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

IN THE MATTER OF: )
) No.: 08-111
WHITE COUNTY FARMERS MUTUAL FIRE )
INSURANCE COMPANY )

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to TENN. CODE ANN. §§ 56-22-101, et seq., the Insurance Division of the State of Tennessee Department of Commerce and Insurance ("Division") has examined certain affairs of White County Farmers Mutual Fire Insurance Company ("Company"), a county mutual insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2006, the examiner-in-charge filed with the Division, on the 2nd day of June, 2008, a verified, written report on the examination, and a copy of that report has been sent to White County Farmers Mutual Fire Insurance Company. (The Report on Examination of White County Farmers Mutual Fire Insurance Company is attached hereto as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to TENN. CODE ANN. § 56-1-411, said examination report regarding the affairs of White County Farmers Mutual Fire Insurance Company filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 2nd day of June, 2008, is hereby ADOPTED as filed with the following DIRECTIVES:

1. The Company is DIRECTED to comply with TENN. CODE ANN. § 56-22-109(a)(4) by excluding premiums collected on behalf of other insurance companies from annual statements filed with the Department in accordance with
National Association of Insurance Commissioners accounting procedures.

2. The Company is DIRECTED to comply with TENN. CODE ANN. § 56-22-114 by omitting any assessments returned to policyholders from the amount of taxable premiums reported on its tax return, to accurately reflect the Company’s annual statements.

The adoption of this examination report shall not preclude the Department from imposing sanctions against White County Farmers Mutual Fire Insurance 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 With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so ORDERED.

ENTERED this the ___ day of ____________, 2008.

[Signature]

Leslie A. Newman, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

[Signature]

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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, James T. Pearce, Examiner-in-Charge, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to White County Farmers Mutual Fire Insurance Company, at the address of P.O. Box 358, Sparta, Tennessee, 38583; on this the 24th day of June, 2008.

Karen L. Heidel
Certifying Attorney