

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

IN THE MATTER OF:)
)
FARMERS MUTUAL FIRE INSURANCE) **TID No.: 18-071**
COMPANY OF WASHINGTON COUNTY)
)

ORDER ADOPTING EXAMINATION REPORT

Pursuant to Tenn. Code Ann. §§ 56-1-401 *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 Washington County (“Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2016, the examiner-in-charge filed a verified, written report on the examination with the Division on March 7, 2018. A copy of that report was sent to the Company. (The Report on Examination of Farmers Mutual Fire Insurance Company of Washington County is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company dated June 18, 2018. (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 filed with the Division on March 7, 2018, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-106(g) by adding the phrase “county mutual insurance company” to the Company’s website.

2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-19-107(b)(2) by filing any amendments to its Bylaws with the Department within thirty (30) days of the amendment.
3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 48-66-101(e)(4) by maintaining the required records for its members' meetings.
4. The Company is **DIRECTED** to discontinue the practice of accepting premium payments for Farmers Mutual of Tennessee's (FMT) liability policies or enter into a written agreement with FMT which provides how FMT's funds should be held by the Company and for the monthly settlement of premiums.
5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-6-113(b) by discontinuing the practice of accepting commissions on policies sold on behalf of other companies.
6. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(b) by filing all rate changes with the Department for approval prior to implementation.

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

The adoption of this examination report shall not preclude the Department from imposing sanctions against the 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.

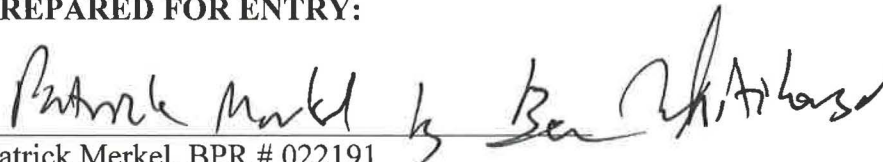
It is so **ORDERED**.

ENTERED this the 25 day of June, 2018.



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

PREPARED FOR ENTRY:



Patrick Merkel, BPR # 022191
Assistant General Counsel for Insurance
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 8th Floor
Nashville, Tennessee 37243

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: Lorrie K. Brouse, Deputy Commissioner and General Counsel, Department of Commerce and Insurance; Joy Little, Insurance Examinations Director/Chief Examiner, Department of Commerce and Insurance; and mailed first class, postage prepaid, to Farmers Mutual Fire Insurance Company of Washington County, 125 E. Jackson Blvd, Suite 4, Post Office Box 436, Jonesborough, Tennessee 37659, on this the 26th day of June 2018.


Patrick Merkel