



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

IN THE MATTER OF:)
)
CARESOURCE TENNESSEE CO.) **TID No.: 25-22**
)
)

ORDER ADOPTING EXAMINATION REPORT WITH MODIFICATIONS

Pursuant to Tenn. Code Ann. § 56-1-408, the Insurance Division of the State of Tennessee, Department of Commerce and Insurance (“Division”) has examined certain affairs of CareSource Tennessee Co. (“Company”), an insurance company domiciled in the state of Tennessee. As a result of an examination, conducted as of December 31, 2023, the examiner-in-charge filed a verified, written report on the examination with the Division on May 13, 2025. A copy of that report was sent to the Company. (The Report on Examination of the Company is attached hereto and marked as Exhibit A).

The Division received a response regarding the report from the Company dated June 24, 2025. (The written response submitted by the Company is attached hereto and marked as Exhibit B).

Pursuant to Tenn. Code Ann. § 56-1-411, the examination report regarding the affairs of the Company is hereby **ADOPTED** as filed with following **MODIFICATIONS**:

1. The Report on Examination is hereby **MODIFIED** by deleting the second paragraph on page 12 of the examination report.

2. The Report on Examination is hereby **MODIFIED** by adding the following language to the “**Subsequent Events**” section, page 8, of the examination report:

Subsequent to the conclusion of the examination report, on June 20, 2025, it came to the attention of the examiner that the second paragraph on page 12 of the examination report, pertaining to the sufficiency of the Company’s capital and surplus was incorrect. Specifically, the Company was erroneously assessed under the HMO capital and surplus standards even though the Company is a licensed life and health insurance company. The Company possessed funds sufficient to technically meet the life and health company standards during the examination period. However, since the mistake was discovered, the Company needed to reallocate certain funds. Specifically, the Company filed notice and received approval from the Commissioner to issue a stock distribution which was treated as an extraordinary distribution pursuant to Tenn. Code Ann. § 56-11-106(b). The distribution resulted in the Company having its funds allocated in a manner that meets the \$1,000,000 minimum capital and surplus requirements for a life and health insurance company pursuant to Tenn. Code Ann. §§ 56-2-114 and 56-2-115.

The adoption of this examination report shall not preclude the Department from imposing sanctions against the Company for potential violations of Tennessee insurance law that may be revealed in the examination report, it being the intent of this Order merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED AND EXECUTED September 10, 2025.


Carter Lawrence (Sep 10, 2025 08:23:55 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:


Jenny Taylor (Sep 8, 2025 13:10:20 CDT)

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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 emailed to Scott McAnally, Assistant Commissioner for Insurance, Department of Commerce and Insurance at scott.mcanally@tn.gov; and mailed first class, postage prepaid, to CareSource Tennessee Co., 230 N. Main St., Dayton, Ohio 45402, on September 10, 2025.

Jenny Taylor
Jenny Taylor (Sep 8, 2025 13:10:20 CDT)

Jenny Taylor
Associate General Counsel