

Frank N. Darras: PENN TREATY NETWORK AMERICAN INSURANCE COMPANY Cheats Grandmother 87 Year Old Policyholder Wrongfully Denied Benefits

ONTARIO, Calif., Oct. 16 /PRNewswire/ -- Frank N. Darras, the nation's leading disability and long term care insurance lawyer has filed suit in the Pomona Superior Court of California against PENN TREATY NETWORK AMERICA INSURANCE COMPANY (NYSE: PTA) on behalf of an elderly woman who once worked as a presser and riveter during WWII.

The filing states that Vera Smith, the plaintiff, now 87 years old, had purchased a Home Health Care Policy from Defendant, PENN TREATY NETWORK AMERICA INSURANCE COMPANY ("PENN TREATY") in 1998, to ensure her long-term medical care would be covered and her family would be protected from rising medical costs as she aged.

Ms. Smith, who is now physically unable to care for herself and cognitively incapacitated, had to move in with her daughter and is in dire need of full-time home health care. She and her family counted on Penn Treaty to provide her with the benefits she paid for while she was younger and able-bodied. All the conditions required for her in-home care had been meticulously met, yet her long-term care insurance company wrongfully denied her benefits.

Like many baby boomers taking on the responsibility for aging parents, Ms. Smith's daughter did everything to ensure her mother's health care would be provided. An addition, built at her daughter's home, was designed for easy access and care of Ms. Smith. All changes and the addition to the property to accommodate Ms. Smith's physical disabilities were properly permitted and met the conditions of her Penn Treaty policy.

"This is where the big giants of the insurance industry turn plain policy language on its head and try to trick older policyholders," warns Darras.

Penn Treaty, in March 2005, denied Ms. Smith payment of her benefits because "her residence no longer met the policy definition of HOME."

"The horror of this situation is that," says Darras, "with just a pen, this Company erased city-approved plans, snuffed out legal drawings that painstakingly called out the design of her space and said this house is no longer a home. This malicious manipulation of a family's attempts to comply with all the policy requirements, to provide care for an older and deserving person, all to boost the company's bottom line, is an outrage. It's a slap in the face to our grandparents who paid hard-earned dollars to avoid burdening their loved ones. This billion dollar giant should be corporately ashamed.

"Think about it: permitted construction created a medically safe place to live, so Ms. Smith could receive the help she needed when her health declined and this is what she gets.

"This is not a case of an elderly person living in a tool shed, a detached garage or under the stairs with no ventilation. This is a city-approved, specially designed, code-approved addition that had a roof, plumbing, electrical, and all the proper permits. The family had to take out a bank loan for the construction, to allow for medically necessary care so that grandma could remain living with the family."

Unfortunately, for the Smith family, Penn Treaty declared this house was no longer a home.

"This company is publicly held and a billion dollars strong; surely they had the financial resources to send a company representative out to take a look at what was built. After years of premium payments, aging America deserves better from Penn Treaty. It would have taken

one tank of gasoline to drive out and put a face on this customer and see that everything she did was in full accordance with the Penn Treaty policy," Darras says.

"I am in this business is to protect senior citizens, like Ms. Smith. It is sickening to watch the fear and panic companies like Penn Treaty deliver when they deny older people their policy benefits. If anyone from the Company had just driven by, flown over, pulled the plans, reviewed the permits ... there is no denying, this is a house, a home, and the place she had specifically designed and built to receive her much needed care.

"What is frightening is that, as we age, many of us are paying for policies that we hope will soften the financial blow of our golden years. Unfortunately, by the time we need these long-term care policies, we are too old and too sick to fight back, if we are denied.

"Insurance companies know my older folks don't fight long and can't fight hard, so they make the process difficult, burdensome and frustrating hoping my seniors will give up," says Darras.

All of us pay insurance premiums because we can't finance disaster ... that if something went very wrong, our carrier would honor the policy by paying the claim promptly, fairly and with fast, friendly customer service. In this case, the only thing fast about Penn Treaty's service was the denial!

This year, baby boomers started turning 60 years old. For many, full of youthful thinking and physical vitality, old age seems surreal. It is tough to look at aging and make choices for a life that does not seem possible. Needless to say, that part of life is facing us head on, whether we like it or not and it is moving at a speed faster than light.

With that knowledge, great diligence and consideration, long term care policies are marketed, sold and purchased by people like Vera Smith. Never in a million years did she think, even for a second, that her diligence and thoughtful planning would turn into this kind of medical tragedy and financial nightmare.

"When the Los Angeles Times profiles a case like this, as it did on Saturday, October 14, it underscores the importance of senior awareness. See <http://www.sbd-law.com/>.

"Buy a first-rate policy, read the fine print, and find a competent lawyer who knows senior issues and long-term care. In Vera Smith's case, her insurer decided to cheat a grandmother, betting she wouldn't have the stamina, banking on the fact that the courthouse would be difficult to find and too expensive to get into," says Darras.

"When a company like Penn Treaty wrongfully denies our senior citizens, they are betting, most will give up; others can't find competent counsel and those that do often die before seeing a jury and that is despicable," says Darras.

"When insurance company executives with platinum parachutes, warrants and stock options rob seniors of their dignity, putting profits over our older folks, when they take advantage of the elderly, they need to be punished," says Darras.

"Older Americans don't want to be cheated, chiseled, denied and harmed by their insurance company after paying premiums for years and making provisions for long-term care in the autumn of their lives, conduct like that needs to be stopped," warns Darras.

The complaint and jury demand was filed against Penn Treaty for Breach of the Covenant of Good Faith and Fair Dealing and Breach of Contract. The complaint was filed on, Sep 25, 2006

in the Superior Court of California -- County of Los Angeles -- East district (Pomona), Case Number: KC 049131

About Frank Darras

Frank N. Darras is America's leading plaintiff's attorney representing disabled policyholders and long-term care insureds. He is annually singled out for his vigilant work helping those unable to afford representation because he remembers his humble beginnings and tackles our country's most difficult cases. Darras has achieved Super Lawyer status by Los Angeles Magazine and the Daily Journal lists him as one of the Outstanding Lawyers in America. He is featured in Best Lawyers in America 2004, 2005, 2006 and 2007. Darras has been selected one of the Top 500 Litigators in America by Lawdragon and recently was recognized as one of the Top 500 Leading Lawyers in America. For more information, visit our web site at <http://www.sbd-law.com/> or call 800-458-3386.

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