

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

RECEIVED

IN THE MATTER OF:)

No.: 12-022

SEP 27 2012

TENNESSEE FORESTRY ASSOCIATION)
SELECTIVE WORKERS' COMPENSATION)
GROUP)

Dept. of Commerce & Insurance
Company Examinations

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. § 56-1-401, *et seq.*, and TENN. COMP. R. & REGS. § 0780-01-54-.20, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of the Tennessee Forestry Association Selective Workers' Compensation Group (hereinafter also referred to as the "Pool"), a self-insurance pool operated pursuant to Tenn. Code Ann. § 50-6-405(c)(1) in the state of Tennessee.

As a result of an examination conducted as of the 31st day of December, 2009, the examiner-in-charge filed with the Division, on the 27th day of June, 2011, a verified, written report on examination, and a copy of that report has been sent to the Pool. (The Report on Examination of the Tennessee Forestry Association Selective Workers' Compensation Group is attached hereto and marked as Exhibit A). The Division received a written rebuttal on said examination report from the Companies on the 20th day of July 2011. (A copy of the Companies' written responses is attached hereto and marked as Exhibit B.)

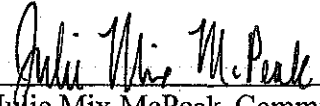
Pursuant to Tenn. Code Ann. § 56-1-411 and TENN. COMP. R. & REGS. § 0780-01-54-.20, said examination report regarding the affairs of the Tennessee Forestry Association Selective Workers' Compensation Group, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 27th day of June, 2011, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Pool is **DIRECTED** to comply with TENN. COMP. R. & REGS. § 0780-01-54-.05 which requires that amendments to organizational documents or written contracts which are required to be provided to the Commissioner pursuant to TENN. COMP. R. & REGS. R. 0780-01-54-.04 shall be filed with the Commissioner with a non-refundable filing fee of ninety dollars (\$90.00) no later than thirty (30) days prior to the proposed effective date of the amendments.
2. The Pool is **DIRECTED** to review the formalized process to monitor compliance with TENN. CODE ANN. §§ 66-29-113 and 66-29-115, *et seq.* regarding the disposition of its handling of unclaimed property.
3. The Pool is **DIRECTED** to comply with TENN. COMP. R. & REGS. § 0780-01-54-.15 which states that, “any monies for a fund year in excess of the amount necessary to fund all obligations for that fund year may be declared refundable by the board of trustees not less than eighteen (18) months after the end of the fund year, after written approval is granted to the pool by the Commissioner to disburse such funds.”
4. The Pool is **DIRECTED** to comply with TENN. COMP. R. & REGS. § 0780-01-54-.11(1) by accruing and maintain an aggregate surplus equal to thirty percent (30%) of the unpaid claims liability of the pool.

The adoption of this examination report shall not preclude the Division from imposing sanctions against the Pool 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 with Directives merely to adopt the examination report filed by the examiner-in-charge.

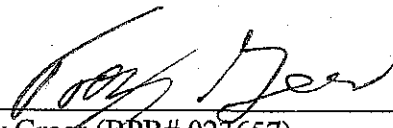
It is so **ORDERED**.

ENTERED this the 16th day of August, 2012.



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

PREPARED FOR ENTRY:



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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 messenger mailed to: Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance; and mailed first class, postage prepaid, to the Tennessee Forestry Association Selective Workers' Compensation Group, 2605 Elm Hill Pike, Suite G, Nashville, Tennessee 37214, on this the 4th day of October, 2012.



Tony Greer
Certifying Attorney