

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

**IN THE MATTER OF  
THE REPORT OF EXAMINATION  
FARMERS FIRE INSURANCE COMPANY, INC.**

**A.I.D. NO. 2020- 64**

**ADOPTION ORDER**

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2019, of Farmers Fire Insurance Company, Inc. (“Company”), NAIC No. 14246, of Conway, Arkansas, is taken under consideration by Alan McClain, 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, organized under Ark. Code Ann. §§ 23-73-101, *et seq.*
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, 2019.
3. Said examination was commenced by the Department on April 24, 2020, and completed on August 17, 2020.
4. The verified Report of Examination was filed with the Department on October 15, 2020. It was then mailed to the Company via certified mail on October 15, 2020. The Company received the Report on October 19, 2020, according to the tracking service available through the United States Postal Service.

5. The Company's investment in one municipal bond exceeds five percent (5%) of the Company's admitted assets in a single entity.

6. On November 3, 2020, the Company submitted correspondence to the Department stating that it had received the examination report, had no comments, and waived the remainder of the review period.

### **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 investment in one municipal bond exceeding five percent (5%) of the Company's admitted assets is a violation of Ark. Code Ann. § 23-63-805(1)(A)(i)(a).

**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 Company shall comply with the requirements for diversification of assets as established in Ark. Code Ann. § 23-63-805(1);

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


3. 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;

4. 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

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 Adoption Order.

IT IS SO ORDERED this 17<sup>th</sup> day of November, 2020.

  
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ALAN McCLAIN  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS