

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

**IN THE MATTER OF  
THE REPORT OF EXAMINATION OF  
LOGAN COUNTY FARMERS MUTUAL AID**

**A.I.D. NO. 2016- 031**

**ADOPTION ORDER**

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2014 of Logan County Farmers Mutual Aid (“Company”) of Scranton, Arkansas, NAIC No. 14251, 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 Commissioner has jurisdiction over the Company and the subject matter involved herein.
2. The Company is an Arkansas-domiciled Farmers’ Mutual Aid Association, NAIC No. 14251.
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, 2014.
4. Said examination was commenced by the Department on September 16, 2015, and completed on January 5, 2016.
5. The verified Report of Examination was filed with the Department on February 22, 2016. It was then mailed to the Company via certified mail on February 23,

2016. The Company received the Report on February 29, 2016, according to the tracking service available through the United States Postal Service.

6. As of the examination date, the Company had not established a conflict of interest policy requiring annual declarations of its officers and directors as required by Ark. Code Ann. § 23-66-206(5).

7. The Company did not have fidelity or other insurance coverage as of December 31, 2014. The Department recommends, based upon the NAIC suggested minimum fidelity bond for this Company, that the Company obtain a dishonesty/forgery policy in the amount of \$25,000.00.

#### **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 has not established a conflict of interest policy requiring annual declarations of its officers and directors, which is a violation of Ark. Code Ann. § 23-66-206(5).

**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 establish a conflict of interest policy requiring annual declarations of its directors and officers;

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 6<sup>th</sup> day of April, 2016.

  
**ALLEN KERR**  
**INSURANCE COMMISSIONER**  
**STATE OF ARKANSAS**