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

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JUN 20 2006
Dept. Of Commerce & Insurance
Company Examinations

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| **IN THE MATTER OF:** | ) | |
| | ) | **No.: 06-064** |
| **UNITED HEALTHCARE OF TENNESSEE, INC.** | ) | |

## ORDER ADOPTING EXAMINATION REPORT AS FILED WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-32-201, *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 United Healthcare of Tennessee, Inc. (hereinafter also referred to as the "Company"), a health maintenance organization 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 2nd day of May, 2006, a verified, written report on examination, and a copy of that report has been sent to United Healthcare of Tennessee, Inc. (The Report on Examination of United Healthcare of Tennessee, Inc. is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to Tenn. Code Ann. § 56-32-215, said examination report regarding the affairs of United Healthcare of Tennessee, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 2nd day of May, 2006, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-208 and Tenn. Comp. R. & Regs., ch. 0780-1-28-.01 by preparing its annual statements in accordance with the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual in effect for the period covered by the report. Such compliance shall include, but not be limited to, ensuring that the

proper disclosure of gross and non-admitted premiums occurs, as well as ensuring that the proper disclosure of the aging of uncollected premiums occurs as well.

2. The Company is **DIRECTED** to comply with Tenn. Comp. R. & Regs., ch. 0780-1-46-.04 by maintaining a custodial agreement that complies with said rule, should the Company choose an authorized method of holding its securities that requires such an agreement.

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 United Healthcare of Tennessee, 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 Directives merely to adopt the examination report filed by the examiner-in-charge.

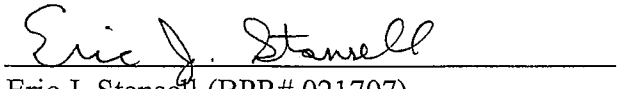
It is so **ORDERED**.

**ENTERED** this the 15th 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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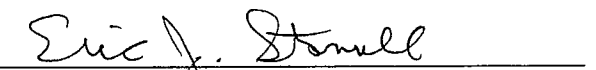
## CERTIFICATE OF SERVICE

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 United Healthcare of Tennessee, Inc., 10 Cadillac Drive, Brentwood, Tennessee 37027, on this the 19th day of June, 2006.



Eric J. Stansell
Certifying Attorney