

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

IN THE MATTER OF:)	
)	
MONROE COUNTY MUTUAL FIRE)	TID No.: 20-102
INSURANCE COMPANY)	
)	

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 Monroe County Mutual Fire Insurance Company (“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 March 18, 2020. 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 June 23, 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 March 18, 2020, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-105(b)(2) by following its bylaws or amending its bylaws to accurately reflect the number of directors serving on the Board.

2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-105(b)(2) by properly maintaining its bylaws, reflecting the original language before any changes, and creating amendments which clearly show the changes and the effective dates of those changes.
3. 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.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the depreciated book value of its office building, specifically, its construction.
5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the depreciated book value of its office building, specifically, segregating the value of its land and building.
6. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the value of its bond investments using amortized cost.
7. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by non-admitting its “Furniture, Equipment, and Supplies,” as required by the instructions prescribed by the Commissioner.
8. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by properly reporting items effecting policyholders’ surplus.
9. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting loss adjustment expenses (LAE) in accordance with the instructions.

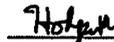
10. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by correctly reporting its previous year's policyholders' surplus, as required by the instructions prescribed by the Commissioner.
11. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by correctly answering the General Interrogatories in its annual statements for the examination period.
12. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the acquisition and disposal of bonds and long-term certificates of deposit on "Schedule D – Part 3 Bonds and Stocks Acquired" in its annual statements.
13. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the acquisition and disposal of bonds and long-term certificates of deposit on "Schedule D – Part 4 Bonds and Stocks Sold During the Year" in its annual statements.
14. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting all investments, including listing all bonds on "Schedule D – Part 1".
15. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-115 by appointing all 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 June 29, 2020.


Hodgen Mainda (Jun 29, 2020 18:01 CDT)

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

PREPARED FOR ENTRY:


Nikita Hampton (Jun 29, 2020 06:34 CDT)

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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 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 Monroe County Mutual Fire Insurance Company, 442 Main Street, Madisonville, Tennessee 37354, on July 2 , 2020.

Nikita Hampton

Nikita Hampton | Jun 27, 2020 09:24 CDT

Nikita Hampton
Associate General Counsel