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

IN THE MATTER OF:	)	
	)	
	)	**No.: 08-115**
CITIZENS HOME MUTUAL FIRE INSURANCE	)	
COMPANY OF LINCOLN COUNTY	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVE

Pursuant to TENN. CODE ANN. §§ 56-22-101, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance ("Division") has examined certain affairs of Citizens Home Mutual Fire Insurance Company ("Company"), a county mutual insurance company insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2006, the examiner-in-charge filed with the Division, on the 2nd day of June, 2008, a verified, written report on the examination, and a copy of that report has been sent to Citizens Home Mutual Fire Insurance Company. (The Report on Examination of Citizens Home Mutual Fire Insurance Company is attached hereto as Exhibit A). The Division received a written rebuttal to said examination report from the Company on June 17, 2008. (A copy of the Company's written rebuttal is attached hereto as Exhibit B).

Pursuant to TENN. CODE ANN. § 56-1-411, said examination report regarding the affairs of Citizens Home Mutual Fire Insurance Company filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 2nd day of June, 2008, is hereby **ADOPTED** as filed with the following **DIRECTIVE:**

The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-109(a)(4) by limiting real estate to ten percent (10%) of its admitted assets on financial statements submitted to the Division and reporting as non-admitted assets any additional value of real estate in

accordance with TENN. CODE ANN. § 56-3-405.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Citizens Home Mutual Fire Insurance Company for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directive merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 24th day of June, 2008.

Leslie A. Newman

Leslie A. Newman, Commissioner
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, James T. Pearce, Examiner-in-Charge, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Citizens Home Mutual Fire Insurance Company, at the address of P.O. Box 469, Fayetteville, Tennessee, 37334; on this the 26th day of June, 2008.

Karen L. Heidel
Certifying Attorney