

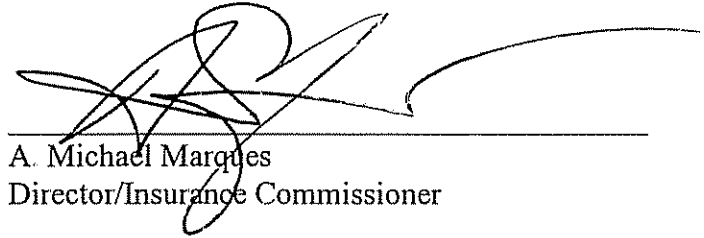
**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
INSURANCE DIVISION**

The attached Report of Examination as of December 31, 2005 of the market conduct condition and affairs of Amica Life Insurance Company was recently completed by duly qualified examiners, pursuant to the provision of the Rhode Island Insurance Code.

Due consideration has been given to the comments of the examiners regarding the operations of Amica Life Insurance Company and its market conduct condition as reflected from the examination report.

It is therefore ORDERED that said Report be, and it is hereby adopted and filed and made an official record of this department as of this date.

DEPARTMENT OF BUSINESS REGULATION



A. Michael Marques
Director/Insurance Commissioner

ORDER NO. 06-107

DATED: May 4, 2006

REPORT ON
THE MARKET CONDUCT EXAMINATION
OF
Amica Life Insurance Company

NAIC Company Code: 72222

as of

December 31, 2005

State of Rhode Island
Department of Business Regulation
Insurance Division

TABLE OF CONTENTS

	Page Number
Salutation	3
Foreword	3
Scope of Examination	4
Profile of Company	4
Consumer or Other Related Complaints	6
Replacements	7
Individual Life Insurance	7
Claims	8
Individual / Group Death Claims	8
Conclusion	9

Providence, Rhode Island

April 10, 2006

Honorable A. Michael Marques
Insurance Commissioner
State of Rhode Island

Commissioner:

In accordance with your instructions and pursuant to the statutes of the State of Rhode Island, a Market Conduct Examination was conducted of the:

Amica Life Insurance Company
100 Amica Way
Lincoln, Rhode Island 02865

hereinafter referred to as the "Company".

The examination was conducted at the office of the Company, which is located at 100 Amica Way, Lincoln, Rhode Island.

FOREWORD

Our Market Conduct Examination Report is, in general, a report by exception. Information relating to practices, procedures, and/or files subject to review during our examination, has been omitted from the report if errors and/or improprieties were not evidenced.

SCOPE OF EXAMINATION

Authority for this examination is provided by R. I. Gen. Laws §27-13-1 and §27-13.1-3. The examination covered the period from January 1, 2004 through December 31, 2005 and was conducted in accordance with standards established by the National Association of Insurance Commissioners, as well as, procedures developed by the Rhode Island Department of Business Regulation, Insurance Division.

The examination encompassed the review of the following areas: Consumer or Other Related Complaints, Replacements and individual and group Life Claims.

The primary purpose of the examination was to evaluate the Company's compliance with Rhode Island General Laws and Insurance Regulations, and to determine whether Rhode Island insureds and claimants were being treated equitably. The test work performed during the examination satisfied this purpose, and forms the basis for the findings and recommendations presented in this report. The examination consisted of verification and evaluation, on a test basis, of information contained in the insurer's files.

PROFILE OF COMPANY

Amica Life Insurance Company

History

Amica Life Insurance Company is a wholly owned subsidiary of Amica Mutual Insurance Company. The Company was chartered by the State of Rhode Island on June 28, 1968,

primarily to broaden the types of personal lines policies available to insureds of the parent company. Today, Amica Life is licensed and fully operational in 49 states and the District of Columbia.

The primary marketing efforts of Amica Life is to provide services to existing policyholders and those of its parent company, Amica Mutual. The Company does not actively market to consumers outside its internal base. All solicitations of the Company's products are made exclusively by captive agents. The Company does not utilize the services of independent agents, brokers, or other third-party individuals. Amica Life markets individual life and fixed annuity products.

Operations

The Company's Rhode Island direct written premium for the year 2005 were as follows:

Amica Life Insurance Company

<u>Line of Business</u>	<u>Ordinary Written Premium</u>
Individual and Group Life Insurance	\$5,481,865.00

Management

At December 31, 2005, the Officers of the Amica Life Insurance Company were as follows: Robert Anthony DiMuccio, (President), Robert Kenneth MacKenzie, (Secretary) and Mary Quinn Williamson, (Treasurer).

CONSUMER OR OTHER RELATED COMPLAINTS

A review of the Company's consumer or other related complaints was conducted to determine whether the Company was in compliance with R. I. Gen. Laws §27-29-4, Unfair Competition and Practices, and any other applicable Rhode Island General Laws and/or Insurance Regulations. The review was also performed to determine whether the Company adhered to its own complaint handling procedures, whether a pattern existed in the types of complaints received, whether complaints were processed and resolved in a timely manner, and whether all complaints recorded by the Department of Business Regulation, Insurance Division, were listed on the Company's complaint register.

The examiners reviewed the Insurance Division's complaint logs for the period under examination to determine the number of complaints received by the department and forwarded to the Company. There were no complaints received at the Insurance Division for the period under examination. The Company provided the examiners with their complaint register, which listed no complaints received for the period under examination. In addition, the Company provided the examiners with a signed letter from their life and annuity compliance department indicating that no Rhode Island complaints were received for the period under examination.

Based on the examination work performed, no exceptions were noted for this area of review.

REPLACEMENTS

Individual Life

A review of the Company's life insurance replacement practices was conducted to determine whether the Company was in compliance with Rhode Island Insurance Regulation 29 for the period under examination. Rhode Island Insurance Regulation 29 was established to protect the interests of life insurance policyholders and applicants regarding the replacement of existing life insurance, and requires specific actions by the agent and replacing insurer. Protecting policyholder interests is accomplished by assuring that the policyholders and applicants receive information to make a decision in their best interest, thereby reducing the opportunity for misrepresentation and incomplete disclosures.

The Company provided the examiners with a listing of 408 individual life insurance replacements processed during the period under examination. From this listing, a sample of 50 replacement files was selected for review. The selection of the sample files was based on established NAIC sampling criteria.

Based on the examination work performed, the examiners noted three (3) files in which the Company did not send letters to the existing insurers with a verified Comparative Information Form within three (3) business days as required by Rhode Island Insurance Regulation 29 Section 7C.4. Therefore, the Company was in violation of Regulation 29 Section 7C.4.

Recommendation #1: It is recommended that the Company monitor replacements of life

insurance to ensure compliance with the Insurance Division's February 20, 2006 amendment to Rhode Island Insurance Regulation 29. In addition, the Company should advise all personnel involved in the processing of replacements of the requirements of Rhode Island Insurance Regulation 29.

CLAIMS

Individual and Group Life

A review of the Company's claim practices was conducted to determine whether actions taken by the company were in compliance with R. I. Gen. Laws §27-4-26, §27-9.1-4 and any other applicable Rhode Island General Laws and/or Insurance Regulations. The review was also performed to determine whether the Company was in compliance with their claims procedures and to determine whether claims were properly documented and paid in accordance with the provisions of the applicable policy contract.

The Company provided the examiners with a computer listing of life claims processed for the period under examination. There were 101 Rhode Island resident life claims and 578 life claims from all other states. The examiners selected for review 105 life claim files, of which 55 were for Rhode Island residents and 50 were for life claims for all other states. The selection of the sample files was based on established NAIC sampling criteria.

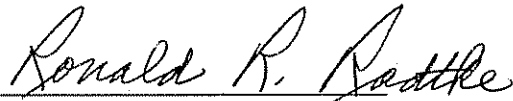
Based on the examination work performed, no exceptions were noted for this area of review.

CONCLUSION

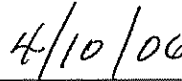
We have applied verification procedures to the data contained in this report using both subjective and statistical sampling techniques as deemed appropriate. While sampling techniques do not give complete assurance that all errors and irregularities will be detected, those that were detected during the course of this examination have been disclosed in this report. We were not informed of, and did not become aware of any other error or irregularity that could have a material effect on the market conduct condition of the Company as presented in this report.

Assisting in the examination with the undersigned was Robert G. Arrow, FLMI, Senior Market Conduct Examiner.

Respectfully submitted,



Ronald R. Radtke
Senior Market Conduct Examiner
Rhode Island Insurance Division



Date