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

IN THE MATTER OF:	)	
	)	**No.: 05-031**
MOUNTAIN LIFE INSURANCE COMPANY	)	

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 Mountain Life Insurance Company (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 28th day of March, 2005, a verified, written report on examination, and a copy of that report has been sent to Mountain Life Insurance Company. (The Report of Examination of Mountain Life Insurance Company 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. § 56-1-411, said examination report regarding the affairs of Mountain Life Insurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 28th day of March, 2005, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Tenn. Code Ann. §§ 56-7-401 and 56-1-501(g) by reserving for certain whole life policies in accordance Actuarial Guideline XXII as found in the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual.

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2. The Company is **DIRECTED** to comply with Tenn. Tenn. Code Ann. § 56-1-403 by using the required rate in its reserve calculations for any particular year for whole life policies issued in such year.

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 Mountain Life Insurance 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 19th 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 Mountain Life Insurance Company, 517 Airway Drive, Alcoa, Tennessee 37701, on this the 19th day of May, 2005.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney