BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
THE REPORT OF EXAMINATION OF
CAPITOL LIFE AND ACCIDENT INSURANCE COMPANY AID 2010- 009

ADOPTION ORDER

Now on this day the matter of the Report of Examination ("Report" or "Report of Examination") as of December 31, 2008, of Capitol Life and Accident Insurance Company ("Company"), of Little Rock, Arkansas, NAIC No. 90840, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Associate Counsel, Robert Alexander, 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 insurer.
3. Pursuant to Ark. Code Ann. § 23-61-201 et seq., and other applicable statutes, 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 September 15, 2009, and completed on October 15, 2009.

5. The verified Report of Examination was filed according to Ark. Code Ann. § 23-61-205(a)(2) with the Department on December 14, 2009; it was then forwarded to the Company via certified mail on December 14, 2009. The Company received the Report on December 17, 2009, according to the certified mail return receipt.

6. The Company neither responded to the Report nor filed any objections to same.

7. The Report of Examination does not contain any discrepancies or departures from the laws, rules or bulletins regarding the Company's operations.

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, via 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.

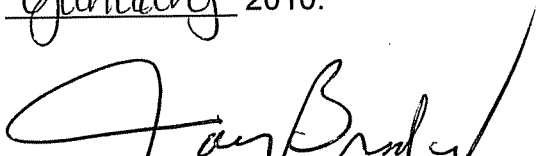
3. That within twenty (20) days of receipt of this Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its Directors, stating under oath or affirmation

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 25th day of January 2010.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS