KPMG

AMICA PROPERTY AND CASUALTY 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 Property and Casualty Insurance Company:

We have audited the accompanying financial statements of Amica Property and Casualty Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2017 and 2016, and the related statutory statements of operations, capital and surplus, 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 Property and Casualty 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 Property and Casualty 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 Property and Casualty 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 PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

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

December 31, 2017 and 2016

	2017	2016
Assets:		
Bonds and debt securities	$ 62,706	$ 64,000
Mortgage loans	1,162	0
Cash and cash equivalents	4,717	6,809
Total cash and invested assets	68,585	70,809
Premiums receivable	11,667	7,626
Reinsurance recoverable on paid losses and loss adjustment expenses	2,675	2,178
Investment income due and accrued	495	477
Net deferred tax asset	218	332
Federal income tax recoverable	55	0
Other assets admitted	438	533
Total assets	$ 84,133	$ 81,955
Liabilities and capital and surplus:		
Accrued other expenses	$ 1,034	$ 855
Federal income taxes payable	0	38
Ceded reinsurance premiums payable	1,829	1,094
Payable to parent	1,041	859
Other liabilities	489	32
Total liabilities	4,393	2,878
Common stock - $350 par value per share. Authorized and issued 10,000 shares.	3,500	3,500
Additional paid-in-capital	48,120	48,120
Surplus	28,120	27,457
Total capital and surplus	79,740	79,077
Total liabilities and capital and surplus	$ 84,133	$ 81,955

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Operations
(in thousands)

December 31, 2017 and 2016

	2017	2016
Underwriting income:		
Premiums earned	$ 0	$ 0
Underwriting expenses:		
Losses incurred	0	0
Loss expenses incurred	0	0
Other underwriting expenses (income), net	216	(265)
Total underwriting expenses (income)	216	(265)
Net underwriting (loss) income	(216)	265
Investment and other income:		
Net investment income	1,878	1,292
Net realized capital (losses) gains, net of Federal income tax (benefit) expense of ($47) and $10 in 2017 and 2016, respectively	(88)	19
Other expense, net	(354)	(386)
Total investment and other income	1,436	925
Income before Federal income taxes, net	1,220	1,190
Federal income taxes incurred, net	516	382
Net income	$ 704	$ 808

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Capital and Surplus
(in thousands)

December 31, 2017 and 2016

	2017	2016
Capital and surplus at January 1	$ 79,077	$ 78,135
Net income	704	808
Change in net deferred income tax	(114)	(115)
Change in non-admitted assets	73	249
Change in capital and surplus	663	942
Capital and surplus at December 31	$ 79,740	$ 79,077

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Cash Flow
(in thousands)

December 31, 2017 and 2016

	2017	2016
Cash (to) from operations:		
Premiums collected, net of reinsurance	$ (3,274)	$ (638)
Loss and loss adjustment expenses (paid) recovered	(496)	226
Underwriting expenses recovered, net of commissions received	122	145
Cash to underwriting	(3,648)	(267)
Net investment income	2,152	1,180
Other losses, net	(260)	(355)
Federal income taxes paid	(561)	(394)
Net cash (to) from operations	(2,317)	164
Cash from (to) investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	2,711	701
Bonds and debt securities matured or repaid	4,850	5,950
Other	297	0
Total investment proceeds	7,858	6,651
Cost of investments acquired:		
Bonds and debt securities	6,694	50,378
Mortgage loans	1,162	0
Total investments acquired	7,856	50,378
Net cash from (to) investments	2	(43,727)
Cash from financing and miscellaneous sources:		
Net transfers from (to) affiliates	182	(27)
Other cash provided	41	207
Net cash from financing and miscellaneous sources	223	180
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	(2,092)	(43,383)
Cash and cash equivalents - beginning of year	6,809	50,192
Cash and cash equivalents - end of year	$ 4,717	$ 6,809

See accompanying notes to statutory financial statements.

Note 1 – Nature of Operations

Amica Property and Casualty Insurance Company, hereinafter referred to as "Amica P&C" or "the Company", is a Rhode Island domiciled property and casualty insurer, which is solely owned and managed by Amica Mutual Insurance Company (Amica Mutual). The initial capitalization of Amica P&C occurred on June 16, 2005, with the purchase of 10,000 shares of common stock totaling $3,500 and additional paid in capital totaling $30,100, for a total initial investment of $33,600.

Amica P&C has an instrumental role in the Amica holding company group as one of the group's two property and casualty insurers, Amica Mutual being the other, and is primarily used to supplement Amica Mutual's personal automobile writings. Previous to 2014, Amica P&C was the sole writer of personal automobile coverages in New Jersey for the Amica holding company group. However, effective January 1, 2014, a dual-company underwriting approach was undertaken, under which personal automobile policies underwritten by Amica are split between Amica Mutual and Amica P&C based on set underwriting criteria, which places preferred business with Amica Mutual and standard business with Amica P&C.

In 2015, Amica Mutual elected to merge its two wholly-owned property and casualty insurance subsidiaries, Amica P&C and Amica Texas Insurance Company, formerly Amica Lloyd's of Texas. On December 31, 2015, Amica P&C merged with Amica Texas Insurance Company, with Amica P&C continuing as the surviving entity of the merger. As a result of the merger, the Company assumed all remaining assets and liabilities of Amica Texas Insurance Company as of December 31, 2015, as well as its surplus of $75,030. On December 31, 2015, Amica P&C paid a dividend to Amica Mutual in the amount of $23,000.

Prior to 2017, Amica P&C wrote auto business only in New Jersey and New York. In 2017, the Company expanded writings into Georgia, Texas and Rhode Island. The Company is also licensed to write business in Arizona, Connecticut, Florida, Indiana, Kentucky, Maine, Maryland, Michigan, Ohio, Pennsylvania, South Carolina and Washington. Management intends to expand Amica P&C operations to additional states in 2018 and 2019 under the dual-company underwriting model.

There are no employees of Amica P&C. Amica Mutual employees perform certain managerial and other operational 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.

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

3. Salvage and subrogation recoverable generally is not recognized.

4. 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.

5. Reserves for losses and loss adjustment expenses and reserves for unearned premiums are presented net of reinsurance ceded.

6. Certain assets designated as “non-admitted” are charged off against surplus.

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

8. 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.

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 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. 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 or amortized cost, which approximates fair value. Certificates of deposit in banks or similar institutions with maturity dates within one year or less from the acquisition date are classified as cash.

2. 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. 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.

5. 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 tax. Unrealized capital gains and losses resulting from the valuation of investments at fair value are credited or charged directly to surplus. 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 balance sheet 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.

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

D. Asset Depreciation and Amortization Policy

All equipment expenses are allocated to the Company through its cost-sharing agreement with Amica Mutual. Effective January 1, 2017, Amica Mutual 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. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business.

F. Acquisition Expenditure Policy

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

G. Commissions Policy

When the commission received under a reinsurance agreement exceeds the anticipated acquisition cost of the business ceded, the Company establishes a liability equal to the difference between the anticipated acquisition cost and the reinsurance commission received. The excess is recorded as income over the life of the reinsurance contract.

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. Intercompany estimated tax balances are settled at least quarterly during the tax year with a final settlement during the month following the filing of the consolidated income tax return.

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

On December 22, 2017 the Tax Cuts and Jobs 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 6D.

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.

(Continued)

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. Bonds and Debt Securities

   The fair value of long-term bonds and debt securities is based on market prices. In absence of publishers' market values, the fair value is based on market yields of securities from identical issuers with similar maturities.

3. 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 were effective January 1, 2017, and the modifications related to repurchase and reverse repurchase agreements were 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. The Company has adopted this modification. See Note 4F 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 has been adopted by the Company. See Note 4C for additional information.

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 was 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 operations 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 expenses reserves are not discounted in the statement of operations.

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 the Company has adopted this modification. See Note 4B for additional information.

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 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.

10. 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.

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.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

N. Reclassification

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

Note 3 – Accounting Changes and Correction of Errors

There have been no accounting changes or correction of errors in 2017 or 2016.

Note 4 – Investments

A. Bonds and Debt Securities

1. Bonds and debt securities on deposit with various regulatory authorities, as required by law, totaled $2,534 and $1,067 at December 31, 2017 and 2016, respectively.
2. 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	$17,999	$533	$383	$18,149
State and municipal bonds	9,835	62	293	9,604
Political subdivisions	2,283	44	8	2,319
Special revenue and special assessment obligations	9,963	3	207	9,759
Industrial and miscellaneous	22,626	223	188	22,661
Total	$62,706	$865	$1,079	$62,492
2016				
U.S. Government and Federal Agency securities	$19,124	$598	$394	$19,328
State and municipal bonds	11,720	66	536	11,250
Political subdivisions	2,171	47	17	2,201
Special revenue and special assessment obligations	10,596	4	234	10,366
Industrial and miscellaneous	20,389	99	514	19,974
Total	$64,000	$814	$1,695	$63,119

3. The amortized cost and fair value of bonds and debt securities at December 31, 2017, by contractual maturities, are shown as follows:

	Amortized Cost	Fair Value
Due in one year or less	$194	$196
Due after one year through five years	5,405	5,416
Due after five years through ten years	16,783	16,875
Due after ten years	40,324	40,005
Total	$62,706	$62,492

(in thousands)

4. Proceeds from the sale of bonds and debt securities during 2017 and 2016 were $2,711 and $701, respectively. During 2017 and 2016, gross gains of $16 and $22, respectively, were realized on these sales. Gross losses of $127 and $0 were incurred on these sales in 2017 and 2016.

B. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $1,162 and $0 as of December 31, 2017 and 2016, respectively. The maximum and minimum lending rates for commercial mortgage loans funded during 2017 were 4.7% and 4.0%. 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. The Company's six commercial mortgage loans consist of two industrial parks, one retail property, one parking garage, and two multi-family properties. All six mortgage loans are current and there were no impaired mortgage loans 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%.

C. Net Investment Income

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

	2017	**2016**
Bonds and debt securities	$1,891	$1,144
Mortgage loans	34	0
Cash equivalents	74	242
Miscellaneous	1	0
Total investment income	2,000	1,386
Less: Investment expenses	122	94
Net investment income	$1,878	$1,292

D. Fair Value of Financial Instruments

	2017		**2016**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Assets:				
Bonds and debt securities	$62,706	$62,492	$64,000	$63,119
Mortgage loans	1,162	1,184	0	0
Cash and cash equivalents	4,717	4,717	6,809	6,809
Total assets	$68,585	$68,393	$70,809	$69,928

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

(in thousands)

The Company's valuation techniques are based upon 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 Company had no financial instruments carried at fair value as of December 31, 2017.
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	$18,149	$17,999	$3,095	$15,054	$0
Municipal bonds	20,966	21,366	0	20,966	0
U.S. special revenue and assessments	715	714	0	715	0
Industrial and miscellaneous	22,662	22,627	0	22,662	0
Total bonds	62,492	62,706	3,095	59,397	0
Mortgage loans:					
Mortgage loans	1,184	1,162	0	1,184	0
Total mortgage loans	1,184	1,162	0	1,184	0
Cash equivalents:					
Exempt money market mutual funds	408	408	0	408	0
Commercial paper	3,809	3,809	0	3,809	0
Total cash equivalents	4,217	4,217	0	4,217	0
Total assets	$67,893	$68,085	$3,095	$64,798	$0

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
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Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

2016	Fair Value	Carrying Value	Level 1	Level 2	Level 3
Bonds:					
U.S. governments	$19,328	$19,124	$3,482	$15,846	$0
Municipal bonds	23,790	24,463	0	23,790	0
U.S. special revenue and assessments	27	24	0	27	0
Industrial and miscellaneous	19,974	20,389	0	19,974	0
Total bonds	63,119	64,000	3,482	59,637	0
Cash equivalents:					
Exempt money market mutual funds	2,413	2,413	0	2,413	0
Commercial paper	3,995	3,995	0	3,995	0
Total cash equivalents	6,408	6,408	0	6,408	0
Total assets	$69,527	$70,408	$3,482	$66,045	$0

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

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.

E. 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, are as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
2017						
U.S. Government and Federal agency	$56	$3,203	$327	$8,589	$383	$11,792
State and municipal bonds	19	750	274	6,853	293	7,603
Political subdivisions	2	406	6	240	8	646
Special revenue & special assessment	32	3,687	175	5,729	207	9,416
Industrial and miscellaneous	39	5,674	149	6,738	188	12,412
Total temporarily impaired securities	$148	$13,720	$931	$28,149	$1,079	$41,869
2016						
U.S. Government and Federal agency	$379	$12,285	$14	$343	$393	$12,628
State and municipal bonds	536	9,463	0	0	536	9,463
Political subdivisions	17	1,243	0	0	17	1,243
Special revenue & special assessment	227	9,795	7	414	234	10,209
Industrial and miscellaneous	514	16,288	1	14	515	16,302
Total temporarily impaired securities	$1,673	$49,074	$22	$771	$1,695	$49,845

(in thousands)

The unrealized losses of $1,079 on investments in fixed income securities as of December 31, 2017 are primarily attributable to increased interest rates and modestly wider spread levels. All of these securities with unrealized losses are rated NAIC Class 1 or 2 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, these investments are not considered other-than-temporarily impaired.

As of December 31, 2017, the Company had investments in structured and loan-backed securities for which an other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position, as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Loan-backed and structured securities	$57	$6,063	$386	$12,556	$443	$18,619

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 increased 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.

F. 5* Securities

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

G. Prepayment Penalties and Acceleration Fees

The Company recognized the following prepayment penalties for securities sold in 2017:

Number of CUSIPs sold	10
Aggregate amount of investment income	$3

(in thousands)

Note 5 – Reserves for Losses and Loss Adjustment Expenses

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

	2017	2016
Balance at January 1	$37,707	$47,273
Less reinsurance recoverables	37,707	47,273
Net balance at January 1	0	0
Incurred related to:		
Current year	0	0
Prior years	0	0
Total incurred	0	0
Paid related to:		
Current year	0	0
Prior years	0	0
Total paid	0	0
Net balance at December 31	0	0
Plus reinsurance recoverables	33,016	37,707
Balance at December 31	$33,016	$37,707

As the Company's reserves for losses and loss adjustment expenses were ceded at 100% to Amica Mutual, there were no net balances related to current year.

Reinsurance recoverables at December 31, 2017 were $33,016, a decrease of $4,691 from December 31, 2016. These recoverables result from the Company's quota share reinsurance agreement with Amica Mutual.

(in thousands)

Note 6 – Income Taxes

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

	Ordinary	Capital	Total
2017			
Gross deferred tax assets	$225	$0	$225
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	225	0	225
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	225	0	225
Deferred tax liabilities	7	0	7
Net admitted deferred tax asset (liability)	$218	$0	$218
2016			
Gross deferred tax assets	$339	$0	$339
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	339	0	339
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	339	0	339
Deferred tax liabilities	7	0	7
Net admitted deferred tax asset (liability)	$332	$0	$332
Change			
Gross deferred tax assets	($114)	$0	($114)
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	(114)	0	(114)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	(114)	0	(114)
Deferred tax liabilities	0	0	0
Net admitted deferred tax asset (liability)	($114)	$0	($114)

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Admission calculation components:

	Ordinary	Capital	Total
2017			
Federal income taxes paid in prior years recoverable through loss carrybacks	$225	$0	$225
Adjusted gross deferred tax assets expected to be realized w ithin 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized follow ing			
the balance sheet date	0	0	0
2. Adjusted gross deferred tax assets allow ed per limitation threshold	XXX	XXX	11,928
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	0	0	0
Deferred tax assets admitted as the result of application of SSAP No. 101	$225	$0	$225
2016			
Federal income taxes paid in prior years recoverable through loss carrybacks	$339	$0	$339
Adjusted gross deferred tax assets expected to be realized w ithin 3 years			
(The lesser of 1 and 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized follow ing			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allow ed per limitation threshold	XXX	XXX	11,812
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	0	0	0
Deferred tax assets admitted as the result of application of SSAP No. 101	$339	$0	$339
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	($114)	$0	($114)
Adjusted gross deferred tax assets expected to be realized w ithing 3 years			
(The lesser of 1 and 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized follow ing			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allow ed per limitation threshold	XXX	XXX	116
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	0	0	0
Deferred tax assets admitted as the result of application of SSAP No. 101	($114)	$0	($114)

Ratios used for threshold limitation:

	2017	2016
Ratio percentage used to determine recovery period and threshold limitations amount	30700%	39261%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$ 79,522	$ 78,745

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.

(Continued)

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

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	$516	$382	$134
Foreign	0	0	0
Subtotal	516	382	134
Federal income tax on net capital gains	(47)	10	(57)
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	$469	$392	$77

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
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Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

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	$0	$0	$0
Unearned premium reserve	1	2	(1)
Receivables - nonadmitted	7	23	(16)
Deferred ceded commissions	217	300	(83)
Prepaid expenses	0	14	(14)
Subtotal	225	339	(114)
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	225	339	(114)
Capital:			
Investments	0	0	0
Net capital loss carry-forward	0	0	0
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	0	0	0
Admitted deferred tax assets	$225	$339	($114)
Deferred Tax Liabilities:			
Ordinary:			
Investments	$7	$7	$0
Fixed assets	0	0	0
Capital:			
Investments	0	0	0
Real estate	0	0	0
Deferred tax liabilities	$7	$7	$0
Net deferred tax assets	$218	$332	($114)

(Continued)

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

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	$225	$339	($114)
Total deferred tax liabilities	7	7	0
Net deferred tax assets/(liabilities)	218	332	(114)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets/(liabilities) after valuation allowance	218	332	(114)
Tax effect of unrealized gains (losses)	0	0	0
Statutory valuation allowance adjustment allocation to unrealized	0	0	0
Change in net deferred tax	$218	$332	($114)

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 $150 and deferred tax liabilities were reduced by $4, causing a decrease to net deferred tax assets of $146 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
Change in net deferred income tax	$32	($146)	($114)
Net Impact	$32	($146)	($114)

Based on the Company's interpretation of the language of the Act, we believe we have accounted for all material effects on its tax position. The Company will continue to work in good faith to recognize any accounting changes necessary as new accounting guidance becomes available.

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2017 and 2016

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	$411	35.0%	$420	35.0%
Change in deferred tax rate	146	12.4%	0	0.0%
Change in non-admitted assets	25	2.2%	87	7.3%
Other	1	0.1%	0	0.0%
Total	$583	49.7%	$507	42.3%
Federal income taxes incurred	$516	44.0%	$382	31.9%
Tax on capital gains (losses)	(47)	-4.0%	10	0.8%
Change in net deferred taxes	114	9.7%	115	9.6%
Total statutory income taxes	$583	49.7%	$507	42.3%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2017 and 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income as the Company's Federal income tax return is consolidated and filed by Amica Mutual Insurance Company.

2. The amounts of Federal income taxes incurred and available for recoupment in the event of future net losses are:

Year	Total
2017	$469
2016	$392

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

G. Consolidated Federal Income Tax Return

The Company's Federal income tax return is consolidated with the following entities:

a. Amica Mutual Insurance Company
b. Amica General Agency, LLC
c. Amica Life Insurance Company

Note 7 – Reinsurance

A. The Company maintains a 100% quota share reinsurance agreement covering all premiums, losses and loss adjustment expenses with Amica Mutual. In return, the Company receives a 20% ceding commission on premiums ceded under this treaty, and it records the commission income as an offset to other underwriting expenses. During 2017 and 2016, the Company earned commissions on this quota share treaty totaling $5,402 and $3,983, respectively.

(in thousands)

Additionally, Amica Property and Casualty is a named insured under Amica Mutual's catastrophe reinsurance program. The Company remains contingently liable in the event that reinsurers are unable to meet the obligations for existing paid and unpaid loss recoverables and unearned premiums ceded under reinsurance agreements.

B. The effect of reinsurance on premiums for the years ended December 31, 2017 and 2016 are 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	$27,966	$0	$0	$27,902	$64	$0	$0	$0
2016	$19,753	$0	$0	$19,549	$204	$0	$0	$0

C. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2017 and 2016:

	Assumed		Ceded to Affiliates		
Year	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Direct Unearned Prem. Reserve
2017	$0	$0	$15,156	$3,031	$15,156
2016	$0	$0	$10,060	$2,012	$10,060

D. The Company does not have any existing reinsurance contractual arrangements which allow for additional or return commission which is predicated on loss experience or on any other form of profit sharing arrangements.

Note 8 – Information Concerning Parent, Subsidiaries, Affiliates

A. Amica Mutual Insurance Company

The Company is a party to a quota-share reinsurance agreement with Amica Mutual Insurance Company. Effective January 1, 2013, the Company amended the quota-share reinsurance agreement with Amica Mutual Insurance Company. From inception of business to December 31, 2012, the Company maintained quota-share reinsurance ceding 80% of all premiums, losses, and loss adjustment expenses. Beginning January 1, 2013, the ceding share changed from 80% to 100%. In return, Amica Mutual Insurance Company pays a 20% ceding commission to the Company.

Amica Mutual performs certain managerial and other operational functions for the benefit of the Company. Amica Mutual allocates such costs to the Company based on the estimated costs of the services performed. The written agreement between the companies indicates that settlement of these costs be made within fifty-five days of the end of the month to which it applies. The costs charged from Amica Mutual to the Company amounted to $5,298 and $4,440 in 2017 and 2016, respectively.

The Consolidated Federal Income Tax Agreement between Amica Mutual and affiliates was amended in 2017 to include Amica Life Insurance Company. See Note 6G for further information.

(Continued)

B. Amounts Due to or from Related Parties

The Company reported $1,041 and $859 due to Amica Mutual at December 31, 2017 and 2016, respectively. These balances are for the net amount of management fee and reinsurance contract premiums, which are offset by the net amount of premiums received and underwriting expenses paid by Amica Mutual on behalf of the Company. In addition, the Company reported an amount due from Amica Mutual for Federal income taxes of $55 at December 31, 2017 and an amount due to Amica Mutual for Federal income taxes of $38 at December 31, 2016. The management and service contracts require that the intercompany balances be settled within fifty-five days of the month to which it applies.

Note 9 – 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 10 – Dividend Restrictions

The State of Rhode Island has limitations on the amount of ordinary dividends that may be paid to stockholders in any twelve-month period. These limitations are based on net income and surplus. For 2017, any dividend paid by the Company would be categorized as “extraordinary” for purposes of the Rhode Island statute, and would require the Insurance Commissioner’s approval before being paid.

Note 11 – 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 audited financial statements issued on May 7, 2018. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2017

Schedule 1

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	2,636,794	3.845	2,636,794		2,636,794	3.845
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	7,833,763	11.422	7,833,763		7,833,763	11.422
1.22 Issued by U.S. government sponsored agencies	99,907	0.146	99,907		99,907	0.146
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	9,835,187	14.340	9,835,187		9,835,187	14.340
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	2,283,009	3.329	2,283,009		2,283,009	3.329
1.43 Revenue and assessment obligations	3,763,832	5.488	3,763,832		3,763,832	5.488
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	2,598,776	3.789	2,598,776		2,598,776	3.789
1.512 Issued or guaranteed by FNMA and FHLMC	614,395	0.896	614,395		614,395	0.896
1.513 All other		0.000				0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	6,508,527	9.490	6,508,527		6,508,527	9.490
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	5,484,667	7.997	5,484,667		5,484,667	7.997
1.523 All other	5,268,656	7.682	5,268,656		5,268,656	7.682
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	15,616,033	22.769	15,616,033		15,616,033	22.769
2.2 Unaffiliated non-U.S. securities (including Canada)	162,986	0.238	162,986		162,986	0.238
2.3 Affiliated securities		0.000				0.000
3. Equity interests:						
3.1 Investments in mutual funds		0.000				0.000
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		0.000				0.000
3.4 Other equity securities:						
3.41 Affiliated		0.000				0.000
3.42 Unaffiliated		0.000				0.000
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	1,161,973	1.694	1,161,973		1,161,973	1.694
4.6 Mezzanine real estate loans		0.000				0.000
5. Real estate investments:						
5.1 Property occupied by company		0.000				0.000
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		0.000				0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	4,716,776	6.877	4,716,776		4,716,776	6.877
11. Other invested assets		0.000				0.000
12. Total invested assets	68,585,281	100.000	68,585,281		68,585,281	100.000

See accompanying independent auditors’ report.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2017

Schedule 2

Of The AMICA PROPERTY AND CASUALTY INSURANCE COMPANY

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

NAIC Group Code 0028 NAIC Company Code 12287 Federal Employer's Identification Number (FEIN) 26-0115568

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. $ 84,132,689

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	State of Tennessee		$ 2,143,904	2.5 %
2.02	State of Texas		$ 1,973,478	2.3 %
2.03	Oneok Inc		$ 1,947,977	2.3 %
2.04	State of Oregon		$ 1,788,441	2.1 %
2.05	Sequoia Mortgage Trust		$ 1,688,658	2.0 %
2.06	Florida Housing Finance Corp		$ 1,644,064	2.0 %
2.07	South Dakota Housing Development Authority		$ 1,581,613	1.9 %
2.08	FREMF Mortgage Trust		$ 1,579,082	1.9 %
2.09	Credit Suisse Mortgage Trust		$ 1,522,879	1.8 %
2.10	State of Washington		$ 1,521,434	1.8 %

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	$ 55,381,660	65.8 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 9,185,720	10.9 %	3.08	P/RP-2	$	%
3.03	NAIC-3	$ 1,947,977	2.3 %	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 $ %

4.03 Foreign-currency-denominated investments $ %

4.04 Insurance liabilities denominated in that same foreign currency $ %

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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			$	%

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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 [X] No [ ]

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

	1 Issuer	2	3
13.02		$	%
13.03		$	%
13.04		$	%
13.05		$	%
13.06		$	%
13.07		$	%
13.08		$	%
13.09		$	%
13.10		$	%
13.11		$	%

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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		$			%

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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 [ ] 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 [ ] 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		$	%

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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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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 [X] No [ ]

(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]