# AMICA MUTUAL INSURANCE COMPANY

Statutory Financial Statements

December 31, 2022 and 2021

(With Independent Auditors’ Report Thereon)

KPMG LLP
One Financial Plaza, Suite 2300
Providence, RI 02903

**Independent Auditors' Report**

The Board of Directors
Amica Mutual Insurance Company
Amica Mutual Insurance Company:

*Opinions*

We have audited the financial statements of Amica Mutual Insurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities, and surplus to policyholders as of December 31, 2022 and 2021, and the related statutory statements of operations, surplus to policyholders, and cash flow for the years then ended, and the related notes to the financial statements.

*Unmodified Opinion on Statutory Basis of Accounting*

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flow for the years then ended in accordance with accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division described in Note 2.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of the Company as of December 31, 2022 and 2021, or the results of its operations or its cash flows for the years then ended.

*Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 2 to the financial statements, the financial statements are prepared by the Company using accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles. The effects on the financial statements of the variances between the statutory accounting practices described in Note 2 and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material and pervasive.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule 1 - summary investment schedule, Schedule 2 - supplemental investment risk interrogatories, and Schedule 3 - general interrogatories is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the State of Rhode Island Department of Business Regulation Insurance Division. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Providence, Rhode Island
May 9, 2023

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Admitted Assets, Liabilities and Surplus to Policyholders
(in thousands)

as of December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Assets: | | |
| Bonds and debt securities | $ 2,770,361 | $ 2,787,031 |
| Common stocks | 1,316,472 | 1,870,259 |
| Mortgage loans | 112,993 | 124,416 |
| Real estate | 44,599 | 46,752 |
| Cash, cash equivalents and short-term investments | 100,650 | 28,689 |
| Other invested assets | 381,221 | 337,761 |
| Receivable for securities | 0 | 13,749 |
| Total cash and invested assets | 4,726,296 | 5,208,657 |
| Premiums receivable | 446,748 | 428,133 |
| Reinsurance recoverable on paid losses and loss adjustment expenses | 3,621 | 2,802 |
| Net deferred tax asset | 55,880 | 0 |
| Interest and dividend income due and accrued | 22,256 | 20,132 |
| Equities and deposits in pools and associations | 44,113 | 45,132 |
| Other assets admitted | 123,631 | 127,113 |
| Total admitted assets | $ 5,422,545 | $ 5,831,969 |
| Liabilities and surplus to policyholders: | | |
| Reserves for losses and loss adjustment expenses | $ 1,500,855 | $ 1,306,054 |
| Reinsurance payable on paid losses | 25,658 | 23,370 |
| Accrued other expenses | 86,988 | 93,420 |
| Net deferred tax liability | 0 | 46,947 |
| Reserve for unearned premiums | 940,426 | 915,330 |
| Dividends payable to policyholders | 10,632 | 11,289 |
| Payable for securities | 3,000 | 51,104 |
| Reserve for non-qualified pensions and deferrals | 70,814 | 94,709 |
| Other liabilities | 36,226 | 31,235 |
| Total liabilities | 2,674,599 | 2,573,458 |
| Surplus to policyholders | 2,747,946 | 3,258,511 |
| Total liabilities and surplus to policyholders | $ 5,422,545 | $ 5,831,969 |

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Operations
(in thousands)

as of December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Underwriting income: | | |
| Premiums earned | $ 2,298,932 | $ 2,328,336 |
| Underwriting expenses: | | |
| Losses incurred | 1,673,799 | 1,474,137 |
| Loss expenses incurred | 217,958 | 248,204 |
| Other underwriting expenses | 643,216 | 645,440 |
| Total underwriting expenses | 2,534,973 | 2,367,781 |
| Net underwriting loss | (236,041) | (39,445) |
| Investment and other income: | | |
| Net investment income | 118,045 | 119,658 |
| Net realized capital gains, net of Federal income taxes of $17,969 and $36,929 in 2022 and 2021, respectively | 26,787 | 165,248 |
| Other income, net | 986 | 1,265 |
| Total investment and other income | 145,818 | 286,171 |
| (Loss) income before dividends and before Federal income taxes, net | (90,223) | 246,726 |
| Dividends to policyholders | 137,896 | 149,780 |
| (Loss) income after dividends but before Federal income taxes, net | (228,119) | 96,946 |
| Federal income tax benefit, net | (52,930) | (13,923) |
| Net (loss) income | $ (175,189) | $ 110,869 |

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Surplus to Policyholders
(in thousands)

as of December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Surplus to policyholders at January 1 | $ 3,258,511 | $ 3,007,564 |
| Net (loss) income | (175,189) | 110,869 |
| Net change in unrealized capital gains, net of ($86,178) and ($31,998) Federal income tax benefit in 2022 and 2021, respectively | (334,706) | 91,808 |
| Change in deferred income tax | 16,649 | (19,780) |
| Change in non-admitted assets | 50,022 | 6,763 |
| Change in Amica Companies Supplemental Retirement Trust | (17,219) | (2,308) |
| Change in pension overfunded asset | (96,212) | (15,318) |
| Change in retiree medical benefit liability | 12,851 | 81,187 |
| Other surplus adjustments | 33,239 | (2,274) |
| Change in surplus to policyholders | (510,565) | 250,947 |
| Surplus to policyholders at December 31 | $ 2,747,946 | $ 3,258,511 |

See accompanying notes to statutory financial statements.

# AMICA MUTUAL INSURANCE COMPANY

## Statutory Statements of Cash Flow
(in thousands)

as of December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Cash (to) from operations: | | |
| Premiums collected, net of reinsurance | $ 2,306,072 | $ 2,300,108 |
| Loss and loss adjustment expenses paid | (1,695,486) | (1,589,373) |
| Underwriting expenses paid, net of commissions received | (622,475) | (631,965) |
| Cash from underwriting | (11,889) | 78,770 |
| Net investment income | 117,067 | 138,421 |
| Other income, net | 1,155 | 3,791 |
| Dividends to policyholders | (138,552) | (151,321) |
| Federal income taxes recovered (paid) | 10,770 | (44,931) |
| Net cash (to) from operations | (21,449) | 24,730 |
| Cash from (to) investments: | | |
| Proceeds from investments sold, matured or repaid: | | |
| Bonds and debt securities sold | 387,138 | 1,338,371 |
| Bonds and debt securities matured or repaid | 356,657 | 460,617 |
| Stocks | 873,581 | 578,202 |
| Mortgage loans repaid | 17,485 | 8,174 |
| Other invested assets | 51,411 | 63,291 |
| Total investment proceeds | 1,686,272 | 2,448,655 |
| Cost of investments acquired: | | |
| Bonds and debt securities | 739,425 | 1,890,970 |
| Stocks | 585,164 | 468,999 |
| Mortgage loans | 6,062 | 0 |
| Other invested assets | 226,183 | 157,691 |
| Total investments acquired | 1,556,834 | 2,517,660 |
| Net cash from (to) investments | 129,438 | (69,005) |
| Cash to financing and miscellaneous sources: | | |
| Net transfers to affiliates | (828) | (919) |
| Other cash applied | (35,200) | (2,449) |
| Net cash to financing and miscellaneous sources | (36,028) | (3,368) |
| Reconciliation of cash, cash equivalents and short-term investments: | | |
| Net change in cash, cash equivalents and short-term investments | 71,961 | (47,642) |
| Cash, cash equivalents and short-term investments - beginning of year | 28,689 | 76,331 |
| Cash, cash equivalents and short-term investments - end of year | $ 100,650 | $ 28,689 |

See accompanying notes to statutory financial statements.

(in thousands)

## Note 1 – Nature of Operations

Amica Mutual is a personal lines carrier primarily writing automobile and homeowners coverage on a direct basis. Amica Mutual is licensed in all fifty states and the District of Columbia, and though historically the Company has been most concentrated in the Northeast, approximately 70% of business is written outside of the Northeast as of December 31, 2022. Just over 50% of direct written premiums derive from automobile lines of business, with approximately 43% attributable to the homeowners line.

## Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying statutory financial statements have been prepared in conformity with the accounting practices of the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* and the accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division, which varies in some respects from U.S. generally accepted accounting principles (GAAP). The Company has no state prescribed adjustments to report, however, the Company does have the state permitted practice as detailed below.

Effective June 2020, the Rhode Island Department of Business Regulation Insurance Division approved a permitted accounting practice to classify COVID-19 relief funds as dividends paid to policyholders. This treatment contrasts that of INT 20-08: COVID-19 Premium Refunds, Limited-Time Exception, Rate Reductions and Policyholder Dividends, which mandates such relief funds be treated as reductions to premium, with a limited-time exception for treatment as other underwriting expense under specific conditions, for which the Company does not qualify.

In both 2020 and 2021, the Company returned a portion of its profits to policyholders through its COVID-19 Financial Relief Program under this permitted practice; however, no further disbursements were made in 2022.

A reconciliation of the Company's net income and capital and surplus between NAIC statutory accounting practices (NAIC SAP) and practices prescribed and permitted by the State of Rhode Island as of December 31, 2022 and December 31, 2021 is shown below:

| | State of Domicile | 2022 | 2021 |
|---|---|---|---|
| **Net Income - Rhode Island Basis** | RI | ($175,189) | $110,869 |
| State Prescribed Practices - None | RI | 0 | 0 |
| State Permitted Practices - COVID-19 Financial Relief | RI | 0 | (63) |
| **Net Income - NAIC SAP** | RI | ($175,189) | $110,932 |
| **Statutory Surplus - Rhode Island Basis** | RI | $2,747,946 | $3,258,511 |
| State Prescribed Practices - None | RI | 0 | 0 |
| State Permitted Practices - COVID-19 Financial Relief | RI | 0 | 0 |
| **Statutory Surplus - NAIC SAP** | RI | $2,747,946 | $3,258,511 |

The statutory treatment of the more significant variances between GAAP and statutory accounting practices are:

1. Bonds and debt securities are generally carried at amortized cost, regardless of the level of portfolio activity.

2. Equity securities are carried at fair value with the corresponding change in fair value recorded through surplus rather than through income.

3. Majority owned subsidiaries are not consolidated.

4. All adjustments to deferred taxes are recorded through an adjustment to surplus to policyholders and all deferred tax assets are subject to an admissibility test.

5. Salvage and subrogation recoverable generally is not recognized.

6. Premium income is taken into earnings on a pro-rata basis over the periods covered by the policies, whereas related acquisition costs are charged to income when incurred.

7. A provision is made for unearned premiums and losses recoverable on business reinsured with companies not qualified by license, through a charge to surplus to policyholders.

8. Reserves for losses and loss adjustment expenses and reserve for unearned premiums are presented net of reinsurance ceded and assumed.

9. Equity in earnings of affiliated companies is reflected in surplus to policyholders as unrealized gain or loss rather than income.

10. Earnings for equity method investments are reflected in surplus to policyholders as unrealized gain or loss rather than income, until such earnings are distributed.

11. Certain assets designated as “non-admitted”, including premiums receivable greater than ninety days past due in excess of related unearned premium, furniture and equipment and prepaid expenses, including prepaid retirement plan assets, are charged off against surplus to policyholders.

12. The statutory financial statements do not include a statement of comprehensive income as required under GAAP.

13. The statutory statements of cash flow do not classify cash flows consistent with GAAP and a reconciliation of net income to net cash provided by operating activities is not provided.

14. Other postretirement benefits are provided for and related disclosures are presented in accordance with statutory requirements.

15. The statutory financial statements do not recognize assets or liabilities that may arise from leases as required under GAAP.

The effects of these differences on the accompanying statutory financial statements have not been determined.

B. Use of Estimates in the Preparation of the Statutory Financial Statements

The preparation of statutory financial statements, in accordance with accounting practices of the NAIC’s *Accounting Practices and Procedures Manual* and the accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

1. Reserve for Loss and Loss Adjustment Expenses:

   Estimates and assumptions relating to reserves for loss and loss adjustment expenses are based on complex and subjective judgments, often including the interplay of specific uncertainties with related accounting and actuarial measurements. Such estimates are also susceptible to change as significant periods of time may elapse between the occurrence of an incurred loss, the report of the loss to the insurer, the ultimate determination of the cost of the loss and the insurer’s payment of that loss. Reserve amounts are determined based on management’s informed estimates and judgments using currently available data. As additional experience and other data becomes available and are reviewed, these estimates and judgments may be revised. This may result in reserve increases or decreases that would be reflected in the results in periods in which such estimates or assumptions are changed.

2. Other-Than-Temporary Declines in the Value of Investments:

   The cost of securities is adjusted where appropriate to include a provision for the decline in value which is considered to be other-than-temporary. An other-than-temporary decline is considered to occur in any investment except loan-backed and structured securities where there has been a sustained reduction in market value and where the Company does not expect the fair value to recover prior to the time of sale or maturity. Since equity, partnership and LLC investments do not have a contractual cash flow at time of maturity, the Company considers whether the price or fair value of the security is expected to recover within a reasonable period of time. For loan-backed and structured securities that have a fair value less than amortized cost and the Company has either (1) the intent to sell or (2) does not have the intent and ability to hold the security until recovery of its carrying value, the Company must impair the security to fair value and record an other-than-temporary impairment as a net realized capital loss. For loan-backed and structured securities where the Company does not expect to recover the amortized cost, but has the intent and ability to hold the security to recovery, the Company recognizes an other-than-temporary impairment for the credit related decline in value. Management regularly reviews securities that have a fair value less than cost to determine whether an other-than-temporary impairment has occurred. If a decline in value is considered other-than-temporary, the Company reports a realized loss on its statement of income. Because of changing economic and market conditions affecting issuers of debt and equity securities, the performance of the underlying collateral affecting certain classes of assets and consideration of intent to sell, it is reasonably possible that the Company will recognize other-than-temporary impairments in the future.

C. Investment Policy

1. Cash and cash equivalents are stated at fair value. Certificates of deposit in banks or similar institutions with maturity dates within one year or less from the acquisition date are classified as cash.

2. Short-term investments are stated at amortized cost and include bonds with maturity dates within one year or less from the acquisition date.

3. Bonds, except loan-backed bonds and structured securities, are stated at amortized cost using the scientific method, or fair value as specified by the SVO Manual.

4. Loan-backed bonds and structured securities are valued at amortized cost using the retrospective method (or a method which approximates the retrospective method). Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker dealer survey values, nationally recognized data services or internal estimates.

5. The Company does not hold preferred stock.

6. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. The fair value of investments in common stock of wholly-owned insurance affiliates equals the statutory equity of the affiliate. Fair value of investments in common stock of wholly-owned non-insurance affiliates equals the GAAP equity of the affiliate.

7. Realized gains and losses are determined on a specific identification basis, are credited or charged to income, and are presented in the Statutory Statements of Income net of Federal income taxes. Unrealized capital gains and losses resulting from the valuation of investments at fair value are credited or charged directly to surplus to policyholders. A decline in the market value of any investment security, excluding loan-backed and structured securities, below cost that is deemed to be other-than-temporary results in a reduction in the carrying amount to fair value. A decline in market value of loan-backed and structured securities below cost that is deemed to be other-than-temporary results in a reduction in the carrying amount in accordance with SSAP 43R, “Loan-backed and Structured Securities.”

Fair value is generally the market value at the valuation date. The impairment is charged to earnings and a new cost basis for the security is established. Factors considered in evaluating whether a decline in value is other-than-temporary are:

a. Whether the decline is substantial;
b. The Company's ability and intent to retain the investment for a period of time sufficient to allow for anticipated recovery in value;
c. The duration and extent to which market value has been less than cost;
d. The financial condition and near term prospects of the issuer;
e. The NAIC designation; and
f. The estimated present value of cash flows expected to be collected is less than the amortized cost basis of the security.

Premiums and discounts are amortized or accreted over the life of the investment security as an adjustment to yield using the effective interest method. Dividend and interest income are recognized when earned.

8. Mortgage loans on real estate are reported at the unpaid balance of the loan. Interest earned on mortgage loans is accrued on the outstanding principal balance of the loan based on the loan's contractual coupon rate, less any service fees. Interest accrued on impaired loans which are over 90 days past due will be non-admitted. Any accrued interest which is determined to be uncollectible will be written off immediately in the period such determination is made. The Company continually monitors the performance of each mortgage loan for any potential impairments. A mortgage loan will be temporarily impaired if it has been determined that the Company will be unable to collect principal and interest payments as described in the mortgage agreements, and a valuation allowance will be recorded in net unrealized capital losses as the difference between the fair value of the collateral and the carrying value of the loan.

9. Other invested assets are stated as follows:

   a. Limited partnerships are carried at the Company's share of GAAP equity of the fund. The fair value of the funds at the end of the year is determined using the most recent available capital account balance as reported by each partnership, adjusted for any cash transactions through year-end and are recorded in surplus to policyholders.

   b. Amica General Agency, LLC, a wholly-owned subsidiary of the Company, is stated on the GAAP equity basis.

10. The carrying value of real estate property occupied by the Company is based on depreciated cost less encumbrances.

    The carrying value of real estate property held for the production of income is the lower of depreciated cost less encumbrances or fair value, which is determined by appraisal. If the fair value is less than the depreciated cost less encumbrances, the real estate investment is written down to the fair value, thereby establishing a new cost basis. The adjustment is recorded in the statement of income as a realized loss.

11. The Company does not hold or issue derivative financial instruments.

D. Asset Depreciation and Amortization Policy

The Company's capitalization policy includes a prepaid expense threshold of $500, capitalization of qualifying expenses associated with projects in excess of $500, and capitalization of internal labor costs on strategic projects to the extent they qualify. The policy maintains the $5 de minimis limitation on capitalizing individual items for projects under $500.

(Continued)

E. Revenue Recognition Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Policies historically have had a term of one year; however, in November 2018, the Company began converting automobile policies in select states to six-month policy periods upon renewal. Additionally, new automobile policies written in affected states are written exclusively with a six-month policy term. The rollout of the six-month policy initiative was complete as of December 31, 2021. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

F. Acquisition Expenditure Policy

Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. Expenses are reduced for ceding allowances received or receivable.

G. Dividends to Policyholders Policy

Dividends to policyholders are incurred upon policy expiration or cancellation and are paid in cash.

H. Unpaid Losses and Loss Adjustment Expenses Policy

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are determined based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be different than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

I. Federal Income Taxes Policy

The method of allocating Federal income taxes between the Company and its subsidiaries is contained in a written agreement approved by the Board of Directors. Allocation is made in accordance with Section 1552 (a)(2) of the Internal Revenue Code based upon separate return calculations with current credit for net losses. Inter-company estimated tax balances are settled at least quarterly during the tax year with a final settlement during the month following the filing of the consolidated income tax return.

The Company reports a deferred tax asset or liability for the expected future tax consequences of temporary differences generated by the differences between statutory accounting and the Federal income tax basis of accounting. Changes in deferred tax assets and liabilities are recognized as a separate component of gains and losses in surplus to policyholders. Deferred tax assets are subject to certain admissibility requirements.

J. Premium Deficiency Calculation Policy

The Company reviews historical and projected operating results by major line of business on a quarterly basis to determine if a premium deficiency reserve is necessary. Investment income is not anticipated as a factor in this calculation.

K. Fair Value of Financial Instruments

The following methods and assumptions are used by the Company in estimating its fair value disclosures for financial instruments:

1. Cash and Cash Equivalents and Short-Term Investments

   Cash and cash equivalents are carried at fair value which approximate cost. Short-term investments are stated at amortized cost and include bonds with maturity dates within one year or less from the acquisition date.

(Continued)

2. Invested Assets

   The fair value of long-term bonds and debt securities and unaffiliated equity securities is based on market prices. In absence of publishers' market values, the fair value is based on market yields of securities from an identical issuer with similar maturities. Investments in insurance subsidiaries are carried on the statutory equity basis.

3. Other Invested Assets

   Unaffiliated other invested assets are valued on the equity method. Affiliated other invested assets are stated on the GAAP equity basis.

4. Mortgage Loans

   The fair value of mortgage loans is based on a loan pricing model utilized by an independent third party. The model applies to each loan's unique cash flow discount rate comprised of the average life Treasury benchmark plus a corresponding credit spread. The credit spread is derived from mortgage banking surveys utilizing loan term in years, sector in which the property operates, and quality risk rating.

L. New Accounting Standards

1. In March 2021, the NAIC adopted modifications to SSAP No. 25 Affiliates and Other Related Parties to clarify that the disclosure for material related party transactions should include transactions with the ownership interests of greater than 10% of the insurer. This modification is effective December 31, 2021. As this modification is disclosure related, it did not have any impact on the results of operations or financial position of the Company.

2. In March 2021, the NAIC adopted modifications to SSAP No. 26R Bonds, to expand disclosures for called bonds to include those terminated early through tender offer. This modification is effective December 31, 2021. As this modification is disclosure related, it did not have any impact on the results of operations or financial position of the Company.

3. In May 2021, the NAIC adopted modifications to SSAP No. 103R Transfers and Servicing of Financial Assets and Extinguishment of Liabilities to add disclosures about transfers of financial assets accounted for as a sale when the transferor maintains continuing involvement in the transferred financial assets. This modification is effective December 31, 2021. As this modification is disclosure related, it did not have any impact on the results of operations or financial position of the Company.

4. In November 2022, the NAIC adopted INT 22-02 to add disclosures about the applicability of the Corporate Alternative Minimum Tax. The Company does not have an AMT credit as of December 31, 2022.

M. Going Concern

Management's review of relevant conditions and events, considered in the aggregate, indicate that it is probable that the Company will be able to meet its obligations as they become due within one year after the date that the statutory financial statements are issued.

**Note 3 - Investments**

A. Bonds and Debt Securities

Bonds and debt securities on deposit with various regulatory authorities, as required by law, had a book value of $3,342 and $3,341 at December 31, 2022 and 2021, respectively.

(in thousands)

The amortized cost, gross unrealized gains and losses and fair value of bonds and debt securities are as follows:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| **2022** | | | | |
| U.S. Government and Federal Agency securities | $563,851 | $384 | $57,180 | $507,055 |
| States, territories and possessions | 238,100 | 20 | 37,783 | 200,337 |
| Political subdivisions of states | 78,663 | 49 | 18,736 | 59,976 |
| Special revenue and special assessment obligations | 532,515 | 1,242 | 74,713 | 459,044 |
| Industrial and miscellaneous | 1,357,232 | 2,582 | 156,957 | 1,202,857 |
| Total | $2,770,361 | $4,277 | $345,369 | $2,429,269 |
| **2021** | | | | |
| U.S. Government and Federal Agency securities | $631,713 | $35,834 | $4,091 | $663,456 |
| States, territories and possessions | 244,104 | 24,371 | 971 | 267,504 |
| Political subdivisions of states | 101,895 | 886 | 1,631 | 101,150 |
| Special revenue and special assessment obligations | 415,207 | 5,464 | 3,576 | 417,095 |
| Industrial and miscellaneous | 1,394,112 | 43,369 | 6,654 | 1,430,827 |
| Total | $2,787,031 | $109,924 | $16,923 | $2,880,032 |

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2022 by contractual maturities are shown below. Expected maturities will differ from contractual maturities because securities may be called or prepaid with or without call or prepayment penalties.

| | Amortized Cost | Fair Value |
|---|---|---|
| Due in one year or less | $8,154 | $8,091 |
| Due after one year through five years | 461,603 | 435,752 |
| Due after five years through ten years | 351,993 | 318,275 |
| Due after ten years | 1,948,611 | 1,667,151 |
| Total | $2,770,361 | $2,429,269 |

Proceeds from the sale of bonds and debt securities during 2022 were $387,138. Gross gains of $161 and gross losses of $12,428 were realized on these sales. Proceeds from the sale of bonds and debt securities during 2021 were $1,338,371. Gross gains of $7,218 and gross losses of $4,381 were realized on these sales. There were no other-than-temporary impairment losses on bonds and debt securities in 2022 or 2021.

B. Stocks

The Company did not own any preferred stock during the years ended December 31, 2022 or 2021.

Net admitted common stocks, which are carried at fair value, had a cost basis of $945,613 and $1,165,187 at December 31, 2022 and 2021, respectively. Realized gains from the sale of common stocks, net of realized losses on sales, amounted to $68,842 in 2022 and $200,516 in 2021. In 2022, other-than-temporary declines in fair value of unaffiliated common stock totaled $29,537. In 2021, there were no other-than-temporary losses on common stocks.

(in thousands)

Net unrealized gains on admitted stocks at December 31, 2022 and 2021 were comprised as follows:

| | 2022 | 2021 |
|---|---|---|
| Gross unrealized gains: | | |
| Common stocks | $387,867 | $706,940 |
| Gross unrealized losses: | | |
| Common stocks | (17,008) | (1,868) |
| Net unrealized gains | $370,859 | $705,072 |

In addition to publicly traded stocks, the Company is a member of the Federal Home Loan Bank (FHLB) of Boston and holds $3,003 of FHLB capital stock. This stock is restricted and held by the FHLB of Boston. The FHLB provides members with access to secured loans from the issuance of discounted notes or term debt funded by Federal Home Loan Banks. The Company may decide to use its FHLB membership in the future for contingent liquidity needs. The Company had determined the estimated maximum borrowing capacity as $1,081,005 in accordance with the most recent FHLB capital stock calculation. The Company does not currently have any funding agreements in place with the FHLB as of December 31, 2022.

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $112,993 and $124,416 as of December 31, 2022 and 2021, respectively. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total.

In 2022, the Company held twenty-three commercial mortgage loans consisting of six industrial parks, four office properties, four retail properties, two self-storage portfolios, two student-housing properties, four multi-family properties and one parking garage. All twenty-three mortgage loans are current and there have been no impairments as of December 31, 2022.

The Company has no significant credit risk exposure to any one individual borrower. The Company monitors loan-to-value and debt service coverage ratios to monitor credit quality of its commercial mortgage loans on an ongoing basis. Loan-to-value ratios are determined from the most current appraisal and market data as of the annual statement date.

(in thousands)

D. Other Invested Assets

The Company holds other invested assets, which include:

| | Year Ended December 31, 2022 | | Year Ended December 31, 2021 | |
|---|---|---|---|---|
| | Cost | Fair Value | Cost | Fair Value |
| Adams Street Private Credit Fund, LP | $8,683 | $10,166 | $9,069 | $10,557 |
| Adams Street Senior Private Credit Fund II, LP | 1,385 | 1,402 | 705 | 817 |
| AEA Mezzanine Fund III, LP | 293 | 991 | 3,039 | 3,807 |
| Amica General Agency, LLC[1] | 200 | 1,286 | 200 | 1,550 |
| Aquiline Technology Grow th Fund II | 3,188 | 2,809 | 0 | 0 |
| Blackstone Capital Partners VIII, LP | 14,910 | 16,684 | 9,765 | 11,766 |
| Cyprium Investors IV, LP | 812 | 2,340 | 1,478 | 3,375 |
| Cyprium Parallel Investors V, LP | 1,997 | 2,118 | 1,502 | 1,564 |
| First Eagle Credit Direct Lending IV, LLC | 87 | 164 | 94 | 173 |
| First Eagle Direct Lending IV Co-Invest, LLC | 8,184 | 8,290 | 8,698 | 8,911 |
| GCG Investors IV, LP | 2,573 | 2,932 | 2,926 | 3,266 |
| GLC Direct Credit Fund, LP | 1,649 | 4,401 | 3,820 | 6,012 |
| Goldman Sachs Private Equity Partners XI, LP | 21 | 297 | 19 | 316 |
| GoldPoint Mezzanine Partners IV, LP | 11,289 | 11,491 | 11,474 | 12,335 |
| Graycliff Mezzanine II Parallel, LP | 45 | 191 | 70 | 176 |
| Graycliff Mezzanine III, LP | 4,182 | 4,182 | 2,916 | 3,208 |
| Heartw ood Forestland REIT III, LLC | 1,525 | 1,524 | 12,851 | 13,990 |
| ISQ Global Infrastucture Fund III, LP | 1,687 | 1,459 | 0 | 0 |
| Lazard Asset Management LLC | 97,528 | 79,687 | 0 | 0 |
| Lyme Conservation Opportunities Fund, LP | 2,486 | 3,176 | 2,310 | 2,826 |
| Lyme Forest Fund IV, LP | 8,453 | 9,038 | 13,859 | 15,880 |
| Lyme Forest Fund V, LP | 15,291 | 23,283 | 16,335 | 16,805 |
| ManchesterStory Venture Fund, LP | 3,899 | 8,019 | 3,267 | 3,650 |
| Midw est Mezzanine Fund V SBIC, LP | 3,230 | 4,588 | 6,421 | 8,136 |
| Midw est Mezzanine Fund VI SBIC, LP | 3,974 | 5,229 | 3,404 | 4,548 |
| Morgan Stanley IFHF SPV, LP | 67 | 80 | 72 | 92 |
| Morgan Stanley Premium Partners Fund, LP | 47 | 199 | 52 | 288 |
| Morgan Stanley Private Markets Fund III, LP | 367 | 466 | 721 | 3,077 |
| PJC Fund V, LP | 23,093 | 31,819 | 17,000 | 22,637 |
| Point Judith Venture Fund III, LP | 1,643 | 2,655 | 1,643 | 16,209 |
| Point Judith Venture Fund IV, LP | 24,473 | 57,743 | 24,473 | 120,813 |
| Savano Capital Partners II, LP | 7,896 | 10,370 | 7,685 | 10,154 |
| Savano Capital Partners III, LP | 9,087 | 10,615 | 3,091 | 5,551 |
| Stonepeak Capital Partners Fund III, LP | 17,675 | 28,260 | 17,729 | 26,822 |
| Thoma Bravo Discover Fund IV, LP | 1,545 | 1,545 | 0 | 0 |
| Thoma Bravo Fund XV, LP | 10,733 | 10,651 | 0 | 0 |
| WCM Investment Management LLC | 22,358 | 22,357 | 0 | 0 |
| Total | $316,555 | $382,507 | $186,688 | $339,311 |

(1) - Amica General Agency, LLC has a carry value of zero on the statutory statement of admitted assets, liabilities, and surplus to policyholders at December 31, 2022 due to its non-admitted status. Refer to Note 12D for additional disclosure.

Unaffiliated other invested assets are valued on the GAAP equity method. The Company's affiliated other invested asset, Amica General Agency, LLC, is valued on the GAAP equity method.

In 2022, the Company recognized a $9,217 other-than-temporary impairment (OTTI) on the WCM Limited Partners Fund. Fair values were based on the most recent valuation available from the fund and the impairment was deemed to be other-than-temporary based on the timing of expected returns on fund investments. In 2021, the Company did not recognize any impairment write down.

(in thousands)

As of December 31, 2022, the Company had the following commitments for additional investment:

| | Additional Commitments | Expected Capital Calls Through |
|---|---|---|
| Adams Street Private Credit Fund LP | $3,000 | Life of the Fund |
| Adams Street Senior Private Credit Fund II LP | 598 | 2024 |
| AEA Mezzanine Fund III, LP | 472 | Life of the Fund |
| Aquiline Technology Growth Fund II | 13,012 | 2025 |
| Blackstone Capital Partners VIII LP | 17,062 | 2026 |
| Cyprium Investors IV, LP | 904 | Life of the Fund |
| Cyprium Parallel Investors V, LP | 819 | 2024 |
| First Eagle Credit Direct Lending IV, LLC | 286 | Life of the Fund |
| First Eagle Direct Lending IV Co-Invest, LLC | 1,190 | Life of the Fund |
| GCG Investors IV, LP | 628 | Life of the Fund |
| Goldman Sachs Private Equity Partners XI, LP | 143 | Life of the Fund |
| GoldPoint Mezzanine Partners IV, LP | 1,468 | Life of the Fund |
| Graycliff Mezzanine II Parallel, LP | 416 | Life of the Fund |
| Graycliff Mezzanine III, LP | 287 | Life of the Fund |
| GTCR Fund XIV/A LP * | 24,000 | |
| H.I.G. Middle Market LBO Fund IV, LP * | 24,000 | |
| ISQ Global Infrastructure Fund III LP | 13,359 | 2027 |
| Lyme Conservation Opportunities Fund LP | 5,115 | 2023 |
| Lyme Forest Fund V, LP | 2,000 | Life of the Fund |
| ManchesterStory Venture Fund, LP | 1,574 | 2023 |
| Midwest Mezzanine Fund V SBIC, LP | 952 | Life of the Fund |
| Midwest Mezzanine Fund VI SBIC, LP | 1,986 | 2023 |
| Morgan Stanley Private Markets Fund III, LP | 438 | Life of the Fund |
| PJC Fund V, LP | 14,983 | 2025 |
| PJC Fund VI, LP * | 9,000 | |
| Savano Capital Partners II, LP | 843 | Life of the Fund |
| Savano Capital Partners III, LP | 10,960 | 2026 |
| Sentinel Junior Capital II, LP * | 3,000 | |
| Sentinel Partners VII, LP * | 21,000 | |
| Spectrum Equity X-A, LP * | 9,000 | |
| Stonepeak Capital Partners Fund III, LP | 4,091 | Life of the Fund |
| Thoma Bravo Discover Fund IV, LP | 8,455 | 2028 |
| Thoma Bravo Fund XV, LP | 9,266 | 2028 |
| | $204,307 | |

* Reflects commitments to funds not yet owned as of December 31, 2022.

(in thousands)

E. Net Investment Income

Net investment income for the years ended December 31, 2022 and 2021 was as follows:

| | 2022 | 2021 |
|---|---|---|
| Bonds and debt securities | $78,839 | $76,294 |
| Common stocks | 13,198 | 22,201 |
| Real estate | 13,312 | 13,222 |
| Cash, cash equivalents, and short-term investments | 2,682 | 143 |
| Mortgage loans | 5,093 | 5,639 |
| Other invested assets | 33,543 | 26,157 |
| Amica Companies Supplemental Retirement Trust | 997 | 5,848 |
| Miscellaneous income | 2,213 | 2,600 |
| Total investment income | 149,877 | 152,104 |
| Less: investment expenses | 31,832 | 32,446 |
| Net investment income | $118,045 | $119,658 |

F. Fair Value of Financial Instruments

The table below reflects the carrying value and fair value of assets, including those accounted for under the equity method (subsidiaries, joint ventures, partnerships and limited liability corporations).

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Assets:** | | | | |
| Bonds and debt securities | $2,770,361 | $2,429,269 | $2,787,031 | $2,880,032 |
| Common Stocks | 1,316,472 | 1,316,472 | 1,870,259 | 1,870,259 |
| Mortgage loans | 112,993 | 102,027 | 124,416 | 127,442 |
| Cash, cash equivalents and short-term investments | 100,650 | 101,256 | 28,689 | 28,689 |
| Other invested assets | 381,221 | 382,507 | 337,761 | 339,311 |
| Total | $4,681,697 | $4,331,531 | $5,148,156 | $5,245,733 |

The use of different assumptions or valuation methodologies may have a material impact on the estimated fair value amounts.

The Company's valuation techniques are based on observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources based on trades of securities, while unobservable inputs reflect the Company's market assumptions.

These inputs comprise the following fair value hierarchy:

Level 1 - Observable inputs in the form of quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs would include, for example, quoted prices for similar assets or liabilities.

(in thousands)

Level 3 - One or more unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using internal models, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following tables provide information as of December 31, 2022 and 2021 about the Company's financial assets and liabilities measured at fair value on a recurring basis:

| **2022** | **Level 1** | **Level 2** | **Level 3** | **Net Asset Value (NAV)** | **Total** |
|---|---|---|---|---|---|
| Assets at fair value: | | | | | |
| Common stock: | | | | | |
| Industrial and miscellaneous | $631,375 | $3,003 | $0 | $0 | $634,378 |
| Mutual funds | 236,871 | 0 | 0 | 0 | 236,871 |
| Total common stock | 868,246 | 3,003 | 0 | 0 | 871,249 |
| Cash equivalents: | | | | | |
| All other money market mutual funds | 117,065 | 0 | 0 | 0 | 117,065 |
| Total cash equivalents | 117,065 | 0 | 0 | 0 | 117,065 |
| Other invested assets: | | | | | |
| Collective investment trusts | 102,046 | 0 | 0 | 0 | 102,046 |
| Total other invested assets | 102,046 | 0 | 0 | 0 | 102,046 |
| Total assets at fair value | $1,087,357 | $3,003 | $0 | $0 | $1,090,360 |
| Liabilities at fair value: | | | | | |
| Total liabilities at fair value | $0 | $0 | $0 | $0 | $0 |

| **2021** | **Level 1** | **Level 2** | **Level 3** | **Net Asset Value (NAV)** | **Total** |
|---|---|---|---|---|---|
| Assets at fair value: | | | | | |
| Common stock: | | | | | |
| Industrial and miscellaneous | $974,859 | $2,891 | $0 | $0 | $977,750 |
| Mutual funds | 455,184 | 0 | 0 | 0 | 455,184 |
| Total common stock | 1,430,043 | 2,891 | 0 | 0 | 1,432,934 |
| Cash equivalents: | | | | | |
| All other money market mutual funds | 114,659 | 0 | 0 | 0 | 114,659 |
| Total cash equivalents | 114,659 | 0 | 0 | 0 | 114,659 |
| Total assets at fair value | $1,544,702 | $2,891 | $0 | $0 | $1,547,593 |
| Liabilities at fair value: | | | | | |
| Total liabilities at fair value | $0 | $0 | $0 | $0 | $0 |

(in thousands)

Level 1 financial assets totaling $1,087,357 and $1,544,702 at December 31, 2022 and 2021, respectively, include actively-traded exchange-listed equity securities, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values. Level 2 financial assets totaling $3,003 and $2,891 at December 31, 2022 and 2021, respectively, are comprised of class B shares of capital stock in the FHLB of Boston, which is not actively traded on an exchange. The price of FHLB capital stock cannot fluctuate, and must be purchased, repurchased or transferred at its par value.

There were no transfers in or out of Level 3 in the current year. The Company recognizes transfers between levels at the end of the reporting period.

As of December 31, 2022, the Company did not hold any investments that are recorded with a Level 3 fair value measurement, although the Company holds investments that have Level 3 fair value disclosures. There were no purchases, sales, or settlements of Level 3 assets during 2022 or 2021.

The following tables provide information about the carrying values and fair values of all the Company's financial instruments, excluding those accounted for under the equity method (subsidiaries, joint ventures, partnerships and limited liability corporations):

| 2022 | Fair Value | Carrying Value | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|---|
| Bonds: | | | | | | | |
| U.S. Government and Federal Agency securities | $507,055 | $563,851 | $198,235 | $308,820 | $0 | $0 | $0 |
| States, territories and possessions | 200,337 | 238,100 | 0 | 200,337 | 0 | 0 | 0 |
| Political subdivisions of states | 59,976 | 78,663 | 0 | 59,976 | 0 | 0 | 0 |
| Special revenue and special assessment obligations | 459,044 | 532,515 | 0 | 459,044 | 0 | 0 | 0 |
| Industrial and miscellaneous | 1,202,857 | 1,357,232 | 0 | 1,201,387 | 1,469 | 0 | 0 |
| Total bonds | 2,429,269 | 2,770,361 | 198,235 | 2,229,564 | 1,469 | 0 | 0 |
| Common stock: | | | | | | | |
| Industrial and miscellaneous | 634,379 | 634,379 | 631,375 | 3,003 | 0 | 0 | 0 |
| Mutual funds | 236,871 | 236,871 | 236,871 | 0 | 0 | 0 | 0 |
| Total common stock - unaffiliated | 871,250 | 871,250 | 868,246 | 3,003 | 0 | 0 | 0 |
| Mortgage loans: | | | | | | | |
| Commercial mortgages | 102,027 | 112,993 | 0 | 102,027 | 0 | 0 | 0 |
| Total mortgage loans | 102,027 | 112,993 | 0 | 102,027 | 0 | 0 | 0 |
| Other invested assets: | | | | | | | |
| Collective investment trusts | 102,046 | 102,046 | 102,046 | 0 | 0 | 0 | 0 |
| Total other invested assets: | 102,046 | 102,046 | 102,046 | 0 | 0 | 0 | 0 |
| Cash, cash equivalents and short-term investments: | | | | | | | |
| Cash | (94,897) | (94,897) | (94,897) | 0 | 0 | 0 | 0 |
| All other money market mutual funds | 117,065 | 117,065 | 117,065 | 0 | 0 | 0 | 0 |
| Short-term bonds | 79,088 | 78,482 | 79,088 | 0 | 0 | 0 | 0 |
| Total cash, cash equivalents, and short-term investments | 101,256 | 100,650 | 101,256 | 0 | 0 | 0 | 0 |
| Total assets | $3,605,848 | $3,957,300 | $1,269,783 | $2,334,594 | $1,469 | $0 | $0 |

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2022 and 2021

| 2021 | Fair Value | Carrying Value | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|---|
| Bonds: | | | | | | | |
| U.S. Government and Federal Agency securities | $663,456 | $631,713 | $207,956 | $455,500 | $0 | $0 | $0 |
| States, territories and possessions | 267,504 | 244,104 | 0 | 267,504 | 0 | 0 | 0 |
| Political subdivisions of states | 101,150 | 101,895 | 0 | 101,150 | 0 | 0 | 0 |
| Special revenue and special assessment obligations | 417,095 | 415,207 | 0 | 417,095 | 0 | 0 | 0 |
| Industrial and miscellaneous | 1,430,827 | 1,394,112 | 0 | 1,429,210 | 1,617 | 0 | 0 |
| Total bonds | 2,880,032 | 2,787,031 | 207,956 | 2,670,459 | 1,617 | 0 | 0 |
| Common stock: | | | | | | | |
| Industrial and miscellaneous | 977,750 | 977,750 | 974,859 | 2,891 | 0 | 0 | 0 |
| Mutual Funds | 455,184 | 455,184 | 455,184 | 0 | 0 | 0 | 0 |
| Total common stock - unaffiliated | 1,432,934 | 1,432,934 | 1,430,043 | 2,891 | 0 | 0 | 0 |
| Mortgage loans: | | | | | | | |
| Commercial mortgages | 127,442 | 124,416 | 0 | 127,442 | 0 | 0 | 0 |
| Total mortgage loans | 127,442 | 124,416 | 0 | 127,442 | 0 | 0 | 0 |
| Cash and cash equivalents: | | | | | | | |
| Cash | (85,970) | (85,970) | (85,970) | 0 | 0 | 0 | 0 |
| All other money market mutual funds | 114,659 | 114,659 | 114,659 | 0 | 0 | 0 | 0 |
| Total cash and cash equivalents | 28,689 | 28,689 | 28,689 | 0 | 0 | 0 | 0 |
| Total assets | $4,469,097 | $4,373,070 | $1,666,688 | $2,800,792 | $1,617 | $0 | $0 |

There were no financial instruments where it was not practical to estimate fair value in 2022 and 2021.

(in thousands)

G. Unrealized Losses

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2022 and 2021 were as follows:

| 2022 | Less than 12 months Unrealized Losses | Less than 12 months Fair Value | 12 months or more Unrealized Losses | 12 months or more Fair Value | Total Unrealized Losses | Total Fair Value |
|---|---|---|---|---|---|---|
| Bonds and Debt Securities: | | | | | | |
| U. S. Government and Federal Agency securities | $33,839 | $345,976 | $23,341 | $146,388 | $57,180 | $492,364 |
| States, territories and possessions | 18,914 | 149,485 | 18,869 | 47,579 | 37,783 | 197,064 |
| Political subdivisions of states | 531 | 6,610 | 18,205 | 41,122 | 18,736 | 47,732 |
| Special revenue and special assessment obligations | 24,763 | 214,080 | 49,950 | 177,948 | 74,713 | 392,028 |
| Industrial and miscellaneous | 63,728 | 610,532 | 93,229 | 504,609 | 156,957 | 1,115,141 |
| Total bonds and debt securities | 141,775 | 1,326,683 | 203,594 | 917,646 | 345,369 | 2,244,329 |
| Stocks: | | | | | | |
| Common stocks | 17,008 | 88,171 | 0 | 0 | 17,008 | 88,171 |
| Total stocks | 17,008 | 88,171 | 0 | 0 | 17,008 | 88,171 |
| Total temporarily impaired securities | $158,783 | $1,414,854 | $203,594 | $917,646 | $362,377 | $2,332,500 |

| 2021 | Less than 12 months Unrealized Losses | Less than 12 months Fair Value | 12 months or more Unrealized Losses | 12 months or more Fair Value | Total Unrealized Losses | Total Fair Value |
|---|---|---|---|---|---|---|
| Bonds and Debt Securities: | | | | | | |
| U. S. Government and Federal Agency securities | $2,260 | $131,909 | $1,831 | $33,566 | $4,091 | $165,475 |
| States, territories and possessions | 971 | 59,521 | 0 | 0 | 971 | 59,521 |
| Political subdivisions of states | 1,631 | 59,612 | 0 | 0 | 1,631 | 59,612 |
| Special revenue and special assessment obligations | 2,440 | 172,404 | 1,136 | 27,729 | 3,576 | 200,133 |
| Industrial and miscellaneous | 5,135 | 533,301 | 1,519 | 39,372 | 6,654 | 572,673 |
| Total bonds and debt securities | 12,437 | 956,747 | 4,486 | 100,667 | 16,923 | 1,057,414 |
| Stocks: | | | | | | |
| Common stocks | 1,868 | 24,274 | 0 | 0 | 1,868 | 24,274 |
| Total stocks | 1,868 | 24,274 | 0 | 0 | 1,868 | 24,274 |
| Total temporarily impaired securities | $14,305 | $981,021 | $4,486 | $100,667 | $18,791 | $1,081,688 |

1. Bonds and Debt Securities: The unrealized losses of $345,369 on investments in bonds and debt securities as of December 31, 2022 are primarily attributable to higher interest rates and modestly wider spread levels. All of these securities with unrealized losses are rated NAIC Class 2 or better, and full repayment of principal and interest is expected. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than par, which will equal amortized cost at maturity. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

(in thousands)

2. As of December 31, 2022 and 2021, the Company had investments in structured and loan-backed securities for which an other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position, as follows:

| | Less than 12 months | | 12 months or more | | Total | |
|---|---|---|---|---|---|---|
| **2022** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** |
| Residential | $15,317 | $189,082 | $67,638 | $297,304 | $82,955 | $486,386 |
| Commercial | 7,540 | 95,143 | 12,921 | 171,093 | 20,461 | 266,236 |
| Other | 1,921 | 44,573 | 4,140 | 34,783 | 6,061 | 79,356 |
| **Total** | $24,778 | $328,798 | $84,699 | $503,180 | $109,477 | $831,978 |

| | Less than 12 months | | 12 months or more | | Total | |
|---|---|---|---|---|---|---|
| **2021** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** |
| Residential | $4,411 | $362,770 | $2,629 | $44,867 | $7,040 | $407,637 |
| Commercial | 957 | 189,821 | 56 | 2,665 | 1,013 | 192,486 |
| Other | 268 | 26,828 | 67 | 2,319 | 335 | 29,147 |
| **Total** | $5,636 | $579,419 | $2,752 | $49,851 | $8,388 | $629,270 |

The Company's investments in loan-backed and structured securities are not considered other-than-temporarily impaired as the Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by an analysis of the underlying credit of each security. Unrealized losses are primarily attributable to higher interest rates and modestly wider spread levels. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and passage of time cause it to conclude that declines in fair value are other-than temporary.

3. Stocks: The unaffiliated common stock investments consist predominantly of positions in common stocks that trade actively on major exchanges. As of December 31, 2022, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $88,171 in 11 issuers. These holdings were in an unrealized loss position of $17,008, there were none in an unrealized loss position more than 12 months. The declines in value are attributable to market volatility that is not considered unusual. The Company has the ability and intent to hold these positions until a market price recovery. Based on the Company's impairment review process discussed in Note 2, the decline in value of these securities was not considered to be other-than-temporary as of December 31, 2022.

The adjusted cost basis and carrying value of unaffiliated common stocks were as follows:

| Carrying value | **2022** | **2021** |
|---|---|---|
| Adjusted cost basis | $602,993 | $849,567 |
| Gross unrealized gains | 285,265 | 585,235 |
| Gross unrealized losses | (17,008) | (1,868) |
| Carrying value | $871,250 | $1,432,934 |

(in thousands)

The realized gain and loss activity of unaffiliated stocks was as follows:

| | 2022 | 2021 |
|---|---|---|
| Gross realized capital gains on sales | $127,917 | $204,977 |
| Gross realized capital losses on sales | (41,424) | (4,461) |
| Other-than-temporary impairments | (29,537) | 0 |

H. Investments in Affiliates

A summary of investments in affiliates is as follows:

| Affiliate | 2022 Cost | 2022 Carrying Value | 2021 Cost | 2021 Carrying Value |
|---|---|---|---|---|
| **Common Stock:** | | | | |
| Amica Life Insurance Company | $291,000 | $365,881 | $264,000 | $357,033 |
| Amica Property and Casualty Insurance Company | 51,620 | 79,341 | 51,620 | 80,292 |
| | 342,620 | 445,222 | 315,620 | 437,325 |
| **Other Invested Asset:** | | | | |
| Amica General Agency, LLC | 200 | 0 | 200 | 0 |
| | 200 | 0 | 200 | 0 |
| Total | $342,820 | $445,222 | $315,820 | $437,325 |

There was no affiliated common stock in an unrealized loss position as of December 31, 2022 and 2021, and there were no write-downs on affiliated common stocks. There were no realized gains or losses on affiliated stocks in 2022 and 2021. The Company owns 100% of the above subsidiaries and affiliates.

The following is a summary of Amica Life's statutory financial information:

| | 2022 | 2021 |
|---|---|---|
| Assets | $1,433,246 | $1,465,418 |
| Liabilities | 1,067,365 | 1,108,385 |
| Capital and surplus | $365,881 | $357,033 |
| | | |
| Income | $135,357 | $133,609 |
| Expenses | (128,908) | (137,665) |
| Net realized capital (loss) gain | (3,823) | 5,826 |
| Federal income tax (incurred) benefit | (2,568) | 5,601 |
| Net income | $58 | $7,371 |

Amica Life's statutory financial information reflects a Rhode Island Department of Business Regulation Insurance Division approved permitted practice, which deviates from required NAIC statutory accounting practices. See Note 12 for additional information.

(in thousands)

I. 5GI* Securities

There were no investments in 5GI* securities as of December 31, 2022 and 2021.

## Note 4 – Non-Cash Transactions

In August 2022, the Company received a distribution of common stock from the Point Judith Venture Fund III Limited Partnership. The stock received was recorded at a fair value of $14,590. The Company did not report any non-cash operating, investing or financing activities in 2021.

## Note 5 – Real Estate

Real estate as of December 31, 2022 and 2021 is summarized as follows:

| | 2022 | 2021 |
|---|---|---|
| Land | $9,272 | $9,272 |
| Buildings and improvements | 124,847 | 123,816 |
| Less: accumulated depreciation on buildings and improvements | 89,520 | 86,336 |
| Real estate, net | $44,599 | $46,752 |

The Company depreciates buildings and improvements on a straight-line basis. Depreciation expense totaled $3,184 and $3,642 for 2022 and 2021, respectively.

## Note 6 – Equipment and Furnishings

Major classes of equipment and furnishings were as follows:

| Asset Class | Cost | Accumulated Depreciation | Net Book Value | Non-admitted | Admitted | Depreciation Expense |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Computer equipment & software | $240,351 | $227,592 | $12,759 | $12,759 | $0 | $12,921 |
| Furniture and equipment | 22,563 | 17,982 | 4,581 | 4,581 | 0 | 1,011 |
| Total | $262,914 | $245,574 | $17,340 | $17,340 | $0 | $13,932 |
| | | | | | | |
| **2021** | | | | | | |
| Computer equipment & software | $282,724 | $264,494 | $18,230 | $18,230 | $0 | $23,720 |
| Furniture and equipment | 28,768 | 24,499 | 4,269 | 4,269 | 0 | 991 |
| Total | $311,492 | $288,993 | $22,499 | $22,499 | $0 | $24,711 |

There were no write-downs to fair value for equipment and furnishings in 2022 and 2021.

(in thousands)

## Note 7 – Reserves for Loss and Loss Adjustment Expenses

Activity in the reserves for loss and loss adjustment expenses is summarized as follows:

| | 2022 | 2021 |
|---|---|---|
| Balance at January 1 | $1,333,789 | $1,199,640 |
| Less reinsurance recoverables | 4,365 | 3,756 |
| Net balance at January 1 | 1,329,424 | 1,195,884 |
| Incurred (recovered) related to: | | |
| Current year | 1,912,733 | 1,772,840 |
| Prior years | (20,976) | (50,499) |
| Total incurred (recovered) | 1,891,757 | 1,722,341 |
| Paid related to: | | |
| Current year | 1,064,223 | 1,055,301 |
| Prior years | 630,445 | 533,500 |
| Total paid | 1,694,668 | 1,588,801 |
| Net balance at December 31 | 1,526,513 | 1,329,424 |
| Plus reinsurance recoverables | 44,622 | 4,365 |
| Balance at December 31 | $1,571,135 | $1,333,789 |

In 2022 and 2021, the estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $20,976 and $50,499, respectively. The majority of the favorable prior year loss development in both 2022 and 2021 occurred in the auto physical damage lines of business. This was driven primarily by salvage and subrogation recoveries on physical damage claims, which are not anticipated when developing loss reserves.

Increases or decreases of this nature occur as a result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. The Company does not discount the liability for unpaid losses and unpaid loss adjustment expenses.

## Note 8 – Dividends to policyholders

Dividends to policyholders were $137,896 and $149,780 in 2022 and 2021, respectively. At December 31, 2022 and 2021, 58.7% and 58.9% of policies in-force were from participating policies.

(Continued)

(in thousands)

## Note 9 – Income Taxes

A. The components of Deferred Tax Assets and Deferred Tax Liabilities are as follows:

| | Ordinary | Capital | Total |
|---|---|---|---|
| **2022** | | | |
| Gross deferred tax assets | $302,420 | $11,579 | $313,999 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Adjusted gross deferred tax assets | 302,420 | 11,579 | 313,999 |
| Deferred tax assets nonadmitted | 0 | 0 | 0 |
| Subtotal net admitted deferred tax asset | 302,420 | 11,579 | 313,999 |
| Deferred tax liabilities | 186,234 | 71,885 | 258,119 |
| Net admittted deferred tax asset (liability) | $116,186 | ($60,306) | $55,880 |
| **2021** | | | |
| Gross deferred tax assets | $290,809 | $5,209 | $296,018 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Adjusted gross deferred tax assets | 290,809 | 5,209 | 296,018 |
| Deferred tax assets nonadmitted | 0 | 0 | 0 |
| Subtotal net admitted deferred tax asset | 290,809 | 5,209 | 296,018 |
| Deferred tax liabilities | 182,442 | 160,523 | 342,965 |
| Net admittted deferred tax asset (liability) | $108,367 | ($155,314) | ($46,947) |
| **Change** | | | |
| Gross deferred tax assets | $11,611 | $6,370 | $17,981 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Adjusted gross deferred tax assets | 11,611 | 6,370 | 17,981 |
| Deferred tax assets nonadmitted | 0 | 0 | 0 |
| Subtotal net admitted deferred tax asset | 11,611 | 6,370 | 17,981 |
| Deferred tax liabilities | 3,792 | (88,638) | (84,846) |
| Net admittted deferred tax asset (liability) | $7,819 | $95,008 | $102,827 |

(in thousands)

Admission calculation components:

| | Ordinary | Capital | Total |
|---|---|---|---|
| **2022** | | | |
| Federal income taxes paid in prior years recoverable through loss carrybacks | ($28,860) | $42,417 | $13,557 |
| Adjusted gross deferred tax assets expected to be realized within 3 years | | | |
| (The lesser of 1 or 2 below) | 72,211 | 0 | 72,211 |
| 1. Adjusted gross deferred tax assets expected to be realized following | | | |
| the balance sheet date. | 72,211 | 0 | 72,211 |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold | XXX | XXX | 406,301 |
| Adjusted gross deferred tax assets offset by gross deferred tax liabilities | 216,651 | 11,580 | 228,231 |
| Deferred tax assets admitted as the result of application of SSAP No. 101 | $260,002 | $53,997 | $313,999 |
| **2021** | | | |
| Federal income taxes paid in prior years recoverable through loss carrybacks | $15,897 | $55,882 | $71,779 |
| Adjusted gross deferred tax assets expected to be realized within 3 years | | | |
| (The lesser of 1 or 2 below) | 9,225 | 0 | 9,225 |
| 1. Adjusted gross deferred tax assets expected to be realized following | | | |
| the balance sheet date. | 9,225 | 0 | 9,225 |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold | XXX | XXX | 493,573 |
| Adjusted gross deferred tax assets offset by gross deferred tax liabilities | 209,805 | 5,209 | 215,014 |
| Deferred tax assets admitted as the result of application of SSAP No. 101 | $234,927 | $61,091 | $296,018 |
| **Change** | | | |
| Federal income taxes paid in prior years recoverable through loss carrybacks | ($44,757) | ($13,465) | ($58,222) |
| Adjusted gross deferred tax assets expected to be realized within 3 years | | | |
| (The lesser of 1 or 2 below) | 62,986 | 0 | 62,986 |
| 1. Adjusted gross deferred tax assets expected to be realized following | | | |
| the balance sheet date. | 62,986 | 0 | 62,986 |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold | XXX | XXX | (87,272) |
| Adjusted gross deferred tax assets offset by gross deferred tax liabilities | 6,846 | 6,371 | 13,217 |
| Deferred tax assets admitted as the result of application of SSAP No. 101 | $25,075 | ($7,094) | $17,981 |

Ratios used for threshold limitation:

| | 2022 | 2021 |
|---|---|---|
| Ratio percentage used to determine recovery period and | | |
| threshold limitation | 652% | 849% |
| Amount of adjusted capital and surplus used to determine recovery | | |
| period and threshold limitation above | $2,708,674 | $3,290,489 |

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2022 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

B. There were no temporary differences for which a deferred tax liability was not recognized.

(in thousands)

C. The provisions for incurred taxes on earnings for the years ended December 31 are as follows:

| | 2022 | 2021 | Change |
|---|---|---|---|
| Federal | ($52,930) | ($13,923) | ($39,007) |
| Foreign | 0 | 0 | 0 |
| Subtotal | (52,930) | (13,923) | (39,007) |
| Federal income tax on net capital gains | 17,969 | 36,929 | (18,960) |
| Utilization of capital loss carry-forwards | 0 | 0 | 0 |
| Federal and foreign income taxes (benefit) incurred | ($34,961) | $23,006 | ($57,967) |

(in thousands)

D. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

| **Deferred Tax Assets:** | **2022** | **2021** | **Change** |
|---|---|---|---|
| Ordinary: | | | |
| Discounting of unpaid losses | $14,947 | $13,651 | $1,296 |
| Unearned premium reserve | 40,020 | 38,927 | 1,093 |
| Fixed assets | 7,202 | 4,725 | 2,477 |
| Compensation and benefits accrual | 44,909 | 44,337 | 572 |
| Pension accrual | 164,889 | 162,946 | 1,943 |
| Receivables - nonadmitted | 43 | 34 | 9 |
| Anticipated salvage/subrogation | 22,124 | 19,969 | 2,155 |
| Other | 8,286 | 6,220 | 2,066 |
| Subtotal | 302,420 | 290,809 | 11,611 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Nonadmitted | 0 | 0 | 0 |
| Admitted ordinary deferred tax assets | 302,420 | 290,809 | 11,611 |
| Capital: | | | |
| Investments | 11,579 | 5,209 | 6,370 |
| Subtotal | 11,579 | 5,209 | 6,370 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Nonadmitted | 0 | 0 | 0 |
| Admitted capital deferred tax assets | 11,579 | 5,209 | 6,370 |
| Admitted deferred tax assets | $313,999 | $296,018 | $17,981 |
| **Deferred Tax Liabilities:** | | | |
| Ordinary: | | | |
| Investments | $840 | $895 | ($55) |
| Fixed assets | 1,382 | 3,913 | (2,531) |
| Pension fund contribution | 164,889 | 162,946 | 1,943 |
| Other | 19,123 | 14,688 | 4,435 |
| Subtotal | 186,234 | 182,442 | 3,792 |
| Capital: | | | |
| Investments | 71,885 | 160,523 | (88,638) |
| Subtotal | 71,885 | 160,523 | (88,638) |
| Deferred tax liabilities | 258,119 | 342,965 | (84,846) |
| Net deferred tax assets (liabilities) | $55,880 | ($46,947) | $102,827 |

(in thousands)

The change in deferred income taxes reported in surplus before consideration of non-admitted assets is comprised of the following components:

| | 2022 | 2021 | Change |
|---|---|---|---|
| Total deferred tax assets | $313,999 | $296,018 | $17,981 |
| Total deferred tax liabilities | 258,119 | 342,965 | (84,846) |
| Net deferred tax assets | 55,880 | (46,947) | 102,827 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Net deferred tax assets after valuation allowance | 55,880 | (46,947) | 102,827 |
| Tax effect of unrealized gains (losses) | 70,662 | 156,840 | (86,178) |
| Statutory valuation allowance adjustment allocation to unrealized | 0 | 0 | 0 |
| Change in net deferred tax | $126,542 | $109,893 | $16,649 |

In accordance with NAIC Statutory Accounting Principles, the Company recognizes deferred tax assets and liabilities for the expected future consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are determined on the basis of differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

E. The significant items causing a difference between the provision for Federal income taxes and the statutory rate are as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Amount | Effective Tax Rate | Amount | Effective Tax Rate |
| (Loss) Income before taxes | ($44,131) | 21.0% | $28,114 | 21.0% |
| Dividends received deduction, net of pro-ration | (773) | 0.4% | (827) | -0.6% |
| Change in nonadmitted assets | 10,449 | -5.0% | 1,409 | 1.1% |
| Change in pension overfunded asset | (20,205) | 9.6% | (3,217) | -2.4% |
| Change in retiree medical fund | 2,699 | -1.3% | 17,049 | 12.7% |
| Other | 351 | -0.2% | 258 | 0.2% |
| Total | ($51,610) | 24.5% | $42,786 | 32.0% |
| Federal income taxes incurred | ($52,930) | 25.2% | ($13,923) | -10.4% |
| Tax on capital gains | 17,969 | -8.6% | 36,929 | 27.6% |
| Change in net deferred taxes | (16,649) | 7.9% | 19,780 | 14.8% |
| Total statutory income taxes | ($51,610) | 24.5% | $42,786 | 32.0% |

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2022, the Company had no unused operating loss or tax credit carryforwards available.

2. The Company has the following Federal income taxes incurred and available for recoupment in the event of future net losses.

| Year | Total |
|---|---|
| 2021 | $13,558 |

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

(in thousands)

G. The Company's Federal income tax return is consolidated with the following subsidiaries:

1. Amica General Agency, LLC
2. Amica Property and Casualty Insurance Company
3. Amica Life Insurance Company

H. The Company does not have any tax loss contingencies for which it reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

**Note 10 – Reinsurance**

A. In the ordinary course of business, the Company assumes and cedes reinsurance with other insurers. These arrangements provide greater diversification of business and limit the maximum net loss potential on large risks. The effect of reinsurance on premiums for the years ended December 31, 2022 and 2021 is as follows:

| | | Written Reinsurance Premiums Assumed | | Written Reinsurance Premiums Ceded | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | Direct Premiums Written | From Affiliates | From Non-Affiliates | To Affiliates | To Non-Affiliates | Net Premiums Written | Change in Unearned Premiums | Net Premiums Earned |
| 2022 | $2,313,247 | $46,380 | $3,661 | $0 | $39,260 | $2,324,028 | ($25,096) | $2,298,932 |
| 2021 | $2,225,999 | $46,127 | $3,204 | $0 | $38,932 | $2,236,398 | $91,938 | $2,328,336 |

The majority of assumed reinsurance premiums from non-affiliates results primarily from the Company's mandatory participation in various automobile pools and underwriting facilities. The majority of ceded reinsurance premiums to non-affiliates results primarily from premiums ceded for catastrophe reinsurance, as well as the Company's mandatory participation in various automobile pools and underwriting facilities. The 2022 catastrophe reinsurance contract provides coverage of $1,250,000, excess of $250,000, before retained share, with net coverage totaling $867,500. In addition to the coverage afforded under this contract, the Company's catastrophe coverage is supplemented through participation in the Florida Hurricane Catastrophe Fund (FHCF) and Florida Reinsurance to Assist Policyholders (RAP) Program. The coverage afforded under the FHCF contract is 90% of approximately $90,550, excess of $39,593 and the coverage afforded under the RAP contract is 90% of approximately $13,059, excess of $27,840.

B. Amounts representing ceded losses recoverable on unpaid losses and unpaid loss adjustment expenses deducted from losses and loss adjustment expense reserves amounted to $44,622 and $4,365 at December 31, 2022 and 2021, respectively. The Company is not relieved of its primary obligation to the policyholder in a reinsurance transaction.

C. Reinsurance Assumed and Ceded

The following tables summarize ceded and assumed unearned premiums and the related commission equity at December 31, 2022 and December 31, 2021.

| 2022 | Assumed Premium Reserve | Assumed Commission Equity | Ceded Premium Reserve | Ceded Commission Equity | Net Premium Reserve | Net Commission Equity |
|---|---|---|---|---|---|---|
| Affiliated | $13,630 | $2,726 | $0 | $0 | $13,630 | $2,726 |
| All Other | 2,129 | 0 | 660 | 166 | 1,469 | (166) |
| Total | $15,759 | $2,726 | $660 | $166 | $15,099 | $2,560 |
| | | | | | | |
| Direct Unearned Premium Reserve | | | $925,327 | | | |

(in thousands)

| 2021 | Assumed Premium Reserve | Assumed Commission Equity | Ceded Premium Reserve | Ceded Commission Equity | Net Premium Reserve | Net Commission Equity |
|---|---|---|---|---|---|---|
| Affiliated | $12,470 | $2,494 | $0 | $0 | $12,470 | $2,494 |
| All Other | 1,910 | 0 | 608 | 151 | 1,301 | (151) |
| Total | $14,380 | $2,494 | $608 | $151 | $13,771 | $2,343 |
| Direct Unearned Premium Reserve | | | $901,559 | | | |

**Note 11 – Retirement Plans, Deferred Compensation, and Other Postretirement Benefit Plans**

The Company sponsors a defined benefit pension plan and a postretirement health care benefit plan covering substantially all employees of the Company.

A. Defined Benefit Plan

Prior to January 1, 2005, under the noncontributory defined benefit pension plan, the benefits were based upon years of service and the employee's average final compensation, usually the average of the final three consecutive years of credited service. Effective January 1, 2005, all pension credits for employees are based on career average pay and years of service. Pension credits will vary based on years of service and the date of employment with the Company.

During 2019, the Company elected to close the defined benefit pension plan to new participants such that no new participants may be added on or after July 1, 2019. Employees hired on or after July 1, 2019 will have an enhanced 401(k) benefit in lieu of a pension benefit.

The plan is funded through a pension trust (Amica Pension Fund). The net periodic benefit cost/(benefit) for 2022 was $(9,252) as the expected return on plan assets exceeded the pension costs. The net periodic benefit cost/(benefit) for 2021 was $0 as the expected return on plan assets matched the pension costs. At December 31, 2022, the Company recorded a prepaid pension asset of $785,186, offset by a $348,700 overfunded contra asset in accordance with SSAP No. 102. At December 31, 2021, the Company recorded a prepaid pension asset of $775,934, offset by a $252,487 overfunded contra asset. The net prepaid assets were non-admitted under statutory accounting principles and resulted in a charge to surplus to policyholders.

B. Postretirement Benefits

In addition to pension benefits, the Company provides certain health care and life insurance benefits (“post retirement”) for retired employees. Employees may become eligible for these benefits if they reach retirement age while working for the Company and satisfy certain service requirements. In 2005, the Company implemented an employee health care cost sharing arrangement with its employees. No employee contribution is required for employees who retired prior to January 1, 2005. Employees who retired after 2004 will contribute approximately 20% to their health care coverage for 2005 going forward. In October 2013, the Company amended the postretirement health care benefits for current retirees and active employees. The amendment changes the future benefits provided to retirees to defined subsidy payments to facilitate purchasing coverage from an independent health exchange. In addition, employees hired on or after January 1, 2014 will not be eligible for postretirement health care benefits.

Qualifying retiree health care expenses are funded through the Amica Mutual Insurance Company Retiree Medical Plan. The Company’s share of the net periodic benefit cost for postretirement health care was $(1,454) for 2022 and $2,393 for 2021. The Company recorded assets of $59,681 at December 31, 2022 and $41,772 at December 31, 2021, which were non-admitted under statutory accounting principles and resulted in a charge to surplus to policyholders.

(in thousands)

Life insurance benefits are based upon a multiple of salary and years of service at the date of retirement and are subject to a maximum benefit of $1,000 for active employees and $250 for retirees. The Company recorded a prepaid retiree life insurance benefit asset of $9,475 at December 31, 2022, which was non-admitted under statutory accounting principles and resulted in a charge to surplus to policyholders. The Company recorded a liability for retiree life insurance benefits of $20,713 at December 31, 2021. The Company's share of the net periodic benefit cost for retiree life insurance benefits was $3,998 for 2022 and $3,676 for 2021. The Company recorded liabilities for unfunded retiree life insurance benefits of $12,363 and $15,619 at December 31, 2022 and 2021, respectively.

The Company has no material special or contractual benefits per SSAP No. 11.

C. Defined Contribution Plans

The Company has an incentive savings plan in which a majority of the employees participate. Various investment funds are provided for employee savings, and the employee contributions can be made on a before-tax or after-tax basis. The plan has limitations as to the amount of both employee and Company contributions. The Company contributed $16,076 and $16,269 on behalf of participating employees in 2022 and 2021, respectively.

The Company has a deferred compensation plan for certain eligible officers and directors. The plan is a salary reduction plan in which no matching contribution is made by the Company on behalf of the plan participants. As explained in Note 11D, certain deferred compensation liabilities are funded through the Amica Companies Supplemental Retirement Trust.

D. Other Plans

The Company provides or funds supplemental pension benefits and certain deferred compensation plan liabilities through the two supplemental retirement trusts. The supplemental pension benefits are amounts otherwise payable under the Company's qualified pension plan which are in excess of that allowed under Sections 401 and/or 415 of the Internal Revenue Code. The trusts' assets, which are invested in both debt and equity type securities, are valued at either amortized cost or market value, respectively. The Company's share of the trust assets was valued at $93,465 at December 31, 2022 and $111,152 at December 31, 2021. The Company has recorded $70,814 and $94,709 at December 31, 2022 and 2021, respectively, to reflect the Company's obligation under this plan. Assets in excess of the plans' obligations are non-admitted. The Company's share of supplemental pension benefit expenses was $238 in 2022 and $11,401 in 2021, respectively.

E. Summary

A summary of assets, obligations and assumptions of the pension benefits, including the Pension Fund and the Supplemental Retirement Plan, and postretirement benefits, including the Postretirement Health Care and Retired Life Plans, covering employees of the Company and Amica Life are as follows at December 31, 2022 and 2021:

| | Pension Benefits | | | | Postretirement Benefits | |
|---|---|---|---|---|---|---|
| | Overfunded | | Underfunded | | Underfunded | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| ***1. Change in benefit obligation*** | | | | | | |
| 1. Benefit obligation at the beginning of the year | $1,766,425 | $1,795,519 | $98,590 | $89,552 | $428,435 | $486,337 |
| 2. Service cost | 32,567 | 37,610 | (2,935) | 7,283 | 8,223 | 8,079 |
| 3. Interest cost | 52,207 | 49,357 | 1,712 | 1,762 | 12,715 | 13,559 |
| 4. Contribution by plan participants | 0 | 0 | 0 | 0 | 1,883 | 1,654 |
| 5. Actuarial (gain) loss | (487,459) | (46,902) | (15,755) | 3,398 | (121,070) | (29,153) |
| 6. Foreign currency exchange rate changes | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Benefits paid | (73,584) | (69,159) | (7,839) | (3,405) | (20,891) | (21,828) |
| 8. Plan amendments | 0 | 0 | 0 | 0 | 0 | (30,213) |
| 9. Business contributions, divestitures, curtailments, settlements, and special termination benefits | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Benefit obligation at end of year | $1,290,156 | $1,766,425 | $73,773 | $98,590 | $309,295 | $428,435 |

(Continued)

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2022 and 2021

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| ***2. Change in plan assets*** | | | | |
| a. Fair Value on plan assets at beginning of year | $2,289,871 | $2,334,284 | $447,052 | $413,953 |
| b. Actual (loss) return on plan assets | (489,645) | 24,746 | (71,018) | 42,519 |
| c. Foreign currency exchange rate changes | 0 | 0 | 0 | 0 |
| d. Reporting entity contribution | 7,839 | 3,405 | 9,086 | 10,964 |
| e. Plan participants' contributions | 0 | 0 | 1,882 | 1,654 |
| f. Benefits paid | (81,423) | (72,564) | (20,898) | (22,038) |
| g. Business combinations, divestitures and settlements | 0 | 0 | 0 | 0 |
| h. Fair value of plan assets at end of year | $1,726,642 | $2,289,871 | $366,104 | $447,052 |
| | | | | |
| ***3. Funded Status*** | | | | |
| Overfunded: | | | | |
| a. Assets (nonadmitted) | | | | |
| 1. Prepaid benefit costs | $785,186 | $775,934 | $69,433 | $39,930 |
| 2. Overfunded plan assets | (348,700) | (252,488) | 0 | 0 |
| 3. Total assets (nonadmitted) | 436,486 | 523,446 | 69,433 | 39,930 |
| Underfunded: | | | | |
| b. Liabilities recognized | | | | |
| 1. Accrued benefit costs | 68,374 | 75,671 | 12,624 | 21,313 |
| 2. Liability for pension benefits | 5,399 | 22,919 | 0 | 0 |
| 3. Total liabilities recognized | 73,773 | 98,590 | 12,624 | 21,313 |
| c. Unrecognized liabilities | $354,100 | $275,406 | $0 | $0 |
| | | | | |
| ***4. Components of net periodic benefit cost*** | | | | |
| a. Service cost | $29,633 | $44,893 | $8,222 | $8,079 |
| b. Interest cost | 53,919 | 51,119 | 12,715 | 13,559 |
| c. Expected return on plan assets | (98,014) | (80,492) | (18,049) | (18,049) |
| d. Transition asset or obligation | 0 | (8,735) | 350 | 3,008 |
| e. (Gains) and losses | 5,424 | 4,665 | 600 | 710 |
| f. Prior service cost or (credit) | 328 | 280 | (1,088) | (835) |
| g. (Gain) or loss recognized due to a settlement or curtailment | 0 | 0 | 0 | 0 |
| h. Total net periodic benefit cost/benefit | ($8,710) | $11,730 | $2,750 | $6,472 |

(in thousands)

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| ***5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost*** | | | | |
| a. Items not yet recognized as a component of net periodic cost - prior year | $275,406 | $259,375 | ($30,739) | $55,978 |
| b. Net transition asset or (obligation) recognized | 0 | 8,735 | 0 | 0 |
| c. Net prior service cost or (credit) arising during the period | 0 | 0 | 0 | (30,213) |
| d. Net prior service cost or (credit) recognized | (328) | (280) | 739 | (2,173) |
| e. Net (gain) and loss arising during the period | 84,446 | 12,241 | (32,003) | (53,621) |
| f. Net (gain) and loss recognized | (5,424) | (4,665) | (600) | (710) |
| g. Items not yet recognized as a component of net periodic cost - current year | $354,100 | $275,406 | ($62,603) | ($30,739) |
| ***6. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit costs*** | | | | |
| a. Net transition (asset) or obligation | ($15,138) | ($15,138) | $0 | $350 |
| b. Net prior service cost or (credit) | 1,077 | 1,405 | (9,947) | (11,036) |
| c. Net recognized (gains) and losses | 368,161 | 289,139 | (52,656) | (20,053) |

7. Weighted-average assumptions as of December 31, 2022 and 2021 were:

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Measurement date for: | | | | |
| Net periodic benefit cost | 12/31/22 | 12/31/21 | 12/31/22 | 12/31/21 |
| Year-end benefit obligation | 12/31/22 | 12/31/21 | 12/31/22 | 12/31/21 |
| Weighted-average assumptions used to determine benefit obligations at December 31: | | | | |
| Discount rate | 5.50% | 3.00% | 5.50% | 3.00% |
| Rate of compensation increase | 4.00% | 4.00% | n/a | n/a |
| Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31: | | | | |
| Discount rate | 3.00% | 2.80% | 5.50% | 3.00% |
| Expected return on plan assets | 4.35% | 3.50% | 4.25% | 5.00% |
| Rate of compensation increase | 4.00% | 4.00% | n/a | n/a |

The expected long-term rate of return on plan assets is based on what the Company believes is realistically achievable based on the types of assets held by the plan and the plan's investment practices. The assumption is updated at least annually, taking into account the asset allocation, historical asset return trends on the types of assets held and the current and expected economic conditions.

The Company measured benefit obligations using the Society of Actuaries PRI-2012 mortality tables projected generationally with Mortality Improvement Scale MP-2021.

(in thousands)

8. The benefits expected to be paid for the Company and Amica Life in each of the next five years, and in the aggregate for the five years thereafter are as follows:

| Years | Pension Benefits | Postretirement Benefits |
|---|---|---|
| 2023 | $82,184 | $18,321 |
| 2024 | 92,168 | 18,895 |
| 2025 | 85,603 | 19,357 |
| 2026 | 87,675 | 19,666 |
| 2027 | 90,134 | 20,187 |
| 2028 through 2032 | 469,812 | 104,084 |

9. The estimate of contributions expected to be paid by the Company and Amica Life during 2023 are as follows:

| Pension and Postretirement Plans | Contribution |
|---|---|
| Pension Fund | $0 |
| Supplemental Retirement Plan | 6,459 |
| Postretirement Health Care | 15,296 |
| Retired Life Reserve | 2,052 |
| Unfunded Retired Life Benefit | 973 |

10. The assumed health care cost trend rate is 5.40% for 2022 with an ultimate health care trend rate of 4.50% reached in 2027.

11. The Company has a noncontributory defined benefit pension plan whereby the benefits are based upon years of service and the employee’s career average compensation. The plan is funded through a pension trust (Amica Pension Fund). SSAP No. 102, “Accounting for Pensions, A Replacement of SSAP No. 89” became effective January 1, 2013. This SSAP requires that any underfunded defined benefit pension amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. Such liability is required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds.

The following provides the funded status of the Pension Fund and supplemental retirement plans covering employees of the Company and Amica Life as of December 31, 2022 and 2021:

| Pension Benefits | Overfunded | | Underfunded | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Accumulated benefit obligation | ($1,259,129) | ($1,704,208) | ($71,447) | ($93,377) |
| Plan assets at fair value | 1,726,642 | 2,289,871 | 0 | 0 |
| Funded status | $467,513 | $585,663 | ($71,447) | ($93,377) |

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2022 and 2021. The adoption of SSAP No. 102 for the Pension Fund did not have a surplus impact on the Company and Amica Life as the pension plan was overfunded by more than the transition liabilities.

In addition to pension benefits, the Company provides certain health care and life insurance benefits (“post retirement”) for retired employees. SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14” became effective January 1, 2013. This SSAP requires that any underfunded postretirement benefit amounts, other than pensions, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R.

(in thousands)

The following provides the funded status of the postretirement benefits covering employees of the Company and Amica Life as of December 31, 2022 and 2021:

| Postretirement Benefits | Overfunded | | Underfunded | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Accumulated benefit obligation | ($263,009) | ($365,010) | ($46,286) | ($63,425) |
| Plan assets at fair value | 322,438 | 404,940 | 43,666 | 42,112 |
| Funded status | $59,429 | $39,930 | ($2,620) | ($21,313) |

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2022 and 2021. Although the aggregate funded status of the plan is overfunded by $59,429 when broken down by Company, Amica Mutual recorded an overfunded asset of $59,681, which was non-admitted, and Amica Life recorded an underfunded liability of $252.

F. Description of Investment Policies

The assets of the qualified defined benefit pension plan (the "Pension Fund") and postretirement benefit plan (the "Retiree Medical Trust") are managed with the objective of providing the lowest risk of nonpayment of benefits to the plan participants or retirees. Assets are invested to complement the structure and characteristics of the corresponding liabilities. Assets allocations are structured to provide funding of near and mid-term liabilities through interest income, dividends, and maturities and principle pay-downs of fixed-income instruments. Investments in equity securities are intended to provide capital appreciation in support of the Plans' longer-term obligations. Other investments include short-term investments used to manage the short-term liquidity of the assets and alternative investment funds intended to provide additional diversification.

The closure of the pension plan to new participants drove an updated asset allocation strategy for the Pension Fund in 2019. In an effort to de-risk the Pension Fund portfolio, the asset allocation was shifted away from individual debt and equity securities to include a buy-in group annuity contract and commingled pools. The group annuity contract was purchased in 2019 to provide the Pension Fund with an income stream to match retirees actively receiving pension benefits at the time of purchase. The commingled pools are comprised of a series of fund investments designed to complement pension liabilities not covered by the group annuity contract. Other investments include short-term investments used to manage the short-term liquidity of the assets and alternative investment funds intended to provide additional diversification.

Investments in equity securities consist of a well-diversified portfolio of common stocks and mutual funds and are intended to provide capital appreciation in support of the Plans' longer-term obligations. Other investments include short-term investments used to manage the short-term liquidity of the assets and alternative investment funds intended to provide additional diversification. Fixed-income security purchases, unless prior approval is obtained from the Board of Trustees, will be investment grade with an emphasis on liquidity. Securities that subsequently fall below investment grade will never represent more than 5% of invested assets. All bonds are payable in U.S. dollars, and bonds issued by foreign entities cannot exceed 5% of total investments. The fixed-income portfolio will have convexity that is approximately neutral (zero). Bond portfolio duration will be maintained at 7-11 years.

The overall expected rate of return on plan assets was selected by considering the historical returns of equity and fixed income markets in conjunction with the current economic and financial market conditions.

The investment manager of the Pension Trust and Retiree Medical Trust may not deviate significantly from the targeted asset allocation percentages without prior approval from the trustees of the various plans. The Pension Trust and Retiree Medical Trust assets are not invested in derivatives and such investment would require prior consent from the trustees.

(in thousands)

The defined benefit pension plan asset allocation as of the measurement date, December 31, 2022 and 2021, and the target asset allocation, presented as a percentage of total plan assets were as follows:

| | Actual Allocation | | Target Allocation | |
|---|---|---|---|---|
| **Asset Category** | **2022** | **2021** | **2022** | **2021** |
| a. Debt securities | 7.9% | 7.0% | 0.0% | 0.0% |
| b. Equity securities | 0.0% | 0.0% | 0.0% | 0.0% |
| c. Other | 92.1% | 93.0% | 100.0% | 100.0% |
| d. Total | 100.0% | 100.0% | 100.0% | 100.0% |

At December 31, 2022, the Pension fund plan assets were mostly comprised of a liability hedging portfolio (43.8%) and a buy-in group annuity contract (37.7%).

The postretirement benefit plan asset allocation as of the measurement date, December 31, 2022 and 2021, and the target asset allocation, presented as a percentage of total plan assets were as follows:

| | Actual Allocation | | Target Allocation | |
|---|---|---|---|---|
| **Asset Category** | **2022** | **2021** | **2022** | **2021** |
| a. Debt securities | 28.5% | 28.0% | 29.0% | 29.0% |
| b. Equity securities | 37.1% | 43.0% | 41.0% | 41.0% |
| c. Other | 34.4% | 29.0% | 30.0% | 30.0% |
| d. Total | 100.0% | 100.0% | 100.0% | 100.0% |

G. Fair Value of Plan Assets

1. Fair Value Measurements of Plan Assets at Reporting Date

| Pension Fund | | | | |
|---|---|---|---|---|
| **2022** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Description for each class of plan assets** | | | | |
| U.S. government and Federal agencies | $124,957 | $0 | $0 | $124,957 |
| Cash equivalents | 20,492 | 0 | 0 | 20,492 |
| Commercial mortgage loans | 0 | 10,776 | 0 | 10,776 |
| Buy-in group annuity contract | 0 | 0 | 650,519 | 650,519 |
| Commingled pool investments measured at net asset value (1) | 0 | 0 | 0 | 756,105 |
| Other invested assets | 0 | 0 | 163,203 | 163,203 |
| Total plan assets | $145,449 | $10,776 | $813,722 | $1,726,052 |

(in thousands)

**Pension Fund**

| 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Description for each class of plan assets** | | | | |
| U.S. government and Federal agencies | $147,749 | $0 | $0 | $147,749 |
| Cash equivalents | 11,043 | 0 | 0 | $11,043 |
| Commercial mortgage loans | 0 | 15,046 | 0 | 15,046 |
| Buy-in group annuity contract | 0 | 0 | 851,769 | 851,769 |
| Commingled pool investments measured at net asset value (1) | 0 | 0 | 0 | 1,042,542 |
| Other invested assets | 0 | 0 | 221,559 | 221,559 |
| Total plan assets | $158,792 | $15,046 | $1,073,328 | $2,289,708 |

(1) - Assets held at net asset value are included in the leveling table above to permit reconciliation to the amounts presented in the Pension Fund's statement of financial position.

Level 1 financial assets are comprised of US Treasury Bonds and an exchange-listed money market fund.

Level 2 financial assets consist of commercial mortgage loans whose fair values are based on prices provided by a third party.

Level 3 financial assets consists of holdings in a buy-in group annuity contract, limited partnership hedge funds and private equity investments. The buy-in group annuity contract is valued by the counterparty equal to the present value of each annuity payment projected by the counterparty to be paid under the terms of the contract, adjusted using a discount rate of 100% "AA" credit quality bonds and defined mortality and actuarial assumptions. The fair values of the partnerships of hedge funds and private equity investments are based on the GAAP equity of the fund from the most recent statement received, adjusted for any cash transactions through year-end.

**Postretirement Health Care**

| 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Description for each class of plan assets** | | | | |
| U.S. Government and Federal Agencies | $5,117 | $10,676 | $0 | $15,793 |
| State and political subdivisions | 0 | 62,525 | 0 | 62,525 |
| Corporate debt securities | 0 | 12,244 | 0 | 12,244 |
| Common stock | 90,164 | 0 | 0 | 90,164 |
| Short-term investments | 9,376 | 0 | 0 | 9,376 |
| Cash equivalents | 11,653 | 0 | 0 | 11,653 |
| Commercial mortgage loans | 0 | 2,794 | 0 | 2,794 |
| Index funds measured at net asset value (1) | 0 | 0 | 0 | 22,465 |
| Other invested assets | 66,661 | 0 | 35,732 | 102,393 |
| Total plan assets | $182,971 | $88,239 | $35,732 | $329,407 |

(in thousands)

| Postretirement Health Care | | | | |
|---|---|---|---|---|
| **2021** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Description for each class of plan assets** | | | | |
| U.S. Government and Federal Agencies | $3,398 | $14,053 | $0 | $17,451 |
| State and political subdivisions | 0 | 77,957 | 0 | 77,957 |
| Corporate debt securities | 0 | 20,160 | 0 | 20,160 |
| Common stock | 119,911 | 0 | 0 | 119,911 |
| Cash equivalents | 76,268 | 3,061 | 0 | 79,329 |
| Commercial mortgage loans | 0 | 3,483 | 0 | 3,483 |
| Index funds measured at net asset value (1) | 0 | 0 | 0 | 56,067 |
| Other invested assets | 0 | 0 | 40,645 | 40,645 |
| Total plan assets | $199,577 | $118,714 | $40,645 | $415,003 |

(1) - Assets held at net asset value are included in the leveling table above to permit reconciliation to the amounts presented in the Amica Mutual Insurance Company Retiree Medical Plan's statement of financial position.

Level 1 financial assets are comprised of US Treasury Bonds and activity traded exchange-listed equity securities, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

Level 2 financial assets are comprised of debt securities whose quoted market prices are provided by an independent pricing service and cash equivalent instruments stated at cost which approximates fair value. In addition, the fair value of commercial mortgage loans is based on prices provided by a third party.

Level 3 financial assets consist of holdings in limited partnership hedge funds, private equity investments and index funds. The values of the funds are based on the Trust's ownership percentage of the investment or obtained from the issuer.

2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

The following table presents the changes in the Plan's Level 3 financial instruments which are carried at fair value on a recurring basis.

| | **Pension Fund** | | **Postretirement Health Care** | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Balance at beginning of year | $1,073,328 | $1,101,328 | $40,645 | $27,078 |
| Total gains/(losses) (realized/unrealized) included in net increase (decrease) in net assets available for benefits | (212,859) | 13,788 | (7,382) | 9,945 |
| Purchases | 12,497 | 22,572 | 7,095 | 8,185 |
| Sales | (59,244) | (64,360) | (4,626) | (4,563) |
| Issuances | 0 | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 | 0 |
| Transfers into Level 3 | 0 | 0 | 0 | 0 |
| Transfers out of Level 3 | 0 | 0 | 0 | 0 |
| Balance at end of year | $813,722 | $1,073,328 | $35,732 | $40,645 |

**Note 12 – Information Concerning Affiliates**

A. Amica Life Insurance Company

1. The Company owns 100% of the outstanding stock of Amica Life. The statutory equity value of the Company's investment in Amica Life was $365,881 and $357,033 at December 31, 2022 and 2021, respectively.

2. The Company allocates a portion of the postretirement benefit expense to Amica Life under an expense allocation arrangement. During 2022 and 2021, expenses of $511 and $731 respectively, were allocated to the subsidiary.

3. During 2022 and 2021, the Company paid premiums of $6,922 and $7,314, respectively, for group life insurance on the lives of employees and retirees to its affiliate, Amica Life.

4. During 2022 and 2021, costs of $2,320 and $1,756, respectively, were incurred by the Company for the leasing of motor vehicles owned by Amica Life.

5. Amica Life reimbursed the Company $3,277 in 2022 and $3,032 in 2021 for personnel and facility expenses used by Amica.

6. Amica Life reimbursed Amica Mutual a fixed fee for health, prescription and dental insurance coverage for its employees. Respectively, as of December 31, 2022 and December 31, 2021, $1,756 and $1,782 was reimbursed to the Company by Amica Life.

7. Starting in 2022, Amica Life reimbursed the Company a fixed fee for administering the marketing campaign for its life insurance products. As of December 31, 2022 and December 31, 2021, $9,000 and $0, respectively, was reimbursed to Amica Mutual by Amica Life.

8. Effective January 1, 2009, the Company entered into a line of credit agreement with Amica Life Insurance Company, a wholly-owned subsidiary of the Company. The line of credit agreement allows Amica Life Insurance Company to draw advances from the Company for up to $250,000. Any draw upon the line of credit by Amica Life Insurance Company must be repaid in full, with interest, within three years from the date of advance. There were no outstanding balances under the agreement as of December 31, 2022 or 2021.

9. On April 20, 2016, the Board of Directors of Amica Mutual authorized up to $150,000 in capital contributions to Amica Life to support Amica Life's ongoing growth initiatives. In addition, capital contributions of $32,000 and $25,000 were approved in 2021 and 2020, respectively, which were intended to support Amica Life's reserve strengthening in both years. Finally, a capital contribution of $2,000 was approved in 2022 to support Amica Life's tax reserve adjustments. The timing and amount of any capital contributions are at the discretion of the President of Amica Mutual. During 2022, the Company made two capital contributions to Amica Life, in the amount of $25,000 and $2,000, on January 4, 2022 and December 27, 2022, respectively. Through December 31, 2022, the Company has contributed a total of $184,000 of the authorized capital infusion.

10. The Consolidated Federal Income Tax Agreement between Amica Mutual and affiliates was amended in 2017 to include Amica Life. See Note 9G for further information.

B. Amica Property and Casualty Insurance Company (Amica P&C)

1. The Company owns 100% of the outstanding stock of Amica P&C, a property and casualty insurance company that is primarily used to supplement Amica Mutual's personal automobile writings. The Company operates under a dual-company underwriting approach under which personal automobile policies underwritten by Amica Mutual are split between Amica Mutual and Amica P&C based on set underwriting criteria, which places preferred business with Amica Mutual and standard business with Amica P&C. Prior to 2017, Amica P&C's underwriting was comprised exclusively of auto business in New Jersey and New York; however, Amica's commitment to the aforementioned dual-company underwriting model resulted in the expansion of Amica P&C's writings, bringing the ultimate total to twenty-five states as of December 31, 2019. No additional states

(in thousands)

have been added in years since. The statutory equity value of the Company's investment in Amica P&C was $79,341 and $80,292 at December 31, 2022 and 2021, respectively.

2. Amica P&C maintains a 100% quota share reinsurance contract with Amica Mutual, under which all premiums, losses, and loss adjustment expenses are ceded to Amica Mutual. Additionally, Amica P&C is a named insured under Amica Mutual's catastrophe reinsurance program.

3. As there are no employees of Amica P&C, Amica Mutual's employees perform certain managerial and other operation functions for the benefit of Amica P&C. In accordance with a formal cost-sharing agreement, Amica Mutual allocates such costs to Amica P&C based on the estimated costs of the services performed. The costs charged from Amica Mutual to Amica P&C amounted to $10,682 and $11,182 in 2022 and 2021, respectively.

C. Amounts Due to or from Related Parties

At December 31, 2022 and 2021, the following amounts were (payable)/recoverable (to)/from affiliates:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Affiliate | Management, Service and Reinsurance Contracts | Federal Income Taxes | Management, Service and Reinsurance Contracts | Federal Income Taxes |
| Amica General Agency, LLC | $215 | $29 | $178 | $30 |
| Amica Life Insurance Company | 1,190 | 841 | 363 | (142) |
| Amica Property and Casualty Insurance Company | 617 | (49) | 653 | (31) |
| Total | $2,022 | $821 | $1,194 | ($143) |

The management and service contracts require that the intercompany balances be settled within fifty-five days of the month to which it applies.

D. All Subsidiary, Controlled and Affiliated (SCA) Investments

The Company owns 100% of Amica General Agency, LLC, as insurance agency which sells certain insurance products of other insurance companies through the Company's distribution system. The agency's value of $1,286 and $1,550 is non-admitted on the Company's December 31, 2022, and 2021 balance sheets, respectively. In December 2022 and December 2021, member distributions of $1,800 and $1,500, respectively, were made to Amica Mutual.

E. Insurance SCA Entities Utilizing Prescribed or Permitted Practices

1. The Company owns two insurance SCA entities that are carried at audited statutory equity value. In June 2020, Amica Property and Casualty Insurance Company was granted a permitted practice from the Rhode Island Department of Business Regulation Insurance Division to account for COVID-19 financial relief as other underwriting expense rather than the prescribed accounting of an adjustment to premium. This treatment differs from the Company as Amica Property and Casualty Insurance Company is not organized as a mutual insurance company, does not offer participating contracts, and does not normally return dividends to policyholders. In both 2020 and 2021, the Company returned a portion of its profits to policyholders through its COVID-19 Financial Relief Program under this permitted practice; however, no disbursements were made in 2022. Therefore, the monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC SAP in 2022 is $0 and there is no change in the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual.

(in thousands)

2. No regulatory action or risk-based capital event would be triggered for Amica Property and Casualty Insurance Company under NAIC SAP or permitted practice accounting.

3. The statutory financial statements of Amica Life reflect a Rhode Island Department of Business Regulation Insurance Division approved permitted practice, which deviates from required NAIC SAP. This permitted practice allows Amica Life to record directly to surplus the change in XXX reserves that is above the change in the reserves calculated on a discounted cash flow basis, instead of recording the change in XXX reserves directly to net income as required by NAIC SAP. The result of the permitted practice is an increase to net income and no impact on surplus. As of December 31, 2022, the monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC SAP, the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual is as follows:

| SCA Entity (Investment in Insurance SCA Entities) | Monetary Effect on NAIC SAP | | Amount of Investment | |
|---|---|---|---|---|
| | Net Income Increase (Decrease) | Surplus Increase (Decrease) | Per Audited Statutory Equity | If the Insurance SCA Had Completed Statutory Financial Statements* |
| Amica Life Insurance Company | ($20,989) | $0 | $365,881 | $365,881 |

* Per AP&P Manual (without permitted or prescribed practices)

4. This permitted practice has no effect on the surplus of Amica Life nor its reserve position, as Amica Life reserves in accordance with Rhode Island Regulation 93. No regulatory action or risk-based capital event would be triggered under NAIC SAP or permitted practice accounting.

## Note 13 – Risk Based Capital

Risk Based Capital (RBC) is intended to identify companies that are in financial difficulty by establishing minimum capital needs based on the risks applicable to the operations of the individual company. The calculation of RBC for the Company was above the minimum required level at December 31, 2022 and 2021.

## Note 14 – Leases

A. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through 2030. Rental expense for 2022 and 2021 was $10,535 and $11,212, respectively. Future minimum rental payments are as follows:

| Year | Amount |
|---|---|
| 2023 | $8,508 |
| 2024 | 7,680 |
| 2025 | 7,020 |
| 2026 | 6,693 |
| 2027 | 4,653 |
| Thereafter | 3,942 |
| Total | $38,496 |

B. Certain rental commitments have renewal options extending through the year 2040. Some of these renewals are subject to adjustments in future periods.

(in thousands)

## Note 15 – Contingencies

A. Contingent Commitments

The Company has made commitments to provide $204,307 in additional funds to unaffiliated limited partnerships as of December 31, 2022. See Note 3 for more information.

B. Guarantees

Not applicable.

C. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty fund and other assessments of $497 at December 31, 2022 and $621 at December 31, 2021. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The Company does not have the ability to recover assessments through policyholder surcharges so no related asset has been recorded.

D. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. The ultimate resolution of such proceedings will not, in our opinion, have a material impact on the Company's financial position.

## Note 16 – Non-admitted Assets

Certain assets, designated as non-admitted assets, have been excluded from the statutory financial statements and charged directly against surplus. A summary of these non-admitted assets follows.

| Description | 2022 | 2021 |
|---|---|---|
| Prepaid pension contribution | $436,486 | $523,446 |
| Furniture and other equipment, net | 17,340 | 22,499 |
| Prepaid expenses | 33,185 | 26,042 |
| Premium receivable over 90 days past due | 196 | 149 |
| Amica Companies Supplemental Retirement Trust | 22,651 | 16,444 |
| Amica General Agency, LLC | 1,286 | 1,550 |
| Other | 71,783 | 42,819 |
| Total Non-admitted Assets | $582,927 | $632,949 |

## Note 17 – Subsequent Events

Subsequent events have been considered through May 9, 2023 for the audited statutory financial statements issued on May 9, 2023.

On January 3, 2023, the Company made a $25,000 capital contribution to its wholly-owned insurance subsidiary, Amica Life. This contribution is intended to provide additional support with regard to Amica Life's growth initiatives.

AMICA MUTUAL INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2022

**Schedule 1**

| Investment Categories | Gross Investment Holdings 1 Amount | 2 Percentage of Column 1 Line 13 | Admitted Assets as Reported in the Annual Statement 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total (Col. 3 + 4) Amount | 6 Percentage of Column 5 Line 13 |
|---|---|---|---|---|---|---|
| 1. Long-Term Bonds (Schedule D, Part 1): | | | | | | |
| 1.01 U.S. governments | 563,850,973 | 11.927 | 563,850,973 | | 563,850,973 | 11.930 |
| 1.02 All other governments | | 0.000 | | | | 0.000 |
| 1.03 U.S. states, territories and possessions, etc. guaranteed | 238,099,695 | 5.036 | 238,099,695 | | 238,099,695 | 5.038 |
| 1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed | 78,662,597 | 1.664 | 78,662,597 | | 78,662,597 | 1.664 |
| 1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed | 532,514,987 | 11.264 | 532,514,987 | | 532,514,987 | 11.267 |
| 1.06 Industrial and miscellaneous | 1,357,233,099 | 28.709 | 1,357,233,099 | | 1,357,233,099 | 28.717 |
| 1.07 Hybrid securities | | 0.000 | | | | 0.000 |
| 1.08 Parent, subsidiaries and affiliates | | 0.000 | | | | 0.000 |
| 1.09 SVO identified funds | | 0.000 | | | | 0.000 |
| 1.10 Unaffiliated bank loans | | 0.000 | | | | 0.000 |
| 1.11 Unaffiliated certificates of deposit | | 0.000 | | | | 0.000 |
| 1.12 Total long-term bonds | 2,770,361,351 | 58.600 | 2,770,361,351 | | 2,770,361,351 | 58.616 |
| 2. Preferred stocks (Schedule D, Part 2, Section 1): | | | | | | |
| 2.01 Industrial and miscellaneous (Unaffiliated) | | 0.000 | | | | 0.000 |
| 2.02 Parent, subsidiaries and affiliates | | 0.000 | | | | 0.000 |
| 2.03 Total preferred stocks | | 0.000 | | | | 0.000 |
| 3. Common stocks (Schedule D, Part 2, Section 2): | | | | | | |
| 3.01 Industrial and miscellaneous Publicly traded (Unaffiliated) | 631,375,332 | 13.355 | 631,375,332 | | 631,375,332 | 13.359 |
| 3.02 Industrial and miscellaneous Other (Unaffiliated) | 3,003,500 | 0.064 | 3,003,500 | | 3,003,500 | 0.064 |
| 3.03 Parent, subsidiaries and affiliates Publicly traded | | 0.000 | | | | 0.000 |
| 3.04 Parent, subsidiaries and affiliates Other | 445,222,198 | 9.418 | 445,222,198 | | 445,222,198 | 9.420 |
| 3.05 Mutual funds | 236,870,747 | 5.010 | 236,870,747 | | 236,870,747 | 5.012 |
| 3.06 Unit investment trusts | | 0.000 | | | | 0.000 |
| 3.07 Closed-end funds | | 0.000 | | | | 0.000 |
| 3.08 Exchange traded funds | | 0.000 | | | | 0.000 |
| 3.09 Total common stocks | 1,316,471,777 | 27.847 | 1,316,471,777 | | 1,316,471,777 | 27.854 |
| 4. Mortgage loans (Schedule B): | | | | | | |
| 4.01 Farm mortgages | | 0.000 | | | | 0.000 |
| 4.02 Residential mortgages | | 0.000 | | | | 0.000 |
| 4.03 Commercial mortgages | 112,993,388 | 2.390 | 112,993,388 | | 112,993,388 | 2.391 |
| 4.04 Mezzanine real estate loans | | 0.000 | | | | 0.000 |
| 4.05 Total valuation allowance | | 0.000 | | | | 0.000 |
| 4.06 Total mortgage loans | 112,993,388 | 2.390 | 112,993,388 | | 112,993,388 | 2.391 |
| 5. Real estate (Schedule A): | | | | | | |
| 5.01 Properties occupied by company | 44,598,656 | 0.943 | 44,598,656 | | 44,598,656 | 0.944 |
| 5.02 Properties held for production of income | | 0.000 | | | | 0.000 |
| 5.03 Properties held for sale | | 0.000 | | | | 0.000 |
| 5.04 Total real estate | 44,598,656 | 0.943 | 44,598,656 | | 44,598,656 | 0.944 |
| 6. Cash, cash equivalents and short-term investments: | | | | | | |
| 6.01 Cash (Schedule E, Part 1) | (94,897,482) | (2.007) | (94,897,482) | | (94,897,482) | (2.008) |
| 6.02 Cash equivalents (Schedule E, Part 2) | 117,064,723 | 2.476 | 117,064,723 | | 117,064,723 | 2.477 |
| 6.03 Short-term investments (Schedule DA) | 78,482,526 | 1.660 | 78,482,526 | | 78,482,526 | 1.661 |
| 6.04 Total cash, cash equivalents and short-term investments | 100,649,767 | 2.129 | 100,649,767 | | 100,649,767 | 2.130 |
| 7. Contract loans | | 0.000 | | | | 0.000 |
| 8. Derivatives (Schedule DB) | | 0.000 | | | | 0.000 |
| 9. Other invested assets (Schedule BA) | 382,507,736 | 8.091 | 381,221,380 | | 381,221,380 | 8.066 |
| 10. Receivables for securities | | 0.000 | | | | 0.000 |
| 11. Securities Lending (Schedule DL, Part 1) | | 0.000 | | XXX | XXX | XXX |
| 12. Other invested assets (Page 2, Line 11) | | 0.000 | | | | 0.000 |
| 13. Total invested assets | 4,727,582,675 | 100.000 | 4,726,296,319 | | 4,726,296,319 | 100.000 |

See accompanying independent auditors' report.

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

Of The AMICA MUTUAL INSURANCE COMPANY

ADDRESS (City, State and Zip Code) Lincoln , RI 02865-1156

NAIC Group Code 0028 NAIC Company Code 19976 Federal Employer's Identification Number (FEIN) 05-0348344

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 5,422,544,808

2. Ten largest exposures to a single issuer/borrower/investment.

| | 1<br>Issuer | 2<br>Description of Exposure | 3<br>Amount | 4<br>Percentage of Total Admitted Assets |
|---|---|---|---|---|
| 2.01 | Amica Life Insurance Company | Common Stock | $ 365,880,894 | 6.7 % |
| 2.02 | FREMF Mortgage Trust | Bonds | $ 195,242,409 | 3.6 % |
| 2.03 | Federal National Mortgage Association | Bonds | $ 161,555,054 | 3.0 % |
| 2.04 | DWS Distributors, Inc. | Money Market Fund | $ 117,064,723 | 2.2 % |
| 2.05 | Federal Home Loan Mortgage Corporation | Bonds | $ 85,188,773 | 1.6 % |
| 2.06 | State of Washington | Bonds | $ 79,697,359 | 1.5 % |
| 2.07 | Lazard Asset Management LLC | Collective Investment Trust | $ 79,687,485 | 1.5 % |
| 2.08 | Amica Property & Casualty Insurance Company | Common Stock | $ 79,341,304 | 1.5 % |
| 2.09 | State of Texas | Bonds | $ 60,624,274 | 1.1 % |
| 2.10 | Point Judith Capital Partners IV, LLC | Limited Partnership | $ 57,743,312 | 1.1 % |

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

| | Bonds | 1 | 2 | | Preferred Stocks | 3 | 4 |
|---|---|---|---|---|---|---|---|
| 3.01 | NAIC 1 | $ 2,531,898,091 | 46.7 % | 3.07 | NAIC 1 | $ | % |
| 3.02 | NAIC 2 | $ 316,945,786 | 5.8 % | 3.08 | NAIC 2 | $ | % |
| 3.03 | NAIC 3 | $ | % | 3.09 | NAIC 3 | $ | % |
| 3.04 | NAIC 4 | $ | % | 3.10 | NAIC 4 | $ | % |
| 3.05 | NAIC 5 | $ | % | 3.11 | NAIC 5 | $ | % |
| 3.06 | NAIC 6 | $ | % | 3.12 | NAIC 6 | $ | % |

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [ X ] No [ ]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

| | | | |
|---|---|---|---|
| 4.02 | Total admitted assets held in foreign investments | $ 54,498,417 | 1.0 % |
| 4.03 | Foreign-currency-denominated investments | $ | % |
| 4.04 | Insurance liabilities denominated in that same foreign currency | $ | % |

See accompanying independent auditors' report.

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

| | | 1 | 2 |
|---|---|---|---|
| 5.01 | Countries designated NAIC-1 | $ | % |
| 5.02 | Countries designated NAIC-2 | $ | % |
| 5.03 | Countries designated NAIC-3 or below | $ | % |

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

| | | 1 | 2 |
|---|---|---|---|
| | Countries designated NAIC - 1: | | |
| 6.01 | Country 1: | $ | % |
| 6.02 | Country 2: | $ | % |
| | Countries designated NAIC - 2: | | |
| 6.03 | Country 1: | $ | % |
| 6.04 | Country 2: | $ | % |
| | Countries designated NAIC - 3 or below: | | |
| 6.05 | Country 1: | $ | % |
| 6.06 | Country 2: | $ | % |

| | | 1 | 2 |
|---|---|---|---|
| 7. | Aggregate unhedged foreign currency exposure | $ | % |

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

| | | 1 | 2 |
|---|---|---|---|
| 8.01 | Countries designated NAIC-1 | $ | % |
| 8.02 | Countries designated NAIC-2 | $ | % |
| 8.03 | Countries designated NAIC-3 or below | $ | % |

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

| | | 1 | 2 |
|---|---|---|---|
| | Countries designated NAIC - 1: | | |
| 9.01 | Country 1: | $ | % |
| 9.02 | Country 2: | $ | % |
| | Countries designated NAIC - 2: | | |
| 9.03 | Country 1: | $ | % |
| 9.04 | Country 2: | $ | % |
| | Countries designated NAIC - 3 or below: | | |
| 9.05 | Country 1: | $ | % |
| 9.06 | Country 2: | $ | % |

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

| | 1<br>Issuer | 2<br>NAIC Designation | 3 | 4 |
|---|---|---|---|---|
| 10.01 | | | $ | % |
| 10.02 | | | $ | % |
| 10.03 | | | $ | % |
| 10.04 | | | $ | % |
| 10.05 | | | $ | % |
| 10.06 | | | $ | % |
| 10.07 | | | $ | % |
| 10.08 | | | $ | % |
| 10.09 | | | $ | % |
| 10.10 | | | $ | % |

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [ X ] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

| | | 1 | 2 |
|---|---|---|---|
| 11.02 | Total admitted assets held in Canadian investments | $ | % |
| 11.03 | Canadian-currency-denominated investments | $ | % |
| 11.04 | Canadian-denominated insurance liabilities | $ | % |
| 11.05 | Unhedged Canadian currency exposure | $ | % |

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [ X ] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

| | 1 | 2 | 3 |
|---|---|---|---|
| 12.02 | Aggregate statement value of investments with contractual sales restrictions | $ | % |
| | Largest three investments with contractual sales restrictions: | | |
| 12.03 | | $ | % |
| 12.04 | | $ | % |
| 12.05 | | $ | % |

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ X ]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

| | 1<br>Issuer | 2 | 3 |
|---|---|---|---|
| 13.02 | Amica Life Insurance Company | $ 365,880,894 | 6.7 % |
| 13.03 | iShares Core MSCI Total Intern | $ 160,333,967 | 3.0 % |
| 13.04 | DWS Distributors, Inc. | $ 117,064,723 | 2.2 % |
| 13.05 | Lazard Asset Management LLC | $ 79,687,485 | 1.5 % |
| 13.06 | Amica Property & Casualty Insurance Company | $ 79,341,304 | 1.5 % |
| 13.07 | William Blair International Le | $ 76,536,780 | 1.4 % |
| 13.08 | Point Judith Capital Partners IV, LLC | $ 57,743,312 | 1.1 % |
| 13.09 | Microsoft Corp | $ 39,896,695 | 0.7 % |
| 13.10 | Apple Inc | $ 34,522,011 | 0.6 % |
| 13.11 | PJC Partners V, LLC | $ 31,818,468 | 0.6 % |

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ X ]

If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.

| | 1 | 2 | 3 |
|---|---|---|---|
| 14.02 | Aggregate statement value of investments held in nonaffiliated, privately placed equities | $ 325,741,232 | 6.0 % |
| | Largest three investments held in nonaffiliated, privately placed equities: | | |
| 14.03 | Collective Investment Trust | $ 79,687,485 | 1.5 % |
| 14.04 | Limited Partnership | $ 57,743,312 | 1.1 % |
| 14.05 | Limited Partnership | $ 31,818,468 | 0.6 % |

Ten largest fund managers:

| | 1<br>Fund Manager | 2<br>Total Invested | 3<br>Diversified | 4<br>Nondiversified |
|---|---|---|---|---|
| 14.06 | Blackrock Fund Advisors | $ 160,333,967 | $ 160,333,967 | $ |
| 14.07 | DWS Distributors, Inc | $ 117,064,723 | $ 117,064,723 | $ |
| 14.08 | Lazard Asset Management LLC | $ 79,687,485 | $ 79,687,485 | $ |
| 14.09 | William Blair Funds | $ 76,536,780 | $ 76,536,780 | $ |
| 14.10 | WCM Investment Management | $ 22,358,328 | $ 22,358,328 | $ |
| 14.11 | | $ | $ | $ |
| 14.12 | | $ | $ | $ |
| 14.13 | | $ | $ | $ |
| 14.14 | | $ | $ | $ |
| 14.15 | | $ | $ | $ |

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [ X ] No [ ]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

| | 1 | 2 | 3 |
|---|---|---|---|
| 15.02 | Aggregate statement value of investments held in general partnership interests | $ | % |
| | Largest three investments in general partnership interests: | | |
| 15.03 | | $ | % |
| 15.04 | | $ | % |
| 15.05 | | $ | % |

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? ........ Yes [ X ] No [ ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

| | 1<br>Type (Residential, Commercial, Agricultural) | 2 | 3 |
|---|---|---|---|
| 16.02 | ........ | $ ........ | ........ % |
| 16.03 | ........ | $ ........ | ........ % |
| 16.04 | ........ | $ ........ | ........ % |
| 16.05 | ........ | $ ........ | ........ % |
| 16.06 | ........ | $ ........ | ........ % |
| 16.07 | ........ | $ ........ | ........ % |
| 16.08 | ........ | $ ........ | ........ % |
| 16.09 | ........ | $ ........ | ........ % |
| 16.10 | ........ | $ ........ | ........ % |
| 16.11 | ........ | $ ........ | ........ % |

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

| | | Loans | |
|---|---|---|---|
| 16.12 | Construction loans ........ | $ ........ | ........ % |
| 16.13 | Mortgage loans over 90 days past due ........ | $ ........ | ........ % |
| 16.14 | Mortgage loans in the process of foreclosure ........ | $ ........ | ........ % |
| 16.15 | Mortgage loans foreclosed ........ | $ ........ | ........ % |
| 16.16 | Restructured mortgage loans ........ | $ ........ | ........ % |

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

| | | Residential | | Commercial | | Agricultural | |
|---|---|---|---|---|---|---|---|
| Loan to Value | | 1 | 2 | 3 | 4 | 5 | 6 |
| 17.01 | above 95%...... | $ ........ | ........ % | $ ........ | ........ % | $ ........ | ........ % |
| 17.02 | 91 to 95%...... | $ ........ | ........ % | $ ........ | ........ % | $ ........ | ........ % |
| 17.03 | 81 to 90%...... | $ ........ | ........ % | $ ........ | ........ % | $ ........ | ........ % |
| 17.04 | 71 to 80%...... | $ ........ | ........ % | $ ........ | ........ % | $ ........ | ........ % |
| 17.05 | below 70%...... | $ ........ | ........ % | $ ........ | ........ % | $ ........ | ........ % |

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? ........ Yes [ X ] No [ ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

| | Description<br>1 | 2 | 3 |
|---|---|---|---|
| 18.02 | ........ | $ ........ | ........ % |
| 18.03 | ........ | $ ........ | ........ % |
| 18.04 | ........ | $ ........ | ........ % |
| 18.05 | ........ | $ ........ | ........ % |
| 18.06 | ........ | $ ........ | ........ % |

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? ........ Yes [ X ] No [ ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

| | 1 | 2 | 3 |
|---|---|---|---|
| 19.02 | Aggregate statement value of investments held in mezzanine real estate loans: ........ | $ ........ | ........ % |
| | Largest three investments held in mezzanine real estate loans: | | |
| 19.03 | ........ | $ ........ | ........ % |
| 19.04 | ........ | $ ........ | ........ % |
| 19.05 | ........ | $ ........ | ........ % |

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2022

**Schedule 2**

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

| | At Year End 1 | At Year End 2 | At End of Each Quarter: 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
|---|---|---|---|---|---|
| 20.01 Securities lending agreements (do not include assets held as collateral for such transactions) | $ | % | $ | $ | $ |
| 20.02 Repurchase agreements | $ | % | $ | $ | $ |
| 20.03 Reverse repurchase agreements | $ | % | $ | $ | $ |
| 20.04 Dollar repurchase agreements | $ | % | $ | $ | $ |
| 20.05 Dollar reverse repurchase agreements | $ | % | $ | $ | $ |

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

| | Owned 1 | Owned 2 | Written 3 | Written 4 |
|---|---|---|---|---|
| 21.01 Hedging | $ | % | $ | % |
| 21.02 Income generation | $ | % | $ | % |
| 21.03 Other | $ | % | $ | % |

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

| | At Year End 1 | At Year End 2 | At End of Each Quarter: 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
|---|---|---|---|---|---|
| 22.01 Hedging | $ | % | $ | $ | $ |
| 22.02 Income generation | $ | % | $ | $ | $ |
| 22.03 Replications | $ | % | $ | $ | $ |
| 22.04 Other | $ | % | $ | $ | $ |

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

| | At Year End 1 | At Year End 2 | At End of Each Quarter: 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
|---|---|---|---|---|---|
| 23.01 Hedging | $ | % | $ | $ | $ |
| 23.02 Income generation | $ | % | $ | $ | $ |
| 23.03 Replications | $ | % | $ | $ | $ |
| 23.04 Other | $ | % | $ | $ | $ |

(Continued)

AMICA MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES
December 31, 2022

**Schedule 3**

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?........ Yes [ ] No [ X ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ........ ........

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?........ Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? ........ Yes [ ] No [ X ]

8.2 If yes, give full information

........

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. ........ Yes [ ] No [ X ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. ........ Yes [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ........ Yes [ ] No [ X ]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, ........ Yes [ ] No [ X ]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ........ Yes [ ] No [ X ]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. ........ Yes [ ] No [ X ]