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

IN THE MATTER OF:	)	
	)	**No.: 11-063**
PROTECTIVE LIFE INSURANCE COMPANY	)	

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 ("Division") has examined certain affairs of the Protective Life Insurance Company ("Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2009, the examiner-in-charge filed with the Division, on the 31st day of May, 2011, 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 Company waived any right to rebuttal with respect to the Report on Examination of the Protective Life Insurance Company filed with the Division, on the 31st day of May, 2011. (The letter waiving 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 Protective Life Insurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 31st day of May, 2011, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 48-18-401(d) by amending ARTICLE IV of the Company's Bylaws state that the same individual may simultaneously hold more than one (1) office in a corporation, except the offices of president and secretary.

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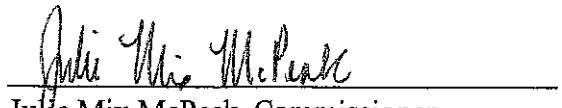
2. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-2-207 by ensuring that all reinsurance contracts seeking credit as an admitted asset or as deduction from liability must be payable by the assuming insurer on the basis of the liability of the ceding insurer under the contract or contracts reinsured without diminution, because of the insolvency of the ceding insurer nor unless, under the contract or contracts of reinsurance, the liability for the reinsurance is assumed by the assuming insurer or insurers as of the same effective date. The reinsurance contracts may provide that the liquidator or receiver or statutory successor of an insolvent ceding insurer shall give written notice of the pendency of a claim against the insolvent ceding insurer on the policy or bond reinsured, within a reasonable time after the claim is filed in the insolvency proceeding and that during the pendency of the claim, any assuming insurer may investigate the claim and interpose, at its own expense, in the proceeding where the claim is to be adjudicated, any defense or defenses that it may deem available to the ceding company or its liquidator or receiver or statutory successor. Finally, under the reinsurance contract, the expense incurred by the assuming insurer shall be chargeable, subject to court approval, against the insolvent ceding insurer as part of the expense of liquidation to the extent of a proportionate share of the benefit, which may accrue to the ceding insurer, solely as a result of the defense undertaken by the assuming insurer.

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 Protective Life 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 24th day of June, 2011.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance
State of Tennessee

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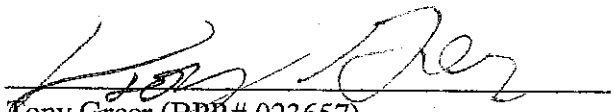

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CERTIFICATE OF SERVICE

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 mailed, first class, postage prepaid, to the Protective Life Insurance Company, 2801 Highway 280 South, Birmingham, Alabama 35223, on this the 27th day of June, 2011.

Tony Greer
Certifying Attorney