

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

**IN THE MATTER OF THE
REPORT OF EXAMINATION
OF PORT-O-CALL LIFE INSURANCE CO.**

A.I.D. NO. 2011- 029

ADOPTION ORDER

Now on this day the matter of the Report of Examination as of December 31, 2009 (“Report”) of Port-O-Call Life Insurance Co. (“Company”), NAIC No. 76503, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by the Finance Division and Ashley Fisher, Attorney Specialist, of the Arkansas Insurance Department (“Department”). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. That the Commissioner has jurisdiction over the Company and the subject matter involved herein;
2. That the Company is an Arkansas-domiciled stock life legal reserve insurer located in Pine Bluff, Arkansas;
3. That 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. That said examination was commenced by the Department on October 18, 2010 and completed on January 25, 2011;

5. The verified Report of Examination was filed according to Ark. Code Ann. § 23-61-205(a)(2) with the Department on March 16, 2011. The Report was forwarded to the Company on March 17, 2011 and was received by the Company on March 18, 2011;
6. That the Company did not file a written response to the examination report. Ark. Code Ann. § 23-61-205(a)(3) provides for companies to have 30 days to review the report and provide comment.
7. That the Report of Examination contained the following findings:
 - a. An increase of Aggregate Reserves for Life Contracts was made, resulting in a \$25,942 decrease in Capital and Surplus. The adjustment was based upon the Company reporting the unearned premium reserve instead of the mortality reserve.
 - b. The Company does not maintain fidelity bond coverage. It is recommended that the Company obtain a fidelity bond with minimum amount of \$25,000 in coverage as recommended by the NAIC.

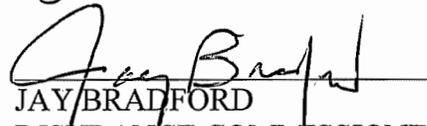
THEREFORE, pursuant to the provisions of Ark. Code Ann. §23-61-205, the Commissioner hereby orders:

1. That the Examination Report, as filed with the Department, is hereby adopted;
2. That the Company will compute statutory reserves based upon the mortality and valuation interest rate basis for future reporting beginning with the 2010 annual statement.
3. That the Department shall forward a copy of this 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 Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Order;

4. 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; and
5. 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.

IT IS SO ORDERED this 3rd day of May 2011


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS