BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

IN THE MATTER OF:	)	
	)	
	)	**No.: 09-033**
HEALTH 1-2-3, INC.	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVE

Pursuant to TENN. CODE ANN. §§ 56-1-401, *et seq.* and 56-32-215(b), the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of Health 1-2-3, Inc. (hereinafter referred to as the "Company"), a health maintenance organization operating in the State of Tennessee. As a result of as examination conducted as of the 31st day of December, 2007, the examiner in charge filed with the Division on the 16th day of June, 2009, a verified, written report on examination, and a copy of that report has been sent to the Health 1-2-3, Inc. (The Report on Examination of Health 1-2-3, Inc. is attached hereto and marked as Exhibit A). The Division received a written rebuttal to said examination report from the Company on June 25, 2009. (A copy of the Company's written rebuttal is attached hereto as Exhibit B).

Pursuant to TENN. CODE ANN. §§ 56-1-411 and 56-32-201, *et seq.*, said examination report regarding the affairs of Health 1-2-3, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 16th day of June, 2009, is hereby **ADOPTED** as filed with the following **DIRECTIVE:**

The Company is **DIRECTED** to comply with TENN. CODE ANN. §§ 56-3-303(a)(18) and 56-32-211 by ensuring that repurchase transactions are entered into with a written agreement and in accordance with the provision of the Purposes and Procedures Manual of the Securities

Valuation Office of the NAIC.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Health 1-2-3, Inc. 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 Directive merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED.**

ENTERED this the 29th day of June, 2009.

Leslie A. Newman, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report with Directive has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, Bryan Cummings, Insurance Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Health 1.2.3, Inc., at the address of 706 Church Street, Suite 500, Nashville, Tennessee, 37203; on this the 24th day of June, 2009.

Karen L. Heidel
Certifying Attorney