

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

**IN THE MATTER OF
THE REPORT OF EXAMINATION OF
JACKSON-GRIFFIN INSURANCE COMPANY**

A.I.D. NO. 2013- 102

ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2012 of Jackson-Griffin Insurance Company (“Company”) of Newport, Arkansas, NAIC No. 84115, 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 health mutual assessment 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, 2012.
4. Said examination was commenced by the Department on April 1, 2013, and completed on July 16, 2013.
5. The verified Report of Examination was filed with the Department on September 12, 2013. It was then mailed to the Company via certified mail on September

12, 2013. The Company received the Report on September 13, 2013, according to the tracking service available through the United States Postal Service.

6. The Company's bonds were decreased by sixty-three thousand, eight hundred ten dollars (\$63,810) due to a clerical error in data input on Schedule D of the Company's Annual Statement. The Company's aggregate reserves were increased by three hundred seven thousand, five hundred ten dollars (\$307,510) due to a clerical error in the calculation of the deferred annuity reserves. Each of these errors has been subsequently corrected by the Company and the adjustments reported in the filed 2013 Second Quarter Statement.

7. The Market Conduct portion of the examination revealed that the Company's applications were solicited and signed by producers that were not properly licensed and appointed during the period the applications were secured.

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.

3. The Company's failure to ensure that applications were solicited and signed by producers that were properly licensed and appointed is in violation of Ark. Code Ann. §§ 23-64-201 and 23-64-514(a). Subsequent to the examination period, the

Company has properly appointed and obtained licensure for all producers who solicit or sign applications.

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

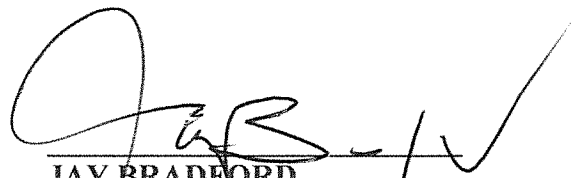
1. That the Examination Report, as filed with the Department, is hereby adopted;

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 18th day of October, 2013.


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS