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

IN THE MATTER OF: ) No.: 09-030
ERLANGER HEALTH PLAN TRUST )

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-32-101, et seq., the Insurance Division of the State of Tennessee Department of Commerce and Insurance ("Division") has examined certain affairs of the Erlanger Health Plan Trust ("Company"), a health maintenance organization domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2007, the examiner-in-charge filed with the Division, on the 19th day of June, 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 Company is attached hereto and marked as Exhibit A). The Division received a written comment on said examination report from the Company on the 23rd day of June 2009. (A copy of the Company’s written comment is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. §§ 56-1-411 and 56-32-115, said examination report regarding the affairs of the Erlanger Health Plan Trust, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 19th day of June, 2009, is hereby ADOPTED as filed with the following DIRECTIVES:

1. The Company is DIRECTED to comply with Tenn. Code Ann. § 56-3-112 and Tenn. Comp. R. & Reg. § 0780-1-46-.03(2)(a)4. by amending the custodial agreement to include the provisions stating that the securities held by the custodian are subject to instructions of the insurance company and that the custodial agreement is between the custodian and the insurance company, and not the parent or affiliate of an insurance company.

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 the Erlanger Health Plan Trust 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 29th day of June, 2009.

Leslie A. Newman, Commissioner
Department of Commerce and Insurance
State of Tennessee
PREPARED FOR ENTRY:

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