

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

**IN THE MATTER OF
THE REPORT OF EXAMINATION
OF GRIFFIN-LEGGETT BURIAL
INSURANCE COMPANY**

A.I.D. NO. 2017- 57

ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2016, of Griffin-Leggett Burial Insurance Company (“Company”), NAIC No. 84107, of North Little Rock, Arkansas, 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 mutual assessment life and disability insurer.
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, 2016.
3. Said examination was commenced by the Department on March 13, 2017, and completed on May 19, 2017.
4. The verified Report of Examination was filed with the Department on July 5, 2017. It was then mailed to the Company via certified mail on July 6, 2017. The

Company received the Report on July 11, 2017, according to the tracking service available through the United States Postal Service.

5. The Company did not record the minutes of its board of directors meetings on pre-numbered pages affixed with the seal of the Department.

6. The Company's claim files did not contain sufficient notes and work papers to allow pertinent events and dates to be reconstructed.

7. As of December 31, 2016, the Department had not received biographical affidavits for all officers and directors of the Company.

8. Subsequent to the exam period, the Company moved its books and records to Jefferson, Louisiana without prior approval by the Commissioner.

9. The Company submitted a response to the Report on July 26, 2017, noting only a minor discrepancy in its address, which was subsequently corrected in the Report and accompanying documentation.

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 use pre-numbered pages marked by the Department for all of its corporate minute books is a violation of Department Rule 9.

4. All claim files must contain the appropriate documentation sufficient to reconstruct pertinent dates and events. The Company's failure to do so is a violation of Department Rule 43, § 6.

5. The Company did not submit all required biographical affidavits for officers and directors during the exam period, which is a violation of Department Rule 7.

6. The Company's change in the location of its books and records to Louisiana was a violation of Ark. Code Ann. § 23-69-134. The Company subsequently provided notice to the Department regarding the location of its books and records via correspondence dated April 17, 2017.

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;

5. That the Company shall record its board of directors meetings on pre-numbered pages affixed with the Department's seal in compliance with Department Rule 9;

6. That the Company shall include in each claim file the appropriate information as required by Department Rule 43, § 6;

7. That the Company shall file with the Department a biographical affidavit for each officer and director as required by Department Rule 7; and

8. That, in the future, any change of location of the Company's books and records must receive prior approval of the Commissioner pursuant to Ark. Code Ann. § 23-69-134.

IT IS SO ORDERED this 10th day of August, 2017.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS