STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Citizens Insurance Company of the Midwest)
440 Lincoln Street)
Worcester, Massachusetts 01653-0002)

Examination of: **Citizens Insurance Company of the Midwest**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Citizens Insurance Company of the Midwest, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Citizens Insurance Company of the Midwest, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

6/2/2026

Date

Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7465

STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Citizens Insurance Company of the Midwest)
440 Lincoln Street)
Worcester, Massachusetts 01653-0002)

Examination of: **Citizens Insurance Company of the Midwest**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Citizens Insurance Company of the Midwest (hereinafter "Company") for the time period January 1, 2020 through December 31, 2024.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on January 14, 2026.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 12, 2026, and was received by the Company on May 12, 2026.

On May 20, 2026, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2024.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.

2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.

3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 2nd day of June, 2026.

Holly W. Lambert
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

CITIZENS INSURANCE COMPANY OF THE MIDWEST

NAIC CO. CODE 10395
NAIC GROUP CODE 0088

As of

December 31, 2024

TABLE OF CONTENTS

STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance
Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

January 14, 2026

Honorable Holly W. Lambert, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4232, an examination has been made of the affairs and financial condition of:

Citizens Insurance Company of the Midwest
440 Lincoln Street
Worcester, Massachusetts 01653-0002

hereinafter referred to as the "Company," or "CICM," an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate staff of the Company in Worcester, Massachusetts.

The Report of Examination, reflecting the status of the Company as of December 31, 2024, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2015 through December 31, 2019. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2020 through December 31, 2024, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the New Hampshire domestic insurance companies of The Hanover Insurance Group, Inc. (THG) was called by the New Hampshire Insurance Department (NHID) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The NHID served as the lead state on the examination, and the INDOI, Delaware Department of Insurance, Illinois Department of Insurance, Michigan Department of Insurance and Financial Services, New York State Department of Financial Services, Ohio Department of Insurance, and Texas Department of Insurance served as participants.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

HISTORY

The Company was incorporated under the laws of the state of Indiana on September 1, 1994, and commenced business on March 8, 1996. Until December 31, 2000, the Company was a wholly-owned subsidiary of Citizens Corporation, a Delaware Company. On December 31, 2000, Citizens Corporation was dissolved, and the ownership of its subsidiaries was transferred to The Hanover Insurance Company (HIC). HIC owns all outstanding shares of the Company and is wholly-owned by Opus Investment Management, Inc. (Opus). Opus is wholly owned by THG, a publicly-traded entity incorporated in Delaware.

CAPITAL AND SURPLUS

The Company had 400 authorized shares of common stock with a par value of $5,000 per share and 400 shares issued and outstanding throughout the examination period.

The Company received capital contributions totaling $38 million during the examination period.

	2020	2021	2022	2023	2024
Total	$ 12,000,000	$ -	$ 10,000,000	$ 16,000,000	$ -

DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends to HIC during the examination period:

Year	Total	Ordinary Dividends	Extraordinary Dividends
2020	$ -	$ -	$ -
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	3,000,000	3,000,000	-
Total	$ 3,000,000	$ 3,000,000	$ -

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. Dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

MANAGEMENT AND CONTROL

Directors

The Company's Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than seven (7) and no more than twenty (20) directors. The shareholders, at each annual meeting, elect the members of the Board. IC 27-1-7-11 requires that at least one (1) of the directors must be a resident of Indiana.

The following is a listing of persons serving as directors as of December 31, 2024, and their principal occupations as of that date:

Name and Address	Principal Occupation
Warren Ellison Barnes * Northborough, Massachusetts	Corporate Controller The Hanover Insurance Company
Jeffrey Mark Farber Sarasota, Florida	Chief Financial Officer The Hanover Insurance Company
Lindsay France Greenfield Sudbury, Massachusetts	Chief Investment Officer The Hanover Insurance Company
Edward Howard Johnson Zionsville, Indiana	Vice President - Marine Field Underwriting The Hanover Insurance Company
Dennis Francis Kerrigan, Jr. Worcester, Massachusetts	Chief Legal Officer The Hanover Insurance Company
Willard Ty-Lunn Lee Groton, Massachusetts	Chief Information and Innovation Officer The Hanover Insurance Company
David John Lovely Atkinson, New Hampshire	Chief Claims Officer The Hanover Insurance Company
Denise Maureen Lowsley Windham, New Hampshire	Chief Human Resources Officer The Hanover Insurance Company
John Conner Roche Hopkinton, Massachusetts	Chief Executive Officer The Hanover Insurance Company
Bryan James Salvatore Rye Brook, New York	President - Specialty The Hanover Insurance Company

* Warren Ellison Barnes retired February 25, 2025 and Patricia Norton-Gatto was elected as Director on February 26, 2025.

Officers

The Bylaws state that the elected officers of the Company shall consist of a President, a Treasurer, a Secretary, and such Vice Presidents, other Secretaries, Assistant Treasurers, Assistant Secretaries, and other officers with such titles as may from time to time be determined by the directors, including a Chairman of the Board, and a Vice Chairman of the Board. The President, Treasurer, and Secretary shall hold office until the first meeting of the directors following the annual meeting of stockholders, or any special meeting held in lieu thereof, and thereafter until their successor is chosen and qualified, or until their resignation or removal.

Other officers shall hold office until the first meeting of the directors following the annual meeting of stockholders, or any special meeting held in lieu thereof, unless a shorter term is specified in the vote choosing or appointing them, or until their resignations or removal.

The following is a list of key officers and their respective titles as of December 31, 2024:

Name	Office
John Connor Roche	President
Charles Frederick Cronin	Senior Vice President and Secretary
Nathaniel William Clarkin	Vice President and Treasurer
Jeffrey Mark Farber	Executive Vice President and Chief Financial Officer
Dennis Francis Kerrigan, Jr.	Executive Vice President and Chief Legal Officer
Richard William Lavey	Executive Vice President
Willard Ty-Lunn Lee	Executive Vice President
David John Lovely	Executive Vice President
Denise Maureen Lowsley	Executive Vice President
Bryan James Salvatore	Executive Vice President

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2024

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2024

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

The Board and shareholders' meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws specify that the annual meeting of shareholders shall be held on the third Thursday in April of each year or on such other date as may be fixed from time to time by the directors. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year and also in compliance with its Bylaws.

The Company's Board Committees, with the exception of the Investment Committee, exist at the parent-level, THG. THG Board Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation and Human Capital Committee, and Corporate Governance and Nominating Committee. The CICM Investment Committee minutes were reviewed for the same period.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2024 that were included in this examination:

	NAIC Co. Code	Domiciliary State/Country
The Hanover Insurance Group, Inc.		DE
Opus Investment Management, Inc.		MA
Citizens Insurance Company of Illinois	10714	IL
The Hanover Insurance Company	22292	NH
Allmerica Financial Alliance Insurance Company	10212	NH
Allmerica Financial Benefit Insurance Company	41840	MI
Campmed Casualty & Indemnity Company, Inc.	12260	NH
Citizens Insurance Company of the Midwest	**10395**	**IN**
Citizens Insurance Company of America	31534	MI
Citizens Insurance Company of Ohio	10176	OH
Massachusetts Bay Insurance Company	22306	NH
NOVA Casualty Company	42552	NY
AIX Specialty Insurance Company	12833	DE
The Hanover American Insurance Company	36064	NH
The Hanover Casualty Company	41602	TX
The Hanover National Insurance Company	13147	NH
Verlan Fire Insurance Company	10815	NH

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Consolidated Service Agreement
The Company was a party to a Revised Consolidated Service Agreement with THG, its ultimate parent company. Under the Agreement, CICM will be charged the cost of the service provided or expenses paid by the entity providing the service or paying the expense. In addition, CICM will be charged a portion of the costs associated with activities that are performed for the good of CICM. HIC is the common payer for expenses. Citizens Insurance Company of America (CICA) resolves reinsurance transactions and pays HIC on behalf of the Company. The Company does not make direct payments to any other entity for transactions related to this Agreement. The Agreement became effective January 1, 2010 with Addendum No. 2 effective August 1, 2016, and Addendum No. 3 effective February 9, 2023. CICM paid HIC $104 million under this Agreement in 2024.

Investment Advisory Agreement
The Company was a party to an Investment Advisory Agreement with Opus, a parent company. Pursuant to the Agreement, Opus provides investment advisory services to CICM. The Agreement became effective January 1, 2006, with the first Amendment effective October 1, 2007, the Second Amendment effective August 1, 2016, and the Third Amendment effective February 9, 2023. CICM paid Opus $126 thousand under this Agreement in 2024.

This Agreement was terminated effective June 3, 2024, when THG outsourced this function and executed an Investment Management Agreement with Wellington Management Company LLP on May 30, 2024.

Consolidated Income Tax Agreement
The Company was a party to a Consolidated Income Tax Agreement with THG, its ultimate parent, and its affiliates. The federal income tax for all subsidiaries in the consolidated return of THG is calculated on a separate return basis. Any current tax liability is paid to THG. Tax benefits resulting from taxable operating losses or credits of THG's subsidiaries are reimbursed to the subsidiary when such losses or credits can be utilized on a consolidated return basis. The Agreement became effective December 31, 2001, with its first Amendment effective October 1, 2007, the Second Amendment effective September 14, 2007 (made on July 17, 2008), the Third Amendment effective March 14, 2008, the Fourth Amendment effective April 1, 2010, the Fifth Amendment effective November 15, 2013, the Sixth Amendment effective August 1, 2016, and the Seventh Amendment effective February 9, 2023. CICM paid THG $837 thousand under this Agreement in 2024.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Great American Insurance Company. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2024, including but not limited to business travel accident, commercial auto coverage, commercial general liability, commercial excess and umbrella, cyber liability, directors and officers liability, employment practices liability, fiduciary liability, insurance company professional liability, and workers' compensation.

TERRITORY AND PLAN OF OPERATION

The Company is only licensed in Michigan and Indiana and primarily writes private passenger auto business and homeowners' coverages through THG's independent agent network. The Company is the lead personal automobile provider in the state of Michigan, within the holding company structure. Michigan makes up 99.9% for the direct premiums and Indiana makes up less than 0.1%. The Company is transitioning its homeowners and personal auto renewal business in Indiana to an affiliated company. As of December 31, 2024, the Company only has four (4)policies in Indiana.

The Company cedes 100% of all direct premiums, direct losses, and direct loss adjustment expenses to its affiliate, CICA.

REINSURANCE

Ceded Reinsurance

The Company was party to an amended and restated reinsurance agreement with its affiliate, CICA. Pursuant to the agreement, CICM cedes 100% of its premiums and liabilities to CICA. A non-disapproval letter was received from the INDOI on December 20, 2007 and the amended and restated agreement was executed with an effective date of December 31, 2007.

Assumed Reinsurance

No business was assumed by the Company during the examination period.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the INDOI and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

CITIZENS INSURANCE COMPANY OF THE MIDWEST
Assets
As of December 31, 2024

	Per Company
Bonds	$ 124,607,044
Cash, cash equivalents and short-term investments	1,792,573
Subtotals, cash and invested assets	126,399,617
Investment income due and accrued	1,100,206
Current federal and foreign income tax recoverable and interest thereon	250,882
Totals	$ 127,750,705

CITIZENS INSURANCE COMPANY OF THE MIDWEST
Liabilities, Surplus and Other Funds
As of December 31, 2024

	Per Company
Net deferred tax liability	$ 43,685
Payable to parent, subsidiaries and affiliates	10,428
Total liabilities	54,113
Common capital stock	2,000,000
Gross paid in and contributed surplus	102,052,858
Unassigned funds (surplus)	23,643,734
Surplus as regards policyholders	127,696,592
Totals	$ 127,750,705

CITIZENS INSURANCE COMPANY OF THE MIDWEST
Statement of Income
For the Year Ended December 31, 2024

	Per Company*
UNDERWRITING INCOME	
Premiums earned	$ -
INVESTMENT INCOME	
Net investment income earned	4,170,294
Net realized capital gains (losses) less capital gains tax	(1,430,133)
Net investment gain (loss)	2,740,162
OTHER INCOME	
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	2,740,162
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	2,740,162
Federal and foreign income taxes incurred	839,843
Net income	$ 1,900,319

* The balances include immaterial rounding differences.

CITIZENS INSURANCE COMPANY OF THE MIDWEST
Reconciliation of Capital and Surplus Account*

	2024	2023	2022	2021	2020
Surplus as regards policyholders, December 31 prior year	$ 128,749,697	$ 110,371,915	$ 98,560,863	$ 96,690,070	$ 82,927,940
Net income	1,900,319	2,428,620	1,816,195	1,879,606	1,763,522
Change in net deferred income tax	46,576	(50,838)	(5,142)	(8,814)	(1,392)
Surplus adjustments:					
Paid in	-	16,000,000	10,000,000	-	12,000,000
Dividends to stockholders	(3,000,000)	-	-	-	-
Change in surplus as regards policyholders for the year	(1,053,105)	18,377,782	11,811,053	1,870,792	13,762,130
Surplus as regards policyholders, December 31 current year	$ 127,696,592	$128,749,697	$ 110,371,915	$ 98,560,863	$ 96,690,070

* The balances include immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2024, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues noted during field work requiring disclosure in this Report of Examination.

SUBSEQUENT EVENTS

There were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Rebecca Freitag, FCAS, MAAA and Jeremy Hoch, ACAS, MAAA, performed an examination of Citizens Insurance Company of the Midwest, as of December 31, 2024.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Citizens Insurance Company of the Midwest as of December 31, 2024, as determined by the undersigned.

Shannon Hopkins

Shannon Hopkins, CFE
Examiner In-Charge
Noble Consulting Services, Inc.

Under the Supervision of:

Jerry Ehlers

Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 2nd day of June, 2026, before me personally appeared, Shannon Hopkins and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 20, 2033 Lorie A. Ellert
Notary Public

LORIE A ELLERT
Notary Public
Marion County - State of Indiana
Commission Number NP0764698
My Commission Expires Jul 20, 2033