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

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APR 12 2011
Dept. of Commerce & Insurance
Company Examinations

IN THE MATTER OF:	)	
	)	**No.: 11-020**
CARITEN INSURANCE COMPANY	)	
	)	

ORDER ADOPTING MARKET CONDUCT 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 ("Division") has examined certain affairs of the Cariten Insurance ("Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 30th day of June, 2008, the examiner-in-charge filed with the Division, on the 13th day of March, 2009, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of the Companies is attached hereto and marked as Exhibit A). The Division received written responses on said examination report from the Companies on the 20th day of January 2011. (A copy of the Company's written response is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. §§ 56-1-411, said examination report regarding the affairs of Cariten Insurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 13th day of March, 2009, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-1-411(b) by making available all records free and accessible upon request and by maintaining record retention requirements to ensure information is available to regulators when requested.

2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-8-104(11) by maintaining a complete record of all the complaints it has received since the date of its last

examination. This record shall indicate the total number of complaints, their classification byline of insurance, the nature of each complaint, the disposition of each complaint, and the time it took to process each complaint.

3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-115 by updating and properly filing all producer appointments, and by not accepting applications, not issuing policies, or not paying commissions to any agent broker unless they are properly appointed.

4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-26-102(a) by developing policies and procedures to track rate and form approvals and by not issuing policies of accident and sickness insurance in this State or charging for those policies until both the policy forms and rates have been filed and approved by the Commissioner.

5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-7-109 by developing a plan to properly ensure that notice is given to a provider, within thirty (30) days after receiving a paper claim or twenty-one (21) days after receiving an electronic claim, of all reasons why a claim is not clean and not be paid and what substantiating documentation and information is required to adjudicate the claim as clean.

6. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-7-109 by developing a comprehensive plan to properly address and pay/deny all claims submitted within thirty (30) days after receiving a paper claim or twenty-one (21) days after receiving an electronic claim.

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 Cariten 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 Market Conduct Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 11th day of April, 2011.

Julie Mix McPeak

Julie Mix McPeak, 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 mailed, first class, postage prepaid, to Cariten Insurance Company, 1420 Centerpoint Boulevard, Knoxville, TN 37932, on this the 11th day of April, 2011.

Tony Greer
Certifying Attorney