BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

IN THE MATTER OF:	)	
	)	**No.: 06-153**
FIRST ACCEPTANCE INSURANCE COMPANY	)	
OF TENNESSEE, INC.	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of First Acceptance Insurance Company of Tennessee, Inc. (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 4th day of December, 2006, the examiner-in-charge filed with the Division, on the 20th day of December, 2006, a verified, written report on examination, and a copy of that report has been sent to First Acceptance Insurance Company of Tennessee, Inc. (The Report on Examination of First Acceptance Insurance Company of Tennessee, Inc. is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company and the Company waived it review rights provided by Tenn. Code Ann. § 56-1-411(d)(1).

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of First Acceptance Insurance Company of Tennessee, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 20th day of December, 2006, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Comp. R. & Regs., ch. 0780-1-46 (1999) by maintaining a custodial agreement that complies with said rule.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against First Acceptance Insurance Company of Tennessee, Inc. 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 Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 21st day of December, 2006.

Paula A. Flowers

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

PREPARED FOR ENTRY:

Tracey Gentry Harney

Tracey Gentry Harney (BPR# 022829)
Staff Attorney
Tennessee Department of Commerce and Insurance

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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 John F. Morris, Acting Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Larry C. Knight, Jr. , Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to First Acceptance Insurance Company of Tennessee, Inc., 3813 Green Hills Village Drive, Nashville, Tennessee 37215, on this the 28th day of December, 2006.

Tracey Gentry Harney by JSM
Tracey Gentry Harney
Certifying Attorney

WAIVER

First Acceptance Insurance Company of Tennessee, Inc. hereby waives all review rights (provided by Tenn. Code Ann. § 56-1-411(d)(1)) it may have with respect to the Organizational Examination Report of First Acceptance Insurance Company of Tennessee, Inc. by the Department of Commerce and Insurance of the State of Tennessee dated December 14, 2006. This Waiver is freely given and is not given in exchange for any consideration or promise by anyone to take any action. The undersigned is duly authorized to execute such Waiver on behalf of such company.

This 14th day of December, 2006.

FIRST ACCEPTANCE INSURANCE
COMPANY OF TENNESSEE, INC.

By: _____
Michael John Bodayle, Treasurer

STATE OF Tennessee)
COUNTY OF Davidson)

Personally appeared before me, Michael John Bodayle, personally known to me, and having been first duly sworn, saith that he executed the foregoing Waiver on behalf of First Acceptance Insurance Company of Tennessee, Inc., and that he was duly authorized to do so.

_____
NOTARY PUBLIC

My Commission Expires: 9/22/07

TRACY JANECZKO
NOTARY
PUBLIC
AT
LARGE
DAVIDSON COUNTY, TN

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