

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of	)	
Banking and Insurance, State of New Jersey,	)	
with respect to Amica Mutual Insurance	)	CONSENT
Company (NAIC No: 19976) and Amica	)	ORDER
Property and Casualty Insurance Company	)	
(NAIC No: 12287)	)	

TO: Amica Mutual Insurance Company  
and Amica Property and Casualty Insurance Company  
100 Amica Way  
Lincoln, RI 02865-1156

This matter, having been opened by the Commissioner of Banking and Insurance, of the Department of Banking and Insurance ("Department"), State of New Jersey, upon information that Amica Mutual Insurance Company and Amica Property and Casualty Insurance Company (collectively, "Amica"), incorporated under the laws of the State of Rhode Island and admitted to transact property and casualty insurance in New Jersey pursuant to N.J.S.A. 17:17-1 et. seq., may have violated provisions of New Jersey insurance law: and

WHEREAS the Department filed a Market Conduct Examination Report ("Report") containing the results of the examination of Amica's private passenger automobile claims settlement practices during the period July 1, 2016 to June 30, 2017, performed pursuant to N.J.S.A. 17:23-20 et seq., and

WHEREAS the market conduct examination revealed certain instances where Amica's practices did not accord fully with various provisions of New Jersey insurance statutes or regulations. These instances, as fully set forth in the Report, are incorporated herein by reference; and

IT FURTHER APPEARING that, as a result of the Department's examination, Amica has taken or will take corrective measures pursuant to the recommendations contained in the Report to address the instances of nonconformance set forth in the Report, and

IT FURTHER APPEARING that this matter can be resolved upon the consent of the parties to these proceedings without resort to a formal hearing,

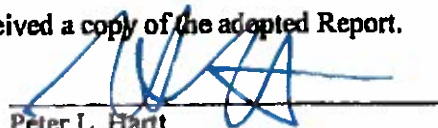
NOW, THEREFORE, IT IS on the 13<sup>th</sup> day of July, 2018

ORDERED AND AGREED that the attached Market Conduct Examination Report of Amica will be adopted and filed as an official record of the Department; and

IT IS FURTHER ORDERED AND AGREED that Amica will continue to monitor claims settlement activity in order to identify instances of nonconformance with New Jersey insurance statutes and regulations and the recommendations contained in the Report; and

IT IS FURTHER ORDERED AND AGREED that Amica shall comply with New Jersey insurance statutes and regulations and the recommendations contained in the attached Report; and:

IT IS FURTHER ORDERED AND AGREED that pursuant to N.J.S.A. 17:23-24 d (1), within thirty days of the adoption of this Report, Amica shall file an affidavit with the Department's Market Conduct Unit, stating under oath that its directors have received a copy of the adopted Report.

  
Peter L. Hart  
Director of Insurance

Consented to as to form, content and entry  
Amica Mutual Insurance Company and  
Amica Property and Casualty Insurance Company

By: Jennifer Morrison  
[Signature]

Printed Name: Jennifer Morrison

Title: Asst. General Counsel

Date: 7/3/18



**State of New Jersey**

DEPARTMENT OF BANKING AND INSURANCE  
CONSUMER PROTECTION SERVICES  
PO Box 329  
TRENTON, NJ 08625-0329

**PHIL MURPHY**  
*Governor*

**MARLENE CARIDE**  
*Commissioner*

**SHEILA OLIVER**  
*Lt. Governor*

TEL (609) 292-5316  
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**PETER L. HARTT**  
*Director*

July 17, 2018

Honorable Marlene Caride  
Acting Commissioner of Insurance  
State of New Jersey  
Department of Banking and Insurance  
20 West State Street  
P.O. Box 329  
Trenton, N.J. 08625

Dear Commissioner Caride,

Pursuant to the authority provided in N.J.S.A. 17:23-20 through 17:23-26 and N.J.S.A. 17:29B-5, and in accordance with your instructions, a market conduct examination of the business practices and affairs was conducted on:

Amica Mutual Insurance Company, NAIC Code 19976  
and  
Amica Property and Casualty Insurance Company, NAIC Code 12287  
Domiciled in Lincoln, Rhode Island

hereinafter referred to as "Amica." The field work for the Amica examination was conducted in our Trenton, N.J. office. The following report is respectfully submitted on behalf of the examination team. Through a deliberative process, I certify the accuracy of the findings presented herein.

Ralph J. Boeckman  
Acting Manager, Market Conduct and  
Market Analysis

**MARKET CONDUCT EXAMINATION**

**of the**

**Amica Mutual Insurance Company  
(NAIC Company Number 19976, Group Number 28)  
(Exam Tracking Number NJ-09028)**

**Amica Property and Casualty Insurance Company  
(NAIC Company Number 12287, Group Number 28)  
(Exam Tracking Number NJ-09029)**

**Examination Office Location  
20 West State Street, Trenton NJ 08625**

**Domestic Office Address  
100 Amica Way, Lincoln RI 02865**

**as of**

**December 15, 2017**

**BY EXAMINERS**

**of the**

**STATE OF NEW JERSEY**

**DEPARTMENT OF BANKING AND INSURANCE**

**DIVISION OF INSURANCE**

**OFFICE OF CONSUMER PROTECTION SERVICES**

**MARKET REGULATION SECTION**

**MARKET CONDUCT EXAMINATIONS UNIT**

**ADOPTED REPORT**

**July 17, 2018**

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## **I. INTRODUCTION**

This is a report of the Market Conduct activities of Amica Mutual Insurance Company (“Amica Mutual”) and Amica Property and Casualty Insurance Company (“Amica P&C”), collectively “Amica” or “the Company”. Authority for this examination is found at N.J.S.A. 17:23-20 to 17:23-26. In this report, examiners from the New Jersey Department of Banking and Insurance (“NJDOBI”) present their findings, conclusions and recommendations as a result of their examination.

### **A. SCOPE OF EXAMINATION**

The scope of the examination included private passenger automobile insurance sold by the Company in New Jersey. The examiners evaluated the Company’s compliance with statutes and regulations applicable to first and third party automobile claims, including Person Injury Protection (“PIP”), Collision, Comprehensive, Property Damage and Total Loss claims. Unless otherwise indicated, the review period for the examination was July 1, 2016 to June 30, 2017.

Between September 25, 2017 and December 15, 2017, the examiners conducted their fieldwork at DOBI offices in Trenton, NJ. The Market Conduct examiners were Examiner-in-Charge Robert Greenfield, Erin Porter and Michael Wise.

The examiners randomly selected files and records from computer listings and documents provided by the Company. The random selection process was conducted in accordance with the National Association of Insurance Commissioner’s (“NAIC”) Market Regulation Handbook. The examiners used the NAIC Market Regulation Handbook, Chapters Sixteen (General Examination Standards) and Seventeen (Conducting the Property and Casualty Examination) as a guide to examine the Company and write this report.

### **B. ERROR RATIOS**

Error ratios are the percentage of files reviewed which an insurer handles in error. A file is counted as an error when it is mishandled or the insured is treated unfairly, even if no statute or regulation is applicable. If a file contains multiple errors, the examiners will count the file only once in calculating error ratios. However, any file that contains more than one error will be cited more than once in the report. In the event that the insurer corrects an error as a result of a consumer complaint or due to the examiners’ findings, the error will be included in the error ratio. If the insurer corrects an error independent of a complaint or NJDOBI intervention, the error is not included in the error ratios.

There may be errors cited in this report that define practices as specific acts that an insurer commits with such frequency that it constitutes an improper general business practice. The examiners have identified all cited errors that constitute an improper general business practice.

The examiners sometimes find improper general business practices or Company errors that may be technical in nature or which did not have an impact on a consumer. Even though such errors or practices would not be in compliance with law, the examiners do not count these files as errors in determining error ratios. Whenever such business practices or errors do have an impact on the consumer, each of the files in error will be counted in the error ratio. The examiners indicate in the report whenever they did not count particular files in the error ratio.

The examiners submitted written inquiries to Company representatives on the errors cited in this report. These inquiries provided Amica the opportunity to respond to the examiners' findings and to provide exceptions to the statutory and/or regulatory errors or mishandlings reported herein. In response to these inquiries, Amica agreed with some of the errors cited in this report. On those errors with which the Company disagreed, the examiners evaluated the individual merits of each response and gave due consideration to all comments. In some instances, the examiners did not cite the files due to the Company's explanatory responses. In others, the errors remained as cited in the examiners' inquiries. For the most part, this is a report by exception, i.e., it notes only the errors found by the examiners.

## **C. COMPANY PROFILE**

### Amica Mutual Insurance Company

At the January 1972 session of the General Assembly of the State of Rhode Island, the charters of the Automobile Mutual Insurance Company of America (chartered in 1907) and the Factory Mutual Liability Insurance Company of America (chartered in 1914) were amended and restated by a special act to enable the two aforementioned companies to consolidate into a continuing corporation entitled Amica Mutual. The consolidation became effective on January 1, 1973. Amica Mutual Insurance Company is licensed in all 50 states plus the District of Columbia and is a direct writer of personal insurance for automobile, homeowners, personal excess liability and marine coverages. The Home Office is located at 100 Amica Way, Lincoln, Rhode Island, with 44 offices across the country. Subsidiaries include Amica Life Insurance Company, Amica P&C and Amica General Agency, LLC.

## Amica Property and Casualty Insurance Company

Amica P&C was incorporated in 2005 as a wholly owned subsidiary of Amica Mutual Insurance Company. The principal office of the Company is located at 100 Amica Way, Lincoln, Rhode Island. Amica P&C is currently licensed in 7 states (Connecticut, Georgia, New Jersey, New York, Rhode Island, Pennsylvania and Texas). Personal lines of business written through the Company include automobile, homeowners and marine coverages.

### **D. EXECUTIVE SUMMARY**

This examination included a review of the Company's claim settlement practices. The examiners randomly selected and reviewed a total of 199 paid claims (PIP, Physical Damage and Property Damage), 41 denied claims (PIP, Physical Damage, Property Damage) and 20 total loss claims. The total number of claims reviewed was 260 claims. The examiners also reviewed a select sample of 45 paid PIP bill/claim lines for a total of 305 reviewed claims.

The overall paid and denied claim error ratio was 33%. The examiners reported four improper general business practices: 1) failure to pay PIP claims timely; 2) failure to pay interest on delayed PIP settlements; 3) failure to include fraud warnings on claim forms; and 4) failure to provide notice of Right of Recourse on total losses. Additional errors include, but are not limited to; failure to settle claims timely, failure to send delay notices timely and failure to send PIP applications timely. Detailed descriptions of all findings appear in the sections that follow.



## II. CLAIMS REVIEW

### A. INTRODUCTION

This review covers paid and denied PIP, collision, comprehensive, and property damage claims as well as total loss claims submitted under private passenger automobile insurance. Any such New Jersey claim closed between July 1, 2016 to June 30, 2017 was subject to review through a random file selection process. During the review period, Amica closed a total of 5,748 claims as follows: 1,109 PIP claims, 261 comprehensive claims, 2,203 collision claims, 1,542 property damage claims, and 633 total loss claims. Of these, the examiners randomly selected and reviewed 49 paid and 26 denied PIP claims, 150 paid and 15 denied first and third party partial loss automobile claims, and 20 total loss claims for an overall random sample review of 260 claims. The examiners also reviewed an additional 45 PIP bills/claim lines as part of a select review

In reviewing each claim, the examiners checked for compliance with all statutes and regulations that govern liability investigation and timeliness requirements in settling first and third-party claims. The examiners conducted specific reviews placing particular emphasis on N.J.S.A. 17:29B-4(9) and N.J.A.C. 11:2-17 (Unfair Claims Settlement Practices) and N.J.A.C. 11:3-10 (Auto Physical Damage Claims). See N.J.A.C. 11:2-17.10(a) which makes the requirements for automobile physical damage first party claims found in N.J.A.C. 11:3-10.1 through 10.4 applicable to automobile property damage third party claims from the time that liability becomes reasonably clear. These requirements relate to Chapter Sixteen (General Exam Standards) and Chapter Seventeen (Property and Casualty Insurance Examinations) as outlined in the NAIC Market Regulation Handbook.

### B. ERROR RATIOS

The examiners calculated the following error ratios by applying the procedure outlined in the introduction of this report. Error ratios are itemized separately based on the review samples as indicated in the following chart.

### C. ERROR RATIO CHART

<u>Type of Claim</u>	<u>Files Reviewed</u>	<u>Files in Error</u>	<u>Error Ratio</u>
<b>PIP</b>			
<u>Paid</u>			
AMICA P&C	25	5	20%
AMICA Mutual	<u>24</u>	<u>2</u>	<u>8%</u>
Subtotal	49	7	14%

	<u>Denied</u>			
AMICA P&C		13	1	8%
AMICA Mutual		<u>13</u>	<u>0</u>	<u>0%</u>
	Subtotal	26	1	4%
<b>Collision</b>				
	<u>Paid</u>			
AMICA P&C		25	0	0%
AMICA Mutual		<u>25</u>	<u>0</u>	<u>0%</u>
	Subtotal	50	0	0%
	<u>Denied</u>			
AMICA P&C		2	0	0%
AMICA Mutual		<u>0</u>	<u>0</u>	<u>0%</u>
	Subtotal	2	0	0%
<b>Comprehensive</b>				
	<u>Paid</u>			
AMICA P&C		25	0	0%
AMICA Mutual		<u>25</u>	<u>0</u>	<u>0%</u>
	Subtotal	50	0	0%
	<u>Denied</u>			
AMICA P&C		2	0	0%
AMICA Mutual		<u>3</u>	<u>0</u>	<u>0%</u>
	Subtotal	5	0	0%
<b>Property Damage</b>				
	<u>Paid</u>			
AMICA P&C		25	13	52%
AMICA Mutual		<u>25</u>	<u>17</u>	<u>68%</u>
	Subtotal	50	30	60%
	<u>Denied</u>			
AMICA P&C		4	1	25%
AMICA Mutual		<u>4</u>	<u>1</u>	<u>25%</u>
	Subtotal	8	2	25%
<b>Total Loss</b>				
AMICA P&C		10	10	100%
AMICA Mutual		<u>10</u>	<u>10</u>	<u>100%</u>
	Subtotal	20	20	100%
	Random Subtotal	260	60	24%
<b>Select PIP Review</b>				
AMICA P&C		24	22	92%
AMICA Mutual		<u>21</u>	<u>18</u>	<u>86%</u>
	Select Subtotal	45	40	89%

Total 305 100 33%

#### **D. PERSONAL INJURY PROTECTION CLAIMS REVIEW**

##### **1. Failure to Settle PIP Claims Timely and Failure to Secure a 45-Day Settlement Extension – 40 Select Files and 6 Random Files in Error (Improper General Business Practice)**

N.J.S.A. 39:6A-5(g) states that a claim “shall be overdue if not paid within 60 days after the insurer is furnished written notice of the fact of a covered loss and the amount of same.” N.J.A.C. 11:2-17.7(b) states that, “The maximum period for all personal injury protection (PIP) claims shall be 60 calendar days after the insurer is furnished written notice of the fact of a covered loss and the amount of same; provided however, that an insurer may secure a 45-day extension in accordance with N.J.S.A. 39:6A-5.” Where such an extension is requested, the maximum settlement period generally may not exceed 105 days.

The examiners reviewed 49 paid and 26 denied random PIP claims and found that Amica failed to settle five (four Amica P&C and one Amica Mutual) paid claims within the maximum 60 calendar day time frame without securing the 45-day extension for additional time to investigate. Delays on these 5 claims ranged from a low of 9 days beyond 60 days to a high of 32 days beyond 60 days. The examiners also found one denied claim where the Company failed to settle the claim within 105 days. This claim was denied 77 days beyond the maximum settlement period of 105 days, contrary to the aforementioned statute and regulation.

A review of the paid PIP population provided by the Company revealed that 677 bills out of the total population of 8,780 bills were paid between 60 and 105 days. The examiners then performed a select review of 20 bills from this subset of the overall population and found that 15 of the 20 (75%) bills were paid beyond the maximum 60 calendar day time frame where the Company failed to send the required 45-day extension letter.

A further review of the paid PIP population provided by the Company revealed 659 bills out of 8,780 were paid greater than 105 days. The examiners then performed a select review of 25 bills from this subset of the overall population and found that the Company failed to pay interest on all 25 claims for a 100% error ratio on claims greater than 105 days.

#### **SEE APPENDIX A-1 FOR A LIST OF FILES IN ERROR**

##### **2. Failure to Pay Interest on Delayed PIP Payments – 40 Select Files and 5 Random Files in Error (Improper General Business Practice)**

N.J.S.A. 39:6A-5h requires the payment of interest on all overdue payments at the percentage of interest prescribed in the Rules Governing the Courts of the State of New Jersey for judgments, awards and orders for payment of money. Contrary to this requirement, Amica failed to pay interest on the five paid random bills cited in the previous section of this report. Principal subject to interest ranged from a low of \$116.74 to a high of \$2,133.93. Amica also failed to pay interest on 40 bills selected from subsets of the overall population cited in the previous section of this report. Principal subject to interest ranged from a low of \$125.00 to a high of \$23,569.92.

In response to the examiners' inquiries, the Company disagreed with some interest errors in part due to interest waivers with providers. Amica's position is that its statutory obligation to pay interest on overdue benefits is excused whenever a provider agrees with Amica's request for the provider to waive interest that is otherwise mandated by statute. The examiners disagree and find no exceptions to the mandatory interest requirement stated in N.J.S.A. 39:6A-5h.

**PLEASE SEE APPENDIX A-2 FOR A LIST OF FILES IN ERROR**

**3. Failure to Provide PIP Application Within 10 Working Days - 2 Files in Error**

N.J.A.C. 11:2-17.6(c) requires an insurer to provide first party claimants with all necessary claim forms within 10 working days of receipt of notice of claim. Contrary to this regulation on claim numbers 60002026248 (Amica Mutual) and 60002383404, (Amica P&C) Amica did not forward the application for PIP benefits until 17 working days beyond the maximum 10 working day period specified above. The Company agreed with the examiners' findings.

**SEE APPENDIX A-3 FOR FILES IN ERROR**

**E. PRIVATE PASSENGER PHYSICAL AND PROPERTY DAMAGE CLAIMS REVIEW**

**4. Failure to Include Fraud Statement on Claim Form – 32 Files in Error (Improper General Business Practice)**

N.J.S.A. 17:33A-6a and N.J.A.C. 11:16-1.2(a) state all insurers shall either place on or attach to all claim forms the following warning: "Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties."

During the review, the examiners discovered on 32 claims (30 paid and two denied claims) that the Company failed to include the required fraud statement

on the "Report of Damage" form that is sent to third party claimants. The Company agreed with the examiners' findings and stated that it will correct the form to include the warning as required by the statute and regulation. The examiners cited this error as an improper general practice with respect to third party liability claims.

**PLEASE SEE APPENDIX A-4 FOR FILES IN ERROR**

**5. Failure to Provide Notice of Right of Recourse – 20 Files in Error (Improper General Business Practice)**

N.J.A.C. 11:3-10.4(c) requires insurers to advise the insured in writing of the right of recourse at the time the settlement draft is issued, and to retain a copy of the notice in the claim file. The examiners reviewed 20 total loss claims and found that the Company failed to provide the required right of recourse letter on all claims. The Company agreed with the examiners' findings and stated that corrective action would ensue. The examiners cited this error as an improper general practice.

**PLEASE SEE APPENDIX A-5 FOR FILES IN ERROR**

**6. Settlement Delays and Failure to Issue Delay Notices – 1 Paid File and 1 Denied File in Error**

N.J.A.C. 11:2-17.7(c) states that unless clear justification exists, or otherwise provided by law, the maximum payment period for third party property damage claims shall be 45 calendar days from receipt by the insurer of notification of the claim. N.J.A.C. 11:2-17.7(e) states that, if the insurer is unable to settle the claim within the time period specified, the insurer must send the claimant written notice by the end of the payment period. This notice must specify, among other things, the reason for the delay.

The examiners found one paid property damage claim 60002806830 (Amica Mutual) and one denied property damage claim 60002535363 (Amica P&C) that were settled beyond the 45-day requirement without sending delay notices, contrary to N.J.A.C. 11:2-17.7(c). The Company agreed with the examiners' findings.

**PLEASE SEE APPENDIX A-6 FOR FILES IN ERROR**

**7. Failure to Provide Three Days Advance Notice of Storage Charge Termination - 1 Total Loss File in Error**

N.J.A.C. 11:2-17.10(a)9 requires an insurer to provide notice to a claimant three working days prior to the termination of payment for automobile storage charges and place a copy of such notice in the claim file.

On total loss claim 60002777255 (Amica P&C), the examiners found that Amica did send the required letter advising that storage charges were being terminated; however, the Company did not provide the required three working days' notice prior to termination. Amica issued the storage termination letter on April 20, 2017, to be effective April 21, 2017, thus providing less than one day's notice assuming a 24-hour mail delivery. The Company agreed with the examiners' findings.

**PLEASE SEE APPENDIX A-7 FOR FILE IN ERROR**

### **III. RECOMMENDATIONS**

Amica should inform all responsible personnel and third-party entities who handle the files and records cited as errors in this report of the examiners' recommendations and remedial measures that follow in the report sections indicated. The examiners also recommend that Amica establish procedures to monitor compliance with these measures.

Throughout this report, the examiners cite and/or discuss all errors found. If the report cites a single error, the examiners often include a "reminder" recommendation because if a single error is found, more errors may have occurred.

Non-compliant activity was identified in this report which may extend to other jurisdictions. The Company is directed to take immediate corrective action to demonstrate its ability and intention to conduct business according to New Jersey law and regulations. When applicable, corrective action for other jurisdictions should be addressed.

The examiners acknowledge that during the examination Amica agreed and already complied with, either in whole or in part, some of the recommendations. For the purpose of obtaining proof of compliance and for the Company to provide its personnel with a document they can use for future reference, the examiners have listed all recommendations below.

#### **A. GENERAL INSTRUCTIONS**

All items requested for the Commissioner and copies of all written instructions, procedures, recommended forms, etc., should be sent to the Commissioner, c/o Clifton J. Day, Chief of Market Regulation, Mary Roebing Building, 20 West State Street, PO Box 329, Trenton, N.J. 08625, within thirty (30) days of the date of the adopted report.

On all PIP claims from Section II to be reopened with additional claim payments, Amica should provide the medical provider with a cover letter that contains the following first paragraph:

"During a review of your claim by Market Conduct Examiners of the New Jersey Department of Banking and Insurance, they found that we failed to pay interest on your Personal Injury Protection claim. Enclosed is our payment in the amount of (insert amount) to correct our error."

#### **B. CLAIMS**

1. Amica must issue written instructions to all appropriate claims personnel stating that:

- a. Pursuant to N.J.S.A. 39:6A-5 and N.J.A.C. 11:2-17.7(a), all PIP claims must be settled (paid, denied, compromised) within 60 days unless an extension of 45 days is requested by the Company in writing, within this 60-day period, for a total period not to exceed 105 days from the notice of loss;
  - b. Pursuant to N.J.S.A. 39:6A-5h, the Company must correctly calculate and pay interest on PIP claims settled beyond the time frames specified in this report.
2. Amica must reopen and review the PIP claims listed in Appendix A-2 of this report. The Company should calculate and pay the correct interest due for the period of delay as required by N.J.S.A. 39:6A-5h. A list including claim numbers, additional amount of interest paid, principal and dates utilized to calculate the actual delayed period should be provided to the Commissioner to verify compliance with this recommendation. See general instructions for language to be included in the cover letter sent with each interest payment.

Amica must also conduct interest remediation on all delayed PIP claims that were paid without interest during the review period July 1, 2016 to June 30, 2017, in the manner and format described above relative to claims cited in Appendix A-2.

Lastly, Amica must cease its practice of asking claimants to waive interest on delayed PIP settlements.

3. Pursuant to N.J.A.C. 11:2-17.6(c), Amica should issue written instructions to all appropriate personnel stating that upon receiving notification of claim, the Company shall within 10 working days provide first party claimants with necessary claim forms, instructions, and reasonable assistance so that such claimants can comply with the policy conditions and the insurer's reasonable requirements.
4. Amica must place the following warning on all claim forms as required by N.J.S.A. 17:33A-6a and N.J.A.C. 11:16-1.2(a); "Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties". Alternatively, the Company may file for approval a fraud warning that is substantially similar to the language stated in N.J.A.C. 11:16-1.2(a).
5. Pursuant to N.J.A.C. 11:3-10.4(c), Amica must provide first and third-party claimants with a written notice of the right of recourse at the time of settlement on total loss claims and that a copy of this notice must be retained in the claim file. Amica should provide all appropriate staff with a written reminder of these requirements.



6. Amica should issue written instructions to all appropriate claims personnel stating that:
- a. N.J.A.C. 11:2-17.7(c) states that unless clear justification exists, the maximum payment period for property damage claims shall be 45 calendar days. N.J.A.C. 11:2-17.7(e) states that, if the insurer is unable to settle the claim within the time period specified, the insurer must send the claimant written notice by the end of the payment period. This notice must specify the reason for the delay. N.J.A.C. 11:2-17.7(e) also requires an insurer to send an updated, written notice of delay every 45 days, until all elements of the claim are paid or denied;
  - b. Storage terminations letters must provide three working days' notice prior to termination of storage charges as required by N.J.A.C. 11:2-17.10(a)9. The Company should reopen claim number 60002777255 to determine if its storage cutoff letter resulted in any unfair, additional charges to the consumer.

**APPENDIX A**  
**Private Passenger Automobile Claims Errors**

**1. Failure to Settle PIP Claims Timely and Failure to Secure a 45-Day Settlement Extension – 40 Select Files and 6 Random Files in Error**

<u>Bill ID</u>	<u>Company</u>	<u>Claim Number</u>	<u>Bill Receipt Date</u>	<u>Amount of Bill</u>	<u>Date Paid</u>	<u>Days In Error</u>
3424587-s	Mutual	60001731658	3/26/2014	\$1,652.63	7/28/2016	795
3602794-s	Mutual	60001919128	10/17/2014	\$3,333.00	8/1/2016	594
3937010-s	Mutual	60002321555	12/16/2015	\$836.00	1/30/2017	351
3960552-s	Mutual	60002160885	1/14/2016	\$9,650.00	8/17/2016	156
3970865-s	Mutual	60001732281	1/27/2016	\$1,875.00	8/30/2016	156
4016183-s	Mutual	60002359349	3/23/2016	\$420.00	8/2/2016	72
4017206-s	Mutual	60002099474	3/23/2016	\$3,242.00	7/8/2016	47
4042646-s	Mutual	60000840062	4/26/2016	\$2,993.18	10/19/2016	116
4044324-s	Mutual	60002099474	4/29/2016	\$1,522.00	7/8/2016	10
4054075-s	Mutual	60002239107	5/11/2016	\$150.00	8/16/2016	37
4087997-s	Mutual	60002437330	6/27/2016	\$400.00	9/26/2016	31
4090883-s	Mutual	60002469620	6/2/2016	\$587.00	8/16/2016	15
4106773-s	Mutual	60002071063	6/29/2016	\$2,200.00	9/7/2016	10
4128735-s	Mutual	60001785865	8/18/2016	\$800.00	1/5/2017	80
4174327-s	Mutual	60002597806	10/20/2016	\$1,281.00	6/6/2017	169
4189510-s	Mutual	60002509813	11/9/2016	\$2,239.83	5/3/2017	115
4219359-s	Mutual	60002470125	12/27/2016	\$240.00	3/24/2017	27
4226230-s	Mutual	60002606232	12/21/2016	\$1,120.00	4/20/2017	60
1277385-s	P&C	60000488521	6/21/2010	\$3,750.00	2/20/2017	2376
3263596-s	P&C	60001106157	10/16/2013	\$1,125.00	6/19/2017	1282
3431073-s	P&C	60001565293	4/9/2014	\$3,370.00	7/14/2016	767
3698915-s	P&C	60001978849	2/19/2015	\$1,243.00	9/14/2016	513
3811019-s	P&C	60001405827	7/2/2015	\$350.00	9/13/2016	379
3860723-s	P&C	60001405827	9/4/2015	\$570.00	9/13/2016	315
3960553-s	P&C	60002262306	1/14/2016	\$340.00	7/19/2016	127
3976262-s	P&C	60002262306	2/2/2016	\$2,510.00	8/30/2016	150
3991784-s	P&C	60002179947	2/23/2016	\$3,950.00	7/14/2016	82
4019523-s	P&C	60001305996	3/28/2016	\$425.00	6/8/2016	12
4051447-s	P&C	60001788732	5/10/2016	\$422.73	7/21/2016	12
4083710-s	P&C	60002372907	6/22/2016	\$886.93	1/24/2017	156
4095956-s	P&C	60001810892	7/6/2016	\$4,000.00	11/1/2016	58
4099344-s	P&C	60002137744	7/12/2016	\$650.00	10/12/2016	32

4108184-s	P&C	60002324010	7/25/2016	\$23,569.92	10/20/2016	27
4126066-s	P&C	60001599938	8/16/2016	\$602.15	11/30/2016	46
4129102-s	P&C	60002216496	7/14/2016	\$1,987.00	10/11/2016	29
4147774-s	P&C	60002446465	9/9/2016	\$753.00	12/2/2016	24
4168656-s	P&C	60002239062	10/13/2016	\$125.00	12/29/2016	17
4209950-s	P&C	60001997711	12/8/2016	\$1,500.00	4/24/2017	77
4220002-s	P&C	60002644447	12/28/2016	\$226.42	3/27/2017	29
4226218-s	P&C	60002656348	12/22/2016	\$320.00	3/16/2017	24
4344893-r	Mutual	60002676324	6/30/2017	\$1,158.02	9/30/2017	32
4130049-r	P&C	60002140450	8/19/2016	\$2,133.93	11/8/2016	21
4168656-r	P&C	60002239062	10/13/2016	\$116.74	12/29/2016	17
4136356-r	P&C	60002539501	8/18/2016	\$301.68	10/27/2016	10
3846486-r	P&C	60001948060	8/18/2016	\$1,641.46	10/26/2016	9
4129770-r	P&C	60002531828*	8/19/2016	NA	2/17/2017	77 <sup>+</sup>

s- selected reviewed claims

r- randomly reviewed claims

\*Denied PIP

<sup>+</sup>Claim was denied 77 days beyond 105

**2. Failure to Pay Interest on Delayed PIP Payments – 40 Select Files and 5 Random Files in Error**

<u>Bill ID</u>	<u>Company</u>	<u>Claim Number</u>	<u>Bill Receipt Date</u>	<u>Amount of Bill</u>	<u>Date Paid</u>	<u>Days In Error</u>	<u>Interest Owed</u>
3424587-s	Mutual	60001731658	3/26/2014	\$1,652.63	7/28/2016	795	\$89.99
3602794-s	Mutual	60001919128	10/17/2014	\$3,333.00	8/1/2016	594	\$135.60
3937010-s	Mutual	60002321555	12/16/2015	\$836.00	1/30/2017	351	\$20.10
3960552-s	Mutual	60002160885	1/14/2016	\$9,650.00	8/17/2016	156	\$103.11
3970865-s	Mutual	60001732281	1/27/2016	\$1,875.00	8/30/2016	156	\$20.03
4016183-s	Mutual	60002359349	3/23/2016	\$420.00	8/2/2016	72	\$2.07
4017206-s	Mutual	60002099474	3/23/2016	\$3,242.00	7/8/2016	47	\$10.44
4042646-s	Mutual	60000840062	4/26/2016	\$2,993.18	10/19/2016	116	\$23.78
4044324-s	Mutual	60002099474	4/29/2016	\$1,522.00	7/8/2016	10	\$1.04
4054075-s	Mutual	60002239107	5/11/2016	\$150.00	8/16/2016	37	\$0.38
4087997-s	Mutual	60002437330	6/27/2016	\$400.00	9/26/2016	31	\$0.85
4090883-s	Mutual	60002469620	6/2/2016	\$587.00	8/16/2016	15	\$0.60
4106773-s	Mutual	60002071063	6/29/2016	\$2,200.00	9/7/2016	10	\$1.51
4128735-s	Mutual	60001785865	8/18/2016	\$800.00	1/5/2017	80	\$4.38
4174327-s	Mutual	60002597806	10/20/2016	\$1,281.00	6/6/2017	169	\$14.83

4189510-s	Mutual	60002509813	11/9/2016	\$2,239.83	5/3/2017	115	\$17.64
4219359-s	Mutual	60002470125	12/27/2016	\$240.00	3/24/2017	27	\$0.44
4226230-s	Mutual	60002606232	12/21/2016	\$1,120.00	4/20/2017	60	\$4.60
1277385-s	P&C	60000488521	6/21/2010	\$3,750.00	2/20/2017	2376	\$610.27
3263596-s	P&C	60001106157	10/16/2013	\$1,125.00	6/19/2017	1282	\$98.78
3431073-s	P&C	60001565293	4/9/2014	\$3,370.00	7/14/2016	767	\$177.04
3698915-s	P&C	60001978849	2/19/2015	\$1,243.00	9/14/2016	513	\$43.68
3811019-s	P&C	60001405827	7/2/2015	\$350.00	9/13/2016	379	\$9.09
3860723-s	P&C	60001405827	9/4/2015	\$570.00	9/13/2016	315	\$12.30
3960553-s	P&C	60002262306	1/14/2016	\$340.00	7/19/2016	127	\$2.96
3976262-s	P&C	60002262306	2/2/2016	\$2,510.00	8/30/2016	150	\$25.79
3991784-s	P&C	60002179947	2/23/2016	\$3,950.00	7/14/2016	82	\$22.18
4019523-s	P&C	60001305996	3/28/2016	\$425.00	6/8/2016	12	\$0.35
4051447-s	P&C	60001788732	5/10/2016	\$422.73	7/21/2016	12	\$0.35
4083710-s	P&C	60002372907	6/22/2016	\$886.93	1/24/2017	156	\$9.48
4095956-s	P&C	60001810892	7/6/2016	\$4,000.00	11/1/2016	58	\$15.89
4099344-s	P&C	60002137744	7/12/2016	\$650.00	10/12/2016	32	\$1.42
4108184-s	P&C	60002324010	7/25/2016	\$23,569.92	10/20/2016	27	\$43.59
4126066-s	P&C	60001599938	8/16/2016	\$602.15	11/30/2016	46	\$1.90
4129102-s	P&C	60002216496	7/14/2016	\$1,987.00	10/11/2016	29	\$3.95
4147774-s	P&C	60002446465	9/9/2016	\$753.00	12/2/2016	24	\$1.24
4168656-s	P&C	60002239062	10/13/2016	\$125.00	12/29/2016	17	\$0.15
4209950-s	P&C	60001997711	12/8/2016	\$1,500.00	4/24/2017	77	\$7.91
4220002-s	P&C	60002644447	12/28/2016	\$226.42	3/27/2017	29	\$0.45
4226218-s	P&C	60002656348	12/22/2016	\$320.00	3/16/2017	24	\$0.53
4344893-r	Mutual	60002676324	6/30/2017	\$1,158.02	9/30/2017	32	\$2.54
4130049-r	P&C	60002140450	8/19/2016	\$2,133.93	11/8/2016	21	\$3.07
4168656-r	P&C	60002239062	10/13/2016	\$116.74	12/29/2016	17	\$0.14
4136356-r	P&C	60002539501	8/18/2016	\$301.68	10/27/2016	10	\$0.21
3846486-r	P&C	60001948060	8/18/2016	\$1,641.46	10/26/2016	9	\$1.01
						<b>Total</b>	<b>\$1,548</b>

s- selected reviewed claims  
r- randomly reviewed claims

### **3. Failure to Provide PIP Applications Within 10 Working Days- 2 Files in Error**

<b><u>Company</u></b>	<b><u>Claim Number</u></b>
Mutual	60002026248
P&C	60002383404

**4. Failure to Include Fraud Statement on Claim Form – 32 Total Files in Error (Improper General Business Practice)**

<u>Company</u>	<u>Claim Number</u>	<u>Company</u>	<u>Claim Number</u>
Mutual	60002629965	P&C	60002579555
Mutual	60002792386	P&C	60002656704
Mutual	60002659271	P&C	60002764009
Mutual	60002628324	P&C	60002814906
Mutual	60002679542	P&C	60002679816*
Mutual	60002710294	P&C	60002722147
Mutual	60002513615	P&C	60002588407
Mutual	60002038549	P&C	60002749101
Mutual	60002838364	P&C	60002715958
Mutual	60002662512	P&C	60002633836
Mutual	60002580204*	P&C	60002556193
Mutual	60002675135	P&C	60002506616
Mutual	60002721669	P&C	60002683359
Mutual	60002550058	P&C	60002535363
Mutual	60002411086		
Mutual	60002806830		
Mutual	60002504795		
Mutual	60002421166		

\* = denied claim

**5. Failure to Provide Notice of Right of Recourse – 20 Files in Error (Improper General Business Practice)**

<u>Company</u>	<u>Claim Number</u>	<u>Company</u>	<u>Claim Number</u>
Mutual	60002389672	P&C	60002509701
Mutual	60002522479	P&C	60002405030
Mutual	60002537743	P&C	60002560743
Mutual	60002563856	P&C	60002602173
Mutual	60002843253	P&C	60002682959
Mutual	60002783529	P&C	60002777255
Mutual	60002262306	P&C	60002833188
Mutual	60002486228	P&C	60002586183
Mutual	60002496505	P&C	60002596636
Mutual	60002508550	P&C	60002629835

**6. Settlement Delays and Failure to Issue Delay Notices – 1 Paid File and 1 Denied File in Error**

<u>Claim Number</u>	<u>Company</u>	<u>Claim Type</u>	<u>Notice Date</u>	<u>Settlement Date</u>	<u>45 Day Ext Sent Y/N</u>	<u>Days to Pay</u>	<u>Days Beyond 45</u>
60002806830	Mutual	PD	5/15/2017	7/21/2017	N	67	22
60002535363*	P&C	PD	7/25/2016	9/22/2016	N	59	14

\*=denied claim

**7. Failure to Provide Three Days Advance Notice of Storage Charge Termination - 1 Total Loss File in Error**

<u>Company</u>	<u>Claim Number</u>
P&C	60002777255

#### IV. VERIFICATION PAGE

I, Robert Greenfield, am the Examiner-in-Charge of the Market Conduct Examination of Amica Mutual Insurance Company and Amica Property and Casualty Insurance Company conducted by examiners of the New Jersey Department of Banking and Insurance. This verification is based on my personal knowledge as acquired in my official capacity.

The findings, conclusions and recommendations contained in the foregoing report represent, to the best of my knowledge, a full and true statement of Amica Mutual Insurance Company and Amica Property and Casualty Insurance Company as of December 15, 2017.

I certify that the foregoing statements are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment.

December 15, 2017  
Date

Robert Greenfield  
Robert Greenfield  
Examiner-In-Charge  
New Jersey Department  
of Banking and Insurance