The Extra Mile

Our journey in 2016

A look back at our company’s year from
Robert A. DiMuccio, Chairman, President and Chief Executive Officer

CEO Bob DiMuccio shared Amica’s story with 1,700 people during his keynote speech at an international technology conference in San Francisco. It was sponsored by software publisher Guidewire, which Amica partnered with on three major technology initiatives, including our most recent deployment in October.

“Our people know how to go the extra mile.”
– Bob DiMuccio

Amica Life also experienced a solid sales year, with policies in force growing by 3.2 percent. They celebrated a milestone – a total of 100,000 policies in force. And that’s not all. Life premiums and annuity deposits totaled $67.4 million last year, an increase of almost $4 million.

Our policyholder retention remained strong. For example, our retention rate was 96 percent for policyholders with both auto and home policies. This speaks to the value of our longterm relationships with generations of policyholder families.

We celebrated successes with the deployment of a new core billing system and the completion of another phase of our core auto policy system. These two initiatives provide the essential foundation needed to continue serving you efficiently today and far into the future.

If I’ve learned anything, it’s that being agile and innovative is essential to our growth and viability as we go forward. The world is changing, and so are your needs – we must be ready.

I’m also happy to report that we increased our charitable giving last year to $3.6 million. I’m especially pleased with our new initiative through the Amica Companies Foundation in targeted cities across the country. In 2016, the program distributed funds to several nonprofit groups, including educational centers, health clinics and youth programs. We’ve shared a few memorable stories in this annual report.

continued on page 4
With more than $5.1 billion in assets and almost $2.6 billion in surplus at year-end, our balance sheet remains incredibly strong. Our structure as a mutual insurance company allows us to maintain a resilient financial position through our well-managed investment portfolio and conservative business philosophy. We are committed to maintaining this mutual structure because, combined with our financial stability, it provides exceptional security for you.

The road ahead
I’m often asked about the future, and where I think the insurance industry is headed. As we’ve seen, technology will certainly play a major role. But I truly believe that the success of our company still depends on our people. We are, first and foremost, a people business.

Respectfully submitted,

Chairman, President and Chief Executive Officer

For additional financial information, see pages 16 and 17.
Those we *met* along the way

We were introduced to some amazing customers and enjoyed some memorable stories about our employees in 2016. We’d like to share a few here.

**Hiking at 17,500 feet**

Climb Mount Everest? Yes, you can – especially if you have the support and well wishes of your whole team behind you.

Ask *Kate Leavitt*, who manages Amica’s Service Center Operations – West in Spokane Valley, Washington. After several weeks of intense training and learning to camp, she hiked to Mount Everest’s base camp in late April.

“Dreams can be really huge and daunting, and it’s important to know that our support for one another can be the keystone in achieving these things,” Kate said, noting that her Amica team was among her biggest supporters. “A genuine interest, kindness toward one another and support can be what allows others to find their way as well.”

**Walking into a new life**

The Amica family: It begins with employees who care about each other – and becomes a way of life.

So says *Sarah Grosnick*, an assistant vice president in sales and client services. When she and her husband, Bryan, decided to adopt a child from China, they turned to Julie Deziel, Knoxville Regional branch manager. Sarah knew Julie’s story – how she had adopted three little boys from Vietnam, China and Taiwan.

“Julie was there to guide us through the whole process,” Sarah said, explaining that they both received assistance through Amica’s adoption support program. “With all the expenses and requirements that go into adopting internationally, it was reassuring to know we had support.”

These days, Sarah and Bryan are captivated by their 2-year-old son, Luke, who became part of their family – and the Amica family – in July 2016.

**Painting the journey**

*Al Albrektson* is the Rhode Island native who painted the watercolor landscape for our 2016 Thanksgiving card. Many of you wrote notes and emails to say how much you enjoyed it.

At 97, Al is our oldest artist for a unique tradition that’s now 46 years old. But what we love is that Al still paints and teaches painting in his basement studio – and he has a whole group of students and fans who keep him going. (Plus, he was an Amica policyholder for more than 50 years.) This wasn’t the first time that Al’s work has appeared on our card. More than 40 years ago, one of his paintings was chosen for our 1973 card – and then again in 1974, 1975, 1995 and 2000.

“I was quite surprised to learn that Amica wanted to put another of my paintings on their Thanksgiving card,” Al said. “Six times – and I’m sure glad I made it to a sixth time!” You can learn more about Al – and our Thanksgiving card – on our *YouTube channel*. Run with us this November as we celebrate our 10th year as title sponsor. Learn more at *SeattleMarathon.org*.

“*Our support for one another can be the keystone to achieving …*”

– Kate Leavitt

**Running No. 90**

What’s our favorite thing about sponsoring the Amica Insurance Seattle Marathon?

Meeting customers like *Doug Brooks* from Atlanta, Georgia, who checked off his 90th half marathon during the 2016 Thanksgiving weekend event.

“Running has taught me a lot about determination and perseverance,” said Doug, who trains and races with his wife, Meg. “It’s hard to believe that I’m at race No. 90, and to be in Seattle for the Amica-sponsored event was awesome!”
The Amica Companies Foundation expanded its charitable giving in 2016. We’d like to introduce you to three of the groups we’re proud to support.

**Young Americans Center for Financial Education**

Denver, Colorado

When they speak about literacy here, they’re talking about dollars and cents.

The nonprofit arm of this award-winning program teaches young people 21 and under about finances, economics and business. Its goal is to help Colorado youth understand how to make and manage their money wisely, regardless of their background.

Amica’s charitable grant was used to fund summer, after-school and in-school sessions that served 500 young people in 2016. These programs offer real-life experiences and hands-on programs to give them the confidence and skills to prosper.

Team leaders see significant growth in the youth who attend these programs. They learn teamwork, public speaking and critical thinking – all valuable skills to succeed in the real world.

**“I Have a Dream” Oregon**

Portland, Oregon

Like all children, Gerardo has a dream: “My dad didn’t finish high school or middle school. He says he doesn’t want that type of life for me. … The thing I’m most excited to do is go to college and travel around the world. Then I can help my sister finish college and my cousins finish college. I want to help my family any way I can.”

Gerardo is one of the many children getting help to make his dreams a reality through the “I Have a Dream” Foundation’s Dreamer School Project.

This visionary program ensures that all low-income children have the opportunity to pursue higher education through guaranteed tuition support, and by equipping them with the skills, knowledge and habits they need to succeed.

Amica’s charitable grant was used to provide reading support, after-school programs, college and career visits and service-learning activities for 800 children in 2016.

We believe in dreams – and putting solid foundations beneath them.

**Fresh Start Women’s Foundation**

Phoenix, Arizona

The women who come here are all ages and from all walks of life. But they have one thing in common – they need skills and confidence.

And that’s what they find at this supportive resource center for women, which offers a wide range of classes, counseling and job training. The center used Amica’s charitable grant to fund career readiness programs, teaching women the skills they need to be successful.

They also come with determination to succeed, as a counselor shared one woman’s story:

“She said that she’d been homeless while taking the course, and hoped nobody had noticed that she’d worn the same few outfits the entire week. She had previously been a massage therapist, but due to health issues and loss of employment, she hadn’t been able to renew her license. She was stuck in a cycle of being unemployed, homeless and unable to pay for clothes or the fees for her license.”

But this woman – like hundreds of others who have found hope at Fresh Start – now has the confidence in herself to take the next steps.

**Here to Help – $3.6 Million in Charitable Giving in 2016**
Going the extra mile

Each year, Amica customers report thousands of home insurance claims – large, small and everything in between. But behind each claim there’s a story. We’d like to share this one with you.

Tornadoes aren’t supposed to hit Texas the night after Christmas.

But that’s what happened in Rowlett, a city of more than 58,000 people about 20 miles east of downtown Dallas. The twister’s path was a half-mile wide and four miles long. And one of the homes in the tornado’s path that was completely destroyed belonged to our customer, Deborah Thomas.

Deborah and her daughter were out of town for the holidays when the tornado hit, and they learned from a neighbor that their home had been leveled. In addition, Deborah’s son, Joey, hurt his leg while evacuating.

“My neighbor across the street called us and said, ‘I just want to let you know that we have Joey and he’s OK, but your house is gone,’” Deborah said. One of Deborah’s first phone calls that night – while she was still out of town – was to Amica, and she spoke with adjuster Will Skelton.

“That call stood out because she said that her son had been injured,” Will said. “I tried to put her at ease and make sure she knew we would help her.”

When Deborah returned home, she was faced with the tornado’s utter devastation. “After my neighbor said my house was gone, I just thought he meant part of it was gone,” she said. “But when I walked up and there was just debris where my son had been, that was pretty hard.”

Catherine Toledo, the primary adjuster on the claim, was also at the site that day. “My GPS said I was at my destination, but I had to look on the sidewalk for the actual house number,” she recalled. All she saw was debris.

In the days and weeks to come, Deborah relied more and more on Catherine, who helped her assess her losses, kept her updated on the status of the claim – and was often the shoulder Deborah leaned on.

“My neighbor across the street called us and said, ‘I just want to let you know that we have Joey and he’s OK, but your house is gone,’” Deborah said. “I think we’ve developed a friendship out of all of this. She shared in the loss and the tragedy, and then in the rebirth that’s going on in the neighborhood.”

“I provided Deborah with the care she needed, because this was more than just a claim,” Catherine said. “She was going through a devastating catastrophe in her life, so I needed to be more than just a claims adjuster.”

Deborah moved into her new home in her old neighborhood in late 2016. She said she wouldn’t live anywhere except Rowlett, where she has so many good friends and great memories. Even though it’s been a trying year for her family, she says Amica made the claims process as painless as possible.

“I’ve been very blessed in the aftermath,” Deborah said. “Amica was there in my life every day. There was a level of comfort in that – knowing there were people around you who knew how to guide you through such a disaster.”

To learn more about Deborah’s story, visit Amica’s YouTube channel.

“I have been through tragedies in my life... but this one took my breath away.”

- Deborah Thomas
Laying the groundwork for tomorrow

Like all companies more than 100 years old, Amica has seen its share of computer systems over the decades. We’ve always worked to keep up with updates and new technology to ensure our systems provide the best possible service to customers.

At the end of October, we completed one of our most extensive and complex system projects to date – the deployment of our new core billing system. The scope of this project was immense – Amica’s entire book of business, every policy, every account and all payments – had to be converted and deployed to the new system.

Employees from several departments, along with vendor support staff, worked to bring the new system, known as BillingCenter, online – and the deployment was a resounding success.

We thank our employees for their dedication to this project. We’re excited to know that this new platform is going to launch Amica into the future and will help us continue to provide exceptional service to our customers.

On the information highway

Amica employees collaborated on several initiatives in 2016 that provided a framework for the future – for our customers and our communities.

The Extra Mile

There’s an app for that now

Amica employees traveled to Apple headquarters outside San Francisco to collaborate with Apple and IBM on an innovative idea. The goal: to develop an app that would allow our field adjusters to investigate, manage and document claims more efficiently while on the road.

Over the course of several months, the team created, tested and deployed the new app. Using the built-in features of an iPad or iPhone – like the camera, voice recorder and calendar – our adjusters can now do everything, from scheduling an appointment to uploading customer documentation to our internal systems. The new tool has also helped them speed up the claims process while improving the overall customer experience.

“Amica employees collaborated on several initiatives in 2016 that provided a framework for the future – for our customers and our communities.”

– Bob DiMuccio

To the head of the class

Matt Hallam is more comfortable in front of a computer than a classroom full of teenagers. But that’s where the Amica employee now spends some of his workweek.

Matt, an IT developer, is one of six corporate information systems employees who volunteers in an innovative Rhode Island initiative led by Governor Gina Raimondo. The plan requires every school district in the state to offer computer science courses – making it one of the most comprehensive programs in the nation. Amica was one of the first corporate sponsors to come on board.

The goal of the program is to create a talented and diverse pipeline of students with computer science expertise, which is critical to Rhode Island’s economic future. Rhode Island’s IT industry is a leading force in the economy, and IT and STEAM (science, technology, engineering, art and math) jobs are among the fastest-growing positions.

“This has been an incredible experience for all the team members,” said Greg Calderiso, an assistant vice president in corporate information systems who led the initiative for Amica. “In the end, we all benefit – the students, the mentors and teachers, and ultimately the state of Rhode Island, its schools and employers.”

For more information about this program, visit CS4RI.org.

“Laying the groundwork for tomorrow

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– Bob DiMuccio

“On the information highway

Amica employees collaborated on several initiatives in 2016 that provided a framework for the future – for our customers and our communities.”

12 13
We asked customers to share their stories about their experiences with us. Here are two of the many we received.

On the **road** together

We found a job as a waitress at a pizza parlor. That led to her wanting a car. She convinced her grandfather (my dad) that it was a good idea. He agreed and helped her find one that they both fell in love with. So my dad paid for it, and we bought an Amica auto policy. The two of them went for rides together for hours. That was back in 2005.

Since then, my daughter graduated from college and is now a delivery room nurse at a nearby hospital. When she bought a new car, again insured by Amica, she sold her old car to her boyfriend’s brother.

“Amica has been watching over my family for more than 30 years.”

- Byron Yost

**Miles of memories**

Cars have a special place in many people’s hearts.

We insure them, but we also insure the people inside. A note from Byron Yost of Ellington, Connecticut, reminded us of how closely tied we are to some of his fondest family memories. Here is his story.

“Through it all, Amica has been there – like a faithful friend – whenever I needed their assistance. … My Amica story no doubt mirrors the stories of countless insureds who wouldn’t consider insuring with any other carrier. And why should we, when we’re insured by the best!”

We’re thankful for his kind words, but it was Stan’s own story that piqued our interest.

Stan lives in Bristol, home of the oldest continuous Fourth of July celebration in the country – and famous for the year-round red, white and blue center traffic lines that designate the parade route. In 2016, we learned that parade organizers had honored Stan with one of their most coveted awards, which is given to a town resident who demonstrates the spirit of community service. Stan’s award recognizes his longtime efforts to clean up the town’s harbor shoreline and for creating “pocket gardens” in the beautiful downtown area and along the waterfront. In addition, he works for Save the Bay, an organization that watches over and protects Narragansett Bay and its watershed. One of his duties is to organize volunteers for cleanup days along the bay.

We’re proud to insure Stan, who is a great role model for those who serve others, including Amica.
## Financials

### Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and debt securities</td>
<td>$2,217</td>
<td>$2,153</td>
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<tr>
<td>Stocks</td>
<td>1,767</td>
<td>1,778</td>
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<td>Cash and short-term investments</td>
<td>126</td>
<td>185</td>
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<td>Other invested assets</td>
<td>237</td>
<td>147</td>
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<tr>
<td>Premiums receivable</td>
<td>569</td>
<td>528</td>
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<tr>
<td>Other assets</td>
<td>203</td>
<td>169</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$5,119</td>
<td>$4,960</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves for losses and loss expenses</td>
<td>$1,179</td>
<td>$1,134</td>
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<tr>
<td>Reserve for unearned premiums</td>
<td>1,089</td>
<td>1,013</td>
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<tr>
<td>Other liabilities</td>
<td>267</td>
<td>202</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>2,535</td>
<td>2,349</td>
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<tr>
<td><strong>Surplus to policyholders</strong></td>
<td>2,584</td>
<td>2,611</td>
</tr>
<tr>
<td><strong>Total liabilities and surplus to policyholders</strong></td>
<td>$5,119</td>
<td>$4,960</td>
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</tbody>
</table>

### Income Statements

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>Premiums earned</strong></td>
<td>$2,011</td>
<td>$1,889</td>
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<tr>
<td>Losses and loss expenses incurred</td>
<td>1,566</td>
<td>1,527</td>
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<tr>
<td>Other underwriting expenses</td>
<td>499</td>
<td>469</td>
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<tr>
<td>Dividends to policyholders</td>
<td>250</td>
<td>212</td>
</tr>
<tr>
<td>Income from investments</td>
<td>(98)</td>
<td>(73)</td>
</tr>
<tr>
<td>Federal income taxes (benefit)</td>
<td>(98)</td>
<td>(73)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$147</td>
<td>35</td>
</tr>
</tbody>
</table>

### Statements of Surplus

<table>
<thead>
<tr>
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<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus, beginning of year</td>
<td>$2,611</td>
<td>$2,760</td>
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<tr>
<td>Net income</td>
<td>147</td>
<td>35</td>
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<tr>
<td>Change in unrealized capital gains, net of tax</td>
<td>(48)</td>
<td>(114)</td>
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<tr>
<td>Other surplus adjustments</td>
<td>(126)</td>
<td>(70)</td>
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<tr>
<td><strong>Surplus, end of year</strong></td>
<td>$2,584</td>
<td>$2,611</td>
</tr>
</tbody>
</table>

## 2016 at a glance

### Amica Mutual

- **4.3%** Policies in Force
- **Almost 1.6 million** Total Policies in Force
- **96% Combined Auto and Home Retention**
- **110% Combined Ratio**
- **67.3% Loss Ratio**
- **$147 million** Net Income
- **More than $5.1 billion** Assets
- **$2.6 billion** Surplus
- **$3.6 million** Charitable Giving

### Amica Life

- **3.2% Policies in Force**
- **More than 100,000 Total Policies in Force**
- **$67.4 million** Premiums and Annuities Revenue

### Financial Highlights

- **Premium growth rate**: 6.5% (2016) vs. 5.0% (2015)
- **Loss and loss expense ratio**: 77.9% (2016) vs. 80.8% (2015)
- **Combined ratio – earned basis**: 110.0% (2016) vs. 113.1% (2015)
- **Return on policyholders’ surplus**: 5.7% (2016) vs. 1.3% (2015)

- **Policies in force**: 1,577,455 (2016) vs. 1,512,735 (2015)
- **Reported claims: Automobile**: $15.0 million (2016) vs. $10.5 million (2015)

- **Premiums earned**:
  - 1.4 billion (2012) vs. 1.6 billion (2013)
  - 1.7 billion (2013) vs. 1.7 billion (2014)
  - 1.8 billion (2014) vs. 1.9 billion (2015)
  - 2.0 billion (2015) vs. 2.0 billion (2016)

- **Losses and loss expenses incurred**:
  - 1.0 billion (2012) vs. 1.0 billion (2013)
  - 1.0 billion (2013) vs. 1.0 billion (2014)
  - 1.0 billion (2014) vs. 1.1 billion (2015)
  - 1.1 billion (2015) vs. 1.1 billion (2016)

- **Income from investments**:
  - 0.6 billion (2012) vs. 0.6 billion (2013)
  - 0.6 billion (2013) vs. 0.7 billion (2014)
  - 0.8 billion (2014) vs. 0.8 billion (2015)
  - 0.9 billion (2015) vs. 0.9 billion (2016)

- **Surplus to policyholders**:
  - 2.6 billion (2012) vs. 2.6 billion (2013)
  - 2.6 billion (2013) vs. 2.6 billion (2014)
  - 2.8 billion (2014) vs. 2.8 billion (2015)
  - 2.8 billion (2015) vs. 2.8 billion (2016)

- **Combined Ratio**
  - 108.3% (2015) vs. 108.3% (2016)

- **Loss Ratio**
  - 54.9% (2013) vs. 44.5% (2012)
  - 57.0% (2014) vs. 54.9% (2013)
  - 60.4% (2015) vs. 57.0% (2014)
  - 67.3% (2016) vs. 60.4% (2015)

- **Combined Auto and Home Retention**
  - More than 100,000 (2012) vs. More than 100,000 (2013)
  - More than 100,000 (2013) vs. More than 100,000 (2014)
  - More than 100,000 (2014) vs. More than 100,000 (2015)
  - More than 100,000 (2015) vs. More than 100,000 (2016)

- **Return on policyholders’ surplus**
  - 1.3% (2015) vs. 5.7% (2016)

- **Total policies in force**
  - $147 million (2016) vs. $147 million (2015)

- **Net income**
  - $147 million (2016) vs. $35 million (2015)

- **Charitable giving**
  - More than $5.1 billion (2015) vs. More than $5.1 billion (2016)

- **Combined P&C Operations Financials**
  - 16% of 2016 at a glance
  - Combined Ratio
  - Loss Ratio
  - 110%
  - 67.3%
  - $147 million
  - $5.1 billion
  - $2.6 billion
  - $3.6 million
  - Policies in Force
  - More than 100,000
  - Net Income
  - More than $5.1 billion
  - Assets
  - More than $2.6 billion
  - Surplus
  - Almost 1.6 million
  - Premiums and Losses
  - $147 million
  - $2.6 billion
  - $3.6 million
  - Policies in Force
  - More than 100,000
  - Premiums and Annuities Revenue
  - $67.4 million
  - Charitable Giving
  - $2.6 billion
  - Surplus
  - Almost 1.6 million
  - Total Policies in Force
  - Combined Auto and Home Retention
  - 96%
  - Premium growth rate
  - 6.5% (2016) vs. 5.0% (2015)
  - Loss and loss expense ratio
  - 77.9% (2016) vs. 80.8% (2015)
  - Combined ratio – earned basis
  - 110.0% (2016) vs. 113.1% (2015)
  - Return on policyholders’ surplus
  - 5.7% (2016) vs. 1.3% (2015)
Here to help **across** the country

Here are some helpful facts and figures about our company, our people and our products.
Whenever or wherever you need us – we’re here to assist you.

Here to **protect** you every day

More than 3,700 employees
44 offices
Serving customers in all 50 states.*

1,242,484 Autos
631,125 Homes
94,651 Lives

Our mission is to create peace of mind and build enduring relationships.

1,242,484 Autos
631,125 Homes
94,651 Lives

Here to help

**More than**
3,700
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44
**offices**

Serving customers in all 50 states.*

*Some products not available in all states.

*Highest in Customer Satisfaction Among Auto Insurers in the New England Region, Four Years in a Row*¹

and

*Highest Customer Satisfaction Among National Homeowners Insurers, 15 Years in a Row.*²

Click here for more information.


We’ve honored to be named one of the best places to work in Rhode Island.

We are the oldest mutual insurer of autos in the U.S.

Founded in 1907

A.M. Best awards Amica Mutual and Amica Life the financial strength rating of A+ (Superior).

For the latest rating, access ambest.com.

Join our communities and join the conversation

The Extra Mile

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50 states.*

94,651 Lives

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