AMICA MUTUAL INSURANCE COMPANY

Statutory Financial Statements

December 31, 2017 and 2016

(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:

We have audited the accompanying financial statements of Amica Mutual Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and surplus to policyholders as of December 31, 2017 and 2016, and the related statutory statements of income, surplus to policyholders, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with statutory 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Amica Mutual Insurance Company using statutory 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.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting practices and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of Amica Mutual Insurance Company as of December 31, 2017 and 2016, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and surplus of Amica Mutual Insurance Company as of December 31, 2017 and 2016, and the results of its operations and its cash flow for the years then ended, in accordance with statutory accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division described in note 2 to the statutory financial statements.

Other Matter

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 risks 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 auditing standards generally accepted in the United States of America. 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 7, 2018

AMICA MUTUAL INSURANCE COMPANY

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

December 31, 2017 and 2016

	2017	2016
Assets:		
Bonds and debt securities	$ 2,530,627	$ 2,152,648
Common stocks	1,755,880	1,846,046
Mortgage loans	68,131	28,424
Real estate	45,576	44,562
Cash and cash equivalents	35,379	119,362
Other invested assets	156,644	124,646
Receivable for securities	9,911	39,402
Total cash and invested assets	4,602,148	4,355,090
Premiums receivable	609,879	562,647
Reinsurance recoverable on paid losses and loss adjustment expenses	1,703	1,790
Net deferred tax asset	17,562	34,349
Federal income tax recoverable	23,434	51,600
Interest and dividend income due and accrued	21,205	20,508
Equities and deposits in pools and associations	30,318	27,897
Other assets admitted	78,318	66,763
Total assets	$ 5,384,567	$ 5,120,644
Liabilities and surplus to policyholders:		
Reserves for losses and loss adjustment expenses	$ 1,233,999	$ 1,178,986
Reinsurance payable on paid losses	13,782	12,337
Accrued other expenses	82,592	59,854
Reserve for unearned premiums	1,180,441	1,089,035
Ceded reinsurance balances payable	545	140
Dividends payable to policyholders	10,652	10,601
Payable for securities	37,286	40,344
Reserve for non-qualified pensions and deferrals	71,848	59,661
Other liabilities	83,932	86,012
Total liabilities	2,715,077	2,536,970
Surplus to policyholders	2,669,490	2,583,674
Total liabilities and surplus to policyholders	$ 5,384,567	$ 5,120,644

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Income
(in thousands)

December 31, 2017 and 2016

	2017	2016
Underwriting income:		
Premiums earned	$ 2,182,457	$ 2,010,870
Underwriting expenses:		
Losses incurred	1,513,005	1,352,828
Loss expenses incurred	230,833	212,941
Other underwriting expenses	530,510	498,937
Total underwriting expenses	2,274,348	2,064,706
Net underwriting loss	(91,891)	(53,836)
Investment and other income:		
Net investment income	103,594	107,007
Net realized capital gains, net of Federal income taxes of $71,411 and $61,129 in 2017 and 2016, respectively	157,766	141,363
Other (expense) income, net	(101)	681
Total investment and other income	261,259	249,051
Income before dividends and before Federal income taxes, net	169,368	195,215
Dividends to policyholders	145,006	147,212
Income after dividends but before Federal income taxes, net	24,362	48,003
Federal income tax benefit, net	(58,381)	(98,156)
Net income	$ 82,743	$ 146,159

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Surplus to Policyholders

(in thousands)

December 31, 2017 and 2016

	2017	2016
Surplus to policyholders at January 1	$ 2,583,674	$ 2,611,264
Net income	82,743	146,159
Net change in unrealized capital gains (losses), net of ($65,628) and ($22,373) Federal income tax benefit in 2017 and 2016, respectively	112,293	(47,083)
Change in deferred income tax	(82,415)	(36,849)
Change in non-admitted assets	(89,346)	(87,422)
Cumulative effect of change in accounting principles	(15,560)	(15,560)
Change in Amica Companies Supplemental Retirement Trust	5,006	1,698
Change in pension overfunded asset	47,319	7,427
Change in retiree medical overfunded asset	5,757	7,291
Change in retiree medical benefit liability	26,443	0
Other surplus adjustments	(6,424)	(3,251)
Change in surplus to policyholders	85,816	(27,590)
Surplus to policyholders at December 31	$ 2,669,490	$ 2,583,674

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Cash Flow
(in thousands)

December 31, 2017 and 2016

	2017	2016
Cash from operations:		
Premiums collected, net of reinsurance	$ 2,228,191	$ 2,045,539
Loss and loss adjustment expenses paid	(1,687,295)	(1,521,189)
Underwriting expenses paid, net of commissions received	(477,507)	(471,293)
Cash from underwriting	63,389	53,057
Net investment income	114,089	121,434
Other losses, net	(3,849)	(1,420)
Dividends to policyholders	(144,956)	(146,447)
Federal income taxes recovered	16,458	1,072
Net cash from operations	45,131	27,696
Cash (to) from investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	168,088	118,222
Bonds and debt securities matured or repaid	257,948	257,763
Stocks	1,001,060	783,927
Mortgage loans repaid	180	74
Other invested assets	39,681	41,343
Total investment proceeds	1,466,957	1,201,329
Cost of investments acquired:		
Bonds and debt securities	805,584	397,237
Stocks	651,772	651,287
Mortgage loans	39,887	20,878
Other invested assets	39,963	77,837
Total investments acquired	1,537,206	1,147,239
Net cash (to) from investments	(70,249)	54,090
Cash from (to) financing and miscellaneous sources:		
Net transfers (to) from affiliates	(155)	168
Other cash applied	(58,710)	(97,802)
Net cash to financing and miscellaneous sources	(58,865)	(97,634)
Reconciliation of cash, cash equivalents, and short-term investments:		
Net change in cash and cash equivalents	(83,983)	(15,847)
Cash and cash equivalents - beginning of year	119,362	135,209
Cash and cash equivalents - end of year	$ 35,379	$ 119,362

See accompanying notes to statutory financial statements.

Note 1 – Nature of Operations

Amica Mutual Insurance Company (the Company) is a personal lines carrier primarily writing automobile and homeowners coverage on a direct basis. The Company is licensed in 50 states and the District of Columbia, though over 50% of the Company's direct premiums are written in New England, Florida and Texas. Just over 55% of direct written premiums derive from auto lines of business, with approximately another 37% 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 basis adjustments.

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. Majority owned subsidiaries are not consolidated.

3. 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.

4. Salvage and subrogation recoverable generally is not recognized.

5. 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.

6. 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.

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

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

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

10. Certain assets designated as "non-admitted", including equipment and furnishings and prepaid retirement plan assets, are charged off against surplus to policyholders.

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

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12. 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.

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

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 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, 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 necessarily 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 securities do not have a contractual cash flow at time of maturity, the Company considers whether the price of an equity 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 and the performance of the underlying collateral affecting certain classes of assets, it is reasonably possible that the Company will recognize other-than-temporary impairments in the future.

C. Investment Policy

1. Cash equivalents are stated at cost, which approximates fair value.

2. Bonds not backed by other loans, loan-backed bonds and structured securities are stated at amortized cost using the scientific method.

3. 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.

4. 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.

5. 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. 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. Refer to Note 2B for information on the Company's policy for determining other-than-temporary impairments.

6. 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.

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

7. 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 operations as a realized loss.

8. Realized gains and losses are determined on a specific identification basis, are credited or charged to income, and are presented in the statements of operations 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.

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

D. Asset Depreciation and Amortization Policy

Effective January 1, 2017, the Company amended its capitalization policy. Changes include an increase in the prepaid expense threshold from $300 to $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.

E. Revenue Recognition Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Policies generally have a term of one year. 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.

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 necessarily 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 Amica Mutual 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

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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.

On December 22, 2017 the Tax Cuts and Jobs Act (the Act) was enacted into law, reducing the Federal tax rate from 35% to 21%, effective for taxable years after December 31, 2017. The financial statement impact of the new tax law is discussed in Note 10D.

J. Premium Deficiency Calculations 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

   The carrying value reported in the statements of assets, liabilities, and capital and surplus for these instruments approximates fair value.

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 prices provided by a third party.

L. New Accounting Standards

1. In June 2016, the NAIC adopted modifications to SSAP No. 103R, "Transfers and Servicing of Financial Assets and Extinguishment of Liabilities" to add disclosures related to short sale transactions and repurchase and reverse repurchase agreements. The modifications related to short sale transactions are effective January 1, 2017, and the modifications related to repurchase and reverse repurchase agreements was effective December 31, 2017. These modifications did not have an impact on the results of operations or the financial condition of the Company.

2. In June 2016, the NAIC adopted modifications to SSAP No. 26, "Bonds, Excluding Loan-backed and Structured Securities" and SSAP No. 43R, "Loan-backed and Structured Securities" to clarify the presentation and disclosure of investment income and realized gains and losses related to prepayment penalties. This requirement was effective January 1, 2017 with early adoption permitted. See Note 4 for disclosure and additional information.

3. In December 2016, the NAIC adopted revisions to SSAP No. 2, "Cash, Drafts, and Short-Term Investments" requiring (a) the reclassification of money market mutual funds from short-term investments to cash equivalents and (b) using fair value or net asset value (NAV) as valuation for these

investments. This modification was effective December 31, 2017 and did not have a material impact on the results of operations or the financial condition of the Company.

4. In April 2017, the NAIC adopted modifications to SSAP No. 26R, “Bonds, Excluding Loan-backed and Structured Securities” to require the identification of instruments that will be measured using systematic value on January 1, 2018. This methodology is an option for accounting for NAIC-designated fixed income exchange traded funds rather than fair value (NAV) accounting. This requirement is effective December 31, 2017. The Company does not expect to elect this methodology in 2018.

5. In April 2017, the NAIC adopted modifications to SSAP 55, “Unpaid Claims, Losses, and Loss Adjustment Expenses” and SSAP 65, “Property and Casualty Contracts” to include disclosures from ASU 2015-09, Disclosures about Short-Duration Contracts. The modifications related to SSAP 55 include required disclosures of significant changes in methodologies and assumptions used to calculate the liability, including reasons and the effect on the financial statements. The modifications related to SSAP 65 include required disclosures of the amount of interest accretion recognized in the statement of income relating to the discounting of loss and loss adjusting expense reserves, and the line item in which it is classified. This guidance was effective on issuance and the related disclosures are not applicable to the Company as there were no significant changes in methodologies to calculate the liability, and loss and loss adjusting expense reserves are not discounted in the statement of income.

6. In June 2017, the NAIC adopted modifications to SSAP No. 37, “Mortgage Loans” to provide clarification on the scope of SSAP 37. Mortgages acquired through assignment, syndication, or participation are in scope, but this is not intended to capture participating mortgages, real estate funds, or the securitization of assets. A mortgage loan participation is a loan arrangement in which there is one borrower with more than one lender identified in a single lending agreement. In a participating mortgage, the lender is entitled to a share in the rental or resale proceeds from the property by the borrower. In addition, disclosures are required about mortgage loans subject to a mortgage loan participation or co-lending mortgage agreement. This guidance was effective on issuance and did not have an impact on the results of operations or financial condition of the Company.

7. In August 2017, the NAIC adopted modifications to SSAP No. 1, “Disclosures of Accounting Policies, Risks, and Uncertainties, and Other Disclosures” clarifying that information on restricted cash, cash equivalents, and short-term investments is reported in the restricted asset disclosure. This guidance is effective December 31, 2019. This modification is not expected to have a material impact on the Company.

8. In October 2017, the NAIC granted an optional temporary 60-day extension of the 90-day admissibility rule for uncollected premiums, bills receivable for premiums and amounts due from agents and policyholders directly affected by Hurricanes Harvey, Irma, and Maria. This interpretation expired in February 2018. The Company choose not to reflect this extension in the financial statements.

9. In December 2017, the NAIC adopted revisions to SSAP No. 2R “Cash, Cash Equivalents, Drafts, and Short-Term Investments and 103R, “Transfers and Servicing of Financial Assets and Extinguishment of Liabilities” to clarify that acquisitions and disposals of shares in money market mutual funds are not subject to wash sale disclosure. This guidance was effective on issuance and did not have an impact on the results of operations or financial condition of the Company.

10. In November 2017, the NAIC adopted revisions to SSAP No. 100R “Fair Value” to allow the use of net asset value per share as a practical expedient and add disclosures to identify assets valued using NAV. This change is effective January 1, 2018 with early adoption permitted. The Company will adopt these changes beginning January 1, 2018.

11. In February 2018, the NAIC issued INT 18-01, "Updated Tax Estimates Under the Tax Cuts and Jobs Act", which determined that insurance companies should use one of the following three methods to reflect the effects of the Act for year-end 2017 statutory financial statements: 1) a company must record the effects of the change in tax law for all accounting estimates that are complete; 2) a company should report provisional amounts (or adjustments to provisional amounts) for the effects of the tax law change where the accounting is not complete, but a reasonable estimate can be determined; 3) if a reasonable estimate cannot be determined for a specific effect of the tax law change, a company should not record a provisional amount and should continue to apply existing guidance in SSAP 101 based on the tax law in effect prior to the enactment on December 22, 2017. INT 18-01 also affords insurance companies a limited time, limited scope exception to SSAP 9, Subsequent Events, whereas changes in reasonable estimates from the Act are not required to be recognized as Type 1 subsequent events after the issuance of the statutory financial statements. See Note 10 for disclosure and additional information.

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 financial statements are issued.

N. Reclassification

Certain 2016 balances were reclassified to conform to the 2017 presentation.

Note 3 – Accounting Changes and Correction of Errors

In March 2012, the NAIC issued SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14." This statement, which was effective January 1, 2013, requires participants not yet eligible to retire to be included in the accumulated postretirement benefit obligation. In accordance with this statement, the Company has elected to phase in the corresponding transition liability over a period not to exceed ten years and recorded the current year transition liability of $15,560 as of December 31, 2017. See Note 12 for additional information.

Note 4 - Investments

A. Bonds and Debt securities

Bonds and debt securities on deposit with various regulatory authorities, as required by law, totaled $3,747 and $3,589 at December 31, 2017 and 2016, 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
2017				
U. S. government and Federal agency securities	$834,790	$13,415	$8,607	$839,598
States, territories and possessions	339,301	15,041	259	354,083
Political subdivisions of states	148,590	7,258	5	155,843
Special revenue and special assessment obligations	469,119	542	3,058	466,603
Industrial and miscellaneous	738,827	21,093	1,991	757,929
Total	$2,530,627	$57,349	$13,920	$2,574,056
2016				
U. S. government and Federal agency securities	$768,003	$14,789	$6,543	$776,249
States, territories and possessions	413,733	16,127	1,642	428,218
Political subdivisions of states	178,633	7,370	543	185,460
Special revenue and special assessment obligations	225,855	615	3,993	222,477
Industrial and miscellaneous	566,424	17,650	4,935	579,139
Total	$2,152,648	$56,551	$17,656	$2,191,543

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2017 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	$24,769	$25,025
Due after one year through five years	214,860	218,484
Due after five years through ten years	673,541	694,518
Due after ten years	1,617,457	1,636,029
Total	$2,530,627	$2,574,056

Proceeds from the sale of bonds and debt securities during 2017 were $168,088. Gross gains of $7,685 and gross losses of $95 were realized on these sales. Proceeds from the sale of bonds and debt securities during 2016 were $118,222. Gross gains of $9,349 were realized on these sales and gross losses of $182 were realized on these sales. There were no other-than-temporary impairment losses in 2017 or 2016.

(in thousands)

B. Stocks

Net admitted stocks, which are carried at fair value, had a cost basis of $1,007,320 and $1,138,112 at December 31, 2017 and 2016, respectively. Realized gains from the sale of stocks, net of realized losses on sales, amounted to $233,721 in 2017 and $220,029 in 2016. Offsetting these gains are losses related to other-than-temporary declines in the fair value of certain stocks of $15,228 and $27,535, respectively. Net unrealized gains on admitted stocks at December 31, 2017 and 2016 were comprised as follows:

	2017	2016
Unrealized gains	$750,183	$709,316
Unrealized losses	(1,623)	(1,382)
Net unrealized gains	$748,560	$707,934

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $68,131 and $28,424 as of December 31, 2017 and 2016, respectively. The maximum and minimum lending rates for commercial mortgage loans during 2017 were 4.7% and 3.8%. The maximum percentage of any one loan to the value of security at the time of the loan was 64.9%. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total. In 2016, the Company held nine commercial mortgage loans consisting of four office buildings, two retail properties, one parking garage, one industrial park and one self-storage portfolio made up of seven properties. In 2017, the Company acquired six additional commercial mortgage loans consisting of one retail property, two multi-family properties, two industrial parks and one parking garage. All mortgage loans are current as of December 31, 2017.

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. The loan-to-value ratios for each of the Company's commercial mortgage loans as of December 31, 2017 was below 65%.

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

D. Other Invested Assets

The Company holds other invested assets, which include:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Cost	Fair Value	Cost	Fair Value
Adams Street Private Credit Fund, LP	$1,000	$939	$0	$0
AEA Mezzanine Fund III, LP	11,196	11,075	7,454	7,335
Amica General Agency, LLC	200	10,243	200	8,717
Cyprium Investors IV, LP	5,688	5,506	6,813	6,942
GCG Investors IV, LP	1,185	1,061	0	0
GLC Direct Credit Fund, LP	7,103	7,402	4,507	4,570
Goldman Sachs Hedge Fund Opportunities Inst., LTD	10,600	13,319	10,600	12,344
Goldman Sachs Private Equity Partner XI Offshore, LP	222	386	245	318
Goldpoint Mezzanine Partners IV, LP	5,511	5,573	5,854	5,869
Graycliff Mezzanine II Parallel, LP	1,563	1,563	1,357	1,461
Heartw ood Forestland REIT III, LLC	13,153	15,385	8,860	9,411
Lyme Forest Fund IV, LP	13,469	15,081	7,773	7,847
Midw est Mezzanine Fund V SBIC, LP	6,122	7,948	4,868	5,686
Morgan Stanley IFHF SPV, LP	342	503	597	746
Morgan Stanley Institutional Fund of Hedge Funds, LP	15,657	27,949	15,657	26,880
Morgan Stanley Premium Partners Fund, LP	154	306	203	387
Morgan Stanley Private Markets Fund III, LP	2,140	5,124	3,101	6,500
Point Judith Venture Fund III, LP	10,895	12,351	9,888	11,785
Point Judith Venture Fund IV, LP	7,178	6,596	2,741	2,741
Savano Capital Partners II, LP	8,405	8,334	5,104	5,107
Total	$121,783	$156,644	$95,822	$124,646

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 thousands)

As of December 31, 2017, the Company had the following commitments for additional investment:

	Additional Commitments	Expected Capital Calls Through
Adams Street Private Credit Fund, LP	$19,000	2022
AEA Mezzanine Fund III, LP	2,807	2019
Cyprium Investors IV, LP	3,790	2019
Cyprium Investors V, LP*	3,275	2023
GCG Investors IV, LP	5,665	2022
GLC Direct Credit Fund, LP	549	2020
Goldman Sachs Private Equity Partners XI, LP	103	Life of the Fund
Goldpoint Mezzanine Partners IV, LP	7,459	2021
Graycliff Mezzanine II Parallel, LP	567	2019
Graycliff Mezzanine III Parallel, LP*	5,000	2023
Heartwood Forestland REIT III, LLC	987	2021
Lyme Forest Fund IV, LP	1,600	2023
Midwest Mezzanine Fund V SBIC, LP	1,252	2020
Morgan Stanley Private Markets Fund III, LP	518	Life of the Fund
Point Judith Venture Fund III, LP	159	2019
Point Judith Venture Fund IV, LP	20,156	2022
Savano Capital Partners II, LP	7,200	2021
	80,087	

* Reflects commitments to funds not yet owned as of December 31, 2017.

E. Net Investment Income

Net investment income for the years ended December 31, 2017 and 2016 was as follows:

	2017	2016
Bond and debt securities	$70,654	$70,265
Common stock	31,065	39,254
Real estate	2,281	11,470
Cash equivalents	11,583	2,728
Commercial mortgage loans	3,521	750
Other invested assets	3,267	2,062
Miscellaneous	6,045	4,763
Total investment income	128,416	131,292
Less: investment expenses	24,822	24,285
Net investment income	$103,594	$107,007

(in thousands)

F. Fair Value of Financial Instruments

	2017		2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Bonds and debt securities	$2,530,627	$2,574,056	$2,152,648	$2,191,543
Stocks	1,755,880	1,755,880	1,846,046	1,846,046
Mortgage loans	68,131	68,585	28,424	27,573
Cash and cash equivalents	35,379	35,379	119,362	119,362
Other invested assets	156,644	156,644	124,646	124,646
Total	$4,546,661	$4,590,544	$4,271,126	$4,309,170

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.

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 table provides information as of December 31, 2017 and 2016 about the Company's financial assets and liabilities measured at fair value on a recurring basis.

2017	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stock:				
Industrial and miscellaneous	$1,364,544	$3,261	$0	$ 1,367,805
Total common stock	1,364,544	3,261	0	1,367,805
Total assets at fair value	$1,364,544	$3,261	$0	$1,367,805
Liabilities at fair value:				
Total liabilities at fair value	$0	$0	$0	$0

(in thousands)

2016	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stock:				
Industrial and miscellaneous	$1,488,149	$0	$0	$1,488,149
Total common stock	1,488,149	0	0	1,488,149
Total assets at fair value	$1,488,149	$0	$0	$1,488,149
Liabilities at fair value:				
Total liabilities at fair value	$0	$0	$0	$0

Level 1 financial assets totaling $1,364,545 and $1,488,149 at December 31, 2017 and 2016, 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 is 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 between Level 1, Level 2, or Level 3 in the current year. The Company recognizes transfers between levels at the end of the reporting period.

As of December 31, 2017, 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 2017.

(in thousands)

The following tables provide information about the carrying values and fair values of the Company's financial instruments:

2017	Fair Value	Carrying Value	Level 1	Level 2	Level 3
Bonds:					
U.S. governments	$839,598	$834,790	$95,708	$743,890	$0
Municipal bonds	703,685	683,775	0	703,685	0
U.S. special revenue and assessments	272,844	273,235	0	272,844	0
Industrial and miscellaneous	757,929	738,827	0	757,929	0
Total bonds	2,574,056	2,530,627	95,708	2,478,348	0
Common stock:					
Industrial and miscellaneous	1,367,806	1,367,806	1,364,545	3,261	0
Total common stock	1,367,806	1,367,806	1,364,545	3,261	0
Mortgage Loans:					
Commercial Mortgages	68,585	68,131	0	68,585	0
Total Mortgage Loans	68,585	68,131	0	68,585	0
Cash equivalents:					
Exempt money market mutual funds	39,714	39,714	0	39,714	0
Commercial paper	62,932	62,932	0	62,932	0
Total cash equivalents	102,646	102,646	0	102,646	0
Total assets	$4,113,093	$4,069,210	$1,460,253	$2,652,840	$0

2016	Fair Value	Carrying Value	Level 1	Level 2	Level 3
Bonds:					
U.S. governments	$776,249	$768,003	$35,481	$740,768	$0
Municipal bonds	826,549	809,014	0	826,550	0
U.S. special revenue and assessments	9,606	9,207	0	9,606	0
Industrial and miscellaneous	579,139	566,424	0	579,139	0
Total bonds	2,191,543	2,152,648	35,481	2,156,063	0
Mortgage Loans:					
Commercial Mortgages	1,488,149	1,488,149	1,488,149	0	0
Total Mortgage Loans	1,488,149	1,488,149	1,488,149	0	0
Common stock:					
Industrial and miscellaneous	27,573	28,424	0	27,573	0
Total common stock	27,573	28,424	0	27,573	0
Cash equivalents:					
Exempt money market mutual funds	78,674	78,674	0	78,674	0
Commercial paper	0	0	0	0	0
Total cash equivalents	78,674	78,674	0	78,674	0
Total assets	$3,785,939	$3,747,895	$1,523,630	$2,262,310	$0

There were no financial instruments where it was not practical to estimate fair value in 2017 and 2016.

(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, 2017 and 2016 were as follows:

	Less than 12 months		12 months or more		Total	
2017	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U. S. government	$2,068	$189,908	$6,539	$201,131	$8,607	$391,039
States, territories and possessions	119	50,849	140	4,972	259	55,821
Political subdivisions of states	5	2,326	0	0	5	2,326
Special revenue and special assessment obligations	1,498	293,405	1,560	69,498	3,058	362,903
Industrial and miscellaneous	1,069	198,868	922	47,254	1,991	246,122
Subtotal debt securities	4,759	735,356	9,161	322,855	13,920	1,058,211
Common Stock	1,533	61,909	90	410	1,623	62,319
Total temporarily impaired securities	$6,292	$797,265	$9,251	$323,265	$15,543	$1,120,530

	Less than 12 months		12 months or more		Total	
2016	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U.S. government	$4,169	$314,870	$2,374	$62,971	$6,543	$377,841
States, territories and possessions	1,527	53,354	115	3,206	1,642	56,560
Political subdivisions of states	543	29,641	0	0	543	29,641
Special revenue and special assessment obligations	3,681	181,766	312	19,133	3,993	200,899
Industrial and miscellaneous	4,633	206,067	302	8,224	4,935	214,291
Subtotal debt securities	14,553	785,698	3,103	93,534	17,656	879,232
Common Stock	1,304	41,564	78	1,338	1,382	42,902
Total temporarily impaired securities	$15,857	$827,262	$3,181	$94,872	$19,038	$922,134

1. Debt Securities: The unrealized losses of $13,920 on investments in fixed income securities as of December 31, 2017 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.

   As of December 31, 2017, 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 had a fair value of $710,528. Structured and loan-backed securities in an unrealized loss position for less than 12 months had a fair value of $438,410 and unrealized losses of $3,003. Structured and loan-backed securities in an unrealized loss position for more than 12 months had a fair value of $272,118 and unrealized losses of $7,583. 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.

(in thousands)

2. Common Stocks: The unaffiliated common stock investments consist predominantly of positions in common stocks that trade actively on major exchanges. As of December 31, 2017, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $62,319 in 33 issuers. These holdings were in an unrealized loss position of $1,623, of which $90 were 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, 2017.

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

	2017	2016
Adjusted cost basis	$823,700	$979,493
Gross unrealized gains	545,729	510,038
Gross unrealized losses	(1,623)	(1,382)
Carrying value	$1,367,806	$1,488,149

   There was no affiliated common stock in an unrealized loss position as of December 31, 2017 and 2016, and there were no write-downs on affiliated common stock. There were no realized gains on affiliated stocks in 2017 and 2016.

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

	2017	2016
Gross realized capital gains on sales	$244,634	$224,771
Gross realized capital losses on sales	(10,912)	(4,743)
Other-than-temporary impairments	(15,228)	(27,535)

(in thousands)

H. Investments in Affiliates

A summary of investments in affiliates is as follows:

Affiliate	2017 Cost	2017 Carrying Value	2016 Cost	2016 Carrying Value
Common Stock:				
Amica Life Insurance Company	$ 132,000	$ 308,335	$ 107,000	$ 278,821
Amica Property and Casualty Insurance Company	51,620	79,740	51,620	79,077
	183,620	388,075	158,620	357,898
Other Invested Asset:				
Amica General Agency, LLC	200	10,243	200	8,717
	200	10,243	200	8,717
Total	$183,820	$398,318	$158,820	$366,615

The Company owns 100% of the above subsidiaries and affiliates.

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

	2017	2016
Assets	$1,283,398	$1,240,660
Liabilities	973,235	961,839
Capital and surplus	$310,163	$278,821
Income	$126,920	$123,837
Expenses	(124,624)	(120,805)
Net realized capital gains	6,017	3,724
Federal income tax benefit	4,357	3,541
Net income	$12,670	$10,297

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 13 for additional information.

I. 5* Securities

There were no investments in 5* securities as of December 31, 2017 and 2016.

Note 5 – Non-Cash Transactions

The Company did not report any non-cash operating, investing or financing activities in 2017 and 2016.

(in thousands)

Note 6 – Real Estate

Real estate as of December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Land	$9,272	$9,272
Buildings and improvements	109,311	105,703
Less: accumulated depreciation on buildings and improvements	73,007	70,413
Real estate, net	$45,576	$44,562

The Company depreciates buildings and improvements on a straight-line basis. Depreciation expense totaled $2,594 and $2,502 for 2017 and 2016, respectively.

Note 7 – 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
2017						
Computer equipment & software	$274,288	$175,649	$98,639	$98,639	$0	$25,644
Furniture and equipment	32,728	30,087	2,641	2,641	0	1,093
Total	$307,016	$205,736	$101,280	$101,280	$0	$26,737
2016						
Computer equipment & software	$241,374	$155,231	$86,143	$86,143	$0	$18,379
Furniture and equipment	33,764	30,997	2,767	2,767	0	1,197
Total	$275,138	$186,228	$88,910	$88,910	$0	$19,576

There were no write-downs to fair value for equipment and furnishings in 2017 and 2016.

(in thousands)

Note 8 – Reserves for Loss and Loss Adjustment Expenses

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

	2017	2016
Balance at January 1	$1,198,900	$1,154,484
Less reinsurance recoverables	7,577	8,265
Net balance at January 1	$1,191,323	$1,146,219
Incurred related to:		
Current year	1,888,636	1,658,105
Prior years	(144,798)	(92,336)
Total incurred	1,743,838	1,565,769
Paid related to:		
Current year	1,193,177	1,035,777
Prior years	494,203	484,887
Total paid	1,687,380	1,520,665
Net balance at December 31	1,247,781	1,191,323
Plus reinsurance recoverables	4,237	7,577
Balance at December 31	$1,252,018	$1,198,900

In 2017 and 2016, the estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $144,798 and $92,336, respectively. Approximately 85% and 83% of this decrease occurred in the private passenger liability and physical damage automobile lines of business in 2017 and 2016, respectively.

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, changes from the original estimates of the cost of these claims can occur. 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 9 – Dividends to policyholders

Dividends to policyholders were $145,006 and $147,212 in 2017 and 2016, respectively. At December 31, 2017 and 2016, 61.5% and 62.7%, respectively, of policies in-force were from participating policies.

(in thousands)

Note 10 – Income Taxes

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

	Ordinary	Capital	Total
2017			
Gross deferred tax assets	$290,949	$9,523	$300,472
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	290,949	9,523	300,472
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	290,949	9,523	300,472
Deferred tax liabilities	163,394	119,516	282,910
Net admittted deferred tax asset (liability)	$127,555	($109,993)	$17,562
2016			
Gross deferred tax assets	$454,118	$26,000	$480,118
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	454,118	26,000	480,118
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	454,118	26,000	480,118
Deferred tax liabilities	260,625	185,144	445,769
Net admittted deferred tax asset (liability)	$193,493	($159,144)	$34,349
Change			
Gross deferred tax assets	($163,169)	($16,477)	($179,646)
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	(163,169)	(16,477)	(179,646)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	(163,169)	(16,477)	(179,646)
Deferred tax liabilities	(97,231)	(65,628)	(162,859)
Net admittted deferred tax asset (liability)	($65,938)	$49,151	($16,787)

(in thousands)

Admission calculation components:

	Ordinary	Capital	Total
2017			
Federal income taxes paid in prior years recoverable through loss carrybacks	($51,060)	$64,270	$13,210
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	81,294	0	81,294
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	81,294	0	81,294
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	399,900
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	196,444	9,524	205,968
Deferred tax assets admitted as the result of application of SSAP No. 101	$226,678	$73,794	$300,472
2016			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	138,789	0	138,789
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	138,789	0	138,789
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	382,399
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	315,329	26,000	341,329
Deferred tax assets admitted as the result of application of SSAP No. 101	$454,118	$26,000	$480,118
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	($51,060)	$64,270	$13,210
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	(57,495)	0	(57,495)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(57,495)	0	(57,495)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	17,501
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	(118,885)	(16,476)	(135,361)
Deferred tax assets admitted as the result of application of SSAP No. 101	($227,440)	$47,794	($179,646)

Ratios used for threshold limitation:

	2017	2016
Ratio percentage used to determine recovery period and threshold limitation	699%	1238%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$2,668,545	$2,563,398

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2017 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

(in thousands)

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

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

	2017	2016	Change
Federal	($58,381)	($98,156)	$39,775
Foreign	0	0	0
Subtotal	(58,381)	(98,156)	39,775
Federal income tax on net capital gains	71,411	61,129	10,282
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	$13,030	($37,027)	$50,057

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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:	**2017**	**2016**	**Change**
Ordinary:			
Discounting of unpaid losses	$7,710	$15,508	($7,798)
Unearned premium reserve	50,004	76,839	(26,835)
Fixed assets	21,269	31,119	(9,850)
Compensation and benefits accrual	42,512	67,391	(24,879)
Pension accrual	141,283	226,198	(84,915)
Receivables - nonadmitted	139	223	(84)
Tax credit carry-forw ard	4,421	0	4,421
Anticipated salvage/subrogation	20,033	29,822	(9,789)
Other	3,578	7,018	(3,440)
Subtotal	290,949	454,118	(163,169)
Statutory valuation allow ance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	290,949	454,118	(163,169)
Capital:			
Investments	9,523	26,000	(16,477)
Subtotal	9,523	26,000	(16,477)
Statutory valuation allow ance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	9,523	26,000	(16,477)
Admitted deferred tax assets	$300,472	$480,118	($179,646)
Deferred Tax Liabilities:			
Ordinary:			
Investments	$554	$771	($217)
Fixed assets	20,041	29,184	(9,143)
Retirees' medical fund contribution	0	3,818	(3,818)
Pension fund contribution	142,799	225,680	(82,881)
Other	0	1,172	(1,172)
Subtotal	163,394	260,625	(97,231)
Capital:			
Investments	119,516	185,144	(65,628)
Subtotal	119,516	185,144	(65,628)
Deferred tax liabilities	$282,910	$445,769	($162,859)
Net deferred tax assets (liabilities)	$17,562	$34,349	($16,787)

(Continued)

(in thousands)

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

	2017	2016	Change
Total deferred tax assets	$300,472	$480,118	($179,646)
Total deferred tax liabilities	282,910	445,769	(162,859)
Net deferred tax assets/(liabilities)	17,562	34,349	(16,787)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets/(liabilities) after valuation allowance	17,562	34,349	(16,787)
Tax effect of unrealized gains (losses)	119,516	185,145	(65,629)
Statutory valuation allowance adjustment allocation to unrealized	0	0	0
Change in net deferred tax	$137,078	$219,494	($82,416)

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.

On December 22, 2017 the Tax Cuts and Jobs Act (the Act) was enacted into law, reducing the Federal tax rate from 35% to 21%, effective for taxable years after December 31, 2017. As a result, the Company revalued its deferred tax assets and liabilities at December 31, 2017 to reflect the enacted rate of 21% for future reversals of deferred tax items. Consequently, deferred tax assets were reduced by $88,965 and deferred tax liabilities were reduced by $80,206, causing a decrease to surplus of $8,760, at December 31, 2017.

The net decrease is reflected in the net change in unrealized capital gains line and the change in net deferred income tax line of the Statutory Statements of Capital and Surplus as shown in the following table:

	Increase (Decrease) to Surplus		
	Pre Tax Reform	Tax Reform Effect	Post Tax Reform
(Tax) benefit on change in net unrealized capital gains	($14,049)	$79,677	$65,628
Change in net deferred income tax	6,022	(88,437)	(82,415)
Net impact	($8,027)	($8,760)	($16,787)

The Company is unable to determine a reasonable estimate for the impact of the changes under the Act on the discounting of unpaid losses deferred tax. The U.S. Treasury will release guidance on how to apply the new rules, but to date has not. In accordance with INT-18-01, “Updated Tax Estimates under the Tax Cuts and Jobs Act”, the Company will continue to apply the tax law in effect immediately before enactment of the Act and will continue to work in good faith to complete the accounting changes. The Company does not believe the change will have a material impact on surplus.

(in thousands)

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

	2017		2016	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income before taxes	$33,520	35.0%	$38,196	35.0%
Change in deferred tax rate	88,437	92.3%	0	0.0%
Tax exempt interest, net of pro-ration	(3,734)	-3.9%	(4,826)	-4.4%
Dividends received deduction, net of pro-ration	(3,642)	-3.8%	(4,222)	-3.9%
Change in nonadmitted assets	(38,271)	-40.0%	(30,597)	-28.0%
Change in pension overfunded asset	16,562	17.3%	2,070	1.9%
Change in accounting principles	5,824	6.1%	(2,894)	-2.7%
Other	(3,251)	-3.4%	2,095	1.9%
Total	$95,445	99.7%	($178)	-0.2%
Federal income taxes incurred	($58,381)	-61.1%	($98,156)	-90.0%
Tax on capital gains	71,411	74.6%	61,129	56.0%
Change in net deferred taxes	82,415	86.1%	36,849	33.8%
Total statutory income taxes	$95,445	99.7%	($178)	-0.2%

F. Operating Loss and Tax Credit Carryforwards

1. As of December 31, 2017, the Company had an unused tax credit carryforward available in the amount of $4,421.

2. The Company has no amounts of Federal income taxes incurred and available for recoupment in the event of future net losses.

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

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

(in thousands)

Note 11 – 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, 2017 and 2016 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
2017	$2,281,617	$27,902	$3,044	$0	$38,700	$2,273,863	($91,406)	$2,182,457
2016	$2,098,880	$19,549	$2,844	$0	$34,732	$2,086,541	($75,671)	$2,010,870

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 2017 catastrophe reinsurance contract provides coverage of $1,300,000, excess of $200,000, before retained share, with net coverage totaling $807,100. In addition, the Company participates in the Florida Hurricane Catastrophe Fund (FHCF), with 90% coverage of approximately $103,900, excess of $35,500.

B. Amounts representing ceded losses recoverable on unpaid losses and unpaid loss adjustment expenses deducted from losses and loss adjustment expense reserves amounted to $4,237 and $7,577 at December 31, 2017 and 2016, respectively. The Company is not relieved of its primary obligation to the policyholder in a reinsurance transaction.

C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2017. Direct unearned premium at December 31, 2016 was $1,078,737.

	Assumed Premium Reserve	Assumed Commission Equity	Ceded Premium Reserve	Ceded Commission Equity	Net Premium Reserve	Net Commission Equity
Affiliated	$15,156	$3,031	$0	$0	$15,156	$3,031
All Other	1,706	0	1,498	313	208	($313)
Total	$16,862	$3,031	$1,498	$313	$15,364	$2,718
Direct Unearned Premium Reserve			$1,165,077			

Note 12 – Retirement Plans, Deferred Compensation, and Other Postretirement Benefit Plans

A. Defined Benefit Plans

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

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.

The plan is funded through a pension trust (Amica Pension Fund). The net periodic benefit cost/(benefit) for 2017 and 2016 was ($26,497) and ($15,647), respectively, as the expected return on plan assets exceeded the pension costs. At December 31, 2017, the Company recorded a prepaid pension asset of $671,297, offset by a $217,885 overfunded contra asset in accordance with SSAP No. 102. At December 31, 2016, the Company recorded a prepaid pension asset of $644,800, offset by a $265,204 overfunded contra asset in accordance with SSAP No. 102. 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 retiring 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 Retiree Medical Trust. The Company’s share of the net periodic benefit cost for postretirement health care was $16,712 for 2017 and $18,673 for 2016. At December 31, 2017, the Company recorded a prepaid retiree medical expense of $5,152, offset by a $5,152 overfunded contra asset, and a $52,633 liability from the adoption of SSAP No. 92. At December 31, 2016, the Company recorded a prepaid retiree medical expense of $10,909, offset by a $10,909 overfunded contra asset, and a $62,815 liability from the adoption of SSAP No. 92.

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 plan was amended in 2016 to increase the maximum active benefit from $500 to $1,000 and change the benefit for employees who retire after March 1, 2016 to $25. This amendment resulted in a $403 reduction to the retiree life liabilities.

At December 31, 2017 and 2016, the Company recorded a liability of $18,840 and $16,510, respectively, for retiree life insurance benefits. The Company’s share of the net periodic benefit cost for retiree life insurance benefits was $2,336 for 2017 and $2,246 for 2016.

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 $12,296 and $11,499 on behalf of participating employees in 2017 and 2016, 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 12D, certain deferred compensation liabilities are funded through the Amica Companies Supplemental Retirement Trust.

(in thousands)

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 $101,526 at December 31, 2017 and $85,497 at December 31, 2016. The Company has recorded $71,848 and $59,661 at December 31, 2017 and 2016, 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 $13,130 in 2017 and $9,318 in 2016, 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 Amica Mutual Insurance Company and Amica Life Insurance Company are as follows at December 31, 2017 and 2016:

	Pension Benefits				Postretirement Benefits	
	Overfunded		Underfunded		Underfunded	
	2017	2016	2017	2016	2017	2016
1. Change in benefit obligation						
1. Benefit obligation at beginning of year	$1,358,241	$1,288,554	$62,026	$54,881	$407,688	$394,092
2. Service cost	32,681	31,585	9,669	6,187	6,707	6,561
3. Interest cost	56,863	56,857	1,966	1,884	16,788	17,311
4. Contribution by plan participants	0	0	0	0	1,354	1,275
5. Actuarial (gain) loss	93,687	32,510	2,379	3,467	9,242	4,970
6. Foreign currency exchange rate changes	0	0	0	0	0	0
7. Benefits paid	(53,932)	(51,265)	(4,373)	(3,972)	(16,097)	(16,101)
8. Plan amendments	0	0	3,047	(421)	0	(420)
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0	0	0
10. Benefit obligation at end of year	$1,487,540	$1,358,241	$74,714	$62,026	$425,682	$407,688

(in thousands)

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
2. Change in plan assets				
a. Fair Value on plan assets at beginning of year	$1,737,836	$1,595,075	$301,282	$278,637
b. Actual return on plan assets	257,048	144,026	38,445	22,660
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	4,373	53,972	15,062	15,311
e. Plan participants' contributions	0	0	1,354	1,275
f. Benefits paid	(58,305)	(55,237)	(16,422)	(16,601)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	$1,940,952	$1,737,836	$339,721	$301,282
3. Funded Status				
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$671,296	$644,800	$5,152	$10,909
2. Overfunded plan assets	(217,885)	(265,205)	(5,152)	(10,909)
3. Total assets (nonadmitted)	453,411	379,595	0	0
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	54,976	45,918	77,345	86,293
2. Liability for pension benefits	19,738	16,108	0	0
3. Total liabilities recognized	74,714	62,026	77,345	86,293
c. Unrecognized liabilities	$237,624	$281,312	$76,181	$101,820
4. Components of net periodic benefit cost				
a. Service cost	$42,351	$37,772	$6,707	$6,561
b. Interest cost	58,829	58,741	16,788	17,311
c. Expected return on plan assets	(119,782)	(109,879)	(14,516)	(13,403)
d. Transition asset or obligation	473	473	10,984	10,984
e. (Gains) and losses	12,517	14,582	12	464
f. Prior service cost or (credit)	(7,454)	(7,782)	(43)	(43)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	($13,066)	($6,093)	$19,932	$21,874

(in thousands)

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
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	$281,312	$287,176	$101,820	$117,931
b. Net transition asset or (obligation) recognized	(473)	(473)	0	0
c. Net prior service cost or (credit) arising during the period	3,047	(421)	0	(420)
d. Net prior service cost or (credit) recognized	7,454	7,782	(10,941)	(10,941)
e. Net (gain) and loss arising during the period	(41,199)	1,830	(14,687)	(4,286)
f. Net (gain) and loss recognized	(12,517)	(14,582)	(11)	(464)
g. Items not yet recognized as a component of net periodic cost - current year	$237,624	$281,312	$76,181	$101,820
6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost				
a. Net transition (asset) or obligation	$473	$473	$10,984	$10,984
b. Net prior service cost or (credit)	(7,454)	(7,782)	(44)	(44)
c. Net recognized (gains) and losses	6,034	12,122	26	31
7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit costs				
a. Net transition (asset) or obligation	($26,924)	($26,451)	$54,921	$65,906
b. Net prior service cost or (credit)	(5,840)	(16,342)	(400)	(443)
c. Net recognized (gains) and losses	270,388	324,104	21,657	36,358

(in thousands)

8. Weighted-average assumptions as of December 31, 2017 and 2016 were:

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
Measurement date for:				
Net periodic benefit cost	12/31/17	12/31/16	12/31/17	12/31/16
Year-end benefit obligation	12/31/17	12/31/16	12/31/17	12/31/16
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	3.80%	4.25%	3.80%	4.25%
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	4.25%	4.50%	4.25%	4.50%
Expected return on plan assests	7.00%	7.00%	5.00%	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 RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006 and projected with Mortality Improvement Scale MP-2017.

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

Years	Pension Benefits	Postretirement Benefits
2018	$58,713	$18,182
2019	63,536	19,048
2020	65,721	20,178
2021	68,327	21,326
2022	77,207	22,385
2023 through 2027	415,587	119,102

(in thousands)

10. The estimate of contributions expected to be paid by Amica Mutual Insurance Company and Amica Life Insurance Company during 2018 are as follows:

Pension and Postretirement Plans	Contribution
Pension Fund	$20,000
Supplemental Retirement Plan	2,837
Postretirement Health Care	15,552
Retired Life Reserve	1,884
Unfunded Retired Life Benefit	746

11. The assumed health care cost trend rate is 6.5% for 2017 with an ultimate health care trend rate of 4.5% reached in 2027.

12. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	2017	2016
Effect of a 1% Increase in Health Care Cost Trend Rates:		
Total of service cost and interest cost	$932	$1,194
Postretirement benefit obligation	17,860	19,991
Effect of a 1% Decrease in Health Care Cost Trend Rates:		
Total of service cost and interest cost	(774)	(994)
Postretirement benefit obligation	(15,119)	(16,950)

13. 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 Amica Mutual Insurance Company and Amica Life Insurance Company as of December 31, 2017 and 2016:

Pension Benefits	Overfunded		Underfunded	
	12/31/17	12/31/16	12/31/17	12/31/16
Accumulated benefit obligation	($1,443,865)	($1,321,481)	($70,859)	($60,425)
Plan assets at fair value	1,940,951	1,737,836	0	0
Funded status	$497,086	$416,355	($70,859)	($60,425)

(in thousands)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2017 and 2016. The adoption of SSAP No. 102 for the Pension Fund did not have a surplus impact on Amica Mutual Insurance Company and Amica Life Insurance Company as the pension plan was overfunded by more than the transition liabilities. At transition, the Company recognized $346,824 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2014.

At transition, the Company recognized $17,094 for supplemental pension benefits in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2013. This recognition resulted in an additional $16,788 liability recorded on the Company's financial statement at January 1, 2013, with the remaining $306 recorded as a liability on the financial statements of Amica Life Insurance Company.

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.

The following provides the funded status of the postretirement benefits covering employees of Amica Mutual Insurance Company and Amica Life Insurance Company as of December 31, 2017 and 2016:

Postretirement Benefits	Overfunded		Underfunded	
	12/31/17	12/31/16	12/31/17	12/31/16
Accumulated benefit obligation	$0	$0	($425,682)	($407,688)
Plan assets at fair value	0	0	339,721	301,282
Funded status	$0	$0	($85,961)	($106,406)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2017 and 2016. The Company elected to utilize the minimum transition option reflected in Paragraph 103 of SSAP No. 92 for postretirement health care benefits. The Company elected to recognize the full transition liability for retiree life benefits upon adoption. This recognition resulted in an additional $3,659 liability recorded on the Company's financial statement at January 1, 2015 with the remaining $130 recorded as a liability on the financial statements of Amica Life Insurance Company.

14. The Company elected to phase in the transition liability relating to postretirement health care benefits under the transition guidance set forth in SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14". The total transition liability for the postretirement health care benefits was $169,973 resulting in a minimum transition liability of $16,997 after applying the guidance in paragraphs 103bi and 103bii. A total of $144,359 of the transition liability was recognized through December 31, 2016 resulting in an unrecognized transition liability of $25,614 as of December 31, 2016. In accordance with the guidance, the Company's share of the cumulative transition liability recorded on the financial statements was $148,539 on December 31, 2017, with $15,560 recognized in 2017 and 2016. The remaining $7,729 was recorded on the financial statements of Amica Life Insurance Company, with $1,437 recognized in 2017 and 2016.

The following table includes the 2017 transition surplus activity:

	Transition Liability
Beginning of year	($25,614)
Recognized during year	16,997
End of year funded status	($8,617)

The anticipated amortization of the remaining transition liability is:

Year	Anticipated Amortization
2018	$8,617

The Company's share of anticipated amortization is $7,888 for 2018.

F. Description of Investment Policies

The assets of the qualified defined benefit pension plan (the "Pension Fund") and postretirement benefit plans (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.

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. The Pension Trust and the Retiree Medical Trust have no fee interests in real estate.

(in thousands)

The defined benefit pension plan asset allocation as of the measurement date, December 31, 2017 and 2016, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/17**	**12/31/16**	**12/31/17**	**12/31/16**
a. Debt Securities	29.6%	28.6%	28.5%	29.0%
b. Equity Securities	63.7%	64.1%	64.5%	64.5%
c. Real estate	0.0%	0.0%	0.0%	0.0%
d. Other	6.7%	7.3%	7.0%	6.5%
e. Total	100.0%	100.0%	100.0%	100.0%

The postretirement benefit plan asset allocation as of the measurement date, December 31, 2017 and 2016, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/17**	**12/31/16**	**12/31/17**	**12/31/16**
a. Debt Securities	28.6%	25.5%	27.0%	27.0%
b. Equity Securities	61.8%	63.7%	64.5%	64.5%
c. Real estate	0.0%	0.0%	0.0%	0.0%
d. Other	9.6%	10.8%	8.5%	8.5%
e. Total	100.0%	100.0%	100.0%	100.0%

(Continued)

(in thousands)

G. Fair Value of Plan Assets

1. Fair Value Measurements of Plan Assets at Reporting Date

Pension Fund				
2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$81,752	$128,183	$0	$209,935
State and political subdivisions	0	177,448	0	177,448
Corporate debt securities	0	170,181	0	170,181
Common stocks	880,952	0	0	880,952
Cash equivalents and short-term investments	0	53,177	0	53,177
Commercial mortgage loans	0	11,575	0	11,575
Other invested assets	0	0	444,703	444,703
Total assets at fair value	$962,704	$540,564	$444,703	$1,947,971
2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$71,396	$104,951	$0	$176,347
State and political subdivisions	0	173,011	0	173,011
Corporate debt securities	0	136,585	0	136,585
Common stocks	855,150	0	0	855,150
Short-term investments	0	50,737	0	50,737
Commercial mortgage loans	0	4,596	0	4,596
Other invested assets	0	0	327,617	327,617
Total assets at fair value	$926,546	$469,880	$327,617	$1,724,043

The above does not reflect the changes of ASU 2015-07 for disclosing other invested assets measured at net asset value per share, or its equivalent. As a result, certain level 3 investments shown above are not leveled on the audited GAAP statements of the Amica Pension Fund. The Company will adopt these changes on the statutory financial statements upon the adoption of the NAIC revisions to SSAP 100R, which is effective January 1, 2018.

Level 1 financial assets are comprised of US Treasury Bonds and 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 are comprised of debt securities and mortgage loans whose quoted prices are provided by an independent pricing service. Cash equivalents and short-term investments are stated at cost or amortized cost, which approximates fair value.

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 Pension Fund’s ownership percentage of the investment or obtained from the issuer.

(in thousands)

Postretirement Health Care

2017	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$206	$14,084	$0	$14,290
State and political subdivisions	0	54,131	0	54,131
Corporate debt securities	0	10,428	0	10,428
Common stocks	136,845	0	0	136,845
Cash equivalents and short-term investments	0	19,247	0	19,247
Commercial mortgage loans	0	1,620	0	1,620
Other invested assets	0	0	65,795	65,795
Total assets at fair value	$137,051	$99,510	$65,795	$302,356

2016	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$194	$11,409	$0	$11,603
State and political subdivisions	0	44,771	0	44,771
Corporate debt securities	0	9,923	0	9,923
Common stocks	129,981	0	0	129,981
Short-term investments	0	15,227	0	15,227
Commercial mortgage loans	0	643	0	643
Other invested assets	0	0	51,281	51,281
Total assets at fair value	$130,175	$81,973	$51,281	$263,429

The above does not reflect the changes of ASU 2015-07 for disclosing other invested assets measured at net asset value per share, or its equivalent. As a result, certain level 3 investments shown above are not leveled on the audited GAAP statements of the Amica Health and Welfare Plan. The Company will adopt these changes on the statutory financial statements upon the adoption of the NAIC revisions to SSAP. 100R, which is effective January 1, 2018.

Level 1 financial assets are comprised of US Treasury Bonds and 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 are comprised of debt securities and mortgage loans whose quoted prices are provided by an independent pricing service. Cash equivalents and short-term investments are stated at cost or amortized cost, which approximates fair value.

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. Corporate debt securities are included in Level 3 as the market prices were determined by the Company using the issuer’s underlying corporate credit as a benchmark.

(in thousands)

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

	Pension Fund		Postretirement Health Care	
	2017	2016	2017	2016
Balance at beginning of year	$327,617	$291,856	$51,281	$45,997
Total gains/losses (realized/unrealized) included in net				
increase (decrease) in net assets available for benefits	82,262	13,100	12,073	1,982
Purchases	90,794	35,662	7,855	5,297
Sales	(55,970)	(13,001)	(5,414)	(1,995)
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	$444,703	$327,617	$65,795	$51,281

Note 13 – 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 investment in Amica Life was $308,334 and $278,821 at December 31, 2017 and 2016, respectively.

2. The Company allocates a portion of the postretirement benefit expense to Amica Life under an expense allocation arrangement. During 2017 and 2016, expenses of $1,183 and $1,191 respectively, were allocated to the subsidiary.

3. During 2017 and 2016, the Company paid premiums of $4,688 and $4,449, respectively, for group life insurance on the lives of employees and retirees to its affiliate, Amica Life.

4. During 2017 and 2016, costs of $1,771 and $1,800, respectively, were incurred by the Company for the leasing of motor vehicles owned by Amica Life.

5. The Company paid premiums to Amica Life of $2,190 and $11,566 in 2017 and 2016, respectively, for structured settlements.

6. Amica Life reimbursed the Company $2,261 and $2,261 in 2017 and 2016, respectively, for personnel and facility expenses used by Amica.

7. 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, 2017 or 2016.

8. On January 3, 2017, Amica Mutual made a capital contribution of $25,000 to Amica Life to provide additional support with regard to Amica Life's growth initiatives.

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

(in thousands)

B. Amica Property and Casualty Insurance Company

1. Amica P&C, a wholly-owned stock property and casualty insurance company, began writing auto coverages exclusively in New Jersey effective January 1, 2006, and on March 1, 2006, it began renewing Amica Mutual New Jersey auto policies as Amica P&C policies. Effective January 1, 2014 and upon policy renewal, approximately 65% of the business previously written by Amica P&C was written by Amica Mutual based on underwriting criteria developed by Amica Mutual. Effective July 1, 2014, Amica P&C began writing New York auto policies. New auto business in New York is written by either Amica Mutual or Amica P&C based on set underwriting criteria. Renewals of existing Amica Mutual New York auto policies continue to be written by Amica Mutual. In addition, Amica P&C began writing Texas auto policies effective May 1, 2017, Georgia auto policies effective July 1, 2017, and Rhode Island auto policies effective August 1, 2017. New auto business in Texas, Georgia and Rhode Island are written by either Amica Mutual or Amica P&C based on set underwriting criteria. Renewals of existing auto policies in these states will continue to be written by Amica Mutual.

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 $5,298 and $4,440 in 2017 and 2016, respectively.

C. Amounts Due to or from Related Parties

At December 31, 2017 and 2016, the following amounts were (payable)/recoverable from affiliates:

	2017		2016	
Affiliate	**Management, Service and Reinsurance Contracts**	**Federal Income Taxes**	**Management, Service and Reinsurance Contracts**	**Federal Income Taxes**
Amica General Agency, LLC	$65	$73	$61	$53
Amica Life Insurance Company	150	(1,266)	181	0
Amica Property and Casualty Insurance Company	1,041	(55)	859	38
Total	$1,256	($1,248)	$1,101	$91

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, an insurance agency which sells certain insurance products of other insurance companies through the Company's distribution system. The agency's value of $10,243 is fully admitted in the Company's December 31, 2017 balance sheet.

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. Amica Property and Casualty Insurance Company follows no state prescribed or permitted practices that depart from NAIC statutory accounting practices and procedures (NAIC SAP). The statutory financial statements of Amica Life reflect a permitted practice approved by the Rhode Island

(in thousands)

Department of Business Regulation Insurance Division, 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.

2. 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 NAIC Accounting Practices and Procedures (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	($11,139)	$0	$308,334	$308,334

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

3. This permitted practice has no effect on the surplus of Amica Life nor its reserve position, as the Amica Life continues to establish reserves in accordance with Rhode Island Regulation 93. Therefore, no regulatory action or risk-based capital event would have been triggered had the practice not been followed.

Note 14 – Leases

A. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through 2025. Rental expense for 2017 and 2016 was $11,244 and $9,998 respectively. Future minimum rental payments are as follows:

Year	Amount
2018	$9,678
2019	9,487
2020	8,499
2021	6,730
2022	4,745
Thereafter	2,798
Total	$41,937

B. Certain rental commitments have renewal options extending through the year 2034. Some of these renewals are subject to adjustments in future periods.

Note 15 – Contingencies

A. Contingent Commitments

The Company has made commitments to provide $80,087 in additional funds to unaffiliated limited partnerships as of December 31, 2017. See Note 4 for more information.

(in thousands)

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 $2,619 at December 31, 2017 and $1,894 at December 31, 2016. 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	2017	2016
Prepaid pension contribution	$453,411	$379,595
Furniture and other equipment, net	101,280	88,910
Prepaid expenses	12,415	12,560
Premium receivable over 90 days past due	628	609
Amica Companies Supplemental Retirement Trust	29,678	25,835
Other	1,393	1,950
Total Non-admitted Assets	$598,805	$509,459

Note 17 – Subsequent Events

Subsequent events have been considered through February 7, 2018 for the statutory statement issued on February 7, 2018 and through May 7, 2018 for the audited financial statements issued on May 7, 2018.

1. On January 2, 2018, 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.

2. On January 26, 2018, the Company made a $20,000 contribution to the Amica Pension Fund.

3. In April 2018, the Company was approved to become a participating insurer with the California Earthquake Authority (CEA) in order to transfer all California earthquake coverage to the CEA. The CEA is a privately funded not-for-profit entity established in 1996 by the California Legislature that partners with participating insurers to offer earthquake coverage. The Company currently offers earthquake coverage as an endorsement on the homeowners policy in California and reported written premium of $14,552 on this line of business in 2017. The Company plans to begin transferring the coverage in the fourth quarter of 2018, with all California earthquake risk expected to be transferred to the CEA by the end of 2019. The membership in the CEA will require the Company to make a capital contribution to the CEA based on market share and will be payable when the Company begins issuing CEA policies.

There were no other events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

AMICA MUTUAL INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
Schedule 1
December 31, 2017

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	90,681,976	1.970	90,681,976		90,681,976	1.970
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	365,867,957	7.950	365,867,957		365,867,957	7.950
1.22 Issued by U.S. government sponsored agencies	42,084,075	0.914	42,084,075		42,084,075	0.914
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)		0.000				0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :						
1.41 States, territories and possessions general obligations	339,300,647	7.373	339,300,647		339,300,647	7.373
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	148,589,949	3.229	148,589,949		148,589,949	3.229
1.43 Revenue and assessment obligations	26,843,247	0.583	26,843,247		26,843,247	0.583
1.44 Industrial development and similar obligations		0.000				0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	94,703,405	2.058	94,703,405		94,703,405	2.058
1.512 Issued or guaranteed by FNMA and FHLMC	225,888,577	4.908	225,888,577		225,888,577	4.908
1.513 All other		0.000				0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	330,859,443	7.189	330,859,443		330,859,443	7.189
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	169,040,884	3.673	169,040,884		169,040,884	3.673
1.523 All other	130,253,270	2.830	130,253,270		130,253,270	2.830
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	553,384,564	12.024	553,384,564		553,384,564	12.024
2.2 Unaffiliated non-U.S. securities (including Canada)	13,129,437	0.285	13,129,437		13,129,437	0.285
2.3 Affiliated securities		0.000				0.000
3. Equity interests:						
3.1 Investments in mutual funds	344,393,983	7.483	344,393,983		344,393,983	7.483
3.2 Preferred stocks:						
3.21 Affiliated		0.000				0.000
3.22 Unaffiliated		0.000				0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000				0.000
3.32 Unaffiliated	1,020,150,855	22.167	1,020,150,855		1,020,150,855	22.167
3.4 Other equity securities:						
3.41 Affiliated	388,074,541	8.432	388,074,541		388,074,541	8.432
3.42 Unaffiliated	3,260,900	0.071	3,260,900		3,260,900	0.071
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.000				0.000
3.52 Unaffiliated		0.000				0.000
4. Mortgage loans:						
4.1 Construction and land development		0.000				0.000
4.2 Agricultural		0.000				0.000
4.3 Single family residential properties		0.000				0.000
4.4 Multifamily residential properties		0.000				0.000
4.5 Commercial loans	68,130,528	1.480	68,130,528		68,130,528	1.480
4.6 Mezzanine real estate loans		0.000				0.000
5. Real estate investments:						
5.1 Property occupied by company	45,575,603	0.990	45,575,603		45,575,603	0.990
5.2 Property held for production of income (including $ ________ of property acquired in satisfaction of debt)		0.000				0.000
5.3 Property held for sale (including $ ________ property acquired in satisfaction of debt)		0.000				0.000
6. Contract loans		0.000				0.000
7. Derivatives		0.000				0.000
8. Receivables for securities	9,910,759	0.215	9,910,759		9,910,759	0.215
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	35,379,467	0.769	35,379,467		35,379,467	0.769
11. Other invested assets	156,643,818	3.404	156,643,818		156,643,818	3.404
12. Total invested assets	4,602,147,885	100.000	4,602,147,885		4,602,147,885	100.000

See accompanying independent auditors' report.

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES **Schedule 2**
December 31, 2017

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. $ 5,384,567,321

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Amica Life Insurance Company	Common Stock	$ 308,334,399	5.7 %
2.02	Federal National Mortgage Association	Bonds	$ 121,052,652	2.2 %
2.03	Federal Home Loan Mortgage Corporation	Bonds	$ 110,098,563	2.0 %
2.04	Amica Property & Casualty Ins Co	Common Stock	$ 79,740,142	1.5 %
2.05	State of Georgia	Bonds	$ 68,757,286	1.3 %
2.06	State of Texas	Bonds	$ 67,384,750	1.3 %
2.07	JP Morgan Mortgage Trust	Bonds	$ 51,323,565	1.0 %
2.08	State of Washington	Bonds	$ 46,365,740	0.9 %
2.09	Apple Inc	Bonds, Common Stock	$ 44,114,145	0.8 %
2.10	State of Wisconsin	Bonds	$ 42,420,850	0.8 %

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	$ 2,248,927,087	41.8 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 306,672,108	5.7 %	3.08	P/RP-2	$	%
3.03	NAIC-3	$ 37,960,113	0.7 %	3.09	P/RP-3	$	%
3.04	NAIC-4	$	%	3.10	P/RP-4	$	%
3.05	NAIC-5	$	%	3.11	P/RP-5	$	%
3.06	NAIC-6	$	%	3.12	P/RP-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	$ 84,573,984	1.6 %
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2017

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 Issuer	2 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, 2017

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 Issuer	2	3
13.02	Amica Life Insurance Company	$ 308,334,399	5.7 %
13.03	Fidelity Global ex US Index Fund	$ 170,665,740	3.2 %
13.04	Fidelity Total International Index Fund	$ 128,936,516	2.4 %
13.05	Amica Property & Casualty Insurance Company	$ 79,740,142	1.5 %
13.06	Fidelity Emerging Markets Index Fund	$ 37,922,867	0.7 %
13.07	Apple Inc.	$ 35,318,470	0.7 %
13.08	Morgan Stanley Institutional Fund of Hedge Funds	$ 27,949,342	0.5 %
13.09	JPMorgan Chase & Co.	$ 27,575,014	0.5 %
13.10	Microsoft Corp.	$ 26,607,131	0.5 %
13.11	Alphabet Inc.	$ 25,352,179	0.5 %

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2017

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 [X] No [ ]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	$	%
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03		$	%
14.04		$	%
14.05		$	%

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		$	%

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 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		$	%

(Continued)

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Schedule 2

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 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)

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

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

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GENERAL INTERROGATORIES
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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 ratio 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 32 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]