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Dept. Of Commerce & Insurance
Company Examinations

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

IN THE MATTER OF:	)	
	)	**No.: 06-078**
PERMANENT GENERAL ASSURANCE COMPANY	)	

ORDER ADOPTING EXAMINATION REPORT AS FILED 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 Permanent General Assurance Company (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 30th day of May, 2006, a verified, written report on examination, and a copy of that report has been sent to Permanent General Assurance Company. (The Report on Examination of Permanent General Assurance Company is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the Company on June 19, 2006. (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 Permanent General Assurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 30th day of May, 2006, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. §§ 56-1-501(b) and 56-44-102 by completing and filing its Annual Statements in accordance with Annual Statement instructions as established by the Commissioner of the Tennessee Department of Commerce and Insurance. Such compliance shall

include, but not be limited to, the correct reporting of those states in which it is licensed to do business, as found on Schedule T of the Annual Statement.

2. The Company is **DIRECTED** to comply with Tenn. Tenn. Code Ann. § 56-1-501(g) by preparing its financial statements in accordance with the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual. Such compliance shall include, but not be limited to, properly reflecting any pooling arrangements between the Company and any affiliates, as reflected on Schedule P of the Annual Statement.

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 Permanent General Assurance Company 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.

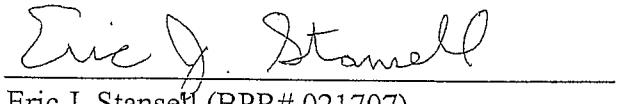
It is so **ORDERED**.

ENTERED this the 27th day of June, 2006.

Paula A. Flowers

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

PREPARED FOR ENTRY:



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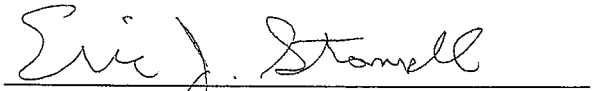
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report 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 Permanent General Assurance Company, P.O. Box 305054, Nashville, Tennessee, on this the 30th day of June, 2006.



Eric J. Stansell
Certifying Attorney