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

**IN THE MATTER OF**
**THE REPORT OF EXAMINATION**
**BROKERS NATIONAL LIFE**
**ASSURANCE COMPANY** **A.I.D. NO. 2011- 014**

## ADOPTION ORDER

Now on this day the matter of the Report of Examination ("Report") as of December 31, 2009, of Brokers National Life Assurance Company ("Company"), of Sherwood, Arkansas, NAIC No. 74900, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Associate Counsel, Amanda Capps Rose, 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 life and disability insurer.

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, 2009.

4. Said examination was commenced by the Department on June 15, 2010 and completed on December 16, 2010.

5. The verified Report of Examination was filed with the Department on February 8, 2011. It was mailed to the Company via certified mail on February 8, 2011.

The Company received the Report on February 15, 2011, according to the tracking service available through the United States Postal Service.

6. A response requesting technical corrections in the Report was received from the Company on February 22, 2011. The requested corrections were made accordingly.

7. The Report of Examination recommends that the Company's organizational chart and reporting responsibility be changed to show the Company's internal auditor removed from the Controller's area and reporting directly to the Chairman of the audit committee and/or the Company's Executive Vice President.

## CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact, the Commissioner makes the following Conclusions of Law:

1. The Commissioner and the Department have jurisdiction over the parties and the subject matter contained herein.

2. This Adoption Order has been properly entered in accordance with the Arkansas Insurance Code and Department Rules.

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

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

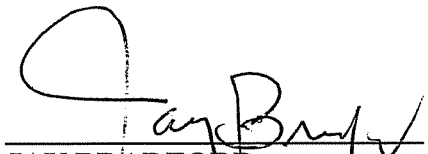
2. That the Department shall forward a copy of this Adoption Order and the adopted Examination Report, as filed, to the Company via certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Board of

Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Adoption Order;

3. That within twenty (20) days of receipt of this Adoption 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 Adoption Order and the adopted Examination Report; and

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 Adoption Order.

**IT IS SO ORDERED this 4th day of March, 2011.**



**JAY BRADFORD**
**INSURANCE COMMISSIONER**
**STATE OF ARKANSAS**