



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

IN THE MATTER OF:)
)
PREFERRED AUTO INSURANCE) **TID No.: 24-026**
COMPANY, INC.)
)

ORDER ADOPTING EXAMINATION REPORT

Pursuant to Tenn. Code Ann. § 56-1-408, the Insurance Division of the State of Tennessee, Department of Commerce and Insurance (“Division”) has examined certain affairs of Preferred Auto Insurance Company, Inc. (“Company”), an insurance company domiciled in the state of Tennessee. As a result of an examination conducted as of December 31, 2022, the examiner-in-charge filed a verified, written report on the examination with the Division on May 28, 2024. 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 July 2, 2024. (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 is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to report and remit property presumed abandoned to the State Treasurer as required by Tenn. Comp. R. & Regs. 1700-02-01.02 and Tenn. Code Ann. § 66-29-123.
2. The Company is **DIRECTED** to ensure its anti-fraud plan specifies all of the procedures required by Tenn. Code Ann. § 56-53-111 including procedures

pertaining to the hiring of or contracting of fraud investigators and the pursuit of restitution for financial loss caused by insurance fraud.


3. The Company is **DIRECTED** to keep a complete record of all written complaints received as required by Tenn. Code Ann. § 56-8-104(11).

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 Division from imposing sanctions against the Company for additional violations of Tennessee insurance law which may be revealed in the examination report, it being the intent of this Order merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED AND EXECUTED July 11, 2024.


Carter Lawrence (Jul 11, 2024 13:04 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:


Jenny Taylor (Jul 5, 2024 09:15 CDT)

Jenny Taylor (BPR# 027264)
Associate General Counsel
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 Bill Huddleston, Assistant Commissioner for Insurance, Department of Commerce and Insurance at bill.huddleston@tn.gov; and mailed first class, postage prepaid, to Preferred Auto Insurance Company, Inc., 3800 Highway 57, Rossville, Tennessee 38066, on July 11, 2024.

Jenny Taylor
Jenny Taylor (Jul 5, 2024 09:15 CDT)

Jenny Taylor
Associate General Counsel