BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

IN THE MATTER OF:	)	
	)	
	)	**No. 06-114**
	)	
ASSOCIATED BUILDERS AND CONTRACTORS OF TENNESSEE WORKERS' COMPENSATION SELF-INSURANCE FUND	)	
	)	

ORDER ADOPTING EXAMINATION REPORT AS MODIFIED

Pursuant to Tenn. Comp. R. & Regs. 0780-1-54-.20, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined the affairs of the Associated Builders and Contractors of Tennessee Workers' Compensation Self Insurance Fund (hereinafter referred to as the "Pool"), a self-insurance pool operated pursuant to Tenn. Code Ann. § 50-6-405(c) in the State of Tennessee. As a result of an examination conducted as of the 31st day of March, 2004, the examiner-in-charge has filed with the Division on the 21st day of August, 2006, a verified written report of examination under oath, and a copy of that report has been sent to the Pool (The Report on Examination of Associated Builders and Contractors of Tennessee Workers' Compensation Self-Insurance Fund is attached hereto and marked as Exhibit A). The Division did not receive a written rebuttal to said examination report from the Pool.

Pursuant to Tenn. Comp. R. & Regs. 0780-1-54-.20, said examination report regarding the affairs of Associated Builders and Contractors of Tennessee Workers' Compensation Self Insurance Fund filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 21st day of August, 2006, is hereby **ADOPTED** with the

following **MODIFICATIONS**:

Page 16 of the Report on Examination is modified by deleting the fourth sentence under the "Claims Service Agreement (Alternative Service Concepts)" heading, which reads:

On May 1, 2002, WASC was sold by Willis Corroon Corporation to a group of investors who changed WASC's name to Alternative Service Concepts, LLC (ASC).

The deleted sentence will be replaced with the following sentence:

On May 1, 2002, WASC sold its property casualty claims operations to a group of investors. The investors named this new company Alternative Service Concepts, LLC (ASC).

Page 19 of the Report on Examination is modified by omitting the first complete sentence on the page, which reads:

On January 9, 2001, the Tennessee Department of Commerce and Insurance received notification from PENCO that as a result of a corporate sell off of the PENCO name, PENCO would be changing its name to Willis Pooling.

The deleted sentence should be replaced with the following:

On January 9, 2001, the Tennessee Department of Commerce and Insurance received notification from PENCO that as a result of a corporate sell off of the PENCO name, PENCO would be changing its name. In an addendum to the service company agreement, the service company's name was changed to Willis Administrative Service Corporation, d.b.a. Willis Pooling/Willis Affinity, effective April 1, 2003. In April 2005, under the current contract, the Willis Affinity part of the name was dropped.

Page 54 of the Report on Examination is modified by deleting the last sentence on the page and including the following paragraph after the last paragraph on that page:

On May 18, 2006, the Fund filed a plan to cure the deficiencies for the above four (4) fund years as provided for in Tenn. Comp. R. & Regs. 0780-1-54-.24. On August 25, 2006, the Division issued a letter approving the Fund's plan to redistribute undistributed income from fund years where a surplus existed to the fund years which had incurred a deficiency.

The adoption of this examination report as modified shall not preclude the Department from imposing sanctions against the Pool for potential violations of Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report as Modified merely to adopt the examination report filed by the examiner-in-charge with the modification contained herein.

It is so **ORDERED.**

ENTERED this the 20th day of November, 2006.

Paula A. Flowers

Paula A. Flowers
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

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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, Gregory Bronson, Examiner-in-Charge, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Associated Builders and Contractors of Tennessee Workers' Compensation Self-Insurance Fund, at the address of 1408 Ridgeway Road, Memphis, Tennessee 38119; on this the 21st day of November, 2006.

Karen L. Heidel
Certifying Attorney