

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

**IN THE MATTER OF THE
REPORT OF EXAMINATION OF
GRIFFIN-LEGGETT BURIAL
INSURANCE COMPANY
(NAIC #84107)**

AID NO.: 2009- 016

ADOPTION ORDER

Now on this day the matter of the Report of Examination ("Report" or "Report of Examination") as of December 31, 2007, of Griffin-Leggett Burial Insurance Company ("Company"), of Little Rock, Arkansas, NAIC #84107, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Associate Counsel, Zane A. Chrisman, and the Finance Division of the Arkansas Insurance Department ("Department"). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the Company and the subject matter involved herein.
2. The Company is an Arkansas-domiciled mutual assessment life and disability insurer controlled by its policyholders.
3. Pursuant to Ark. Code Ann. § 23-61-201 et seq., the Commissioner authorized and directed the Department to conduct a regular examination of the affairs, transactions, accounts, records and assets of the Company as of December 31, 2007.
4. Said examination was commenced by the Department on September 8, 2008, and completed on December 22, 2008.
5. The verified Report of Examination was filed with the Department on January 13, 2009; it was then forwarded to the Company via certified mail on January 14, 2009. The Company received the Report on January 16, 2009, according to the certified mail return receipt.

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6. The Company did not respond to the Report of Examination.

7. The Report of Examination contained the following discrepancies or deficiencies concerning the Company's operations:

(a) The Articles of Incorporation provide that there shall be a President, a Vice President, a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be combined. As of December 22, 2008, the President and Vice President positions were vacant. The positions should be filled to be consistent with the requirements of the Articles of Incorporation, or the Articles of Incorporation should be amended to allow this as a permitted practice.

(b) The Company's surplus will decline by approximately fifteen percent (15%) by 2013, but will maintain sufficient solvency to meet all policyholder obligations and comply with the Arkansas Insurance Code. This conclusion rests upon continued discounting of claims by both affiliated and unaffiliated funeral homes and the historical ratio of affiliated to unaffiliated claims. The Company would be unable to meet all future policyholder obligations through year 2013 without continuation of the current discount policy. Steward Enterprises, Inc., has agreed in writing that should the Company not have sufficient funds to pay claims, either it or one of its affiliates will provide funds to satisfy the contractual obligations.

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

1. That the Examination Report, as filed with the Department, is hereby adopted.

2. That the Department shall forward a copy of this Order and the adopted Examination Report, as filed, to the Company, by certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Order.

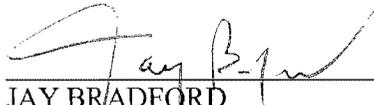
3. That within twenty (20) days of receipt of this Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its Directors,

stating under oath or affirmation that each has received a copy of this Order and the adopted Examination Report;

4. That the adopted Examination Report shall be open for public inspection upon the expiration of thirty (30) days from the Company's receipt of this Order.

5. That the Department, as a matter of course, reserves the right to consider administrative proceedings against the Company at a later date.

IT IS SO ORDERED this 4th day of March 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS