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

IN THE MATTER OF:	)	
	)	**No.: 05-035**
MID-WEST NATIONAL LIFE INSURANCE	)	
COMPANY OF 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 Mid-West National Life Insurance Company of Tennessee (hereinafter also referred to as the "Company"), a domestic insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2003, the examiner-in-charge filed with the Division, on the 15th day of April, 2005, a verified, written report on examination, and a copy of that report has been sent to Mid-West National Life Insurance Company of Tennessee. (The Report of Examination of Mid-West National Life Insurance Company of Tennessee is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the Company on May 13, 2005. (A true and exact 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 Mid-West National Life Insurance Company of Tennessee, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 15th day of April, 2005, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

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Company Examinations

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-3-103 by taking any and all necessary steps to ensure that no officer, director or member of any committee having any authority in the investment or disposition of the Company's funds accepts, or is the beneficiary of, any fee, brokerage, commission, gift or other consideration for or on account of any loan, deposit, purchase, sale, payment or exchange made by or in behalf of the Company, or be pecuniarily interested in any such purchase, sale or loan, either as borrower, principal, coprincipal, agent or beneficiary.

2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-2-209 by holding its securities held in trust for reserve credits and reinsurance recoverables in the manner specified, or to otherwise properly report such funds on its annual statement in the manner required under the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual, as per Tenn. Code Ann. § 56-1-501(g). The Company is further **DIRECTED** to hold those funds reported as security for unauthorized reserve credits in the manner outlined by Tenn. Comp. R. & Regs., ch. 0780-1-63-.09 (1995), so as to comply with Tenn. Code Ann. § 56-2-209.

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 Mid-West National Life Insurance Company of 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 24th day of May, 2005.

Paula A. Flowers

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

PREPARED FOR ENTRY:

Eric J. Stansell

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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 Mid-West National Life Insurance Company of Tennessee, 9151 Grapevine Highway, North Richland Hills, Texas 76180, on this the 26th day of May, 2005.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney