

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE  
REPORT OF EXAMINATION OF  
AMERICAN LIFE AND ANNUITY COMPANY  
(NAIC #73881)**

**AID NO. 2009- 081**

**ADOPTION ORDER**

Now on this day the matter of the Report of Examination ("Report" or "Report of Examination") as of December 31, 2008, of American Life and Annuity Company ("Company"), of Little Rock, Arkansas, NAIC #73881, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Associate Counsel, Zane A. Chrisman, and the Finance Division of the Arkansas Insurance Department ("Department"). From the facts, matters and other things before him, the Commissioner finds as follows:

**FINDINGS OF FACT**

1. The Commissioner has jurisdiction over the Company and the subject matter involved herein.
2. The Company is an Arkansas-domiciled legal reserve stock insurance company.
3. Pursuant to Ark. Code Ann. § 23-61-201 et seq., the Commissioner authorized and directed the Department to conduct a regular examination of the affairs, transactions, accounts, records and assets of the Company as of December 31, 2008.
4. Said examination was commenced by the Department on April 27, 2009, and completed on June 22, 2009.

5. The verified Report of Examination was filed with the Department on August 17, 2009; it was then forwarded to the Company via certified mail on August 18, 2009. The Company received the Report on August 19, 2009, according to the certified mail return receipt.

6. That the Report of Examination contains the following comments and discrepancies concerning the Company's operations:

The Company filed a risk based capital report under the terms of the Risk Based Capital Act for the operating period ending December 31, 2008. The RBC Report triggered a Company Action Level Event under Arkansas Code Annotated Section 23-63-1304, which requires that an insurer file an RBC Plan. The Company filed an RBC Plan with the Department. The Plan was not rejected, however, deficiencies were noted and the Company was asked to supplement the Plan by July 31 to bring it in to compliance. The Company filed a supplement to the RBC Plan with the Department on July 30, 2009.

7. The Company did not respond to the Report of Examination.

**THEREFORE**, pursuant to the provisions of Ark. Code Ann. § 23-61-205, the Commissioner hereby orders:

1. That the Examination Report, as filed with the Department, is hereby adopted.
2. That the Department shall forward a copy of this Order and the adopted Examination Report, as filed, to the Company, by certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Order.
3. That within twenty (20) days of receipt of this Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its

Directors, stating under oath or affirmation that each has received a copy of this Order and the adopted Examination Report;

4. That the adopted Examination Report shall be open for public inspection upon the expiration of thirty (30) days from the Company's receipt of this Order.

5. That the Department, as a matter of course, reserves the right to consider administrative proceedings against the Company at a later date.

IT IS SO ORDERED this 15<sup>th</sup> day of October 2009.



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JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS