



*Discover
helpfulness.*

ANNUAL REPORT 2015

Contents





Robert A. DiMuccio
Chairman, President and Chief Executive Officer

President’s message

Looking back

A lot can change in a year. That much is evident as we look back at an eventful 2015 in the insurance industry. While 2014 was a relatively quiet year for weather-related losses, Mother Nature reminded us in 2015 just how unpredictable she can be. As ice and snow piled up during a frigid winter, so did the claims – at a record pace.

But as I like to say, we’re built for scenarios like this – both from

an operational standpoint and in terms of our customer service. These are the times when our employees shine, and 2015 was no exception. We continued to provide our policyholders with the customer service that has come to define our company, and I’m extremely proud of that.

Awards and recognition

2015 was a year filled with awards and recognition on many fronts. Here are some of the highlights:

- A.M. Best reaffirmed Amica Mutual’s financial strength rating of A++,¹ the highest possible ranking. A.M. Best also reaffirmed Amica Life’s A+ rating.²
- Amica was named to the Ward’s 50 list of top-performing property-casualty insurance companies.
- We received top rankings in three J.D. Power studies.

In addition, the year featured many accomplishments. In 2015, we:

- Increased property and casualty policies in force by 4.5 percent and life policies in force by 4.8 percent.
- Coordinated a successful retention program, with a retention rate of 93.5 percent in auto, 94 percent in home and 96.6 percent in umbrella insurance.
- Increased our brand recognition in select markets.
- Successfully deployed our auto policy service system in 39 states.

Financial results for 2015

Let’s take a look at the financial results for 2015.

Steady premium and policy growth: It was an outstanding year from a sales perspective. Our total number of policies in force grew to more than 1.5 million at the end of 2015. Premiums earned totaled nearly \$1.9 billion, an increase of about 5 percent over 2014.

We’re excited to build relationships with the next generation of policyholders, while retaining the loyal customers who are already part of the Amica family.

Combined ratio: The combined ratio is the primary measure of how

we manage our insurance risk. Our combined ratio at year-end was 113.1 percent, up from 98.3 percent in 2014. This was a reminder of how much of an impact the weather can have on our financial results.

Losses incurred: Losses totaled \$1.3 billion in 2015, compared to \$992 million in 2014. Winter storms were the driving factor behind this increase, and they also amounted to the biggest cumulative catastrophe in Amica’s history. Although we certainly would prefer that our claims were lower, we view this as an opportunity to help our customers when they need us most – right after a loss.

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Financial Highlights

	2015	2014	Change
Net premiums written	\$ 1,942,756	\$ 1,841,178	\$ 101,578
Underwriting gain (loss)	\$ (106,818)	\$ 167,250	\$ (274,068)
Investment gain (less capital gains tax)	\$ 212,243	\$ 171,260	\$ 40,983
Dividends to policyholders	\$ 142,511	\$ 136,486	\$ 6,025
Net income	\$ 34,885	\$ 188,085	\$ (153,200)
Total assets	\$ 4,960,446	\$ 5,059,581	\$ (99,135)
Cash and invested assets	\$ 4,263,986	\$ 4,445,033	\$ (181,047)
Loss reserves (including loss adjusting expenses)	\$ 1,133,725	\$ 1,080,673	\$ 53,052
Surplus	\$ 2,611,264	\$ 2,759,755	\$ (148,491)
Policies in force	1,512,735	1,448,224	64,511
Reported claims:			
Automobile	324,560	303,477	21,083
Homeowner	55,501	38,195	17,306
Other	3,767	3,397	370

All dollar amounts in thousands.

¹A.M. Best Company. Jan. 27, 2016. For the latest rating, access [ambest.com](#).
²A.M. Best Company. Feb. 18, 2016. For the latest rating, access [ambest.com](#).

President's message

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Net income: Our net income for 2015 was approximately \$35 million. Catastrophe losses kept that amount lower than we anticipated.

Our solid investment portfolio helped balance out the losses. Our investment team did an excellent job maintaining our strong financial standing in the face of uncertain markets. Net capital gains, after taxes, totaled \$108 million, an increase of \$48 million from the previous year.

Strong balance sheet: Amica's balance sheet represents our financial position at the end of each year, and it remained extremely healthy in 2015 with more than \$4.9 billion in assets and more than \$2.6 billion in surplus. This displays our ability to handle challenging years and continue moving forward.

Amica Life: In 2015, our subsidiary, Amica Life Insurance Company, continued to build on its past success. Life premiums and annuity deposits totaled nearly \$64 million

in 2015, an increase of more than \$1.4 million over 2014. The life book of business continued to show steady premium growth, amounting to a 4.2 percent increase in 2015.

Amica Life also increased efforts to educate new customers about the value of life insurance.

Charitable giving: In 2015, the Amica Companies Foundation awarded grants of approximately \$1.9 million to a variety of 501(c)(3) organizations. I'm proud of Amica's charitable efforts on a corporate level and, especially, on the employee level.

Helpfulness Insured™

The stories in this year's annual report revolve around the idea of "helpfulness insured." Being helpful is what we're all about here at Amica, and this concept is at the core of our interactions with customers. I'm constantly reminded of the positive impact we have on our policyholders, especially during a year like 2015.

As we look back on the year, we thank you, as always, for choosing Amica as your insurance provider. We are proud to serve you.

Respectfully submitted,



Robert A. DiMuccio
Chairman, President and
Chief Executive Officer



Board of Directors

Patricia W. Chadwick
President, Ravengate Partners, LLC
Age 67. Director since 1992.
1, 4 (Chair)

Jeffrey P. Aiken, J.D.
Attorney-at-law
Age 69. Director since 1993.
1, 2

Ronald K. Machtley
President, Bryant University
Age 67. Director since 1999.
1, 4

Barry G. Hittner, J.D.
Attorney-at-law
Age 70. Director since 2000.
1, 3

Cheryl W. Snead
President and Chief Executive Officer, Banneker Industries, Inc.
Age 57. Director since 2000.
1, 4

Michael D. Jeans
President (Retired) New Directions, Inc.
Age 67. Director since 2001.
1, 2 (Chair)

Donald Julian Reaves, Ph.D.
Retired Chancellor and Professor, Winston-Salem State University
Age 69. Director since 2004.
1, 3 (Chair)

Richard A. Plotkin, CPA
Age 72. Director since 2005.
1, 2

Robert A. DiMuccio
Chairman, President and Chief Executive Officer, Amica
Age 58. Director since 2005.
1 (Chair)

Edward F. DeGraan
Vice Chairman — Gillette (Retired)
Age 72. Director since 2006.
1, 3

Debra A. Canales
Executive Vice President/Chief People and Experience Officer, Providence Health and Services
Age 54. Director since 2012.
1, 4

Jill Avery
Senior Lecturer, Harvard Business School
Age 48. Director since 2015.
1, 2

From left, sitting: Edward DeGraan, Michael Jeans, Patricia Chadwick, Robert DiMuccio, Donald Reaves, Jeffrey Aiken, Debra Canales

From left, standing: Richard Plotkin, Jill Avery, Barry Hittner, Ronald Machtley, Cheryl Snead

Committees of the Board of Directors
1 Investment Committee 2 Audit Committee 3 Governance and Nominating Committee 4 Compensation Committee



At Amica,
we believe in
being there
for others.

Helpfulness.

Helpfulness may not sound like a grand idea – but it can make the world a better and more caring place. We believe helpfulness is what insurance should be all about.

It means being there to make life easier for others. It can be as simple as saying a kind word. Or as powerful as supporting someone through difficult times.

Helpfulness is meaningful to every one of our 3,400 employees, and it's been part of every customer relationship for more than 100 years.

When you contact us, we're here to answer your questions and provide you with insurance plans that fit your individual needs. And when you have a claim, we're here to help you –

whether it's a fender-bender, a devastating home fire or the loss of a loved one.

In today's quickly changing world, it's even more important to find new ways to make life easier for our customers. And that means providing you with more options, more types of insurance, more ways to connect with us, more answers at your fingertips. More ways to be helpful.

That's what we do. Every day. Across the country.

This year's annual report focuses on the importance of being there for you – our customers.

At Amica, we are helpfulness insured.



Strong connections.

We've been here to help customers for more than 100 years.

95 percent. That's how many policyholders who have both auto and home policies with us choose to stay with Amica year after year.* We like to think that's a result of the **strong relationships we've built with families over generations.**

Being there for our customers is our number one responsibility and priority – and that hasn't changed since we opened our doors in 1907.

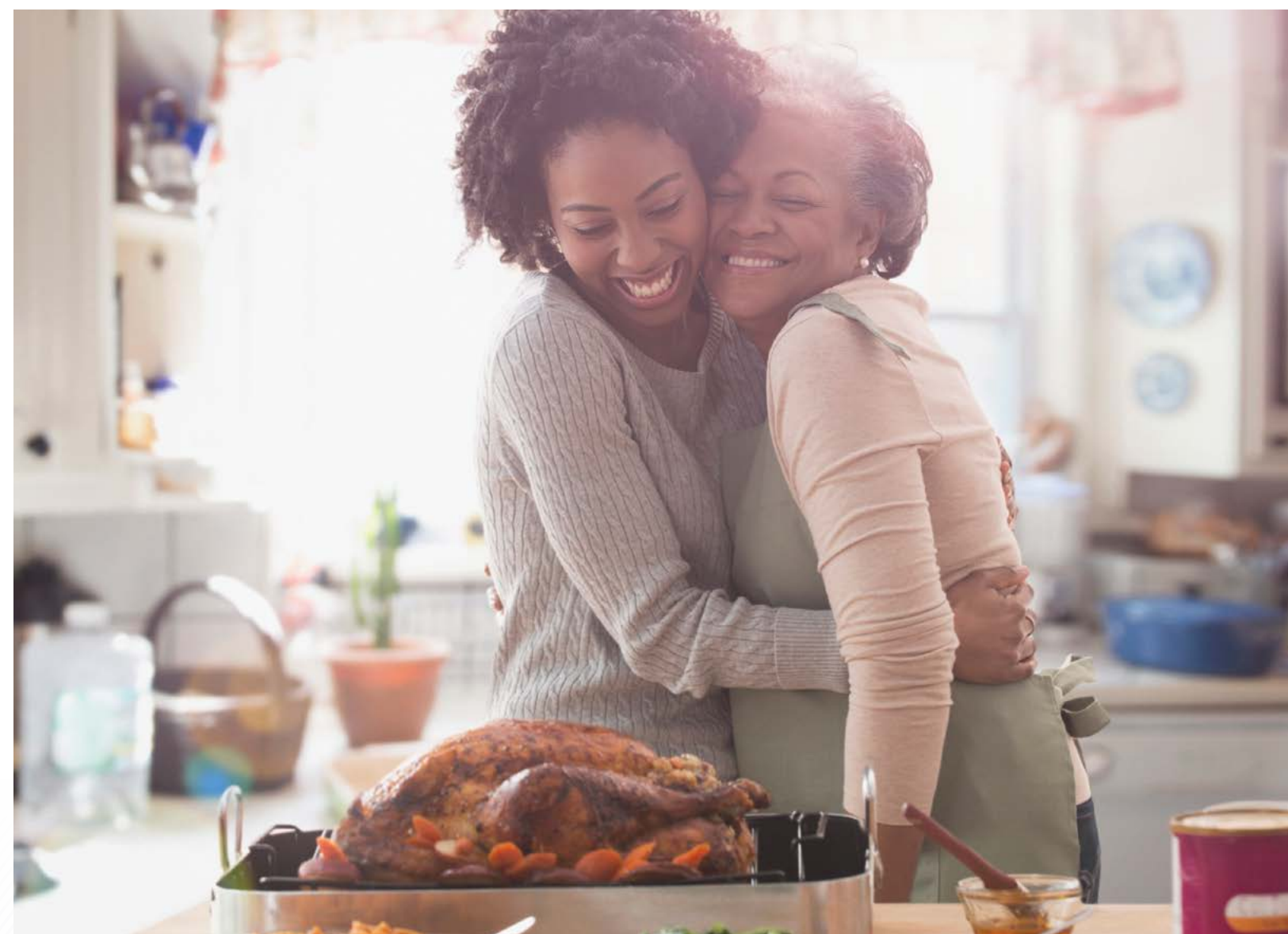
As a mutual insurance company, we don't have shareholders. Our policyholders have a

*Based on 2015 policy data.

stake in Amica, and this structure allows us to focus exclusively on you.

We understand that our employees are involved in some of the most important moments in our customers' lives, which is a responsibility they take seriously.

We're grateful for your loyalty and your good words about our service to friends, family, co-workers and neighbors. Your trust in us helps make these connections even stronger.



We're thankful

*for customers
who've trusted us
for generations.*

Memorable experiences.

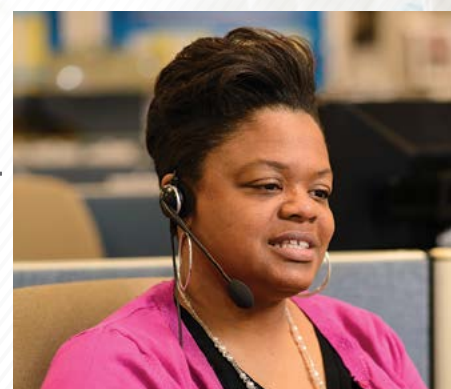
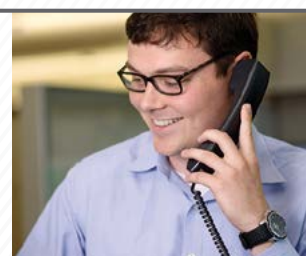
We enjoy hearing how we're doing.

When you become an Amica customer, we make a promise to uphold our tradition of superior customer service at every level – and with every interaction.

To make sure we deliver on this promise, we rely on feedback from you. That's why your letters, emails, phone calls and social media comments continue to be so important.

Your personal stories about the helpfulness of our employees and the value of our services keeps us focused on **our mission – to create peace of mind and build enduring relationships.**

Here are a few of our customer comments, and what our employees had to say about their experience:



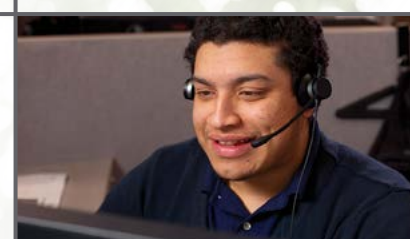
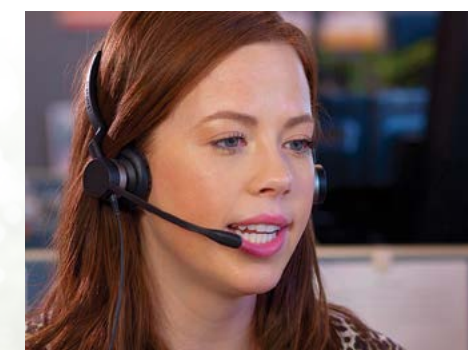
Dear Amica,

***Pepper** was most helpful and provided the extra attention I needed to make the task [of switching to a new company] less troublesome – and even enjoyable!*

Pepper

(Senior Sales Representative):

I take pride in helping each and every customer that I speak with. I handle all calls with a lot of care, patience and understanding ... I reinforce who we are and that's how I do it – all day, every day!



Dear Amica,

***Lauren** was an exceptional representative for Amica. Her patience, knowledge and professionalism were top-notch.*

Lauren

(Associate National Life Sales Representative):

I feel very proud of the work that I do at Amica. Every day, I help families ensure that their dreams are protected, provide them peace of mind and assist them in putting a plan in place. They will always remember that I took the time with them, and that is the best reward I could ever ask for.

Dear Amica,

*When I called to file a homeowners claim, my husband and I had no idea what a pleasant experience we were going to have during a somewhat stressful time. **Brad** is a definite asset to Amica and truly represents the values this company believes in to help and support their clients.*

Brad

(Supervising Adjuster):

With this year's high volume of homeowners claims in the New England region, it would be easy to fall into a rhythm of handling each claim in the same way. I see this compliment as an example of how we should approach each loss with the empathy and focus on customer service that each one deserves.



*Our
foundation*
is built on
service to others.

Helpfulness from the start.

When new employees start at Amica, we train them to focus on the Amica way of doing business, whether it's working with our customers or with their team members.

Our account managers and adjusters participate in a seven-week Future Leaders training program that introduces them to the Amica culture and prepares them to help our customers at one of our locations across the country.

In fact, in 2015, 86 individuals went through the program and are now working in 36 of our offices.

In addition to learning about our products, services and systems, these new employees quickly realize that helpfulness is at the heart of who we are.

Their training includes volunteer work with organizations like Habitat for Humanity and the Rhode Island Community Food Bank.

Our goal is to ensure that **our employees understand the value of helpfulness from their very first day on the job.**



Giving back.

We believe in the power of being helpful in our community.

The American Red Cross, Habitat for Humanity, the March of Dimes, community gardens, food pantries and school partnerships. The list of community programs that the Amica Companies Foundation and our employees support goes on and on.

Amica has a strong tradition of giving back to the communities we call home. This was especially true in 2015, when the Foundation awarded grants of approximately \$1.9 million to a variety of 501(c)(3) organizations.

The Foundation also placed a new strategic focus on charitable giving that aligns with its

new mission statement, which is “to harness the power of enduring relationships to help individuals, families and communities become economically independent and strong.”

Our employees continue to take on greater roles in supporting their personal causes through their donations, which are matched by Amica at \$1.50 for every \$1.00 donated. Volunteer efforts are also recognized through grants that Amica offers to employees and their spouses to support the nonprofits that make a difference in their lives.

Our personal ties with the community have a real and lasting effect on all of us.



We care

about the people
and places where
we live and work.

Financial Summary

Combined P&C Operations

Statutory Statements of Assets, Liabilities
and Surplus to Policyholders
December 31, 2015 and 2014

Assets:

	2015	2014
Bonds and debt securities	\$ 2,152,877,913	\$ 2,200,437,037
Common stocks	1,778,318,009	1,929,229,768
Real estate	45,159,299	47,007,414
Cash and short-term investments	185,400,941	202,955,087
Mortgage loans	7,620,285	-
Other invested assets	94,609,232	65,403,994
Total cash and invested assets	4,263,985,679	4,445,033,300
Investment income due and accrued	20,813,859	22,288,383
Premiums receivable	528,040,068	510,699,324
Reinsurance recoverable on paid losses and loss adjustment expenses	1,264,398	1,240,105
Federal income tax recoverable	15,605,785	-
Deferred tax asset	49,272,395	-
Amica Companies Supplemental Retirement Trust	52,731,329	53,500,550
Equities and deposits in pools and associations	26,339,498	24,234,146
Other assets admitted	2,393,272	2,585,405
Total assets	\$ 4,960,446,283	\$ 5,059,581,213

Liabilities and Surplus to Policyholders:

Reserves for losses and loss adjustment expenses	\$ 1,133,725,493	\$ 1,080,673,128
Reinsurance payable on paid losses	10,089,000	8,640,001
Accrued other expenses	49,182,764	54,530,564
Federal income taxes payable	-	2,916,668
Deferred tax liability	-	42,520,621
Reserve for unearned premiums	1,013,363,111	959,627,673
Dividends payable to policyholders	9,836,404	9,602,623
Ceded reinsurance premiums payable	116,786	817,799
Reserve for non-qualified pensions and deferrals	52,731,329	53,500,550
Other liabilities	80,137,224	86,996,100
Total liabilities	2,349,182,111	2,299,825,727
Surplus to policyholders	2,611,264,172	2,759,755,486
Total liabilities and surplus to policyholders	\$ 4,960,446,283	\$ 5,059,581,213

Note: Please visit Amica.com to review all statutory financial statements and accompanying notes.

Statutory Statements of Income Years Ended December 31, 2015 and 2014

	2015	2014
Underwriting Income:		
Premiums earned	\$ 1,889,020,941	\$ 1,798,507,472
Underwriting Expenses:		
Losses incurred	1,314,666,757	992,326,474
Loss expenses incurred	211,919,530	197,616,960
Other underwriting expenses	469,252,359	441,313,778
Total underwriting expenses	1,995,838,646	1,631,257,212
Net underwriting gain/(loss)	(106,817,705)	167,250,260
Investment and Other Income:		
Net investment income, including real estate income	104,326,924	110,886,944
Net realized capital gains less capital gains tax	107,915,585	60,372,999
Other income, net	971,405	1,032,967
Total investment and other income	213,213,914	172,292,910
Income before dividends and before Federal income taxes	106,396,209	339,543,170
Dividends to policyholders	142,510,937	136,486,450
Income/(loss) after dividends but before Federal income taxes	(36,114,728)	203,056,720
Federal income taxes (benefit)/incurred, net	(70,999,821)	14,971,842
Net income	\$ 34,885,093	\$ 188,084,878

Statutory Statements of Surplus to Policyholders Years Ended December 31, 2015 and 2014

Surplus to policyholders at January 1	\$ 2,759,755,486	\$ 2,649,700,527
Net income	34,885,093	188,084,878
Change in net unrealized capital gains less capital gains tax	(113,818,965)	10,043,845
Change in net deferred income taxes	16,064,393	13,939,187
Change in non-admitted assets	(76,278,207)	71,688,067
Cumulative effect of changes in accounting principles	(15,560,189)	(15,560,189)
Other surplus adjustments	6,216,561	(158,140,829)
Change in surplus to policyholders	(148,491,314)	110,054,959
Surplus to policyholders at December 31	\$ 2,611,264,172	\$ 2,759,755,486

Note: Please visit Amica.com to review all statutory financial statements and accompanying notes.

Amica Offices

To reach the Amica office nearest you, call **800-24-AMICA** (800-242-6422).

Corporate Office

Amica Center 800-652-6422
Amica Life 800-234-5433

Offices by State

Arizona
Phoenix Regional 888-892-6422
Michael Funaro, AIC, Branch Manager

California
Northern California 866-972-6422
Jeffrey Teece, CPCU, Branch Manager

Southern California 877-972-6422
Todd Crozier, CPCU, Branch Manager

Colorado
Denver Regional 800-572-6422
Tracy Engelbert, CPCU, Branch Manager

Connecticut
Danbury Regional 800-772-6422
Rebecca Stolte, Branch Manager
Hartford Regional 800-382-6422
Catherine Franks, CPCU, Resident Vice President/Branch Manager

Florida
Orlando Regional 800-662-6422
James Teevin, CPCU, Resident Vice President/Branch Manager

Tampa Regional 800-672-6422
Daniel Lynch, CPCU, Branch Manager

Georgia
Atlanta Regional 800-282-6422
Taylor Quarles, Branch Manager

Illinois
Chicago Regional 888-612-6422
Marvin Konkle, CPCU, Branch Manager

Indiana
Service Center Operations – Central 877-332-6422
James O’Connor, CPCU, Manager

Maine
Maine Regional 877-692-6422
John Martin, AIC, Branch Manager

Maryland
Baltimore Regional 800-682-6422
James Mulholland, CPCU, Branch Manager

Massachusetts
Central Massachusetts 888-702-6422
John Reichley, CPCU, Resident Vice President/Branch Manager

Southeastern Massachusetts 800-592-6422
Joshua Terry, CPCU, Branch Manager
Western Massachusetts 888-532-6422
LuAnn Trigo, AIC, Branch Manager

Michigan
Michigan Regional 800-452-6422
Sarah Grosnick, CPCU, Branch Manager

Minnesota
Minneapolis Regional 888-902-6422
Janet Bellows, CPCU, Branch Manager

Nevada
National Sales Center – West 888-342-6422
Lorraine Gaines, Sales and Client Services Manager

New Hampshire
Concord Regional 877-512-6422
Shaun Ralston, CPCU, Branch Manager

New Jersey
Northern New Jersey 800-762-6422
David Gattuso, CPCU, Branch Manager
Southern New Jersey 888-592-6422
Lauren Morin, CPCU, Branch Manager

New York
Albany Regional 800-732-6422
Eric Anderson, CPCU, Branch Manager
Long Island Regional 800-742-6422
Nancy Richter, CPCU, Branch Manager

Rochester Regional 800-852-6422
James Murphy, CPCU, Resident Vice President/Branch Manager

North Carolina
Raleigh Regional 800-892-6422
Frank Hribar, AIC, Branch Manager

Ohio
Cincinnati Regional 866-942-6422
Clinton Dailey, Jr., CPCU, Branch Manager

Cleveland Regional 888-942-6422
Gregory O’Brien, CPCU, Branch Manager

Oregon
Oregon Regional 800-882-6422
Scott Berard, CPCU, AIC, Branch Manager

Pennsylvania
Philadelphia Regional 877-672-6422
Samantha Miller, CPCU, Branch Manager
Pittsburgh Regional 888-672-6422
Anissa Lloyd, CPCU, Branch Manager

Rhode Island 800-622-6422
Mark Harrison, CPCU, Sales and Client Services Manager
Melissa Jadin, CPCU, R.I. Claims Manager

National Sales Center – East 866-342-6422
Mark Myrick, CPCU, Assistant Vice President/Director of Sales Center Operations

Service Center Operations – East 800-752-6422
Lee Valentini, CPCU, Senior Assistant Vice President/Director of Voice and Service Center Operations

South Carolina
Greenville Regional 800-342-6422
Richard Tierney, CPCU, Branch Manager

Tennessee
Knoxville Regional 888-712-6422
Julie Deziel, CPCU, Branch Manager

Texas
Dallas Regional 800-962-6422
Sean Cahill, CPCU, Branch Manager

Houston Regional 800-532-6422
Robert Foss, Jr., CPCU, Branch Manager

National Sales Center – Central 844-342-6422
Michael Dodge, Sales and Client Services Manager

Virginia
Richmond Regional 800-392-6422
Erica Myers, CPCU, Branch Manager

Washington
Seattle Regional 877-362-6422
Amy Smith, AIC, Branch Manager

Service Center Operations – West 877-752-6422
Kate Leavitt, Manager

Wisconsin
Milwaukee Regional 877-412-6422
Jeffrey Hosenfeld, CPCU, AIC, Branch Manager

Privacy Policy

For more than 100 years, consumers have trusted Amica with their nonpublic personal information (NPI). We take our responsibility to protect your NPI seriously. This notice explains the types of NPI we collect, how we collect it and how we protect it.

Summary of Amica’s Privacy Policy

- We collect NPI about you from your application, our transactions with you and from third parties as permitted by law.
- We use your NPI only to service your policies and claims and to underwrite and price insurance products that meet your needs as you have described them to us.
- We do not share your NPI with nonaffiliated third parties other than as necessary to service your policy or claim.
- When we disclose your NPI to third parties to perform services for us, we require that they protect the NPI and use it only for the purpose for which it was disclosed.
- We do not sell your NPI to third parties.
- We maintain physical, electronic and procedural safeguards to protect your NPI.

NPI We Collect About You

- We get most NPI directly from you during the application process or through other transactions with you. This includes, for example, your name and address, Social Security number, credit card account information, type of vehicle and information about other drivers in your household.
- We may ask a consumer reporting agency for a report about you, for example: a credit-based insurance score; a report about your coverage and claims history with other companies; motor vehicle records; or reports that identify other drivers in your household. In limited circumstances, we may request an investigative consumer report, which means that the consumer reporting agency will ask others about you and, for example, about your habits, finances or if you take part in hazardous activities.
- For life insurance, we may obtain information about your health from medical providers and the Medical Information Bureau.
- Information about you on Amica’s website and mobile application is collected in accordance with our Website Privacy Policy and Mobile Application Privacy Policy.

How We Use and Disclose NPI

Amica uses and discloses your NPI only as permitted by law and as necessary to conduct business. For example, we may use your NPI to service products you have applied for or purchased; process claims; offer you other Amica products; protect against fraud; and comply with legal requirements. For these purposes, we may share your NPI with:

- Claims adjusters, appraisers, auto repair shops, investigators and attorneys

- Your mortgagee
- Our affiliated companies
- Consultants or other service providers that perform business functions for us, such as mailing or marketing services
- Our reinsurance companies
- Businesses that conduct research, including actuarial or underwriting studies
- Other insurance companies
- Consumer reporting agencies (Information that we share with consumer reporting agencies, including your claims history with us, may be maintained by the consumer reporting agency and disclosed to others as permitted by law.)
- Insurance support organizations
- Medical care institutions and medical providers
- State insurance departments, police or other governmental authorities
- Persons as ordered by subpoena, warrant or other court order or as required by law

How We Safeguard NPI

Amica maintains physical, electronic and procedural safeguards to keep your NPI secure. We limit access to employees who “need to know” to service your policy or claim. Also, we have an employee Code of Ethics and Confidentiality Policy that require employees to keep confidential all NPI obtained in the course of our business.

Your Rights

You have the right to know what NPI we have about you and to receive a copy upon request. Because of its legal nature, NPI obtained when settling claims or defending lawsuits need not be shared with you. Within thirty (30) business days of receipt of your written request, we will disclose to you the NPI about you in our files. You may receive a copy at a reasonable charge. We will tell you with whom we have shared your NPI within the past two years, or for the time period required by state law, and we will give you the name and address of any consumer reporting agency that gave us a report about you. Medical records and details about our decisions regarding those records will only be released to your physician or a physician qualified to interpret them.

You may contact Amica if you believe your file should be corrected. Within thirty (30) business days, we will make the change or provide an explanation of our refusal to do so. If we do not make the change, you may send a statement for insertion in your file. Minnesota residents may file an appeal with the Insurance Commissioner. If you ask us to, we will notify persons with whom we have shared your NPI of the change or your statement. With any subsequent sharing of NPI, we will include a copy of your statement.

This policy applies to prospective, current and former customers of the following Amica Companies:

- Amica Mutual Insurance Company
- Amica Life Insurance Company
- Amica Property and Casualty Insurance Company
- Amica General Agency, LLC



Corporate Office
One Hundred Amica Way, Lincoln, Rhode Island
Mail: PO Box 6008, Providence, RI 02940-6008
Website: Amica.com

PRSRT STD
U.S. Postage
PAID
Randolph, MA
Permit No. 106



13 10070-015 CCD 8596

Join our communities and join the conversation!



Helpfulness is what
our team is all about.



Helpfulness
Insured™