

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

**IN THE MATTER OF:** )  
 )  
**CITIZENS MUTUAL INSURANCE COMPANY** ) **TID No.:** **18-017**  
**OF LINCOLN COUNTY, TN** )  
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**ORDER ADOPTING EXAMINATION REPORT**

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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 Citizens Mutual Insurance Company of Lincoln County, TN (“Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2016, the examiner-in-charge filed a verified, written report on the examination with the Division on April 2, 2018. A copy of that report was sent to the Company. (The Report on Examination of Citizens Mutual Insurance Company of Lincoln County, TN is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company on May 22, 2018. (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 the Company filed with the Division on April 2, 2018, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to formalize its verbal agreements made with service providers by reducing the verbal agreements to writing.
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-106(b) by discontinuing the practice of acting as an insurance producer.

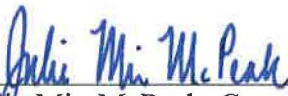
3. The Company is **DIRECTED** to discontinue the practice of accepting premium payments for Farmer's liability policies in the same check as payment of its premiums.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-113(b) by discontinuing the practice of accepting commissions on Farmers' liability policies.

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 the 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 merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

**ENTERED** this the 11 day of June, 2018.

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

**PREPARED FOR ENTRY:**

  
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Patrick Merkel, BPR # 022191  
Assistant General Counsel for Insurance  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Davy Crockett Tower, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243

**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: Lorrie K. Brouse, Deputy Commissioner and General Counsel, Department of Commerce and Insurance; Joy Little, Insurance Examinations Director/Chief Examiner, Department of Commerce and Insurance; and mailed first class, postage prepaid, to Citizens Mutual Insurance Company of Lincoln County, TN, 118 College Street West, Post Office Box 46, Fayetteville, Tennessee 37334, on this the 13<sup>th</sup> day of June 2018.

  
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Patrick Merkel