



Illinois Department of Insurance

JB Pritzker
Governor

Robert H. Muriel
Director

VIA ELECTRONIC MAIL

October 2, 2020

Mr. Robert Anthony DiMuccio
President
Amica Mutual Insurance Company
100 Amica Way
Lincoln, RI 02865-1156

Re: Amica Mutual Insurance Company, NAIC 19976
Market Conduct Examination Report Closing Letter

Dear Mr. DiMuccio:

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
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**ILLINOIS DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION**

OF

AMICA MUTUAL INSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: August 1, 2019 through, March 20, 2020

EXAMINATION OF: Amica Mutual Insurance Company
(P & C) NAIC #19976

LOCATION: 100 Amica Way
Lincoln, RI. 02865

PERIOD COVERED BY EXAMINATION: May 1, 2018, through April 30, 2019

EXAMINERS: Ron Cochran, Examiner-in-Charge
Aubrey Powell, Examiner
Sara Welch, Examiner

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I. SUMMARY

A comprehensive market conduct examination of Amica Mutual Insurance Company was performed to determine compliance with Illinois Statutes and Illinois Administrative Code.

The following represents general findings; however, specific details are found in each section of the report.

Crit #	Statute/Rule	Survey / Description	Population	Files Reviewed	Violations	Error %
2	50 IAC 919.80(b)(2)	Private Passenger Auto 1 st Party Paid Claims – failure to provide the insured a reasonable written explanation for the delay when the physical damage auto claim remains unresolved 40 days from the date of report Notice of Availability of the Department of Insurance will accompany the explanation.	647	105	5	4.76%
3	50 IAC 919.80(b)(3)	Private Passenger Auto 3 rd Party Paid Claims – failure to provide the 3 rd Party claimant a reasonable written explanation for the delay when the automobile property damage liability claim remains unresolved 60 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	465	82	1	1.21%
4	215 ILCS 5/154.6(c)	Private Passenger Auto 3 rd Party Paid Claims - failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	465	82	1	1.21%
5	50 IAC 919.80(b)(2)	Private Passenger Auto 1 st Party Closed Without Payment Claims – failure to provide the insured a delay letter when the physical damage auto claim remains unresolved 40 days from the date of report	118	76	1	1.31%

Crit #	Statute/Rule	Survey / Description	Population	Files Reviewed	Violations	Error %
6	50 IAC 919.80(c)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss	207	82	55	67.07%
7	50 IAC 919.30(c)	Private Passenger Auto 1 st Party Total Loss Paid Claims - - the claim file failed to contain the detailed documentation necessary to recreate the Company’s activities relative to each claim file	207	82	4	4.87%
8	215 ILCS 5/154.6a)	Private Passenger Auto 1 st Party Total Loss Paid Claims – knowingly misrepresenting relevant facts or policy provisions relating to coverages at issue	207	82	55	67.07%
10	50 IAC 919.50(a)(1)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide the claimant a reasonable written explanation for the denial within 30 days after affirmation of liability. Notice of Availability of the Department of Insurance will accompany the explanation.	207	82	1	1.21%
11	50 IAC 919.80(b)(2)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide the insured a delay letter when the physical damage auto claim remains unresolved 40 days from the date of report	207	82	3	3.65%
12	50 IAC 919.80(c)(3)(A)(i)	Private Passenger Auto 1 st Party Closed Without Payment Claims – failure to pay the required amounts of sales taxes and transfer and title fees to the insured at the time of settlement.	207	82	55	67.07%

Crit #	Statute/Rule	Survey / Description	Population	Files Reviewed	Violations	Error %
15	215 ILCS 5/154.6(c)	Private Passenger Auto 3 rd Party Closed Without Payment Claims – failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policy	115	77	2	2.59%
16	50 IAC 919.80(b)(3)	Private Passenger Auto 3 rd Party Closed Without Payment Claims – failure to provide the 3 rd party claimant a reasonable written explanation for the denial within 30 days after affirmation of liability.	115	77	3	3.89%
17	50 IAC 919.30(c)	Private Passenger Auto 3 rd Party Closed Without Payment Claims - the claim file failed to contain the detailed documentation necessary to recreate the Company's activities relative to each claim file	115	77	1	1.29%
18	50 IAC 919.80(b)(3)	Private Passenger Auto 3 rd Party Total Loss Paid Claims – failure to provide the 3 rd party claimant a delay letter when the automobile property damage liability claim remains unresolved 60 days from the date of report	61	61	2	3.27%
19	215 ILCS 5/154.6c)	Private Passenger Auto 3 rd Party Total Loss Paid Claims - failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	61	61	1	1.63%
20	50 IAC 919.80(d)(7)(B)	Dwelling Fire Paid Claims – failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	25	25	2	8.00%

Crit #	Statute/Rule	Survey / Description	Population	Files Reviewed	Violations	Error %
21	50 IAC 919.80(d)(7)(B)	Homeowner Paid Claims – failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	451	83	7	6.57%
22	50 IAC 919.80(d)(7)(B)	Homeowner Closed Without Payment Claims - failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	155	76	3	3.94%
23	50 IAC 919.50(a)(1)	Homeowners Closed Without Payment Claims – failure to provide the insured a reasonable written explanation for the lower offer or denial within 30 days after affirmation of liability. Notice of Availability of the Department of Insurance will accompany the explanation.	155	76	1	1.31%
24	50 IAC 919.80(d)(7)(B)	Condominium Paid Claims – failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	95	95	18	18.94%
25	50 IAC 919.80(d)(7)(B)	Dwelling Fire Closed Without Payment Claims– failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	6	6	2	33.33%

Crit #	Statute/Rule	Survey / Description	Population	Files Reviewed	Violations	Error %
26	50 IAC 919.50(a)(1)	Condominium Closed Without Payment Claims - failure to provide the insured a reasonable written explanation for the lower offer or denial within 30 days after affirmation of liability. Notice of Availability of the Department of Insurance will accompany the explanation.	32	32	1	3.12%
27	50 IAC 919.80(d)(7)(B)	Condominium Closed Without Payment Claims- failure to provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	32	32	3	9.37%
28	215 ILCS 5/805.1	Homeowners New Business-failed to issue a homeowner's policy including residential coverage for loss due to mine subsidence without a waiver signed by the named insured.	534	113	1	0.88%

II. BACKGROUND:

Name: Amica Mutual Insurance Company

Headquarters: 100 Amica Way, Lincoln, RI

Established: 1907 – Amica is the oldest mutual insurer of automobiles in the United States.

Company Profile: Amica is a direct writer of personal insurance with auto, homeowners, personal excess liability and marine coverages. The company is known in the insurance industry for its financial strength and exceptional customer service.

Senior Officer: Robert A. DiMuccio, chairman, president and chief executive officer

Ratings

- A+ (Superior) from A.M. Best Company as of Jan. 24, 2019*
- Repeatedly recognized for exceptional service in auto and homeowner's insurance surveys by a leading consumer publication.

Financial Strength

- Assets as of Dec. 31, 2018 - \$5.4 billion
- Policy counts as of Dec. 31, 2018 – 1.6 million

Subsidiaries

- Amica Life Insurance Company – Directly offers life insurance and annuity products. Also offers some health and specialty products (through Amica General Agency and on a direct-referral basis), which vary by state. It does business in all states except for Hawaii. Chartered in 1969.
- Amica Property and Casualty Insurance Company – A wholly owned subsidiary of Amica Mutual Insurance Company that provides auto insurance in selected states around the country.
- Amica General Agency, LLC. – A wholly owned subsidiary of Amica Mutual Insurance Company established to assist with special or unique insurance needs. Incorporated in 1987.

Our History

- 1907 - The Automobile Mutual Insurance Company of America was founded in Providence by A.T. Vigneron. It offered automotive, fire and theft insurance.
- 1914 - The Factory Mutual Liability Insurance Company of America was chartered for the purpose of providing liability insurance to Automobile Mutual policyholders.
- 1941 - The company opened its first branch office in Boston.
- 1956 - The company began issuing homeowners insurance in 1956. It later added marine and personal excess liability insurance.
- 1970 - Amica Life Insurance Company wrote its first policy.
- 1973 - Automobile Mutual and Factory Mutual merged to form a more efficient corporate identity.
- 1994 - Amica's corporate offices moved from Providence to Lincoln, RI.
- 2005 - Robert A. DiMuccio was elected Amica's president and chief executive officer. The title of chairman was added in 2008.
- 2007 - Amica celebrated its 100th anniversary.
- 2014 - Amica has 44 offices across the country and thrives as the oldest mutual insurer of automobiles in the United States

Amica Mutual Insurance Company

2019 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 19976

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
1	Fire	\$116,024	\$123,416	\$6,033	(\$1,970)
4	Homeowners multiple peril	\$14,096,243	\$13,666,059	\$11,554,965	\$12,167,809
19.2	Other Private Passenger Auto liability	\$6,473,503	\$8,199,955	\$5,921,181	\$3,168,203
21.1	Private Passenger Auto physical damage	\$4,555,847	\$5,837,895	\$3,064,940	\$1,617,597
35	Total	\$25,241,617	\$27,827,325	\$20,547,119	\$16,951,639

2018 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 19976

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
1	Fire	\$131,071	\$148,486	\$16,530	\$53,459
4	Homeowners multiple peril	\$13,168,703	\$12,678,766	\$5,797,494	\$6,398,886
19.2	Other Private passenger auto liability	\$8,146,123	\$1,238,518	\$5,549,218	\$3,812,989
21.1	Private Passenger Auto physical damage	\$5,887,349	\$5,883,458	\$3,233,566	\$3,136,451
35	Total	\$27,333,246	\$19,949,228	\$14,596,808	\$13,401,785

2017 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 16187

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
1	Fire	\$157,820	\$161,150	\$1,006	\$1,340
4	Homeowners multiple peril	\$12,219,618	\$11,637,707	\$8,389,055	\$7,266,610
19.2	Other Private passenger auto liability	\$7,875,408	\$7,682,623	\$4,337,596	\$5,722,237
21.1	Private Passenger Auto physical damage	\$5,828,856	\$5,649,747	\$2,956,457	\$3,004,045
35	Total	\$26,081,702	\$25,131,227	\$15,684,114	\$15,994,232

III. METHODOLOGY:

The market conduct examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The scope of this market conduct examination was limited to the following general areas.

- Risk Selection
- Underwriting
- Claims
- Complaints & Producer Review.

The review of these categories is accomplished through examination of individual underwriting and claim files, written interrogatories and interviews with company personnel. Each of these categories is examined for compliance with Department of Insurance rules and regulations and applicable state laws.

The following method was used to obtain the required samples and to assure a statistically sound selection. Surveys were developed from Company generated Excel spreadsheets. Random statistical printout reports were generated by the examiners and presented to the Company for retrieval.

Risk Selection

Cancellations and non-renewals of existing policy holders were requested based on the effective date of the transaction falling within the period under examination. Cancellations and non-renewals were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and for any possible discrimination.

Underwriting

The underwriting of new applicants for coverage with the company was selected based on the inception date of the policy falling within the period under examination. New policies were reviewed for rating accuracy, use of filed rates, use of filed forms, for compliance with company underwriting guidelines and to ensure that the coverage provided was as requested by the applicant.

Claims

Claims were requested based on the settlement occurring or the claim file being closed without payment within the period under examination.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 et seq. and 820 ILCS 305/1 et seq.) and Part 919 (Ill. Adm. Code Title 50: Part 919).

Complaints & Producer Review

Complaints were reviewed for completion, accuracy and validity of the complaint based on complaints received by the Department of Insurance during the examination experience period. Producer terminations and licensing were reviewed for their compliance with statutory requirements

IV. SELECTION OF SAMPLE:

Survey	Population	# Reviewed	% Reviewed
Risk Selection:	1987	455	22.89%
Private Passenger Auto Cancellations	903	114	12.62%
Private Passenger Auto Non-renewals	24	24	100.00%
Homeowners Cancellations	703	124	17.63%
Homeowner Non-renewals	12	12	100.00%
Dwelling Fire Cancellations	85	85	100.00%
Dwelling Fire Non-renewals	4	4	100.00%
Condominium Cancellations	248	84	33.87%
Condominium Non-renewals	8	8	100.00%

Survey	Population	# Reviewed	% Reviewed
Underwriting:	17,478	768	4.39%
Private Passenger Auto New Business	683	113	16.54%
Private Passenger Auto Renewals	7,617	116	1.52%
Homeowner New Business	534	113	21.16%
Homeowner Renewals	6,056	116	1.91%
Dwelling Fire New Business	31	31	100.00%
Dwelling Fire Renewals	377	86	22.81%
Condominium New Business	275	79	28.72%
Condominium Renewals	1,905	114	5.98%

Survey	Population	# Reviewed	% Reviewed
Claims:	2,677	897	33.50%
Private Passenger Auto 1st Party - Paid	647	105	16.22%
PPA 1st P Paid – Median = 12 days	--	--	--
Private Passenger Auto 1st Party – CWP	118	82	64.40%
Private Passenger Auto 3rd Party - Paid	465	76	69.49%
PPA 3rd P Paid – Median = 19 days	--	--	--
Private Passenger Auto 3rd Party – CWP	115	76	66.08%
Private Passenger Auto Subrogation	284	82	28.87%
Private Passenger Auto 1st Party Total Loss Paid PPA 1st P Total Loss Paid – Median = 13 days	207	82	39.61%
Private Passenger Auto 3rd Party Total Loss Paid PPA 3rd P Total Loss Paid – Median = 24 days	77	77	100.00%
Homeowners Paid	451	83	18.40%
Homeowners – CWP	155	76	49.03%
Dwelling Fire Paid	25	25	100.00%
Dwelling Fire - CWP	6	6	100.00%
Condominium Paid	95	95	100.00%
Condominium - CWP	32	32	100.00%

Survey	Population	# Reviewed	% Reviewed
Department Complaints	1	1	100.00%
Consumer Complaints	6	6	100.00%
Producer Terminations	0	0	0%
Producer Licensing	185	79	42.70%

V. FINDINGS:

A. Risk Selections:

1. Private Passenger Automobile - Cancellations
 - No criticisms were found in the following surveys:
 - Cancellations in the First 60 days
 - Cancellations Mid Term (After first 60 days)
 - Insured Requested Cancellations and Cancellations for Non-Payment of Premium
2. Private Passenger Automobile - Non-renewals:
 - No criticisms were found in the survey
3. Homeowners Cancellations
 - No criticisms were found in the following surveys:
 - Cancellations in the First 60 days
 - Cancellations Mid Term (After first 60 days)
 - Insured Requested Cancellations and Cancellations for Non-Payment of Premium
4. Homeowners – Non-renewals
 - No criticisms were found in the survey
5. Dwelling Fire – Cancellations
 - No criticisms were found in the following surveys:
 - Cancellations in the first 60 days – no data submitted
 - Cancellations Mid Term (After first 60 days)
 - Insured Requested Cancellations and Cancellations for Non-Payment of Premium
6. Dwelling Fire – Non-renewals
 - No criticisms were found in the survey
7. Condominium Cancellations
 - No criticisms were found in the following surveys:
 - Cancellations in the first 60 days – no data submitted
 - Cancellations Mid Term (After first 60 days) – no data submitted
 - Insured Requested Cancellations and Cancellations for Non-Payment of Premium
8. Condominium – Non-renewals
 - No criticisms were found in the survey

B. Underwriting:

1. Private Passenger Automobile - New Business
 - No criticisms were found in the survey
2. Private Passenger Auto – Renewals
 - No criticisms were found in the survey

3. Homeowners – New Business
 - In one (1) policy file (0.88% of the 113 policy files reviewed) the insured property is located in a mandatory mine subsidence county and the Company failed to include mine subsidence coverage on the policy without securing a waiver signed by the insured rejecting mine subsidence coverage in violation of 215 ILCS 5/805.1(a).
4. Homeowners – Renewals
 - No criticisms were found in the survey
5. Condominium – New Business
 - No criticisms were found in the survey
6. Condominium – Renewals
 - No criticisms were found in the survey

C. Claims

1. Private Passenger Automobile First Party Paid Claims & Median
 - The median payment period was 12 days distributed as follows:

Days	Number	Percentage
0-30	85	81.70%
31-60	12	11.50%
61-90	4	3.80%
91-180	3	2.90%
181-365	0	0%
Over 365	0	0%
Total	104	100.00%

- In five (5) claim files (4.76% of the 104 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (b)(2).
2. Private Passenger Auto First Party Closed Without Payment Claims
 - In one (1) claim file (1.31% of the 76 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (b)(2).
 3. Private Passenger Automobile First Party Total Losses Paid
 - The median payment period was 13 days distributed as follows:

Days	Number	Percentage
0-30	75	91.46%
31-60	7	8.54%
61-90	0	0.00%
91-180	0	0.00%
181-365	0	0.00%
Over 365	0	0.00%
Total	82	100.00%

- In fifty-five (55) claim files (67.07% of the 82 claim files reviewed) the Company failed to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss in violation of 50 Ill. Adm. Code 919.80 c).
- In three (3) claim files (3.65% of the 82 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
- In four (4) claim file (4.87% of the 82 claim files reviewed) the Company failed to include the documentation necessary to reconstruct the Company’s activities relative to the claim file in violation of 50 Ill. Adm. Code 919.30(c).
- In one (1) claim files (1.21% of the 82 claim files reviewed) the Company failed to provide the insured a denial letter with the Notice of Availability of the Department of Insurance within 30 days after the investigation and determination of liability is completed in violation of 50 Ill. Adm. Code 919.50(a)(1).
- In fifty-five (55) claim files (67.07% of the 82 claim files reviewed) the Company misstated to insureds relevant facts or policy provisions relating to coverages at issue in violation of 215 ILCS 5/154.6a).
- In fifty-five (55) claim files (67.07% of the 82 claim files reviewed) the Company chose the in lieu of reimbursement procedure and failed to directly pay the required amounts of sales taxes and transfer and title fees to the insured at the time of settlement in violation of 50 Ill. Admin. Code 919.80 c)3)A)i).

4. Private Passenger Automobile 3rd Party Paid & Median

- The median payment period was 19 days distributed as follows:

Days	Number	Percentage
0-30	48	58.50%
31-60	10	12.20%
61-90	9	11.00%
91-180	5	6.10%
181-365	5	6.10%
Over 365	5	6.10%
Total	82	100.00%

- In one (1) claim file (1.21% of the 82 claim files reviewed) the Company failed to provide the claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).
- In one (1) claim file (1.21% of the 82 claim files reviewed) the Company failed to adhere to reasonable standards for the prompt investigation and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

5. Private Passenger Auto 3rd Party Closed Without Payment Claims

- In three (3) claim files (3.89% of the 77 claim files reviewed) the Company failed to provide the claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).

- In one (1) claim files (1.29% of the 77 clam files reviewed) the Company claim file failed to contain detailed documentation in order to permit reconstruction of the Company’s activities relative to each claim file in violation of 50 Ill. Adm. Code 919.30(c).
- In two (2) claim files (2.59% of the 77 claim files reviewed) the Company failed to adhere to reasonable standards for the prompt investigation and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

6. Private Passenger Automobile 3rd Party Total Losses Paid

- The median payment period was 24 days distributed as follows:

Days	Number	Percentage
0-30	33	54.10%
31-60	10	16.40%
61-90	3	4.90%
91-180	10	16.40%
181-365	4	6.60%
Over 365	1	1.60%
Total	61	100.00%

- In two (2) claim files (3.27% of the 61 claim files reviewed) the Company failed to provide the claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).
- In one (1) claim file (1.63 of the 61 claim files reviewed) the Company failed to adhere to reasonable standards for the prompt investigation and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

7. Private Passenger Automobile Subrogation

- No criticisms were found in the survey

8. Homeowners Paid & Median

- The median payment period was 26 days distributed as follows:

Days	Number	Percentage
0-30	44	53.00%
31-60	16	19.30%
61-90	11	13.30%
91-180	6	7.20%
181-365	3	3.60%
Over 365	3	3.60%
Total	83	100.00%

- In seven (7) claim files (8.43% of the 83 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).

9. Homeowners Closed Without Payment

- In three (3) claim files (3.94% of the 76 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).
- In one (1) claim file (1.31% of the 76 claim files reviewed) the Company failed to provide the insured a written explanation, notice of Availability of the Department of Insurance shall accompany this explanation, of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed in violation of 50 Ill. Adm. Code 919.50(a)(1).

10. Dwelling Fire Paid & Median

- The median payment period was 28 days distributed as follows:

Days	Number	Percentage
0-30	13	52.00%
31-60	5	20.00%
61-90	0	0.00%
91-180	1	4.00%
181-365	4	16.00%
Over 365	2	8.00%
Total	25	100.00%

- In two (2) claim files (25.00% of the 8 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).

11. Dwelling Fire Closed Without Payment

- In two (2) claim files (33.33% of the 6 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).

12. Condominium Paid & Median

- The median payment period was 28 days distributed as follows:

Days	Number	Percentage
0-30	36	41.40%
31-60	20	23.00%
61-90	10	11.50%
91-180	11	12.60%
181-365	10	11.50%
Over 365	0	0.00%
Total	87	100.00%

- In eighteen (18) claim files (24.00% of the 75 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).

13. Condominium Closed Without Payment

- In three (3) claim file (9.37% of the 32 claim files reviewed) the Company failed to provide the insured a delay letter if a claim remains unresolved for 75 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (d)(7)(B).

- In one (1) claim file (3.12% of the 32 claim files reviewed) the Company failed to provide the insured a written explanation, notice of Availability of the Department of Insurance shall accompany this explanation, of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed in violation of 50 Ill. Adm. Code 919.50(a)(1).

D. Policyholder service

1. Department and Consumer Complaints
 - No criticisms were found in the survey.
2. Producer Licensing
 - No criticisms were found in this survey.

VI. INTER-RELATED FINDINGS:

In relation to Criticism # 12 (1st Party Total Loss paid claims), the Company failed to pay the required amounts of sales taxes and transfer and title fees to the insured at the time of settlement in violation of 50 Ill. Admin. Code 919.80 c)3)A)i).

The Company chose to settle 1st Party Total Loss paid claims with their policyholder by using the “In lieu of this reimbursement procedure” outlined in 50 Ill. Admin. Code 919.80 c)3)A)i) in which the Company “may directly pay the required amounts of sales taxes and transfer and title fees to the insured at the time of settlement” of the total loss vehicle claim.

The Company investigated the claim and made the determination that their policyholder’s vehicle was a total loss due to the amount of damage to the vehicle. The Company utilized a 3rd party vendor that provided the Company a dollar evaluation of the policyholder’s vehicle to establish the settlement value for the vehicle in relation to the claim. The evaluation of the vehicle provided by the 3rd party vendor included a sales tax rate applicable to the insureds zip code location. The Company provided the insured with a copy of the vehicle evaluation documents to communicate the value of the total loss vehicle, but the Company altered the sales tax amount applicable to the insured’s zip code location based on information on the Department of Revenue’s website. This resulted in an underpayment of the (1st Party Total Loss paid) claims. The Company also failed to consistently pay the correct transfer and title fees required to be included in the “in lieu of reimbursement procedure” at the time of settlement.

The Company was asked to issue payments for the “underpaid amounts” for all 1st Party Total Loss Paid claims incurred from the beginning of the exam period of May 1, 2018, to present and provide, to the Illinois Department of Insurance, proof of each payment made to their policyholders. The Company has reimbursed “underpaid amounts” to all impacted policyholders and documentation has been provided by the Company to the Illinois Department of Insurance.

The “underpaid amounts” being the difference between the amount paid for the total loss vehicle using the incorrect sales tax rate and / or incorrect title and transfer fees and the vehicle settlement value amount as computed using the correct applicable sales tax rate as based on the policyholder’s zip code location and the correct vehicle transfer and title fees for all 1st Party Total Loss Paid claims from the beginning of the exam period of May 1, 2018, to present.

STATE OF ILLINOIS)
) ss
COUNTY OF SANGAMON)

Ron Cochran, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Acting Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Amica Mutual Insurance Company, (the "Company"), NAIC 19976.

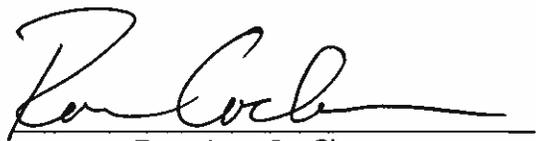
That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That she/he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

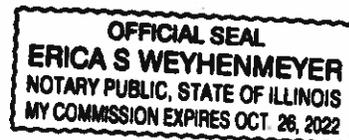
That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.


Examiner-In-Charge

Subscribed and sworn to before me

This 15th day of April, 2020


Notary Public



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

**AMICA MUTUAL INSURANCE COMPANY
100 AMICA WAY
LINCOLN, RI. 02865**

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Amica Mutual Insurance Company ("the Company"), NAIC 19976, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of May 1, 2018 through April 30, 2019, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss – 50 IL Adm. Code 919.80(C)
 2. Institute and maintain policies and procedures whereby the Company shall not knowingly misrepresent relevant facts or policy provisions relating to coverages at issue – 215 ILCS 5/154.6(a)
 3. Institute and maintain policies and procedures whereby the Company shall pay the required amounts of sales taxes and transfer and title fees to the insured at the time of settlement – 50 IL Adm. Code 919.80 (c)(3)(A)(i)
 4. Institute and maintain policies and procedures whereby the Company shall provide the insured a reasonable written explanation for the delay when the claim remains unresolved 75 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation – 50 IL Adm. Code 919.80(d)(7)(B)
 5. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above four (4) orders within 30 days of execution of this Order.
 6. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$46,850.00 to be paid within 10 days of execution of this Order.
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NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of AMICA MUTUAL INSURANCE COMPANY

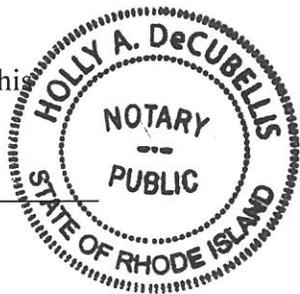
Jennifer A. Morrison
Signature

Jennifer A. Morrison
Name

V.P. & General Counsel
Title

Subscribed and sworn to before me this 4th day of August 2020.

Holly A. DeCubellis
Notary Public



DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE 8-24-20

Robert H. Muriel
Robert H. Muriel
Director

