

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

**IN THE MATTER OF:**

**HEALTHSPRING OF TENNESSEE, INC.**

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**No.: 08-132**

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**ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES**

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Pursuant to TENN. CODE ANN. § 56-32-215(b), the Insurance Division of the State of Tennessee Department of Commerce and Insurance (“Division”) has examined the affairs of HealthSpring of Tennessee, Inc., (“Company”), a health maintenance organization. As a result of an examination conducted as of the 31st day of March, 2007, the examiner-in-charge has filed with the Division on the 23rd day of September, 2008, a verified written report of examination under oath, and a copy of that report has been sent to HealthSpring of Tennessee, Inc. (The Report of Examination of HealthSpring of Tennessee, Inc., is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the company on September 26, 2008. (A copy of the rebuttal of HealthSpring of Tennessee, Inc., is attached hereto and marked as Exhibit B).

Pursuant to TENN. CODE ANN. § 56-32-201, *et seq.*, said examination report regarding the affairs of HealthSpring of Tennessee, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 23<sup>rd</sup> day of September, 2008, is hereby **ADOPTED** as filed, with the following **DIRECTIVES** to the Company:

The Company is **DIRECTED** to maintain the minimum net worth required by TENN. CODE ANN. § 56-32-212. The Company is further **DIRECTED** to hold any securities which enable the Company to maintain the minimum net worth under a custodial agreement that complies with TENN. COMP. R. & REGS. 0780-01-46, allowing the securities to be reported as

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admitted assets.

The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-11-206(a)(2) by notifying the Commissioner in writing at least thirty (30) days prior to entering into transactions such as management agreements and service contracts.

The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-11-205 by submitting the required statements and filings to the Department by the statutory deadline.

The adoption of this examination report shall not preclude the Department from imposing sanctions against HealthSpring of Tennessee, Inc. 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 29<sup>th</sup> day of September, 2008.

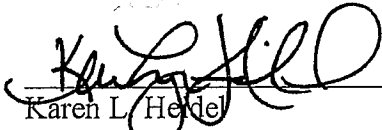
Leslie A. Newman  
Leslie A. Newman, Commissioner  
Department of Commerce and Insurance  
State of Tennessee

**PREPARED FOR ENTRY:**

Karen L. Heidel  
Karen L. Heidel (BPR # 024484)  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report with Directive has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, Rhonda Bowling-Black, Insurance Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to HealthSpring of Tennessee, Inc., at the address of 44 Vantage Way, Suite 300, Nashville, Tennessee, 37228; on this the 1<sup>ST</sup> day of October, 2008.

  
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Karen L. Heidel  
Certifying Attorney