

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF EXAMINATION OF
FARMERS HOME FIRE INSURANCE COMPANY
(f/k/a "FARMERS HOME MUTUAL FIRE INSURANCE
COMPANY")
(n/k/a "UNITED HOME INSURANCE COMPANY")**

A.I.D. 2008- **025**

ADOPTION ORDER

Now on this day the matter of the Report of Examination of FARMERS HOME FIRE INSURANCE COMPANY N/K/A UNITED HOME INSURANCE COMPANY, NAIC #18228, (hereafter, the "company") is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas (the "Commissioner"), with the Arkansas Insurance Department (the "Department") appearing by and through Booth Rand, Chief Counsel. From the facts before her, the Commissioner finds as follows:

1. During the initial date of this examination period and most of the period covering the examination, from December 31, 2001 to December 31, 2006, the company was licensed by the Department as an Arkansas domiciled mutual property and casualty insurer located in Paragould, Arkansas and originally formed in 1947. The Company's principal lines of business are fire and allied lines, homeowners, and liability insurance.

2. Pursuant to Ark. Code Ann. §23-61-201, the Commissioner directed the Department to conduct a regular examination of the affairs, transactions, accounts, and assets of the company as of December 31, 2006.

3. It is important to note that during the course of this examination period, on February 3, 2006, in AID Order #2006-011, the Commissioner approved the demutualization of the company into a legal, stock reserve insurer, and the company was renamed Farmers Home Fire Insurance Company. Then, after AID Order #2006-011, on November 30, 2007, the Commissioner issued AID Order #2007-074, which approved a merger between the company and United Home Insurance Company. A combined company has emerged and operates now as United Home Insurance Company.

4. This examination began on October 9, 2007 and was completed on or about January 24, 2008. A verified report of examination (the "Report") was filed at the Department on February 11, 2008 and was forwarded by certified mail to the company on February 11, 2008, return receipt requested. The company received the Report on February 13, 2008 and did not submit a written reply or rebuttal in response to the Report.

5. An examiner noted and recommended that the company's future reinsurance contracts should not be written with sliding premium provisions or other provisions which do not cause risk to be transferred. The Report contained no other recommendations or discrepancies concerning the company's operations.

THEREFORE, pursuant to the provisions of Ark. Code Ann. §23-61-205, et. seq., the Commissioner hereby orders:

1. That the Report filed with the Department is hereby adopted;
2. That the Department shall forward a copy of this Order and the Adopted Examination Report to the company via Certified mail;
3. That within twenty (20) days or receipt of this Order and the adopted Examination Report, the company shall file with the Department affidavits executed by each of its directors stating under oath that they have received a copy of this Order and the Adopted Examination Report;
4. That the Adopted Examination Report will be open for public inspection upon the expiration of thirty (30) days from the date of this Order.

IT IS SO ORDERED this 4th day of April, 2008.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS