



Illinois Department of Insurance

BRUCE RAUNER
Governor

JENNIFER HAMMER
Director

March 31, 2017

Joseph M. Zubretsky
President
The Hanover Insurance Group
440 Lincoln Street
Worcester, MA 01653

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

Dear Mr. Zubretsky:

The Department has reviewed your Companies' proof of compliance and deems it adequate and sufficient. 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,

Jack Engle, MCM
Assistant Deputy Director-Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington- 5th Floor
Springfield, IL 62767
217-558-1058
E-mail: Jack.Engle@Illinois.gov

**MARKET CONDUCT EXAMINATION
OF
ALLMERICA FINANCIAL ALLIANCE INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF ILLINOIS**

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: February 29, 2016 through September 9, 2016

EXAMINATION OF: Allmerica Financial Alliance Insurance Company
NAIC #10212

Citizens Insurance Company of Illinois
NAIC #10714

LOCATION: 440 Lincoln Street
Worcester, Massachusetts 01653

PERIOD COVERED BY EXAMINATION: December 1, 2014 through November 30, 2015
(Complaints reviewed for the period September 1, 2014 through November 30, 2015)

EXAMINERS: Timothy R. Nutt, Examiner-in-Charge
Ben Darnell, Senior Examiner
Jack McDermott, Senior Examiner
Parker Stevens, Senior Examiner
Stephen Zellich, Senior Examiner
Nicole Richards, Examiner
John Watts, Examiner

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I. SUMMARY

A comprehensive market conduct examination of Allmerica Financial Alliance Insurance Company (AFAIC) and Citizens Insurance Company of Illinois (CICI) was performed to determine compliance with Illinois statutes and the Illinois Administrative Code.

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

TABLE OF TOTAL VIOLATIONS						
Crit #/ Co.	Statute/Rule	Description of Violation	Population	Files Reviewed	Number of Violations	Error %
1 AFAIC	215 ILCS 5/143d(b)	Complaints, Non-DOI— Failed to respond within 21 days	4	4	1	25%
4 AFAIC	215 ILCS 5/154.6(j)	Claims, First Party Paid— Established unreasonable caps or limits on paint or materials	4,218	104	5	5%
5 AFAIC	50 Ill. Adm. Code 919.80(b)(2)	Claims, Automobile First Party Paid—No written explanation for delay exceeding 40 days	4,218	104	7	7%
9 AFAIC	50 Ill. Adm. Code 919.60(a)	Claims, Automobile First Party Paid—Check to insured indicated payment was final	4,218	104	3	3%
10 AFAIC	50 Ill. Adm. Code 919.50(a)	Claims, Automobile First Party Closed-Without- Payment—Investigation was not timely	1,151	105	1	1%
11 AFAIC	50 Ill. Adm. Code 919.30(c)	Claims, Automobile First Party Closed-Without- Payment—Inadequate documentation in file	1,151	105	1	1%
12 AFAIC	50 Ill. Adm. Code 919.60(a)	Claims, Automobile Total Loss—Check to insured indicated payment was final	59	59	7	12%
13 AFAIC	50 Ill. Adm. Code 919.80(b)(2)	Claims, Automobile Total Loss—No written explanation for delay exceeding 40 days	59	59	3	5%
14 AFAIC	50 Ill. Adm. Code 919.80(c)	Claims, Automobile Total Loss—Information required by Exhibit A not provided	59	59	17	29%
15 AFAIC	50 Ill. Adm. Code 919.80(b)(3)	Claims, Automobile Third Party Paid—No written explanation for delay exceeding 60 days	2,285	106	2	2%

TABLE OF TOTAL VIOLATIONS

Crit #/ Co.	Statute/Rule	Description of Violation	Population	Files Reviewed	Number of Violations	Error %
17 AFAIC	215 ILCS 5/154.6(j)	Claims, Automobile Third Party Paid—Established unreasonable caps or limits on paint or materials	2,285	106	2	2%
18 CICI	50 Ill. Adm. Code 919.80(b)(3)	Claims, Automobile Third Party Paid—No written explanation for delay exceeding 60 days	78	2	1	50%
19 CICI	50 Ill. Adm. Code 919.80(d)(7)(B)	Claims, Homeowners Paid— No written explanation for delay	1,361	106	6	6%
20 CICI	50 Ill. Adm. Code 919.30(c)	Claims, Homeowners Paid— Inadequate file documentation	1,361	106	4	4%
21 CICI	50 Ill. Adm. Code 919.50(a)(1)	Claims, Homeowners Paid— No written explanation for lower offer	1,361	106	1	1%
22 AFAIC	215 ILCS 5/143.17(a)	Risk Selection, Automobile Non-renewals—Either no notice, untimely notice, or no proof of mailing	109	76	4	5%
24 AFAIC	50 Ill. Adm. Code 919.30(c)	Claims, Automobile Third Party Closed-Without- Payment—Inadequate file documentation	684	103	1	1%
25 Both	50 Ill. Adm. Code 919.80(c)	Claims, Automobile Subrogation—Information required by Exhibit A not provided	404	83	14	17%
26 CICI	215 ILCS 5/143.17(a)	Risk Selection, Mobile Home Non-renewals—No notice or proof of mailing	149	79	2	3%
27 CICI	50 Ill. Adm. Code 919.80(d)(7)(B)	Claims, Homeowners Closed-Without-Payment— No written explanation for delay	571	104	2	2%
28 CICI	50 Ill. Adm. Code 919.30(c)	Claims, Homeowners Closed-Without-Payment— Inadequate file documentation	571	104	2	2%
29 CICI	50 Ill. Adm. Code 919.80(d)(7)(B)	Claims, Homeowners Closed-Without-Payment— No Notice of Availability of IL Dept. of Ins. in delay letter	571	104	1	1%

II. BACKGROUND

Allmerica Financial Alliance Insurance Company

AFAIC was incorporated under the laws of New Hampshire on April 26, 1995, as The Hanover National Insurance Company and commenced operations on May 24, 1995. On July 11, 1996, the company changed its name to Allmerica Financial Alliance Insurance Company. The company is licensed in forty-three states and the District of Columbia.

The company is a wholly owned subsidiary of The Hanover Insurance Company. The Hanover Insurance Company is a wholly owned subsidiary of Opus Investment Management, Inc., which, in turn, is a wholly owned subsidiary of The Hanover Insurance Group, Inc.

Citizens Insurance Company of Illinois

CICI was incorporated under the laws of Illinois on January 2, 1997, and commenced business on January 24, 1997. The company is a property and casualty insurer domiciled and only licensed in the State of Illinois. The company writes multiple lines of property and casualty insurance in Illinois, with the primary line of business being homeowners multi-peril.

The company is a wholly owned subsidiary of Opus Investment Management, Inc., which, in turn, is a wholly owned subsidiary of The Hanover Insurance Group, Inc.

AFAIC and CICS (collectively referred to as “the Company”) have corporate offices located at 440 Lincoln Street, Worcester, Massachusetts 01653, and 645 West Grand River Avenue, Howell, Michigan 48843, respectively.

The Company markets its products through independent agencies.

The 2014 and 2015 NAIC Annual Statements (Page 19 Illinois) reflect the following:

Year	Company	Business Line	Direct Premium Written	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred
2015	AFAIC	Other Private Passenger Auto Liability	24,283,175	23,619,038	15,503,634	16,712,755
2015	AFAIC	Private Passenger Auto Physical Damage	19,766,666	19,200,700	10,871,069	10,690,880
2015	CICI	Homeowners Multiple Peril	29,463,537	28,319,388	12,678,956	12,531,341
2015	CICI	Inland Marine	1,013,066	998,850	297,997	294,855
2015	CICI	Other Liability-Occurrence	33,167	33,533	27,604	116,366
2015	CICI	Other Private Passenger Auto Liability	838,131	895,017	353,898	737,158
2015	CICI	Private Passenger Auto Physical Damage	547,937	583,268	303,612	299,615
2014	AFAIC	Other Private Passenger Auto Liability	23,008,088	21,433,136	12,938,185	14,718,580
2014	AFAIC	Private Passenger Auto Physical Damage	18,767,800	17,571,250	11,314,617	11,390,646
2014	CICI	Homeowners Multiple Peril	26,714,357	23,853,441	20,109,793	18,393,966
2014	CICI	Inland Marine	955,714	863,344	293,023	296,632
2014	CICI	Other Liability-Occurrence	34,293	114,092	64,973	95,344
2014	CICI	Other Private Passenger Auto Liability	1,067,527	1,157,270	783,945	598,001
2014	CICI	Private Passenger Auto Physical Damage	691,679	748,393	269,352	269,357

III. METHODOLOGY

The market conduct examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The period under review was generally December 1, 2014 through November 30, 2015. The following categories were the general areas examined:

- A. Operations and Management
- B. Complaint Handling
- C. Marketing and Sales
- D. Producer Review
- E. Risk Selection
- F. Underwriting and Rating
- G. Claims

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

Criticisms were provided to the Company addressing violations discovered in the review processes. All valid criticisms were incorporated into this report.

The following methods were used to obtain the required samples and to assure a statistically accurate and methodical selection. The samples were developed from Company-generated data. The sample size was based on the most recent NAIC *Market Regulation Handbook*. Random samples were generated using Audit Command Language (ACL) software and the selected samples were provided to the Company for retrieval.

Operations and Management

The review of the Company's operations and management is designed to determine how the Company operates. Examiners reviewed both publicly available documents, such as prior market conduct examinations and annual statements, as well as internal documents such as Company procedures and internal audit reports.

Complaint Handling

Department of Insurance (DOI) Complaints and direct consumer complaints for the period September 1, 2014 through November 30, 2015, were reviewed for compliance with applicable state laws and Company guidelines.

DOI Complaints – The population request for this category consisted of complaints received from the Illinois Department of Insurance during the experience period. The Company's complaint log was reconciled with the individual file information and the DOI records to determine the completeness and accuracy of the data recorded. Each complaint file, along with

the applicable underlying claim or underwriting file was reviewed for compliance with regulatory requirements.

Consumer (Non-DOI) Complaints – The population request for this category consisted of complaints received directly from consumers during the experience period. The Company's complaint log was reconciled with the individual file information to determine the completeness and accuracy of the data recorded. Each complaint file, along with the applicable underlying claim or underwriting file, was reviewed for compliance with regulatory requirements.

Marketing and Sales

The review of the Company's marketing and sales materials is designed to evaluate the representations made by the Company about its products or services. The items requested for this category consisted of all sales, advertising, producer training and producer communications distributed during the examination period. This review is typically based on judgmental sampling techniques.

Producer Review

Producer licensing and terminations were reviewed for compliance with statutory requirements. Samples were selected based on transactions occurring during the examination period.

Risk Selection

Cancellations and nonrenewals were reviewed for compliance with statutory requirements and to ensure reasons for termination were valid and not unfairly discriminatory. Samples were selected based on transactions occurring during the examination period.

Underwriting and Rating

The underwriting and rating sample consisted of new and renewal business and was selected based on the inception or renewal date occurring during the examination period. Policies were reviewed for rating accuracy, use of filed rates, use of filed forms, and compliance with Company underwriting guidelines.

Claims

Claims were selected based on settlement occurring during the examination period. Claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1, *et seq.*) and Department regulations (50 Ill. Adm. Code 101 *et seq.*). Reviews were conducted of both paid claims and those closed without payment (CWP).

IV. SELECTION OF SAMPLES

All Companies

	<u>Total</u>	<u>Number</u>	<u>Percentage</u>
C. Marketing and Sales			
1. Marketing and Sales	105	50	47.6%
D. Producer Review			
1. Producer Licensing	1,078	114	10.6%
2. Producer Terminations	21	21	100%

Allmerica Financial Alliance Insurance Company

	<u>Total</u>	<u>Number</u>	<u>Percentage</u>
B. Complaint Handling			
1. DOI Complaints	8	8	100%
2. Consumer (Non-DOI) Complaints	4	4	100%
E. Risk Selection			
1. Auto Cancellations-First 60 days	759	113	14.9%
2. Auto Cancellations-After 60 days	5,370	111	2.1%
3. Auto Nonrenewals	109	76	69.7%
4. Auto Rescissions	0	0	0%
F. Underwriting and Rating			
1. Auto New Business	6,457	116	1.8%
2. Auto Renewals	28,219	110	0.4%
G. Claims			
1. Auto First Party Paid	4,218	104	2.5%
2. Auto First Party CWP	1,151	105	9.1%
3. Auto First Party Total Loss	59	59	100%
4. Auto Third Party Paid	2,285	106	4.6%
5. Auto Third Party CWP	684	103	15.1%
6. Auto Subrogation	397	81	20.4%

Citizens Insurance Company of Illinois

		<u>Total</u>	<u>Number</u>	<u>Percentage</u>
B.	Complaint Handling			
1.	DOI Complaints	10	10	100%
2.	Consumer (Non-DOI) Complaints	3	3	100%
E.	Risk Selection			
1.	Auto Cancellations-First 60 days	856	113	13.2%
2.	Auto Cancellations-After 60 days	213	84	2.3%
3.	Auto Nonrenewals	4	3	53.6%
4.	Auto Rescissions	0	0	0%
5.	Property Cancel-First 60 days	856	113	13.2%
6.	Property Cancel-After 60 days	4,792	114	2.4%
7.	Property Nonrenewals	149	79	53.0%
8.	Auto Nonrenewals	4	3	75.0%
F.	Underwriting and Rating			
1.	Auto New Business	0	0	0%
2.	Auto Renewals	1,554	6	0.4%
3.	Property New Business	6,998	116	1.7%
4.	Property Renewals	22,828	116	0.5%
G.	Claims			
1.	Auto First Party Paid	102	4	3.9%
2.	Auto First Party CWP	22	2	9.1%
3.	Auto First Party Total Loss	1	1	100%
4.	Auto Third Party Paid	78	2	2.6%
5.	Auto Third Party CWP	16	2	12.5%
6.	Auto Subrogation	7	2	28.6%
7.	Property Paid	1,361	106	7.8%
8.	Property CWP	571	104	18.2%

V. FINDINGS-ALL COMPANIES

A. Operations and Management

No violations were noted.

B. Complaint Handling

1. Department of Insurance Complaints

No violations were noted.

2. Consumer (Non-Department of Insurance) Complaints

In one (1) complaint, the Company failed to respond within 21 days as required by 215 ILCS 5/143d(b).

C. Marketing and Sales

No violations were noted.

D. Producer Review

1. Producer Licensing

No violations were noted.

2. Producer Terminations

No violations were noted.

E. Risk Selection

1. Auto Cancellations

No violations were noted.

2. Auto Nonrenewal

Four (4) nonrenewals were not in compliance with 215 ILCS 5/143.17(a); two (2) failed to provide notice timely, one (1) was not sent and one (1) file did not contain proof of mailing.

3. Homeowners Cancellations

No violations were noted.

4. Homeowners Nonrenewals

Two (2) nonrenewals failed to provide notice to the insured as required by 215 ILCS 5/143.17(a).

F. Underwriting and Rating

1. Auto – New Business

No violations were noted.

2. Auto – Renewals

No violations were noted.

3. Homeowner – New Business

No violations were noted.

4. Homeowner – Renewals

No violations were noted.

G. Claims

1. Auto – First Party Paid

In five (5) claims, the Company used an unreasonable cap or limit on paint or when estimating vehicle repairs in violation of 215 ILCS 5/154.6(j).

The Company failed to provide a written explanation for delay on seven (7) claims as required by 50 Ill. Adm. Code 919.80(b)(2).

In three (3) claims, the Company indicated on the check to the insured that payment was final, in violation of 50 Ill. Adm. Code 919.60(a).

The Company failed to timely investigate one (1) claim as required by 50 Ill. Adm. Code 919.50(a).

2. Auto – First Party Closed Without Payment

One (1) claim file did not contain adequate documentation in order to permit reconstruction of claim activities as required by 50 Ill. Adm. Code 919.30(c).

3. Auto – Third Party Paid

In three (3) claims, the Company failed to provide a written explanation for delay as required by 50 Ill. Adm. Code 919.80(b)(3).

The Company used an unreasonable cap or limit on paint or materials when estimating vehicle repairs on two (2) claims, which is a violation of 215 ILCS 5/154.6(j).

4. Auto – Third Party Closed Without Payment

One (1) claim file did not contain adequate documentation in order to permit reconstruction of claim activities, as required by 50 Ill. Adm. Code 919.30(c).

5. Auto – Total Loss

In seven (7) claims, the Company indicated in the check to the insured that payment was final, in violation of 50 Ill. Adm. Code 919.60(a).

The Company failed to provide a written explanation for delay on three (3) claims as required by 50 Ill. Adm. Code 919.80(b)(2).

In 17 claims, the Company failed to send a letter with the information required by 50 Ill. Adm. Code 919.EXHIBIT A, in violation of 50 Ill. Adm. Code 919.80(c).

6. Auto – Subrogation

In 14 claims, the Company failed to send a letter with the information required by 50 Ill. Adm. Code 919.EXHIBIT A, in violation of 50 Ill. Adm. Code 919.80(c).

7. Homeowners – Paid

In six (6) claims, the Company failed to provide a written explanation for delay as required by 50 Ill. Adm. Code 919.80(d)(7)(B).

Four (4) claim files did not contain adequate documentation in order to permit reconstruction of claim activities, as required by 50 Ill. Adm. Code 919.30(c).

In one (1) claim, the Company failed to provide a written explanation for settlement at an amount less than claimed as required by 50 Ill. Adm. Code 919.50(a)(1).

8. Homeowners – Closed Without Payment

In two (2) claims, the Company failed to provide a written explanation for delay as required by 50 Ill. Adm. Code 919.80(d)(7)(B).

Two (2) claim files did not contain adequate documentation in order to permit reconstruction of claim activities, as required by 50 Ill. Adm. Code 919.30(c).

In one (1) claim, the Company failed to provide Notice of Availability of the Department of Insurance in the delay letter as required by 50 Ill. Adm. Code 919.80(d)(7)(B).

STATE OF ILLINOIS

55

COUNTY OF COOK

Timothy R. Nutt, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Allmerica Financial Alliance Insurance Company, Citizens Insurance Company of Illinois, (the "Company"), NAIC #10212, #10714;

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 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;

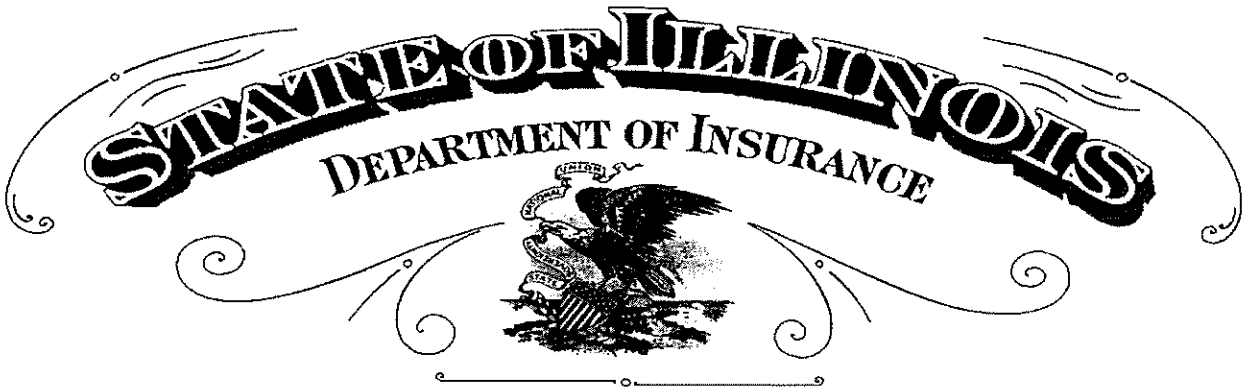
That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance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


Examiner-In-Charge

Subscribed and sworn to before me
this 6th day of October, 2016.


Notary Public

JULI C MACDONALD
Official Seal
Notary Public - State of Illinois
My Commission Expires Sep 23, 2019



IN THE MATTER OF:

**ALLMERICA FINANCIAL ALLIANCE INSURANCE COMPANY
CITIZEN INSURANCE COMPANY OF ILLINOIS
440 LINCOLN STREET
WORCESTER, MA 01653**

STIPULATION AND CONSENT ORDER

WHEREAS, the Acting 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, Allmerica Financial Alliance Insurance Company, NAIC 10212, and Citizens Insurance Company of Illinois, NAIC 10714, collectively referred to as "the Company", are authorized under the insurance laws of this State and by the Acting 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 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 Acting 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 Acting 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 Acting 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 Acting Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall ensure claims are settled for a reasonable amount by not placing unreasonable caps or limits on payout materials as required by 215 ILCS 5/154.6(j).
2. Institute and maintain policies and procedures whereby the Company shall not indicate to an insured on any payment draft, check or in any accompanying letter that said payment is "final" or "a release" of any claim unless the policy limit has been paid or there is a bona fide dispute either over coverage or the amount payable under the policy as required by 50 Ill. Adm. Code 919.60(a).
3. Institute and maintain policies and procedures whereby the Company shall provide the insured with a reasonable written explanation for the delay when a claim remains unresolved for more than 40 days as required by 50 Ill. Adm. Code 919.80(b)(2).
4. Institute and maintain policies and procedures whereby the Company shall provide the insured with, at a minimum, the information contained in Exhibit A, within seven (7) days of determination of the total loss as required by 50 Ill. Adm. Code 919.80(c).
5. Submit to the Acting 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 Acting Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$10,000 to be paid within 30 days of execution of this Order.

NOTHING contained herein shall prohibit the Acting 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 ALLMERICA FINANCIAL ALLIANCE INSURANCE COMPANY and CITIZEN INSURANCE COMPANY OF ILLINOIS

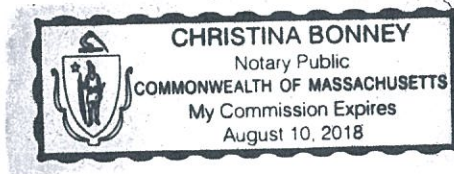
Jonathan Brynga
Signature

Jonathan Brynga
Name

Vice President/Chief Compliance Officer
Title

Subscribed and sworn to before me this
24 day of February 2017.

Christina Bonney
Notary Public



DEPARTMENT OF INSURANCE of the State of Illinois:

DATE 2/28/17

Jennifer Hammer
Jennifer Hammer
Director

