Report on

Market Conduct Examination

of the

Continental General Insurance Company

Austin, Texas

by Representatives of the

North Carolina Department of Insurance

as of

October 21, 2026

Raleigh, North Carolina
October 21, 2026

Honorable Mike Causey
Commissioner of Insurance
Department of Insurance
State of North Carolina
3200 Beechleaf Court
Raleigh, North Carolina 27604

Honorable Amanda Crawford
Commissioner of Insurance
Department of Insurance
State of Texas
1601 Congress Avenue
Austin, TX 78711

Honorable Commissioners:

In accordance with the provisions of North Carolina General Statutes (NCGS) 58-2-131 through 58-2-134, a target examination has been made of the market conduct activities of the following entity:

Continental General Insurance Company (NAIC #71404)
Austin, Texas
(hereinafter generally referred to as "the Company")
NAIC Exam Tracking System Exam Number: NC-HOWENC-16

The examination was conducted at the North Carolina Department of Insurance (Department) office located at 3200 Beechleaf Court, Raleigh, North Carolina. A report thereon is respectfully submitted.

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SCOPE OF EXAMINATION

This examination commenced on March 4, 2026, and covered the period of January 1, 2023, through June 30, 2025. Analyses of certain operations of the Company were concluded during the wrap-up conference which was held on August 17, 2026. All comments made in this report reflect conditions observed during the period of the examination.

This examination was performed in accordance with auditing standards established by the Department and procedures established by the National Association of Insurance Commissioners (NAIC). The scope of this examination was not comprehensive and consisted of a review of the Company's practices and procedures in claims processing. The findings and conclusions contained within the report are based on the work performed and are referenced within the appropriate sections of the examination report.

It is the Department's practice to cite companies in violation of a statute or rule when the results of a sample show errors/noncompliance that fall outside certain tolerance levels. The Department applied 7 percent for claims reviewed. When errors are detected in a sample, but the error rate is below the applicable threshold for citing a violation, the Department issues a reminder to the company.

EXECUTIVE SUMMARY

This market conduct examination revealed no concerns with the Company's claims practices and procedures. All North Carolina General Statutes and rules of the North Carolina Administrative Code cited in this report may be viewed on the North Carolina Department of Insurance Web site https://www.ncdoi.gov/insurance-industry/market-regulation.

All statutory violations may not have been discovered or noted in this report. Failure to identify statutory violations in North Carolina or in other jurisdictions does not constitute acceptance of such violations.

CLAIMS PRACTICES

Overview

The Company's claims practices were reviewed to determine accuracy, adherence to Company guidelines, and compliance with the applicable North Carolina statutes and rules. The review encompassed paid individual cancer claims, paid individual long-term care claims, denied individual cancer claims, and denied individual long-term care claims.

Individual Cancer Claims Paid

The company provided a total listing of 102 individual cancer paid claim files. Ninety claim files were randomly selected for review. Two administrators serviced the individual cancer paid claims files. Health Care Services Corporation provided a listing of 40 individual cancer paid claim files. All 40 individual cancer paid claim files were selected and reviewed. Actuarial Management Resources, Inc. provided a listing of 62 individual cancer paid claims files. Fifty individual cancer paid claim files were randomly selected and reviewed. The Company was reminded of the provisions of NCGS 58-3-225(d) as one file (1.1% error ratio) showed the Company sent out a claims packet letter of correspondence which indicated the insured had 75 days in which to return additional claim information or the claim would be closed. NCGS 58-3-225(d) requires a 90-day period.

The average service time to process a claim payment was 17 calendar days. A chart of the service time follows:

Service Days	Number of Files	Percentage of Total
1 - 7	5	5.6
8 - 14	41	45.6
15 - 21	11	12.2
22 - 30	29	32.2
31 - 60	3	3.3
Over 60	1	1.1
Total	**90**	**100.0**

Individual Long-Term Claims Paid

The Company provided a listing of 17,399 individual long-term care paid claim files. One hundred files were randomly selected for review. No adverse trends or unfair practices were observed in this section of the examination.

The average service time to process a claim payment was 28 calendar days. A chart of the average service time follows:

Service Days	Number of Files	Percentage of Total
1 - 7	12	12.0
8 - 14	19	19.0
15 - 21	24	24.0
22 - 30	30	30.0
31 - 60	12	12.0
Over 60	3	3.0
Total	**100**	**100.0**

Individual Cancer Claims Denied

The Company provided a total listing of 217 individual cancer denied claim files. Ninety-six claim files were randomly selected for review. Two administrators serviced the individual cancer denied claim files. Health Care Service Corporation provided a listing of 46 individual cancer denied claim files. All 46 individual cancer denied claim files were reviewed. Actuarial Management Resources, Inc. provided a listing of 171 individual cancer denied claim files. Fifty individual cancer denied claim files were randomly selected for review. The Company was reminded of the provisions of NCGS 58-3-225(e) as one file (1.0% error ratio) showed the Company partially denied an anesthesia benefit, when the benefit should have been paid in full. As a result of the finding by the examiners, the Company paid $733.54 including statutory interest.

The average service time to process a claim denial was 16 calendar days. A chart of the service time follows:

Service Days	Number of Files	Percentage of Total
1 - 7	5	5.2
8 - 14	45	46.9
15 - 21	12	12.5
22 - 30	33	34.4
31 - 60	1	1.0
Over 60	0	0.0
Total	**96**	**100.0**

Individual Long-Term Care Claims Denied

The company provided a listing of 4,181 denied claims. Fifty files were randomly selected for review.

The Company was reminded of the provisions of NCGS 58-3-100(c), NCGS 58-2-185, 11 NCAC 19.0106(b)(5), 11 NCAC 19.0102, and 11 NCAC 19.0105 as three denied claim files (6.0% error ratio), did not contain a 45-day status report and/or a 30-day acknowledgment letter.

The average service time to process a claim denial was 28 calendar days. A chart of the average service time follows:

Service Days	Number of Files	Percentage of Total
1 - 7	3	6.0
8 - 14	9	18.0
15 - 21	15	30.0
22 - 30	14	28.0
31 - 60	6	12.0
Over 60	3	6.0
Total	**50**	**100.0**

COMMENTS, RECOMMENDATIONS, AND DIRECTIVES

The Department has no comments, recommendations, or directives for the Company as a result of this examination.

CONCLUSION

A target examination has been conducted on the market conduct affairs of Continental General Insurance Company for the period January 1, 2023, through June 30, 2025.

This examination was conducted in accordance with the North Carolina Department of Insurance and the NAIC Market Regulation Handbook procedures and included analyses of Company operations in the area of claims.

In addition to the undersigned, Valerie Grimes, HIA, MCM, FLMI-I North Carolina Market Conduct Examiner, participated in this examination and in the preparation of this report.

Respectfully submitted,



David A. Howell, LUTCF, MCM
Examiner-In-Charge
Market Regulation Division
State of North Carolina

I have reviewed this examination report, and it meets the provisions for such reports prescribed by this Division and the North Carolina Department of Insurance.



Teresa Knowles, MCM, ACS
Deputy Commissioner
Market Regulation Division
State of North Carolina