

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

IN THE MATTER OF:

HAULERS INSURANCE COMPANY, INC.

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TID No.: 14-150

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 (“Division”) has examined certain affairs of Haulers Insurance Company, Inc. (“Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2012, the examiner-in-charge filed with the Division, on June 19, 2014, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of Haulers Insurance Company, Inc. is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company on June 19, 2014. (The written response submitted by the Company is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, the examination report regarding the affairs of Haulers Insurance Company, Inc. filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on June 19, 2014, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-1-501(g) by performing an actuarial analysis and calculation of ceded Incurred But Not Reported (IBNR) claims and by considering the materiality of any ceded reserve when preparing annual statements in accordance with the NAIC Accounting Practices and Procedures Manual.

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JUN 30 2014

Dept. of Commerce & Insurance
Company Examinations

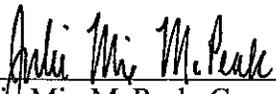
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-1-501(g) by showing IBNR for Defense Cost and Containment (DCC) in preparing annual statements in accordance with the NAIC Accounting Practices and Procedures Manual.
3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-11-105(e) in the reporting of dividends to the Division.

The company shall comply with the Directives contained in this Order within 30 days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Haulers Insurance Company, 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.

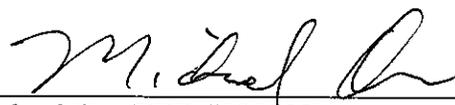
It is so **ORDERED**.

ENTERED this the 26th day of June, 2014.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



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Assistant General Counsel for Insurance
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(615) 770-0439

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report has been messenger mailed to: Chlora Lindley-Myers, Deputy Commissioner, Department of Commerce and Insurance; Joy Little, Insurance Examinations Director/Chief Examiner, Department of Commerce and Insurance; Mark Jaquish, Insurance Analysis Director, Department of Commerce and Insurance; and mailed first class, postage prepaid, to Ricky L. Means, President and Chief Executive Officer, Haulers Insurance Company, Inc., 1101 New Highway 7, Columbia, TN 38401, on this the 30th day of June 2014.



Michael Orr