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

IN THE MATTER OF: )
) No.: 05-063
AMERICAN CONTINENTAL INSURANCE COMPANY )

ORDER ADOPTING EXAMINATION REPORT

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 American Continental Insurance 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 4th day of August, 2005, the examiner-in-charge filed with the
Division, on the 1st day of September, 2005, a verified, written report on examination, and a copy of
that report has been sent to American Continental Insurance Company. (The Organizational
Examination of the American Continental 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. § 56-1-401, said examination report regarding the affairs of
Sheffield Insurance Company, filed with the Insurance Division of the State of Tennessee
Department of Commerce and Insurance on the 1st day of September, 2005, is hereby ADOPTED as
filed.

The adoption of this examination report shall not preclude the Department from imposing
sanctions against American Continental 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 merely to adopt the examination report filed by the examiner-in-
charge.
It is so ORDERED.

ENTERED this the 14th day of September, 2005.

[Signature]
Paula A. Flowers
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

[Signature]
Eric J. Stansell (BPR# 021707)
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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 American Continental Insurance Company, 101 Continental Place, Brentwood, Tennessee 37027-5033, on this the 16th day of September, 2005.

[Signature]
Eric J. Stansell
Certifying Attorney