BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

IN THE MATTER OF:	)	
	)	**No.: 05-058**
CONTINENTAL LIFE INSURANCE COMPANY	)	
OF BRENTWOOD, TENNESSEE	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of Continental Life Insurance Company of Brentwood, Tennessee (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2004, the examiner-in-charge filed with the Division, on the 5th day of August, 2005, a verified, written report on examination, and a copy of that report has been sent to Continental Life Insurance Company of Brentwood, Tennessee. (The Report on Examination of Continental Life Insurance Company of Brentwood, Tennessee is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the Company on August 11, 2005. (A copy of the Company's written rebuttal is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of Continental Life Insurance Company of Brentwood, Tennessee, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 5th day of August, 2005, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-11-206(a)(2) by notifying the Commissioner in writing of its intention to enter into any transactions listed under § 56-11-206(a)(2)(D) at least thirty (30) days prior to doing so, so as to allow the Commissioner to review such transactions and determine whether or not to disapprove them. The Company is further **DIRECTED** to file all agreements with the Commissioner that might fall under Tenn. Code Ann. § 56-11-206(a)(2)(D) that have not been previously filed or received approval.

2. The Company is **DIRECTED** to comply with Tenn. § 56-1-501(b) by completing its annual statement in accordance with the annual statement instructions established by the Commissioner. This compliance includes, but is not limited to, following Annual Statement Instructions, page 273, which states that the "effective date as used in this schedule (Schedule S) is the date the contract originally went into effect" as such concerns effective dates for reinsurance agreements.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Continental Life Insurance Company of Brentwood, Tennessee for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 12th day of August, 2005.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

Eric J. Stansell

Eric J. Stansell (BPR# 021707)
Staff Attorney
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Fifth Floor
Nashville, Tennessee 37243
(615) 741-2199

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Continental Life Insurance Company of Brentwood, Tennessee, Post Office Box 1188, Brentwood, Tennessee 37027, on this the 12th day of August, 2005.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney