



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Allmerica Financial Benefit Insurance Company

February 5, 2024

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Allmerica Financial Benefit Insurance Company using a sample period of January 1, 2021 - December 31, 2021. The examination survey was limited to Connecticut Commercial Automobile insurance business.

Allmerica Financial Benefit Insurance Company is domiciled in the state of Michigan. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (Property & Casualty) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints, and underwriting information requested for the examination period.

The Department's findings are as follows:

- Instances where the Respondent failed to undertake to pay Loss of Use
- Instances discovered where policies were not provided the proper advance renewal notices in thirty (30) days

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF:

DOCKET MC 23-83

Allmerica Financial Benefit Insurance Company:
-----X

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Allmerica Financial Benefit Insurance Company and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to Allmerica Financial Benefit Insurance Company:

1. Allmerica Financial Benefit Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Michigan and is licensed to transact Commercial Automobile insurance in the State of Connecticut. The NAIC company code number is 41840.
2. From January 13, 2023, through June 30, 2023, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2021 through December 31, 2021.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - (a) Instances where the Respondent failed to undertake to pay Loss of Use
 - (b) Instances discovered of policies that were not provided the proper advance renewal notices in thirty (30) days
4. The conduct described in paragraph three is in violation of Sections 38a-323-2(b)(1) and 38a-334-5(a) of the Connecticut Regulations, along with Bulletin CL – 1-07, and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2 and 38a-41 of the Connecticut General Statutes.

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P.O. Box 816 Hartford, CT 06142-0816

Affirmative Action/Equal Employment Opportunity Employer

II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$11,500.00 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to notice and a hearing; and
 - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Eleven Thousand Five Hundred Dollars (\$11,500) for the violations herein above described.

Allmerica Financial Benefit Insurance Company

By: *Kim Marie Brown*
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 7TH day of FEBRUARY 2024, for and on behalf of Allmerica Financial Benefit Insurance Company; that she/he is the VP, CHIEF COMP OFFICER of such company, and she/he has authority to execute and file such instrument.

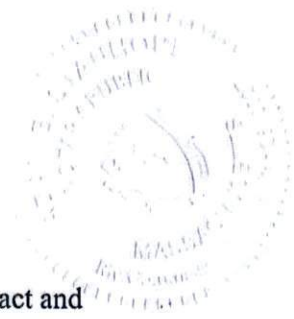
By: [Signature]

STATE OF MASSACHUSETTS

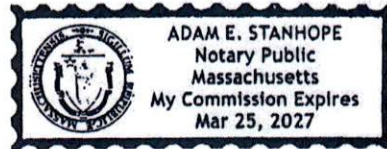
SS

COUNTY OF WORCESTER

On the 7TH day of FEBRUARY 2024, before me personally appeared KIM BROWN, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.



[Signature]
Notary Public/Commissioner of The Superior Court



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 21st day of February 2024.

[Signature]
Andrew N. Mais
Insurance Commissioner