

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

IN THE MATTER OF:)

FARMERS MUTUAL FIRE INSURANCE COMPANY)
OF WARREN COUNTY)

No.: 10-018

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 Farmers Mutual Fire Insurance Company of Warren County (“Company”), a county mutual insurance company insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 30th day of September, 2009, the examiner-in-charge filed with the Division, on the 25th day of March, 2010, a verified, written report on the examination, and a copy of that report has been sent to Farmers Mutual Fire Insurance Company of Warren County. (The Report on Examination of Farmers Mutual Fire Insurance Company of Warren County 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 Farmers Mutual Fire Insurance Company of Warren County filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 25th day of March, 2010, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-105(c) by taking steps to establish and maintain a surplus of at least Two Hundred Thousand Dollars (\$200,000).

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Dept. of Commerce & Insurance
Company Examinations

2. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-106(c) (1).
3. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-110 by obtaining an aggregate excess of loss reinsurance policy of an amount not less than five percent (5%) of business in force, reduced by the Company's accumulated surplus.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Farmers Mutual Fire Insurance Company of Warren County 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 April, 2010.

Leslie A. Newman

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

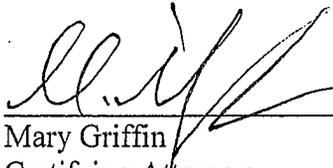
PREPARED FOR ENTRY:

Mary Griffin

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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 Farmers Mutual Fire Insurance Company of Warren County, at the address of 671 River Cliff Road, McMinnville, Tennessee 37111; on this the 20th day of April, 2010.



Mary Griffin
Certifying Attorney