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

IN THE MATTER OF:	)	
	)	**No.: 05-056**
EMPIRE GENERAL LIFE ASSURANCE CORPORATION	)	

ORDER ADOPTING EXAMINATION REPORT WITH MODIFICATIONS AND 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 Empire General Life Assurance Corporation (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 8th day of August, 2005, a verified, written report on examination, and a copy of that report has been sent to Empire General Life Assurance Corporation. (The Report on Examination of Plateau Casualty Insurance Company is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the Company on August 12, 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 Empire General Life Assurance Corporation, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 8th day of August, 2005, is hereby **ADOPTED** as filed with the following **MODIFICATIONS** and **DIRECTIVES**:

1. The Report on Examination is hereby **MODIFIED** by deleting in its entirety the third full paragraph found on page twenty (20) of the Report on Examination.

2. The Report on Examination is hereby **MODIFIED** by deleting in its entirety Recommendation Number Two (2), asfound on page forty-one (41) of the Report on Examination.

3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-2-301 and Tenn. Comp. R. & Regs., ch. 0780-1-62-.05 by ensuring that all reinsurance or coinsurance agreements, amendments or letters of intent comply with the requirements of Tenn. Comp. R. & Regs., ch. 0780-1-62-.05. This compliance includes, but is not limited to, ensuring that any agreements that *de facto* concern the Company are amended so that they the Company is explicitly named in such agreements.

4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-2-209 and Tenn. Comp. R. & Regs., ch. 0780-1-63-.10 by ensuring that any letters of credit that are intended to be used to obtain reinsurance credit are issued on or before the date of filing of the financial statement.

5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 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, correctly reporting the effective dates of all reinsurance agreements as per the Annual Statement Instructions.

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 Empire General Life Assurance Corporation 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

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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 Empire General Life Assurance Corporation, 2801 Highway 280 South, Birmingham, Alabama 35223, on this the 12th day of August, 2005.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney