



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 23, 2022

Mr. John C. Roche, President
Hanover Insurance Group
333 West Pierce Rd. Third Floor
Itasca, IL. 60143

Re: Allmerica Financial Alliance Insurance Company, NAIC 10212
Citizens Insurance Company of Illinois, NAIC 10714
Market Conduct Examination Verified Report

Dear Mr. Roche,

A Market Conduct Examination of your companies was conducted by an authorized examiner designated by the Director of the Illinois Department of Insurance (“Department”) pursuant to Illinois Insurance Code (“Code”) Sections 132, 132.5(f), 404(1)(a) and 404(1)(c). This examination covered the period of January 1, 2019, through March 31, 2022. Enclosed with this letter is a copy of the verified examination report.

The examination report is a public document under the Freedom of Information Act (“FOIA”) [5 ILCS 140/1 *et seq.*] and will be posted on the Department’s website. To the extent that the examination report contains information that your Company deems private, personal, or trade secret pursuant to Sections 7(1)(b), (c), or (g) of FOIA [5 ILCS 140/7(b), (c), and (g)], your Company may request that the Department redact such information from the report prior to making it public. In making a request for confidentiality, your Company must provide a factual basis for its assertion of confidentiality. The Department will consider the request and determine whether such information is exempt from disclosure under Section 7 of FOIA.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
Erica.Weyhenmeyer@Illinois.gov

Company Name: Allmerica Financial Alliance Ins Co	CoCode:	10212	Group Code:	88								
Private Passenger Auto Liability	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 -2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	1,989,170	2,040,132	2,125,141	2,028,458	2,103,557	2,295,211	2,057,124	1,833,479	1,999,659	2,000,715	1,993,394	2,024,595
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	7,612,118	7,740,858	7,917,214	8,004,390	8,000,092	8,012,675	7,892,810	7,657,914	7,517,714	7,598,395	7,743,004	7,838,022
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	798,713	0	0	0	0	0	0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense												
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	4,851,497	4,809,064	5,911,817	5,250,124	4,503,244	2,749,502	3,329,167	5,307,959	3,555,000	4,104,228	6,184,448	6,201,189
(7) Net Ultimate Adjusting & Other	563,297	534,119	530,453	528,290	528,006	568,900	449,890	459,475	488,651	478,699	495,552	493,795
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	511	555	557	571	447	259	367	318	301	388	417	406
(9) Open Claim Counts	10	13	12	14	5	13	17	20	33	40	88	136
Post-refund combined ratio (6+7+2+5)/(3-4)	97.3%	95.4%	108.2%	97.5%	89.2%	77.8%	73.9%	99.3%	80.4%	86.6%	112.0%	111.2%
Pre-refund combined ratio (6+7+2)/(3)	97.3%	95.4%	108.2%	97.5%	89.2%	70.1%	73.9%	99.3%	80.4%	86.6%	112.0%	111.2%
Claims severity (6)/(8)	9,494	8,665	10,614	9,195	10,075	10,616	9,071	16,695	11,811	10,578	14,831	15,276

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Allmerica Financial Alliance Ins Co	CoCode:	10212	Group Code:	88									
Private Passenger Auto Physical Damage	Accident Quarter												
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 -2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021	
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	1,594,582	1,636,574	1,693,666	1,611,774	1,671,044	1,821,516	1,648,507	1,477,391	1,621,599	1,643,271	1,662,419	1,719,271	
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	6,109,750	6,215,380	6,319,101	6,353,762	6,348,871	6,360,955	6,328,745	6,178,257	6,102,805	6,229,554	6,455,587	6,666,517	
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	632,729	0	0	0	0	0	0	
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense													
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	3,213,417	4,492,524	3,439,150	3,767,269	2,992,613	2,654,209	3,087,574	3,117,432	2,682,830	3,769,808	4,164,970	5,010,935	
(7) Net Ultimate Adjusting & Other	557,910	534,780	563,220	569,862	567,114	579,803	501,085	500,016	484,881	448,211	485,475	488,762	
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	2,239	2,359	2,173	2,001	1,777	1,483	1,760	1,415	1,647	1,798	1,894	1,842	
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	10	22	85	
Post-refund combined ratio (6+7+2+5)/(3-4)	87.8%	107.2%	90.1%	93.6%	82.4%	88.3%	82.8%	82.5%	78.5%	94.1%	97.8%	108.3%	
Pre-refund combined ratio (6+7+2)/(3)	87.8%	107.2%	90.1%	93.6%	82.4%	79.5%	82.8%	82.5%	78.5%	94.1%	97.8%	108.3%	
Claims severity (6)/(8)	1,435	1,904	1,583	1,883	1,684	1,790	1,754	2,203	1,629	2,097	2,199	2,721	

Notes:

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All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Citizens Insurance Co of Illinois	CoCode:	10714	Group Code:	88								
Private Passenger Auto Liability	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	28,036	26,401	26,323	23,333	23,196	24,708	21,392	18,347	19,877	18,518	16,958	16,528
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	107,288	100,174	98,066	92,073	88,216	86,255	82,079	76,629	74,729	70,327	65,872	63,987
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	8,587	0	0	0	0	0	0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense												
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	333	14,936	143,183	21,876	5,756	106,498	14,833	58,041	0	7,772	5,552	34,811
(7) Net Ultimate Adjusting & Other	7,939	6,912	6,570	6,077	5,822	6,124	4,679	4,598	4,857	4,431	4,216	4,031
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	1	4	12	2	3	3	2	3	0	2	1	3
(9) Open Claim Counts	0	0	0	0	0	0	0	1	0	0	0	1
Post-refund combined ratio (6+7+2+5)/(3-4)	33.8%	48.2%	179.5%	55.7%	39.4%	176.8%	49.8%	105.7%	33.1%	43.7%	40.6%	86.5%
Pre-refund combined ratio (6+7+2)/(3)	33.8%	48.2%	179.5%	55.7%	39.4%	159.2%	49.8%	105.7%	33.1%	43.7%	40.6%	86.5%
Claims severity (6)/(8)	333	3,734	11,932	10,938	1,914	35,432	7,397	18,986	#DIV/0!	3,866	5,505	11,435

Notes:

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Claim counts should be reported net of quota share reinsurance.

Company Name: Citizens Insurance Co of Illinois	CoCode:	10714	Group Code:	88									
Private Passenger Auto Physical Damage	Accident Quarter												
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021	
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	20,070	19,176	19,679	17,692	17,966	19,134	16,574	13,965	15,212	14,445	13,162	13,027	
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	76,900	72,828	73,424	69,742	68,257	66,818	63,630	58,400	57,249	54,759	51,113	50,511	
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	6,661	0	0	0	0	0	0	
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense													
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	4,392	18,836	59,595	48,386	4,889	7,953	15,390	10,684	1,948	14,782	157	24,718	
(7) Net Ultimate Adjusting & Other													
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	16	13	26	8	10	8	11	6	7	11	3	8	
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	0	0	1	
Post-refund combined ratio (6+7+2+5)/(3-4)	31.8%	52.2%	108.0%	94.7%	33.5%	45.0%	50.2%	42.2%	30.0%	53.4%	26.1%	74.7%	
Pre-refund combined ratio (6+7+2)/(3)	31.8%	52.2%	108.0%	94.7%	33.5%	40.5%	50.2%	42.2%	30.0%	53.4%	26.1%	74.7%	
Claims severity (6)/(8)	274	1,449	2,292	6,048	489	993	1,398	1,771	278	1,341	52	3,032	

Notes:

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Claim counts should be reported net of quota share reinsurance.