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

IN THE MATTER OF:	)	
	)	
EAST TENNESSEE MUTUAL INSURANCE COMPANY	)	**TID No.: 15-076**
	)	
	)	

ORDER ADOPTING EXAMINATION REPORT

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 East Tennessee Mutual Insurance Company ("Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2013, the examiner-in-charge filed with the Division, on June 12, 2015, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of East Tennessee Mutual Insurance Company is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company on June 16, 2015. (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 East Tennessee Mutual Insurance Company filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on June 12, 2015, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-3-408(b)(1) by requiring the Company's Board of Directors or a committee appointed by the Board of Directors to approve all investment transactions prior to their execution dates.
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. §§ 56-22-

109(b)(1), 56-5-303, 56-5-304, and 56-5-305 by filing its most recent rate increases for Dwelling and Contents Coverage, which were approved by the Company's Executive Committee on or about August 10, 2011.

3. The Company is **DIRECTED** to comply with Tenn. Code Ann. §§ 56-22-109(b)(1), 56-5-303, 56-5-304, and 56-5-305 by filing its most recent rate increases for Rental Dwelling Coverage, which were approved by the Company's Executive Committee on or about August 10, 2011.

4. The Company is **DIRECTED** to comply with Tenn. Code Ann. §§ 56-22-109(b)(1), 56-5-303, 56-5-304, and 56-5-305 by filing its most recent rate increases for Livestock Coverage, which were approved by the Company's Executive Committee on or about August 10, 2011.

The company shall comply with the Directives contained in this Order within 30 days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against East Tennessee Mutual 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 merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 26th day of June, 2015.

Julie Mix McPeak

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 has been messenger mailed to: Chlora Lindley-Myers, Deputy Commissioner, Department of Commerce and Insurance; Joy Little, Insurance Examinations Director/Chief Examiner, Department of Commerce and Insurance; Mark Jaquish, Insurance Analysis Director, Department of Commerce and Insurance; and mailed first class, postage prepaid, to East Tennessee Mutual Insurance Company, 3188 Highway 126, Blountville, Tennessee 37617, on this the 24th day of June 2015.

Kathleen Dixon