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

IN THE MATTER OF:	)	
	)	
PREFERRED AUTO INSURANCE COMPANY, INC.	)	**TID No.: 14-145**
	)	

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 Preferred Auto Insurance Company, Inc. ("Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2012, the examiner-in-charge filed with the Division, on June 16, 2014, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of Preferred Auto Insurance Company, Inc. is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company on June 20, 2014. (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 Preferred Auto Insurance Company, Inc. filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the day of June 16, 2014, is hereby **ADOPTED** as filed.

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

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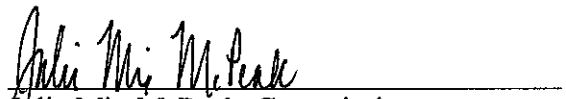
sanctions against Preferred Auto Insurance Company, Inc. for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 30th day of June, 2014.



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

PREPARED FOR ENTRY:

Michael Orr (BPR #020909)
Assistant General Counsel for Insurance
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 8th Floor
Nashville, Tennessee 37243
(615) 770-0439

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 Jeffrey L. Kelley, President and Chief Executive Officer, Preferred Auto Insurance Company, Inc., 216 South Cooper, Memphis, TN 38104 on this the 30th day of June 2014.

Michael Orr