

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

**IN THE MATTER OF:**

**FARMERS MUTUAL FIRE INSURANCE  
COMPANY OF JEFFERSON COUNTY**

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**TID No.: 20-073**

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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 Farmers Mutual Fire Insurance Company of Jefferson County (“Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2018, the examiner-in-charge filed a verified, written report on the examination with the Division on October 25, 2019. A copy of that report was sent to the Company. (The Report on Examination of the Company is attached hereto and marked as Exhibit A).

The Division received a response regarding the report from the Company dated April 29, 2020. (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 October 25, 2019, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-3-103 by ceasing all lending activities to its directors and officers.
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-3-408(b)(1) by ensuring all investment activities are reviewed and approved by the Board of Directors.

3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109 by following the County Mutual Annual Statement Instructions prescribed by the Commissioner.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-115 by appointing all of its agents within the fifteen (15) day timeframe.

The company shall comply with the Directives contained in this Order within thirty (30) days of its entry and execution.

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 AND EXECUTED** this 11th day of May, 2020.

  
Hodgen Mainda (May 11, 2020)

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Hodgen Mainda, Commissioner  
Department of Commerce and Insurance  
State of Tennessee

**PREPARED FOR ENTRY:**

*Nikita Hampton*

Nikita Hampton (May 6, 2020)

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Nikita Hampton, BPR #0033327  
Associate General Counsel  
Department of Commerce and Insurance  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, Tennessee 37243  
615-313-3163  
nikita.g.hampton@tn.gov

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as filed has been emailed to: Rachel Jade-Rice, Assistant Commissioner for Insurance, Department of Commerce and Insurance at rachel.jrade-rice@tn.gov; and mailed first class, postage prepaid, to Farmers Mutual Fire Insurance Company of Jefferson County, 1205 Gay Street, Dandridge, Tennessee 37725, on this the 13th day of May, 2020.

*Nikita Hampton*

Nikita Hampton (May 6, 2020)

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Nikita Hampton  
Associate General Counsel

## CONCLUSION

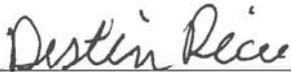
Rules and procedures as prescribed by the statutes of the State of Tennessee and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of Farmers Mutual Fire Insurance Company of Jefferson County.

In such manner, it was found that as of December 31, 2018, the Company had admitted assets of \$877,798 and liabilities, exclusive of policyholders' surplus, of \$173,717. Thus, there existed for the additional protection of the policyholders, the amount of \$704,081 in the form of policyholders' surplus. Tenn. Code Ann. § 56-22-105(c) requires an insurer of this Company's type to maintain a minimum surplus of \$200,000. For this examination, as of December 31, 2018, the Company maintains surplus sufficient to satisfy those requirements.

The courteous cooperation of the officers and employees of the Company extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Kyle Center, Insurance Examiner, and Daniel Clements, CPA, Supervising Examiner, from the State of Tennessee, participated in the work of this examination.

Respectfully submitted,



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Dustin Rice  
Examiner-in-Charge  
State of Tennessee

# AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Farmers Mutual Fire Insurance Company of Jefferson County located in Dandridge, Tennessee, dated October 25, 2019, and made as of December 31, 2018, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.

*Dustin Rice*

Dustin Rice  
Examiner-in-Charge  
State of Tennessee

State Tennessee

County Davidson

Subscribed to and sworn before me  
this 23<sup>rd</sup> day of April, 2020

*Mindy C. Walker*  
\_\_\_\_\_  
(NOTARY)

My Commission Expires: 7.6.2020



# **EXHIBIT B**

FARMERS MUTUAL  
Fire Insurance Company  
— of Jefferson County —



*Serving the community since 1909*

1205 Gay Street, PO Box 605  
Dandridge, TN 37725  
865-397-3161 or 800-585-5543  
farmersmutualjc.net

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April 29, 2020

E. Joy Little  
Director of Financial Examinations/Chief Examiner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, TN 37243-1135

RE: Report of Examination – Farmers Mutual Fire Insurance Company of Jefferson County

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for Farmers Mutual Fire Insurance Company of Jefferson County, made as of December 31, 2018.

By signing below, we indicate acceptance of the report, as transmitted and without rebuttal.

Please also note that all recommendations have been addressed.

Sincerely,

A handwritten signature in cursive script that reads "Julianne Martin".

Julianne Martin  
Secretary/Treasurer  
Farmers Mutual Fire Insurance Company of Jefferson County