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

IN THE MATTER OF:	)	
	)	
	)	**No.: 08-119**
GREENE COUNTY FARMERS MUTUAL FIRE INSURANCE COMPANY	)	
	)	

ORDER ADOPTING EXAMINATION REPORT

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 Greene County Farmers 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 Greene County Farmers Mutual Fire Insurance Company. (The Report on Examination of Greene County Farmers 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 23, 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 Greene County Farmers 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 **DIRECTIVES:**

1. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-109(a)(4) by reporting the depreciated value of its home office land and building improvements costs on annual statements submitted to the Commissioner in accordance with TENN. CODE ANN. § 56-3-405 and the National Association of Insurance Commissioners accounting procedures.

2. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-109(a)(4) by recording an offsetting liability for premiums held for other insurance companies listed as an asset on financial statements filed with the Division and also show commission received for producing these policies as income on financial statements.

3. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-113 by requiring all persons who sell, solicit or negotiate insurance for the Company to hold an insurance producer license for property and/or casualty insurance in accordance with TENN. CODE ANN. § 56-6-107.

4. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-114 by ensuring that gross premiums subject to taxation and Schedule C premium taxes subject to reduction are reflected on the annual statement and correctly calculated on tax returns submitted to the Division.

5. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 66-29-101, *et seq.* by maintaining adequate records to ensure that any outstanding checks that may qualify as unclaimed property are properly disposed of.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Greene County Farmers 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 Modifications and Directives 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, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

Karen L. Heidel (BPR # 024484)
Staff Attorney
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Twelfth Floor
Nashville, Tennessee 37243
(615) 741-2199

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 Greene County Farmers Mutual Fire Insurance Company, at the address of 110 South Main Street, Greeneville, Tennessee, 37744; on this the 26th day of June, 2008.

Karen L. Heidel
Certifying Attorney