

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

**IN THE MATTER OF
THE REPORT OF EXAMINATION
OF FARM AND HOME MUTUAL
INSURANCE COMPANY**

A.I.D. NO. 2016- 032

ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2014 of Farm and Home Mutual Insurance Company (“Company”) of Paragould, NAIC No. 14250, is taken under consideration by Allen Kerr, 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 Company is an Arkansas-domiciled Farmers’ Mutual Aid Association.
2. 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, 2014.
3. Said examination was commenced by the Department on March 4, 2015, and completed on January 21, 2016.
4. The verified Report of Examination was filed with the Department on March 18, 2016. It was then mailed to the Company via certified mail on March 18,

2016. The Company received the Report on March 21, 2016, according to the tracking service available through the United States Postal Service.

5. The Department received a response from the Company on April 8, 2016, stating that the Company is aware of the findings in the Report and waiving its thirty (30) days to respond.

6. The Report of Examination notes that the Company failed to maintain adequate standards for the appointment and termination of producers as Company agents.

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 Arkansas Insurance Department Rules.

3. The Company's failure to maintain adequate standards for the appointment of producers as its agents is a violation of Ark. Code Ann. § 23-64-514.

4. The Company's failure to maintain adequate standards for the termination of producers as its agents is a violation of Ark. Code Ann. § 23-64-515.

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;

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; and

5. That the Company shall comply with the provisions of Ark. Code Ann. §§ 23-64-514 and 23-64-515 regarding the appointment and termination of producers as the Company's agents.

IT IS SO ORDERED this 11th day of April, 2016.


ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS