and Branch - if any) _____

Bank Mail Address _____

As a convenience to me, I hereby request and authorize you to pay and charge to my account checks drawn on my account by and payable to the order of the Penn Treaty Network America Insurance CompanySM, provided there are sufficient collected funds in said account to pay the same upon presentation. I agree that your rights in respect to each such check shall be the same as if it were a check drawn on you and signed personally by me. This authority is to remain in effect until revoked by me in writing, and until you actually receive such notice, I agree that you shall be fully protected in honoring such check. I further agree that if any such check be dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever even though such dishonor results in the forfeiture of insurance.

Penn Treaty Network America Insurance CompanySM is instructed to forward this authorization to you.

Date: _____ Signature of Bank Depositor: _____

Date: _____ Signature of Joint Account Holder: _____

See reverse side for Indemnification Agreement

CONDITIONS

1. This Plan shall not be constructed as modifying or affecting any of the provisions of the policy with respect to payment of Premiums.
2. The Plan shall cease to be applicable
 - (a) at the election of the premium payor, upon thirty days written notice to Penn Treaty Network America Insurance CompanySM;
 - (b) at the election of Penn Treaty Network America Insurance CompanySM, upon thirty days written notice to the premium payor; or
 - (c) if the bank fails or refuses to pay any such check, in which event, unless Penn Treaty Network America Insurance CompanySM gives written notice that the Plan is reinstated, such termination shall be effective as of the last day of the month preceding the month in which the dishonored check is dated.
3. If and when the Plan ceases to be applicable, there will become due on each of the listed policies such an interim premium, at the rate for policies not under the Plan, as would cause subsequent annual premiums (or in the case of monthly, quarterly or semi-annual, one thereof) to fall due on the policy anniversary date. Premiums thereafter will become due in the amount and with the frequency of payment in effect immediately prior to the date of the request on the reverse side.

PENN TREATY NETWORK AMERICA INSURANCE COMPANYSM

Indemnification Agreement

DATE: Stated on the reverse side

TO: The Bank Named On The Reverse Side

You are required to honor pre-authorized checks or drafts drawn by us against accounts of depositors of your Bank for the payment of insurance premiums to us, and in consideration of your so doing, it is understood and agreed that your Bank shall have no obligations.

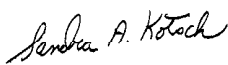
You are responsible for the payment or nonpayment of premiums by virtue of this arrangement, and we hereby agree to indemnify and hold you harmless from any and all claims, demands or liabilities whatsoever arising out of the payment or nonpayment of any such items or payment after receipt of the written cancellation of depositor's authorization, and without limiting the foregoing, we further indemnify you and hold you harmless from any liability or loss suffered by you arising out of the dishonor of any such item, not only to persons having an account with your Bank, but also to any party who has an interest in any policy issued by the Penn Treaty Network America Insurance CompanySM, premiums for which are paid by pre-authorized checks or drafts drawn on your Bank.

You shall specifically not be responsible for any item drawn in a wrong amount or at more or less frequent intervals than called for in the policy or in the depositor's authorization. We also agree to refund to you any and all amounts that may be erroneously paid by you in respect to the issue of any such check or draft.

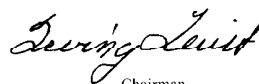
We agree to retain counsel and defend at our own cost and expense any legal action taken against you by your depositor or any other party having an interest in any policy issued by Penn Treaty Network America for which premiums are paid by preauthorized checks or drafts drawn on your Bank, provided that after any such claim or demand, you shall do nothing that would prejudice your rights against any such claimant.

This arrangement shall terminate immediately as to any depositor upon receipt by your Bank from such depositor of a revocation of the authorization for payment of the above-mentioned items, and may be terminated by your Bank as to any depositor upon thirty days written notice to us and the depositor shall automatically terminate immediately upon the closing of the depositor's account with you. This agreement may be terminated in its entirety by either you or us at any time upon thirty days written notice to the other, and shall automatically terminate immediately upon the filing of any petition under any bankruptcy, regulation or insolvency statute by or against us, or upon the appointment of any receiver or trustee to take possession of any of our property.

This agreement supersedes any prior agreement between us which relates to the drawing of checks or drafts by Penn Treaty Network America on the accounts of your depositors.



Secretary



Chairman