

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

IN THE MATTER OF:

**FARMERS AID ASSOCIATION – A COUNTY
MUTUAL INSURANCE COMPANY**

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TID No.: 18-068

ORDER ADOPTING EXAMINATION REPORT

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 Farmers Aid Association – A County Mutual Insurance Company (“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 Farmers Aid Association – A County Mutual Insurance Company is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company dated June 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 comply with Tenn. Code Ann. § 56-8-104(11) by developing and maintaining a complaints register.
2. The Company is **DIRECTED** to divest from investments purchased through LPL

Financial or transfer said investments to a qualified custodian with an appropriate custodial agreement.


3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-106(b) by discontinuing the practice of acting as an insurance producer.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-113(b) by discontinuing the practice of accepting commissions on Farmers Mutual of Tennessee's (FMT) liability policies.
5. The Company is **DIRECTED** to discontinue the practice of accepting premium payments for FMT's liability policies until a written agreement is entered into detailing how FMT's funds should be held by the Company and for the monthly settlement of premiums.

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.

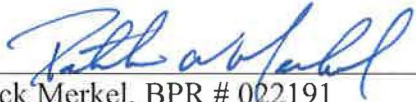
It is so **ORDERED**.

ENTERED this the 27 day of June, 2018.



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

PREPARED FOR ENTRY:



Patrick Merkel, BPR # 022191
Assistant General Counsel for Insurance
Tennessee Department of Commerce and Insurance
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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: 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 Farmers Aid Association – A County Mutual Insurance Company, 804 Mulberry Street, Loudon, Tennessee 37774, on this the 28th day of June 2018.



Patrick Merkel