

**Department of State
Division of Publications**

312 Rosa L. Parks Avenue, 8th Floor Snodgrass/TN Tower
Nashville, TN 37243
Phone: 615-741-2650
Fax: 615-741-5133
Email: register.information@tn.gov

For Department of State Use Only

Sequence Number: 08-14-14
Rule ID(s): 5786
File Date: 8/13/14
Effective Date: 11/11/14

Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing. T.C.A. § 4-5-205

Agency/Board/Commission:	Department of Commerce and Insurance
Division:	Insurance
Contact Person:	Tony Greer, Assistant General Counsel
Address:	500 James Robertson Parkway Davy Crockett Tower, 8 th Floor Nashville, Tennessee
Zip:	37243
Phone:	615-741-2199
Email:	tony.greer@state.tn.us

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0780-01-66	Standards And Commissioner's Authority For Companies Deemed To Be In Hazardous Financial Condition
Rule Number	Rule Title
0780-01-66-.02	Purpose
0780-01-66-.03	Standards
0780-01-66-.04	Commissioner's Authority

Chapter 0780-01-66
Standards And Commissioner's Authority For Companies
Deemed To Be In Hazardous Financial Condition

Amendments

Paragraph (1) of Rule 0780-01-66-.02 Purpose is amended by deleting the phrase "to the public, their creditors or to holders of their policies or certificates of insurance" and substituting the phrase "to their policyholders, creditors or the general public".

Authority: T.C.A. §§ 56-1-408, 56-9-101 et seq., 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583.

Rule 0780-01-66-.03 Standards is amended by deleting the Rule in its entirety and substituting the following language so that as amended the Rule shall read:

0780-01-65-.03 Standards

The following standards, either singly or a combination of two or more, may be considered by the commissioner to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous to its policyholders, creditors or the general public. The commissioner may consider:

- (1) Adverse findings reported in financial condition and market conduct examination reports, audit reports, and actuarial opinions, reports or summaries;
- (2) The National Association of Insurance Commissioners Insurance Regulatory Information System and its other financial analysis solvency tools and reports;
- (3) Whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;
- (4) The ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;
- (5) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including but not limited to net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent (50%) of the insurer's remaining surplus as regards policyholders in excess of the minimum required;
- (6) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent (20%) of the insurer's remaining surplus as regards policyholders in excess of the minimum required;
- (7) Whether a reinsurer, obligor or any entity within the insurer's insurance holding company system, is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations, and which in the opinion of the commissioner may affect the solvency of the insurer;
- (8) Contingent liabilities, pledges or guaranties which either individually or collectively involve a total amount which in the opinion of the commissioner may affect the solvency of the insurer;
- (9) Whether any "controlling person" as defined in T.C.A. §§ 56-10-201 and 56-11-101 of an insurer is delinquent in the transmitting to, or payment of, net premiums to the insurer;
- (10) The age and collectability of receivables;

- (11) Whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness and reputation deemed necessary to serve the insurer in such position;
- (12) Whether management of an insurer has failed to respond to inquiries relative to the condition of the insurer or has furnished false and misleading information concerning an inquiry;
- (13) Whether the insurer has failed to meet financial and holding company filing requirements in the absence of a reason satisfactory to the commissioner;
- (14) Whether management of an insurer either has filed any false or misleading sworn financial statement, or has released false or misleading financial statement to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;
- (15) Whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner;
- (16) Whether the insurer has experienced or will experience in the foreseeable future cash flow or liquidity problems;
- (17) Whether management has established reserves that do not comply with minimum standards established by state insurance laws, regulations, statutory accounting standards, sound actuarial principles and standards of practice;
- (18) Whether management persistently engages in material under reserving that results in adverse development;
- (19) Whether transactions among affiliates, subsidiaries or controlling persons for which the insurer receives assets or capital gains, or both, do not provide sufficient value, liquidity or diversity to assure the insurer's ability to meet its outstanding obligations as they mature; or,
- (20) Any other finding determined by the commissioner to be hazardous to the insurer's policyholders, creditors or general public.

Authority: T.C.A. §§ 56-1-408, 56-9-101 et seq., 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583.

Subparagraph (b) of Paragraph (1) of Rule 0780-01-66-.04 Commissioner's Authority is amended by deleting the subparagraph in its entirety and substituting the following language so that as amended the subparagraph shall read:

- (b) Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries or affiliates consistent with the NAIC Accounting Policies And Procedures Manual, state laws and regulations;

Authority: T.C.A. §§ 4-5-101 et seq., 56-9-101 et seq., 56-1-408, 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583.

Paragraph (2) of Rule 0780-01-66-.04 Commissioner's Authority is amended by deleting the phrase "hazardous to the policyholders, creditors or the general public" and substituting the phrase "hazardous to its policyholders, creditors or the general public".

Authority: T.C.A. §§ 4-5-101 et seq., 56-9-101 et seq., 56-1-408, 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583.

Paragraph (2) of Rule 0780-01-66-.04 Commissioner's Authority is amended by adding the following as appropriately designated subparagraphs following subparagraph (i) and re-designating the remaining

subparagraph:

- (j) Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the commissioner;
- (k) Provide a business plan to the commissioner in order to continue to transact business in the state;
- (l) Adjust rates for any non-life insurance product written by the insurer that the commissioner considers necessary to improve the financial condition of the insurer; or,

Authority: T.C.A. §§ 4-5-101 et seq., 56-9-101 et seq., 56-1-408, 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583.

* If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

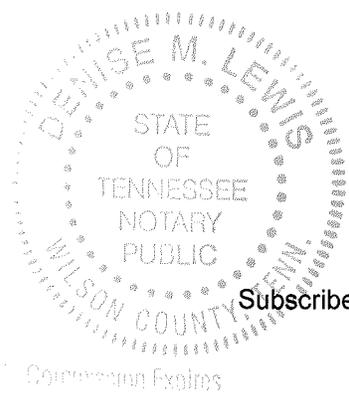
Board Member	Aye	No	Abstain	Absent	Signature (if required)
N/A					

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Commissioner of the Department of Commerce and Insurance on 6/26/14 (mm/dd/yyyy), and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 8/17/13

Rulemaking Hearing(s) Conducted on: (add more dates). 10/14/13



Date: 6-26-14

Signature: Julie Mix McPeak

Name of Officer: Julie Mix McPeak

Title of Officer: Commissioner, Department of Commerce and Insurance

Subscribed and sworn to before me on: 6-26-14

Notary Public Signature: Denise M Lewis

My commission expires on: 2-15-2016

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

RE Cooper Jr
 Robert E. Cooper, Jr.
 Attorney General and Reporter
7-8-14
 Date

Department of State Use Only

Filed with the Department of State on: 8/13/14

Effective on: 11/1/14

Tre Hargett
 Tre Hargett
 Secretary of State

2014 AUG 13 AM 8:43
 OFFICE OF
 SECRETARY OF STATE

Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. § 4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

The Department of Commerce and Insurance received no comments.

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

The Department of Commerce and Insurance has considered whether the proposed rules in these Rulemaking Hearing Rules are such that they will have an economic impact on small businesses (businesses with fifty (50) or fewer employees). The proposed rules are anticipated not to have a significant economic impact affecting small businesses. Tenn. Code Ann. §§ 56-1-408, 56-1-409, 56-1-416, 56-1-417, 56-2-301, 56-9-101, 56-9-106, 56-9-503, 56-9-504, 56-9-508, 56-11-106, 56-11-109 and 2014 Public Acts, Chapter 583 authorize the Commissioner to, or contemplate the Commissioner may, promulgate rules in order to establish whether a company is in hazardous condition. The proposed amendments add additional grounds that the commissioner may consider in determining whether a company is in hazardous condition, financial or otherwise, and give the commissioner additional authority to address companies in hazardous financial condition. Further, these rules are designed to allow the commissioner to detect more easily insurance companies that are in hazardous financial condition in order to protect policyholders in the State of Tennessee from insurance companies that may be financially impaired.

The outcome of the analysis set forth in Tenn. Code Ann. § 4-5-403 is as follows:

- (1) The proposed rules will only apply to insurance companies that are licensed, or should be licensed, in this State. The remedies contemplated under this rule and the Insurers Rehabilitation and Liquidation Act, found in T.C.A. §§ 56-9-101 et seq., must occasionally be applied to companies that engage in the unauthorized business of insurance.
- (2) Insurance companies licensed in this State are required to meet certain minimum capital, surplus and risk based capital requirements. The proposed rules do not change those requirements, but rather allows the commissioner greater flexibility in determining if an insurance company's finances are such that the company poses a risk to policyholders in this State. This rule will not increase any capital and surplus, or record keeping requirements for insurance companies.
- (3) The effect on small businesses is negligible. The proposed amendment will have no effect on consumers and will only affect insurance companies.
- (4) There are no alternative methods to make the rule less costly, less intrusive or less burdensome.
- (5) There are no other counterparts in the State of Tennessee; however, this regulation is similar to regulations in effect in all fifty states and the District of Columbia.
- (6) Only insurance companies are subject to this rule. Most insurance companies licensed in this State have greater than 50 employees. Nevertheless, exempting any insurance company from this regulation would place the Tennessee policyholders at a greater risk of having their insurance claims go unpaid due to a company's financial impairment.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

This rule will not have an impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed amendments add additional grounds the commissioner may consider in determining whether a company is in hazardous financial condition and give the commissioner additional authority to address companies in hazardous financial condition. Further, these rules are designed to allow the commissioner to detect more easily insurance companies that are in hazardous financial condition in order to protect policyholders in the state of Tennessee from insurance companies that may be financially impaired.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

Tenn. Code Ann. §§ 56-1-408, 56-1-409, 56-2-301, 56-9-101, 56-9-106, 56-9-503, 56-9-504, 56-9-508, 56-11-106 and 56-11-109 authorize the Commissioner to promulgate rules in order to establish the standards for when a company is in hazardous financial condition.

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

These rules only apply to insurance companies that are licensed, or should be licensed, in the State of Tennessee

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

There have been numerous administrative contested cases that discuss and interpret when an insurance company is in hazardous financial condition that have relied on this rule for making that determination. There is also one Attorney General Opinion, Opinion No. 10-115, that addresses when a county mutual insurance company may be in hazardous financial condition for paying too much compensation to its employees under Tenn. Comp. R. & Reg. 0780-01-78. However, that Attorney General Opinion does not impact this rule.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

None.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Mark Jaquish, Director of the Financial Analysis Section of the Insurance Division of the Tennessee Department of Commerce and Insurance.

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Tony Greer, Chief Counsel for Insurance and TennCare Oversight.

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Eighth Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, (615) 253-7847.

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

None.

**RULES OF THE DEPARTMENT OF COMMERCE AND
INSURANCE DIVISION OF INSURANCE**

**CHAPTER 0780—1—66
STANDARDS AND COMMISSIONER'S AUTHORITY FOR COMPANIES
DEEMED TO BE IN HAZARDOUS FINANCIAL CONDITION**

TABLE OF CONTENTS

0780—1—66—.01 Authority 0780—1—66—.04 Commissioner's Authority 0780—1—66—.02 Purpose 0780—1—66—.05 Judicial Review
0780—1—66—.03 Standards 0780—1—66—.06 Severability

0780-01-66-.01. AUTHORITY

This chapter is adopted and promulgated by the Tennessee Department of Commerce and Insurance pursuant to T.C.A. §§ 4-5-101 et seq., 56-1-408, 56-1-409, 56-2-301, 56-9-101, 56-9-106, 56-9-503, 56-9-508, 56-11-206, and 56-11-209.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.

0780-01-66-.02. PURPOSE

(1) The purpose of this chapter is to set forth the standards which the Commissioner may use for identifying insurers found to be in such condition as to render the further transaction or continuance of their business hazardous, financially or otherwise, ~~to the public, their creditors or to holders of their policies or certificates of insurance~~ to their policyholders, creditors or the general public.

(2) This chapter is intended to aid in early detection of any potentially dangerous condition in an insurer and to afford prompt application of appropriate corrective measures, thereby implementing express purposes of the Insurers' Rehabilitation and Liquidation Act, T.C.A. § 56-9-101 et seq.

(3) This chapter shall not be interpreted to limit the powers granted the Commissioner by any laws or parts of laws of this state, nor shall this chapter be interpreted to supersede any laws or parts of laws of this state.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.

0780-01-66-.03. STANDARDS

~~(1) The following standards, either singly or a combination of two or more, may be considered by the Commissioner to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous, financially or otherwise, to the its policyholders, creditors or the general public. The Commissioner may consider, in addition to any other relevant factors, the following:~~

~~(a1) Adverse findings reported in financial condition and market conduct examination reports, audit reports, and actuarial opinions, reports or summaries;~~

~~(b2) The National Association of Insurance Commissioners Insurance Regulatory Information System and its related other financial analysis solvency tools and reports;~~

~~(c) The ratios of commission expense, general insurance expense, policy benefits and reserve increases as to annual premium and net investment income which could lead to an impairment of capital and surplus;~~

~~(d) The insurer's asset portfolio when viewed in light of current economic conditions is not of sufficient value, liquidity, or diversity to assure the company's ability to meet its outstanding obligations as they mature;~~

~~(3) Whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;~~

~~(e4) The ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the company's insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;~~

~~(f5) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including but not limited to net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent (50%) of the insurer's remaining surplus as regards to policyholders in excess of the minimum required;~~

~~(6) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent (20%) of the insurer's remaining surplus as regards policyholders in excess of the minimum required;~~

~~(g7) Whether any affiliate, subsidiary or reinsurer, a reinsurer, obligor or any entity within the insurer's insurance holding company system, is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations, and which in the opinion of the commissioner may affect the solvency of the insurer;~~

~~(h8) Contingent liabilities, pledges or guaranties which either individually or collectively involve a total amount which in the opinion of the Commissioner may affect the solvency of the insurer;~~

~~(i9) Whether any "controlling person" as defined in T.C.A. §§ 56-10-201 and 56-11-2101 of an insurer is delinquent in the transmitting to, or payment of, net premiums to such the insurer;~~

~~(j10) The age and collectibility/collectability of receivables;~~

~~(k11) Whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness and reputation deemed necessary to serve the insurer in such position;~~

~~(l12) Whether the management of an insurer has failed to respond to inquiries relative to the condition of the insurer or has furnished false and misleading information concerning an inquiry;~~

~~(13) Whether the insurer has failed to meet financial and holding company filing requirements in the absence of a reason satisfactory to the commissioner;~~

Formatted: Indent: Left: 0.25"

(~~m~~14) Whether management of an insurer either has filed any false or misleading sworn financial statement, or has released false or misleading financial statement to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;

(~~n~~15) Whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner;

(~~e~~16) Whether the company has experienced or will experience in the foreseeable future cash flow ~~and~~ or liquidity problems.

(17) Whether management has established reserves that do not comply with minimum standards established by state insurance laws, regulations, statutory accounting standards, sound actuarial principles and standards of practice;

(18) Whether management persistently engages in material under reserving that results in adverse development;

(19) Whether transactions among affiliates, subsidiaries or controlling persons for which the insurer receives assets or capital gains, or both, do not provide sufficient value, liquidity or diversity to assure the insurer's ability to meet its outstanding obligations as they mature; or,

(20) Any other finding determined by the commissioner to be hazardous to the insurer's policyholders, creditors or general public.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.

0780-01-66-.04. COMMISSIONER'S AUTHORITY

(1) For the purposes of making a determination of an insurer's financial condition under this chapter, the Commissioner may:

(a) Disregard any credit or amount receivable resulting from transactions with a reinsurer which is insolvent, impaired or otherwise subject to a delinquency proceeding;

(b) Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries, or affiliates consistent with the NAIC Accounting Policies And Procedures Manual, state laws and regulations;

(c) Refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account or the financial condition of the debtor;

(d) Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next twelve-month period.

(2) If the Commissioner determines that the continued operation of the insurer licensed to transact business in this state may be hazardous to the its policyholders, creditors or the general public, then the Commissioner may, upon a determi-

nation, issue an order consistent with applicable statutes requiring the insurer to:

- (a) Reduce the total amount of present and potential liability for policy benefits by reinsurance;
- (b) Reduce, suspend or limit the volume of business being accepted or renewed;
- (c) Reduce general insurance and commission expenses by specified methods;
- (d) Increase the insurer's capital and surplus;
- (e) Suspend or limit the declaration and payment of dividend by an insurer to its stockholders or to its policyholders;
- (f) File reports in a form acceptable to the Commissioner concerning the market value of an insurer's assets;
- (g) Limit or withdraw from certain investments or discontinue certain investment practices to the extent the Commissioner deems necessary;
- (h) Document the adequacy of premium rates in relation to the risks insured;
- (i) File, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or in such format as promulgated by the Commissioner;
- (j) Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the commissioner;
- (k) Provide a business plan to the commissioner in order to continue to transact business in the state;
- (l) Adjust rates for any non-life insurance product written by the insurer that the commissioner considers necessary to improve the financial condition of the insurer; or,
- (jii) Take any other appropriate remedial action.

If the insurer is a foreign insurer the Commissioner's order may be limited to the extent provided by statute.

(3)(a) Any insurer subject to an order under Subparagraph (2) may request a hearing to review that order, which request must be received within thirty (30) days of the issuance of the order or review shall be deemed waived. The order shall be accompanied by notice of the conduct, condition or ground upon which the Commissioner based the order and notice of an opportunity to be heard consistent with the provisions of the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5 of the Tennessee Code Annotated. Unless mutually agreed between the Commissioner and the insurer, the hearing shall occur within fifteen (15) days after the date of the request for hearing and shall be held at the main offices of the Department or, in the discretion of the Commissioner, at some other place convenient to the parties designated by the Commissioner. When the date, time and place of the hearing is determined, notice of same shall be given to the insurer.

(b) The order provided for in Subparagraph (2) is not an order of administrative supervision. The Commissioner deems that such order relates to supervision in that it is administrative corrective action to determine the condition of the insurer and to abate the Commissioner's determination that the insurer may be in hazardous or potentially dangerous

condition. An insurer's failure to comply with the order could lead to administrative supervision or other proceedings.

(c) Matters under this chapter shall be treated in compliance with T.C.A. § 56-9-504.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.

0780-01-66-.05. JUDICIAL REVIEW

Any order or decision of the Commissioner shall be subject to review in accordance with the Uniform Administrative Procedures Act, Title 4, Chapter 5 of the Tennessee Code Annotated.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.

0780-01-66-.06. SEVERABILITY

If any provisions of this chapter be held invalid, the remainder shall not be affected.

Administrative History: Original rule filed December 20, 1993; effective March 5, 1994.