

**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. 2022- 21

ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2020, of Logan County Farmers Mutual Aid (“Company”) of Scranton, Arkansas, NAIC No. 14251, 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, NAIC No. 14251.
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, 2020.
3. Said examination was commenced by the Department on April 1, 2021, and completed on December 9, 2021.
4. The verified Report of Examination was filed with the Department on February 2, 2022. It was then sent to the Company electronically and via certified mail on February 7, 2022. The Company received the mailed copy of the Report on February

10, 2022, according to the tracking service available through the United States Postal Service.

5. On February 24, 2022, the Company submitted correspondence to the Department stating that it had received the Report, had no additional comments, and waived the remainder of the thirty-day review period.

6. The Company, as of December 31, 2020, did not have an anti-fraud initiative in effect.

7. The Company does not have procedures in place for complaint handling or maintaining a complaint register in its Constitution or other written organizational document.

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 maintain an anti-fraud initiative or anti-fraud plan is a violation of Ark. Code Ann. § 23-66-510.

4. The Company is in violation of Ark. Code Ann. § 23-66-206(4)(A) – (B) regarding complaint handling and complaint register reporting standards.

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 Ark. Code Ann. § 23-63-510 and submit an anti-fraud plan to the Commissioner for review.

2. That the Company shall comply with the complaint handling and compliant register reporting standards required by Ark. Code Ann. § 23-66-206(4)(A) – (B);


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

4. 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 Executive Committee to use in acknowledgement of receipt of the adopted Report of Examination and this Adoption Order;

5. 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

6. 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 7th day of March, 2022.



ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS