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

IN THE MATTER OF:	)	
	)	
	)	**No.: 11-017**
WHITE COUNTY FARMERS MUTUAL FIRE INSURANCE COMPANY	)	
	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

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 White County Farmers Mutual Fire Insurance Company ("Company"), a county mutual insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December 2009, the examiner-in-charge filed with the Division, on the 27th day of October 2010, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of White County Farmers Mutual Fire Insurance Company is attached hereto as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to TENN. CODE ANN. § 56-1-411, said examination report regarding the affairs of White County Farmers Mutual Fire Insurance Company filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 27th day of October 2010 is hereby **ADOPTED** as filed with recommendations that the Company: implement a formal cancellation policy; comply with fidelity bond coverage amounts as set forth by the NAIC; and, as detailed in the Examination Report, utilize software which more accurately quantifies and tracks premiums written, billed and received. Further, the Company shall comply with the following **DIRECTIVES:**

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MAY 26 2011

Dept. of Commerce & Insurance
Company Examinations

1. The Company is **DIRECTED** to implement corrective action in accordance with TENN. CODE ANN. § 56-22-105(c) which requires Company "surplus over all liabilities" to meet or exceed $200,000.

2. The Company is **DIRECTED** to implement corrective action in accordance with TENN. CODE ANN. § 56-22-106(c)(1). This section requires the Company to properly reinsure all specific risks where the retained amount of risk on any single risk exceeds the lesser of twenty thousand dollars ($20,000) plus three percent (3%) of the Company's surplus or one hundred thousand dollars ($100,000).

The adoption of this examination report shall not preclude the Department from imposing sanctions against White 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 Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 24th day of May, 2011.

Julie Mix McPeak

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

PREPARED FOR ENTRY:

Sharon K Hawkins

Sharon K. Hawkins (BPR # 014470)
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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: Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance; Horace Gaddis, Insurance Examinations Director, Department of Commerce and Insurance; Mark Jaquish, Insurance Analysis Director, Department of Commerce and Insurance; and mailed first class, postage prepaid, to White County Farmers Mutual Fire Insurance Company, 324 North Spring Street, P.O. Box 358, Sparta, Tennessee 38583 on this the 26th day of May, 2011.

Sharon K Hawkins
Sharon K. Hawkins
Certifying Attorney