

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

**IN THE MATTER OF:**

**TENNESSEE FORESTRY ASSOCIATION  
SELECTIVE WORKERS' COMPENSATION  
GROUP**

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**TID No.: 18-070**

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**ORDER ADOPTING EXAMINATION REPORT**

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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 Tennessee Forestry Association Selective Workers’ Compensation Group (“Group”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2014, the examiner-in-charge filed a verified, written report on the examination with the Division on November 3, 2017. A copy of that report was sent to the Group. (The Report on Examination of Tennessee Forestry Association Selective Workers’ Compensation Group is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Group dated June 19, 2018. (The written response submitted by the Group is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, the examination report regarding the affairs of the Group filed with the Division on November 3, 2017, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-.04 by implementing controls to ensure compliance with filing requirements.
2. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-

.13(1) and (2) by implementing controls in order to maintain eighty-five percent (85%) of its net assets in permitted investments.


3. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-.15, which states “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 and only with the written approval of the Commissioner.”
4. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-.24(1)(b) by implementing controls to ensure compliance with reporting fund year results to the Department following the end of the policy year.
5. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-.09(3) by non-admitting member premium receivable over ninety (90) days past due in future audited financial statements submitted to the Department.
6. The Group is **DIRECTED** to comply with Tenn. Comp. R. & Regs. 0780-01-54-.08(9) by cancelling members that are more than one hundred twenty (120) days late in making premium payments.

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 Group for potential violations of the Tenn. Code Ann., Title 56, 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.

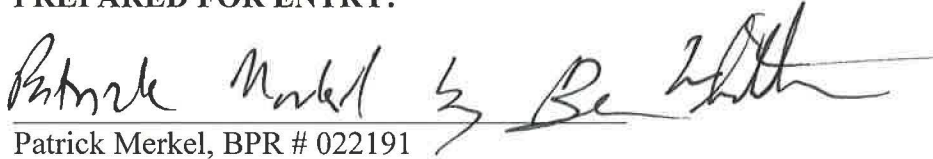
It is so **ORDERED**.

**ENTERED** this the 25 day of June, 2018.



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

**PREPARED FOR ENTRY:**



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Tennessee Department of Commerce and Insurance  
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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: 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 Tennessee Forestry Association Selective Workers' Compensation Group, 2605 Elm Hill Pike, Suite G, Nashville, Tennessee 37214, on this the 26<sup>th</sup> day of June 2018.

  
Patrick Merkel