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

IN THE MATTER OF:	)	
	)	**No.: 07-043**
PROVIDENT LIFE AND CASUALTY	)	
INSURANCE COMPANY	)	

RECEIVED
JUL 0 5 2007
Dept. Of Commerce & Insurance
Company Examinations

ORDER ADOPTING 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 (hereinafter referred to as the "Division") has examined certain affairs of Provident Life and Casualty 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 31st day of December, 2005, the examiner-in-charge filed with the Division, on the 8th day of June, 2007, a verified, written report on examination, and a copy of that report has been sent to the Company. (The Report on Examination of Provident Life and Casualty Insurance Company is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the Company on June 20, 2007. (The written rebuttal is attached hereto and marked as Exhibit B).

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of the Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 8th day of June, 2007, is hereby **ADOPTED** as filed with the following **DIRECTIVE**:

1. The Company is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-1-69-.01(1)(d) by increasing its claim reserves in 2007 by at least Eight Million, Nine Hundred Sixty Thousand, Six Hundred Seventy-One Dollars ($8,960,671) in order to

cover the deficiencies noted in the examination report.

The company shall comply with the directive 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 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 with Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 30th day of June, 2007.

Leslie A. Newman

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

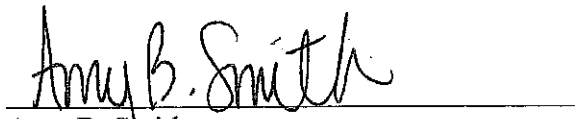
PREPARED FOR ENTRY:

Amy B. Smith

Amy B. Smith (BPR# 024713)
Staff Attorney
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Twelfth Floor
Nashville, Tennessee 37243
(615) 532-6830

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, Philip Blustein, Chief Examiner, Department of Commerce and Insurance, and Louise Booth, Financial Affairs Director, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Provident Life and Casualty Insurance Company, 1 Fountain Square, Chattanooga, Tennessee 37402, on this 3rd day of July, 2007.



Amy B. Smith
Certifying Attorney