AMICA LIFE INSURANCE COMPANY

Statutory Financial Statements

December 31, 2018 and 2017

(With Independent Auditors' Report Thereon)

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

Independent Auditors' Report

The Board of Directors
Amica Life Insurance Company

Report on the Financial Statements

We have audited the accompanying financial statements of Amica Life Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2018 and 2017, and the related statutory statements of income, 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 Life 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.

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 Life Insurance Company as of December 31, 2018 and 2017, 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 Life Insurance Company as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As discussed in note 2 to the financial statements, the Company received permission from the State of Rhode Island Department of Business Regulation Insurance Division in 2014 to allow the Company to record directly to surplus the change in XXX reserves that is above the change in the reserves calculated on a discounted cash flow basis. The National Association of Insurance Commissioners' (NAIC) requires the entire change in XXX reserves to be recorded directly to net income under statutory accounting practices. If the change in XXX reserves were recognized in accordance with NAIC statutory accounting practices, net income would have decreased by $12.7 million and $11.1 million, and there would be no change in surplus in 2018 and 2017, respectively.

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 – selected financial data, Schedule 2 – summary investment schedule, and Schedule 3 – supplemental investment risk 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 10, 2019

AMICA LIFE 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, 2018 and 2017

	2018	2017
Assets:		
Bonds and debt securities	$ 984,625	$ 989,798
Preferred stocks	29	0
Common stocks	49,655	55,115
Mortgage loans	60,497	45,559
Policy loans	8,110	8,384
Cash and cash equivalents	72,392	56,081
Other invested assets	62,495	49,861
Receivables for securities	19	46
Total cash and invested assets	1,237,822	1,204,844
Deferred and uncollected premiums	33,058	32,141
Federal income tax recoverable	874	1,940
Interest and dividend income due and accrued	8,404	8,449
Reinsurance premium receivable	34,320	31,104
Reinsurance recoverable	3,856	1,035
Other assets admitted	4,090	3,885
Total assets	$ 1,322,424	$ 1,283,398
Liabilities and Capital and Surplus:		
Reserve for life policies and annuity contracts	$ 752,350	$ 738,520
Liability for deposit-type contracts	129,580	142,592
Policy and contract claims	4,781	7,945
Interest maintenance reserve	8,852	10,516
Accrued other expenses	5,226	4,471
Asset valuation reserve	14,866	16,617
Retired lives reserve	38,516	37,209
Other liabilities	39,991	15,365
Total liabilities	994,162	973,235
Capital and surplus:		
Capital stock – $100 par value per share. Authorized and issued 50,000 shares	5,000	5,000
Paid in surplus	152,000	127,000
Unassigned funds	171,262	178,163
Total capital and surplus	328,262	310,163
Total liabilities and capital and surplus	$ 1,322,424	$ 1,283,398

See accompanying notes to statutory financial statements.

AMICA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Income
(in thousands)

December 31, 2018 and 2017

	2018	2017
Income:		
Premiums and annuity considerations	$ 69,796	$ 69,618
Considerations for supplementary contracts with life contingencies	1,146	1,063
Net investment income	45,408	45,243
Commissions and expense allowances on reinsurance ceded	11,075	10,984
Other income	285	12
Total income	127,710	126,920
Benefits and other expenses:		
Death benefits	33,178	33,697
Annuity benefits	23,495	23,509
Surrender benefits and other fund withdrawals	12,828	9,646
Other policyholder benefits	1,885	1,821
Increase in reserves for life policies and annuity contracts	1,105	7,772
Interest and adjustments on policy or deposit type contracts	6,779	7,740
Increase in reserve for retired lives	1,307	934
General insurance expenses	41,487	39,634
Taxes, licenses, and fees	3,469	3,433
Decrease in loading on deferred and uncollected premiums	(2,395)	(3,566)
Other expenses	0	4
Total benefits and other expenses	123,138	124,624
Net gain from operations before Federal income tax and net realized capital gains	4,572	2,296
Federal income tax benefit	(3,255)	(4,357)
Net gain from operations before net realized capital gains	7,827	6,653
Net realized capital gains, excluding gains transferred to IMR, net of Federal income taxes of $1,560 and $3,008 in 2018 and 2017, respectively	3,624	6,017
Net income	$ 11,451	$ 12,670

See accompanying notes to statutory financial statements.

AMICA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Capital and Surplus
(in thousands)

December 31, 2018 and 2017

	2018	2017
Capital and surplus at January 1	$ 310,163	$ 278,821
Change in accounting principles	(729)	(1,437)
Correction of an error	0	975
Surplus, beginning of period, restated	309,434	278,359
Net income	11,451	12,670
Paid in surplus	25,000	25,000
Change in XXX reserves	(12,725)	(11,138)
Net change in unrealized capital gains (losses), net of ($1,688) and ($1,358) Federal income tax benefit in 2018 and 2017, respectively	(6,349)	7,131
Change in net deferred income tax	(1,688)	(1,708)
Change in non-admitted assets	(180)	(373)
Change in Amica Companies Supplemental Retirement Trust	(506)	281
Change in asset valuation reserve	1,751	(2,543)
Change in retiree medical benefit liability	1,622	2,872
Other surplus adjustments	452	(388)
Change in capital and surplus	18,828	31,804
Capital and surplus at December 31	$ 328,262	$ 310,163

See accompanying notes to statutory financial statements.

AMICA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Cash Flows
(in thousands)

December 31, 2018 and 2017

	2018	2017
Cash from operations:		
Premiums collected, net of reinsurance	$ 69,242	$ 68,827
Net investment income	45,229	45,210
Miscellaneous income	11,042	11,233
Benefit and loss related payments	(77,623)	(66,500)
Commissions, expense, and aggregate write-ins for deductions	(43,856)	(42,115)
Federal income taxes recovered	2,761	2,209
Net cash from operations	6,795	18,864
Cash from (to) investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	156,045	25,014
Bonds and debt securities matured or repaid	96,679	115,262
Stocks	37,594	26,021
Mortgage loans repaid	1,452	120
Other	37,729	11,523
Total investment proceeds	329,499	177,940
Cost of investments acquired:		
Bonds and debt securities	248,897	138,910
Stocks	37,286	23,433
Mortgage loans	16,391	26,729
Other	22,948	14,089
Total investments acquired	325,522	203,161
Net increase (decrease) in policy loans	(273)	514
Net cash from (to) investments	4,250	(25,735)
Cash from financing and miscellaneous sources:		
Capital and paid in surplus	25,000	25,000
Net deposits on deposit-type contract funds and other insurance liabilities	(19,468)	(19,521)
Other cash provided	(266)	(1,659)
Net cash from financing and miscellaneous sources	5,266	3,820
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	16,311	(3,051)
Cash and cash equivalents - beginning of year	56,081	59,132
Cash and cash equivalents - end of year	$ 72,392	$ 56,081

See accompanying notes to statutory financial statements.

Note 1 - Nature of Operations

Amica Life Insurance Company, hereinafter referred to as "Amica Life" or "the Company", is a Rhode Island domiciled life insurance company. Amica Life is a wholly owned subsidiary of Amica Mutual Insurance Company, hereinafter referred to as "Amica Mutual" or "Parent". Amica Life sells traditional life insurance products and annuities through a direct distribution model. Prior to 2012, the majority of business was generated from the Amica Mutual policyholder base. However, beginning in 2012, Amica Life implemented a marketing campaign targeting the broad market in an effort to expand the book of business. Amica Life previously wrote structured settlements that resulted primarily from Amica Mutual bodily injury claim settlements, but a strategic decision was made in 2017 to focus on the traditional life business and stop actively marketing structured settlements. The Company is licensed in all fifty states and the District of Columbia. Ordinary life insurance products make up the largest portion of the Company's book of business, amounting to approximately 82% of net premiums and annuity considerations in 2018.

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.

On January 1, 2000, the NAIC Valuation of Life Insurance Model Regulation XXX set out valuation requirements for term life policies with long-term guaranteed premiums. This regulation imposed significant increases in statutory reserves for life insurance companies, which the Company considered redundant. Effective January 1, 2014, the Rhode Island Department of Business Regulation Insurance Division approved a permitted accounting practice to allow the Company to record the change in XXX reserves exceeding the change in the reserves calculated on a discounted cash flow basis directly to surplus. This practice differs from the NAIC statutory accounting practice (NAIC SAP) requirement to record the change in XXX reserves directly to net income. This practice has no effect on the surplus of the Company, nor its reserve position, as the Company continues to establish reserves in accordance with Rhode Island Regulation 93. Recording the change in XXX reserves in accordance with NAIC SAP would decrease net income by $12,725 and $11,138 as of December 31, 2018 and 2017, respectively.

Following the NAIC regulation regarding XXX reserves would not have triggered a risk-based capital regulatory event.

(in thousands)

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Rhode Island as of December 31, 2018 and December 31, 2017 is shown below:

	State of Domicile	12/31/18	12/31/17
Net Income - Rhode Island Basis	RI	$11,451	$12,670
State Prescribed Practices - None	RI	0	0
State Permitted Practices - Change in XXX Reserves	RI	(12,725)	(11,138)
Net Income (Loss) - NAIC SAP	RI	($1,274)	$1,532
Statutory Surplus - Rhode Island Basis	RI	$328,262	$310,163
State Prescribed Practices - None	RI	0	0
State Permited Practices - None	RI	0	0
Statutory Surplus - NAIC SAP	RI	$328,262	$310,163

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

1. Certain assets designated as "non-admitted", including equipment and the prepaid pension asset, are charged off against surplus.

2. Acquisition costs are charged to current operations as incurred, whereas premiums are taken into earnings over the premium paying period of the policies.

3. Life policy reserves are computed using net level and commissioners' reserve valuation methods and are based on statutory mortality and interest requirements without consideration of withdrawals, which may differ from reserves based on reasonably conservative estimates of mortality, interest and withdrawals.

4. Realized gains and losses on certain fixed income investments are deferred through an Interest Maintenance Reserve (IMR) and amortized over the remaining life to maturity of the investment sold.

5. The Asset Valuation Reserve (AVR) is reported as a liability through an appropriation of surplus.

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

7. The bond portfolio is generally carried at amortized cost regardless of the level of portfolio activity.

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

9. Certain adjustments to reserves are recorded through surplus instead of income.

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

11. 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 statutory financial statements have not been determined.

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

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

1. Other-Than-Temporary Declines in Value of Investments:

The cost of securities is adjusted where appropriate to include a provision for 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 the sale or maturity. Since equity securities do not have a contractual cash flow at time of maturity, the Company considers whether the price of an equity security is expected to recover within a reasonable period of time. For loan-backed and structured securities that have a fair value less than amortized cost and the Company has either (1) 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. Credit related other-than-temporary impairment losses shall be recorded through the AVR; interest related other-than-temporary impairment losses shall be recorded through the IMR. Because of changing economic and market conditions affecting certain classes of assets, it is reasonably possible 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 other similar financial 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 generally 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. Preferred stocks are stated at cost.

5. Common stocks are stated at fair value.

6. 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.

7. Limited partnerships, classified as other invested assets, are carried at the Company's share of GAAP equity of the fund. The carrying value of funds at the end of the year is determined using the most recent available capital account balance as reported by each partnership.

8. Policy loans are reported at the aggregate unpaid balance.

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

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

   a. Whether the decline is substantial;
   b. The Company's ability to and intent to retain the investment for a period of time sufficient to allow for anticipated recovery 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.

D. Asset Valuation and Interest Maintenance Reserves

The Asset Valuation Reserve (AVR) is computed in accordance with an NAIC prescribed formula and represents a provision for possible fluctuations in value of bonds, equity securities, mortgage loans, real estate, and other invested assets. As prescribed under statutory accounting practices, the Company records an Interest Maintenance Reserve (IMR) which represents the after-tax net accumulated realized capital gains and losses attributable to changes in the general level of interest rates realized on sales of short and long-term fixed income securities. Net realized gains and losses charged to the IMR are amortized into net investment income over the remaining life to maturity of the investment sold.

E. Asset Depreciation and Amortization Policy

The Company's capitalization policy includes a prepaid expense threshold of $50, capitalization of qualifying expenses associated with projects in excess of $50 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 $50.

(Continued)

F. Policy Reserves

Policy reserves for life insurance are principally based on the 1941, 1958, 1980, and 2001 Commissioner's Standard Ordinary Mortality Tables; and the 1958, and 1980 Commissioner's Extended Term Tables, with assumed interest rates ranging from 3% to 6%.

Annuity reserves with life contingencies are based on the Annuity Table for 1983 Table A, the Annuity 2000 table and the 2012 IAR table. All nonlife contingent annuity reserves are valued based on the present value of future policy benefits at interest rates statutorily defined for the issue year of each contract. The interest rates range from 2% to 9%.

G. Revenue Recognition Policy

First year traditional life insurance premiums are recognized when the policy is written. Renewal traditional life insurance premiums are recognized on the policy anniversary date. Single and flexible premium and annuity considerations and universal life premiums are recognized when received.

H. Reinsurance

Reinsurance premiums, commissions, expense reimbursements, and reserves related to reinsured business are accounted for on a basis consistent with terms of the reinsurance contracts. Premiums ceded to other companies have been reported as a reduction to premium income. Amounts applicable to reinsurance ceded for future policy benefits and claim liabilities have been reported as reductions of these items, and commissions and expense allowances received in connection with reinsurance ceded have been accounted for in income as earned. Reinsurance contracts do not relieve the Company from its obligations to policyholders as the primary insurer.

I. Federal Income Taxes

The Company is taxed as a life insurance company under the Internal Revenue Code. Statutory net income differs from taxable net income due to unique provisions of the Federal income tax laws for life insurance companies, and due to differences in timing of income and expense recognition for financial statement reporting versus Federal income tax return reporting purposes.

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. 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 8D.

J. Fair Value of Financial Instruments

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

1. Cash and Cash Equivalents

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

2. Invested Assets

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

3. Other Invested Assets

   The other invested assets, listed in Note 4D, are valued on the equity method.

4. Mortgage Loans

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

5. Policy Loans

   The carrying value for policy loans in the statements of assets, liabilities, and capital and surplus approximates fair value and includes any unpaid principal plus any accrued interest which is ninety days or more past due.

6. Investment Contracts

   The fair value for the deferred annuities is the cash surrender value which represents the account value less applicable surrender charges. Fair values for immediate annuities without life contingencies and supplementary contracts without life contingencies are estimated based on discounted cash flow calculations using current market rates. See Note 9.

K. New Accounting Standards

1. 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. In addition, SSAP No. 26R was updated to clarify that other-than-temporary impairments should be recorded entirely to either the asset valuation reserve or interest maintenance reserve. This requirement was effective December 31, 2017. These modifications did not have a material impact on the results of operations or the financial condition of the Company.

2. 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.

(Continued)

This guidance is effective December 31, 2019. As this modification is disclosure related it will not have any impact on the results of operations or financial position of the Company.

3. In November 2017, the NAIC adopted revisions to SSAP No. 100R "Fair Value" to allow the use of net asset value (NAV) per share as a practical expedient for fair value and add disclosures to identify assets valued using NAV separately in the fair value hierarchy. These revisions were effective January 1, 2018 with early adoption permitted. The Company adopted these revisions beginning January 1, 2018. These revisions did not have a material impact on the results of operations of the Company.

4. 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 8 for disclosure and additional information.

5. In March 2018, the NAIC adopted modifications to SSAP No. 92 "Postretirement Benefits Other than Pensions" and SSAP No. 102 "Accounting for Pensions, A Replacement of SSAP No. 89" to remove the disclosure requirements for level 3 investment rollforwards for the pension and other post retirement plan assets. This guidance was effective on issuance. As this modification was disclosure related it did not have any impact on the results of operations or financial position of the Company.

6. In March 2018, the NAIC adopted modifications to SSAP No. 103R "Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" which excluded all cash equivalents, derivative transactions and short-term investments with credit assessments equivalent to NAIC 1-2 ratings from wash sale disclosures. Additionally, the modification clarified that disclosures are included in the financial statements when an investment is sold. The Company did not have any wash sales or related disclosures in 2018 or 2017.

L. 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.

M. Reclassification

Certain prior year balances may be reclassified to conform to the current year presentation.

Note 3 - Accounting Changes and Correction of Errors

No corrections of errors were recorded in 2018. However, in 2017 the Company discovered an error relating to the prescribed valuation rates used for calculating deferred annuity reserves. The valuation rates used were not properly updated and applied to the deferred annuity policies issued in 2016. This error resulted in an overstatement of reserves and an understatement of net income by $975 at December 31, 2016. In 2016, reserves for annuity contracts and increase in reserves for annuity contracts were overstated by $975, and surplus was understated by $975. Beginning surplus of the statutory financial statements was adjusted in 2017 to correct the entire error of $975.

(in thousands)

The following accounting changes were recognized by the Company:

Effective January 1, 2013, the Company adopted SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14”. This statement requires participants not yet eligible to retire to be included in the accumulated postretirement benefit obligation. The adoption of SSAP No. 92 created an additional accumulated postretirement benefit obligation for non-vested employees of $5,495 and an additional transition liability of $3,139 to recognize previously unrecognized items in the funded status. In accordance with this statement, the Company has elected to phase in the transition liability over a period not to exceed ten years and recorded the current year and prior year transition liability of $729 and $1,437 in 2018 and 2017, respectively. As a result, the transition liability was recognized in its entirety as of December 31, 2018.

Note 4 - Investments

A. Bonds and Debt Securities

Bonds on deposit with various regulatory authorities, as required by law, totaled $2,924 and $2,913 at December 31, 2018 and 2017, respectively.

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2018				
U. S. government and Federal agency securities	$361,246	$3,160	$5,420	$358,986
States, territories and possessions	81,254	2,196	395	83,055
Political subdivisions of states	50,529	2,444	0	52,973
Special revenue and special assessment obligations	118,892	722	2,606	117,008
Industrial and miscellaneous	372,704	5,986	9,199	369,491
Total	$984,625	$14,508	$17,620	$981,513
2017				
U. S. government and Federal agency securities	$373,575	$7,429	$3,078	$377,926
States, territories and possessions	113,703	6,658	125	120,236
Political subdivisions of states	56,787	3,972	1	60,758
Special revenue and special assessment obligations	94,530	503	1,124	93,909
Industrial and miscellaneous	351,203	13,098	983	363,318
Total	$989,798	$31,660	$5,311	$1,016,147

(in thousands)

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2018 by contractual maturities are shown below. Expected maturities will differ from contractual maturities because securities may be called or prepaid with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Due in one year or less	$8,732	$8,766
Due after one year through five years	89,437	89,018
Due after five years through ten years	211,879	212,709
Due after ten years	674,577	671,020
Total	$984,625	$981,513

B. Stocks

Common stocks, which are carried at fair value, had a cost basis of $39,417 and $34,463 at December 31, 2018 and 2017, respectively. Preferred stocks, which are carried at cost, had a value of $29 and $0 at December 31, 2018 and 2017, respectively.

The gross unrealized gains in the stock portfolio at December 31, 2018 and 2017 amounted to $11,429 and $20,757, respectively. Gross unrealized losses in the stock portfolio at December 31, 2018 and 2017 amounted to $1,191 and $105, respectively.

In addition to publicly traded stocks, the Company is a member of the Federal Home Loan Bank (FHLB) of Boston and holds $1,651 of FHLB capital stock. This stock is restricted and held by the FHLB of Boston. The FHLB provides members with access to secured loans from the issuance of discounted notes or term debt funded by Federal Home Loan Banks. The Company may decide to use its FHLB membership in the future for contingent liquidity needs. The Company does not currently have any funding agreements in place with the FHLB as of December 31, 2018.

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $60,497 and $45,559 as of December 31, 2018 and 2017, respectively. The maximum and minimum lending rates for commercial mortgage loans funded during 2018 were 4.7% and 3.8%. The maximum percentage of any one loan to the value of security at the time of the loan was 64.9%. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total. The Company's nineteen commercial mortgage loans consist of five office properties, five industrial parks, three retail properties, two multi-family properties, two self-storage portfolios, one parking garage and one student housing property. All nineteen mortgage loans are current and there have been no impairments as of December 31, 2018.

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, 2018 was below 65%.

(in thousands)

D. Other Invested Assets

The Company holds other invested assets, which are valued on the equity method, and include:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Cost	Fair Value	Cost	Fair Value
Adams Street Private Credit Fund, LP	$3,245	$3,269	$450	$423
AEA Mezzanine Fund III, LP	8,252	8,213	11,196	11,075
Cyprium Investors IV, LP	1,852	1,975	2,331	2,256
GCG Investors IV, LP	4,621	4,718	1,384	1,239
GLC Direct Credit Fund, LP	5,057	5,602	4,736	4,934
Goldman Sachs Hedge Funds Opportunities	400	512	400	508
Goldman Sachs Private Equity Partners XI, LP	53	163	89	155
GoldPoint Mezzanine Partners IV, LP	3,409	3,551	2,204	2,229
Graycliff Mezzanine II Parallel, LP	8,504	8,831	11,726	11,726
Graycliff Mezzanine III, LP	2,111	1,939	0	0
Heartwood Forestland REIT III, LLC	101	122	94	110
Lyme Forest Fund IV, LP	89	108	84	94
Lyme Forest Fund V, LP	21	20	0	0
ManchesterStory Venture Fund, LP	103	103	0	0
Midwest Mezzanine Fund V SBIC, LP	10,855	14,427	10,363	13,035
Midwest Mezzanine Fund VI SBIC, LP	2,130	2,096	0	0
Morgan Stanley IFHF SPV, LP	11	16	17	25
Morgan Stanley Institutional Fund of Hedge Funds, LP	782	1,431	782	1,401
Morgan Stanley Premium Partners Fund, LP	7	14	8	17
Morgan Stanley Private Markets Fund III, LP	32	77	50	121
Point Judith Venture Fund III, LP	236	518	386	437
Point Judith Venture Fund IV, LP	40	54	26	24
Savano Capital Partners II, LP	53	65	53	52
Stonepeak Infrastructure Fund III, LP	9	9	0	0
THL Credit Direct Lending IV Co-Invest, LLC	1,332	1,332	0	0
THL Credit Direct Lending Fund IV, LLC	3,330	3,330	0	0
Total	$56,635	$62,495	$46,379	$49,861

In 2018, the Company recognized other-than-temporary impairments on the following six limited partnership investments:

Name or Description	OTTI
AEA Mezzanine Fund III, LP	$282
Cyprium Investors IV, LP	178
GCG Investors IV, LP	145
Graycliff Mezzanine II Parallel, LP	602
Point Judith Venture Fund IV, LP	2
Stonepeak Infrastructure Fund III, LP	1
Total	$1,210

(Continued)

(in thousands)

There were no other-than-temporary impairments recognized on limited partnership investments in 2017.

As of December 31, 2018, the Company had the following commitments for additional investment:

	Additional Commitments	**Expected Capital Calls Through**
Adams Street Private Credit Fund LP	$5,614	2021
AEA Mezzanine Fund III, LP	758	Life of the Fund
Cyprium Investors IV, LP	998	2019
Cyprium Investors V, LP *	18,000	2024
GCG Investors IV, LP	3,235	2022
GLC Direct Credit Fund, LP	148	2020
Goldman Sachs Private Equity Partners XI, LP	43	Life of the Fund
GoldPoint Mezzanine Partners IV, LP	1,705	2021
Graycliff Mezzanine II Parallel, LP	3,996	2021
Graycliff Mezzanine III Parallel, LP	12,877	2023
Heartwood Natural Resources REIT, LLC *	100	2023
Lyme Forest Fund V, LP	79	2021
ManchesterStory Venture Fund, LP	401	2023
Midwest Mezzanine Fund V SBIC, LP	1,561	2020
Midwest Mezzanine Fund VI SBIC, LP	5,866	2023
Morgan Stanley Private Markets Fund III	13	Life of the Fund
Point Judith Venture Fund IV, LP	48	2022
Savano Capital Partners II, LP	24	2021
Stonepeak Capital Partners Fund III	90	2023
THL Credit Direct Lending IV Co-Invest, LLC	5,068	2021
THL Credit Direct Lending IV, LLC	12,670	2021
	$73,294	

* Reflects commitments to investments not yet owned as of December 31, 2018.

(in thousands)

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 are as follows:

	Less than 12 months		12 months or more		Total	
2018	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U. S. government	$256	$60,447	$5,164	$175,323	$5,420	$235,770
States, territories and possessions	111	16,006	284	9,637	395	25,643
Political subdivisions of states	0	0	0	0	0	0
Special revenue and special assessment obligations	0	0	2,606	79,086	2,606	79,086
Industrial and miscellaneous	2,620	113,070	6,579	159,528	9,199	272,598
Subtotal debt securities	2,987	189,523	14,633	423,574	17,620	613,097
Common stock	1,190	17,780	1	6	1,191	17,786
Subtotal equity securities	1,190	17,780	1	6	1,191	17,786
Total temporarily impaired securities	$4,177	$207,303	$14,634	$423,580	$18,811	$630,883

	Less than 12 months		12 months or more		Total	
2017	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U. S. government	$603	$66,918	$2,475	$87,317	$3,078	$154,235
States, territories and possessions	15	8,989	110	1,896	125	10,885
Political subdivisions of states	1	558	0	0	1	558
Special revenue and special assessment obligations	184	37,825	940	45,806	1,124	83,631
Industrial and miscellaneous	375	66,714	608	29,997	983	96,711
Subtotal debt securities	1,178	181,004	4,133	165,016	5,311	346,020
Common stock	99	1,752	6	30	105	1,782
Subtotal equity securities	99	1,752	6	30	105	1,782
Total temporarily impaired securities	$1,277	$182,756	$4,139	$165,046	$5,416	$347,802

1. Debt Securities: The unrealized losses of $17,620 on investments in fixed income securities as of December 31, 2018 were substantially caused by 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. The Company's investments in loan-backed and structured securities are not considered other-than-temporarily impaired as the Company does not intend to sell, is not required to sell and the present value of cash flows expected to be collected is greater than the amortized cost basis of the securities.

   As of December 31, 2018, investments in structured and loan-backed securities for which other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position had a fair value of $260,832. Structured and loan-backed securities in an unrealized loss position for less than 12 months had a fair value of $14,919 and unrealized losses of $84. Structured and loan-backed securities in an unrealized loss position for more than 12 months had a fair value of $245,913 and unrealized losses of $8,322. Unrealized losses are primarily attributable to increased interest rates and modestly wider spread levels. 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.

(in thousands)

2. Common Stocks: As of December 31, 2018, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $17,786 in 73 issuers. These holdings were in an unrealized loss position of $1,191, of which $1 was in an unrealized loss position for more than 12 months. The declines in value are attributed to market volatility that is not considered uncommon. Based on the Company's impairment review process discussed in Note 2B, the decline in values of these securities was not considered to be other-than-temporary as of December 31, 2018.

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

	2018
Adjusted cost basis	$39,417
Gross unrealized gains	11,429
Gross unrealized losses	(1,191)
Carrying value	$49,655

F. Fair Value of Financial Instruments

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

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

These inputs comprise the following fair value hierarchy:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the 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.

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The following table provides information as of December 31, 2018 and 2017 about the Company's financial assets and liabilities measured at fair value on a recurring basis:

2018	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Common stock:					
Industrial and miscellaneous	$48,004	$1,651	$0	$0	$49,655
Total common stock	48,004	1,651	0	0	49,655
Cash equivalents and short-term investments:					
Exempt money market mutual funds	0	0	0	1	1
All other money market mutual funds	0	0	0	14,976	14,976
Total short-term investments	0	0	0	14,977	14,977
Total assets at fair value	$48,004	$1,651	$0	$14,977	$64,632
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

2017	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Common stock:					
Industrial and miscellaneous	$53,464	$1,651	$0	$0	$55,115
Total common stock	53,464	1,651	0	0	55,115
Cash equivalents and short-term investments:					
Exempt money market mutual funds	0	0	0	10,965	10,965
All other money market mutual funds	0	0	0	0	0
Total short-term investments	0	0	0	10,965	10,965
Total assets at fair value	$53,464	$1,651	$0	$10,965	$66,080
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

Level 1 financial assets totaling $48,004 and $53,464 at December 31, 2018 and 2017, respectively, include activity-traded exchange-listed equity securities, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

Level 2 financial assets totaling $1,651 in both 2018 and 2017, include class B shares of capital stock in the FHLB of Boston, which is not actively traded on an exchange. The price of FHLB capital stock cannot fluctuate, and must be purchased, repurchased or transferred at its par value.

There were no transfers between Level 1, Level 2, or Level 3 in the current year. The Company recognizes transfers between levels at the end of the reporting period.

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As of December 31, 2018, the Company did not hold any investments recorded at fair value with a Level 3 fair value measurement, although the Company holds investments that have Level 3 fair value disclosures. There were no purchases, sales, or settlements of Level 3 assets during 2018 and 2017.

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

2018	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds:							
U.S. government and federal agency securities	$358,986	$361,246	$66,662	$292,324	$0	$0	$0
States, territories and possessions	83,055	81,254	0	83,055	0	0	0
Political subdivisions of states	52,973	50,529	0	52,973	0	0	0
Special revenue and special assessment obligations	117,008	118,892	0	117,008	0	0	0
Industrial and Miscellaneous	369,491	372,704	0	369,491	0	0	0
Total Bonds	981,513	984,625	66,662	914,851	0	0	0
Perpetual preferred stock:							
Industrial and miscellaneous	29	29	29	0	0	0	0
Total perpetual preferred stock	29	29	29	0	0	0	0
Common stock:							
Industrial and miscellaneous	49,655	49,655	48,004	1,651	0	0	0
Total common stock	49,655	49,655	48,004	1,651	0	0	0
Mortgage loans:							
Commercial mortgages	59,797	60,497	0	59,797	0	0	0
Total mortgage loans	59,797	60,497	0	59,797	0	0	0
Cash equivalents							
Exempt money market mutual funds	1	1	0	0	0	1	0
All other money market mutual funds	14,976	14,976	0	0	0	14,976	0
Commercial paper	49,215	49,215	0	49,215	0	0	0
Total cash equivalents	64,192	64,192	0	49,215	0	14,977	0
Total assets	$1,155,186	$1,158,998	$114,695	$1,025,514	$0	$14,977	$0

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2017	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds:							
U.S. government and federal agency securities	$377,926	$373,575	$40,514	$337,412	$0	$0	$0
States, territories and possessions	120,236	113,703	0	120,236	0	0	0
Political subdivisions of states	60,758	56,787	0	60,758	0	0	0
Special revenue and special assessment obligations	93,909	94,530	0	93,909	0	0	0
Industrial and Miscellaneous	363,318	351,203	0	363,318	0	0	0
Total Bonds	1,016,147	989,798	40,514	975,633	0	0	0
Perpetual preferred stock:							
Industrial and miscellaneous	0	0	0	0	0	0	0
Total perpetual preferred stock	0	0	0	0	0	0	0
Common stock:							
Industrial and miscellaneous	55,115	55,115	53,464	1,651	0	0	0
Total common stock	55,115	55,115	53,464	1,651	0	0	0
Mortgage loans:							
Commercial mortgages	45,864	45,559	0	45,864	0	0	0
Total mortgage loans	45,864	45,559	0	45,864	0	0	0
Cash equivalents							
Exempt money market mutual funds	10,965	10,965	0	0	0	10,965	0
All other money market mutual funds	0	0	0	0	0	0	0
Commercial paper	38,460	38,460	0	38,460	0	0	0
Total cash equivalents	49,425	49,425	0	38,460	0	10,965	0
Total assets	$1,166,551	$1,139,897	$93,978	$1,061,608	$0	$10,965	$0

There were no financial instruments where it was not practical to estimate fair value in 2018 and 2017.

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G. Net Investment Income

Net investment income for the years ended December 31, 2018 and 2017 was as follows:

	2018	2017
Bonds and debt securities	$34,550	$34,888
Preferred stocks	1	0
Common stocks	1,216	1,026
Mortgage loans	2,356	1,525
Policy loans	598	593
Short-term investments	1,543	998
Other invested assets	3,343	4,118
Amortization of IMR	2,029	2,382
Miscellaneous income	355	303
Total investment income	45,991	45,833
Less investment expenses	583	590
Net investment income	$45,408	$45,243

H. Realized Gains and Losses

Realized gains and losses for the years ended December 31, 2018 and 2017 was as follows:

	2018	2017
Gross gains:		
Bonds	$2,574	$1,018
Stocks	7,462	4,660
Short-term investments	3	0
Other invested assets	1,005	4,859
Total gross gains	$11,044	$10,537
Gross losses:		
Bonds	($2,112)	($268)
Stocks	(535)	(263)
Short-term investments	(2)	0
Total gross losses	($2,649)	($531)
Other realized adjustments	($2,846)	($493)
Transferred net gains to IMR	(365)	(488)
Capital gains tax	(1,560)	(3,008)
Net realized capital gains (losses)	$3,624	$6,017

Proceeds from sale of long-term bonds and debt securities during 2018 and 2017 were $156,045 and $25,014, respectively. Gains and losses generated from these sales were transferred, net of tax, to the IMR and will be amortized into income over the remaining life to maturity of the investment sold.

Proceeds from the sale of stocks during 2018 and 2017 were $37,594 and $26,021, respectively.

Reflected in other realized adjustments in 2018 and 2017 is the loss in fair value of certain assets owned at the end of the reporting period which has been determined to be other-than-temporary. Losses of $2,846 and $493 in 2018 and 2017, respectively, were realized to write down the book value of certain assets to reflect their market value at the time of the write down.

(in thousands)

I. 5GI* Securities

There were no investments in 5GI* securities as of December 31, 2018 and 2017.

J. Prepayment Penalties and Acceleration Fees

The Company recognized the following prepayment penalties for securities sold in 2018:

Number of CUSIPs sold	3
Aggregate amount of investment income	$66

Note 5 - Reinsurance

The Company cedes insurance to other insurers and reinsurers during the course of the year. Reinsurance agreements are utilized to limit maximum loss, provide greater diversification of risk and minimize exposures on larger risks. A summary of reinsurance financial data is presented below:

	2018	2017
Reinsurance ceded in-force	$24,031,758	$22,656,095
Reinsurance premiums ceded	40,903	38,577
Reinsurance reserve credit	255,192	226,624
Reinsurance premium receivable	34,320	31,104

A significant portion of the Company's reinsurance is provided by five highly rated domestic reinsurers. As of December 31, 2018, the top three reinsurers accounted for approximately 81% of the outstanding reinsurance recoverable balance. One recoverable totaling $3 was outstanding for 90 days or longer and has been non-admitted as of December 31, 2018. All other recoverables as of December 31, 2018 are current. No recoverables from reinsurers are in dispute. The Company believes that no exposure to a single reinsurer represents an inappropriate concentration of risk to the Company, nor is the Company's business substantially dependent upon any single reinsurer.

The Company remains primarily liable with respect to reinsurance ceded and, therefore, a contingent liability exists which could become a liability of the Company in the event that any reinsurer might be unable to meet obligations assumed under the reinsurance agreements. No provision has been made for this contingency in the accompanying statutory financial statements.

Note 6 - Retirement Plans, Deferred Compensation, and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company participates in its Parent's noncontributory defined benefit pension plan covering substantially all employees of the Company.

Prior to January 1, 2005, under the noncontributory defined benefit pension plan, the benefits were based upon years of service and the employee's average final compensation, usually the average of the final three consecutive years of credited service. Effective January 1, 2005, all pension credits for employees are based on career average pay. Pension credits vary based on years of service and the date of employment with the Company. No expense was recorded for 2018 and 2017 because, in accordance with SSAP No. 102, the Company's share of the net periodic recognized pension cost was $0. The Plan is funded through a pension trust (Amica Pension Fund).

B. Postretirement Benefits

The Company provides postretirement medical insurance ("Postretirement Health Care") to retirees meeting certain eligibility requirements. On January 1, 2013 the Company adopted SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14". The Company elected to phase in the transition liability, $8,458, over a period not to exceed ten years. In accordance with the guidance, the Company recognized $729 in 2018. As a result, the transition liability was recognized in its entirety as of December 31, 2018. The liability for this plan, including the transition liability, totals $4,718 and $5,391 as of December 31, 2018 and 2017, respectively. The periodic benefit cost for this plan totals $690 and $810 in 2018 and 2017, respectively.

Life insurance benefits ("Retired Life Plans") are based upon a multiple of salary and years of service at the date of retirement and are subject to a maximum benefit of $1,000 for active employees and $250 for retirees. At December 31, 2018 and 2017, the Company recorded a liability of $358 and $481, respectively, for retiree life insurance benefits. The Company's share of the net periodic benefit cost for retiree life insurance benefits was $75 and $73 for 2018 and 2017, respectively.

C. Defined Contribution Plans

The Company participates with its Parent, in a defined contribution savings plan covering substantially all employees of the Company. Various investment funds are provided for employee savings, and the employee contributions can be made on a before-tax or after-tax basis. The Plan has limitations as to the amount of both employee and Company contributions. The Company contributed $588 and $574 on behalf of participating employees in 2018 and 2017, respectively.

The Company also provides a deferred compensation plan for certain eligible officers. The Plan is a salary reduction plan in which no matching contributions are made by the Company on behalf of the Plan participants. As explained in Note 6D, certain deferred compensation liabilities are funded through the Amica Companies Supplemental Retirement Trust.

D. Other Plans

The Company provides or funds supplemental pension benefits and certain deferred compensation plan liabilities through the Amica Companies Supplemental Retirement Trust. The supplemental pension benefits are amounts otherwise payable under the Company's qualified pension plan which is in excess of that allowed under Sections 401 and/or 415 of the Internal Revenue Code. The trust's assets, which are invested in both debt and equity type securities, are valued at either amortized cost or market value, respectively. The Company's share of the trust assets was valued at $4,479 and $4,617 at December 31, 2018 and 2017, respectively. The Company has recorded $2,755 and $2,866 at December 31, 2018 and 2017, respectively, to reflect the Company's obligation under this plan. Assets in excess of the plan's obligations are non-admitted. The Company's share of supplemental pension benefit expenses was $323 and $299 for 2018 and 2017, respectively.

(Continued)

(in thousands)

E. Summary

A summary of assets, obligations, and assumptions of the pension benefits, including the Pension Fund and the Supplemental Retirement Plan and postretirement benefits, including the Postretirement Health Care and Retired Life Plans covering employees of Amica Mutual and the Company are as follows at December 31, 2018 and 2017:

	Pension Benefits				Postretirement Benefits	
	Overfunded		Underfunded		Underfunded	
	2018	2017	2018	2017	2018	2017
1. Change in benefit obligation						
1. Benefit obligation at beginning of year	$1,487,540	$1,358,241	$74,714	$62,026	$425,682	$407,688
2. Service cost	35,546	32,681	1,835	9,669	6,595	6,707
3. Interest cost	55,924	56,863	1,863	1,966	15,428	16,788
4. Contribution by plan participants	0	0	0	0	1,468	1,354
5. Actuarial (gain) loss	(119,019)	93,687	(4,296)	2,379	(48,624)	9,242
6. Foreign currency exchange rate changes	0	0	0	0	0	0
7. Benefits paid	(57,418)	(53,932)	(4,970)	(4,373)	(18,064)	(16,097)
8. Plan amendments	0	0	0	3,047	0	0
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0	0	0
10. Benefit obligation at end of year	$1,402,573	$1,487,540	$69,146	$74,714	$382,485	$425,682

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	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
2. Change in plan assets				
a. Fair Value on plan assets at beginning of year	$1,940,952	$1,737,836	$339,721	$301,282
b. Actual return on plan assets	(80,784)	257,048	(8,292)	38,445
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	24,970	4,373	16,683	15,062
e. Plan participants' contributions	0	0	1,468	1,354
f. Benefits paid	(62,388)	(58,305)	(18,423)	(16,422)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	$1,822,750	$1,940,952	$331,157	$339,721
3. Funded Status				
Overfunded				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$736,895	$671,296	$5,102	$5,152
2. Overfunded plan assets	(316,719)	(217,885)	(5,102)	(5,152)
3. Total assets (nonadmitted)	420,176	453,411	0	0
Underfunded				
b. Liabilities recognized				
1. Accrued benefit costs	55,557	54,976	52,103	77,345
2. Liability for pension benefits	13,589	19,738	0	0
3. Total liabilities recognized	69,146	74,714	52,103	77,345
c. Unrecognized liabilities	$330,308	$237,624	$41,295	$76,181
4. Components of net periodic benefit cost				
a. Service cost	$37,380	$42,351	$6,595	$6,707
b. Interest cost	57,787	58,829	15,427	16,788
c. Expected return on plan assets	(135,161)	(119,782)	(16,422)	(14,516)
d. Transition asset or obligation	473	473	10,984	10,984
e. (Gains) and losses	6,928	12,517	35	12
f. Prior service cost or (credit)	(7,455)	(7,454)	(42)	(43)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	($40,048)	($13,066)	$16,577	$19,932

(Continued)

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	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost				
a. Items not yet recognized as a component of net periodic cost - prior year	$237,624	$281,312	$76,181	$101,820
b. Net transition asset or (obligation) recognized	(473)	(473)	0	0
c. Net prior service cost or (credit) arising during the period	0	3,047	0	0
d. Net prior service cost or (credit) recognized	7,454	7,454	(10,941)	(10,941)
e. Net (gain) and loss arising during the period	92,631	(41,199)	(23,911)	(14,687)
f. Net gain and (loss) recognized	(6,928)	(12,517)	(34)	(11)
g. Items not yet recognized as a component of net periodic cost - current year	$330,308	$237,624	$41,295	$76,181
6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit				
a. Net transition (asset) or obligation	$473	$473	$10,984	$10,984
b. Net prior service cost or (credit)	(52)	(7,454)	(44)	(44)
c. Net recognized (gains) and losses	13,623	6,034	0	26
7. Amounts in unassigned fund (surplus) that have not yet been recognized as components of net periodic benefit costs				
a. Net transition (asset) or obligation	($27,397)	($26,924)	$43,937	$54,921
b. Net prior service cost or (credit)	1,614	(5,840)	(356)	(400)
c. Net recognized (gains) and losses	356,091	270,388	(2,286)	21,657

(Continued)

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8. Weighted average assumptions as of December 31, 2018 and 2017:

	Pension Benefits		Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Measurement date for:				
Net periodic benefit cost	12/31/18	12/31/17	12/31/18	12/31/17
Year-end benefit obligation	12/31/18	12/31/17	12/31/18	12/31/17
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	4.40%	3.80%	4.40%	3.80%
Rate of compensation increase	4.00%	4.00%	n/a	n/a
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:				
Discount rate	3.80%	4.25%	3.80%	4.25%
Expected return on plan assets	7.00%	7.00%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	n/a	n/a

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

The Company measured benefit obligations using the Society of Actuaries RP-2014 Total Employee and Healthy Annuitant Mortality tables rolled back to 2006 and projected Mortality Improvement Scale MP-2018.

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

Years	Pension Benefits	Postretirement Benefits
2019	$65,285	$17,539
2020	65,752	18,514
2021	68,830	19,514
2022	76,607	20,334
2023	75,922	21,201
2024 through 2028	432,310	110,611

(in thousands)

10. The estimate of contributions expected to be paid by Amica Mutual and Amica Life during 2019 are as follows:

Pension and Postretirement Plans	Contribution
Amica Pension Fund	$0
Supplemental Retirement Plan	5,666
Postretirement Health Care	14,829
Retired Life Reserve	1,934
Unfunded Retired Life Benefit	776

11. The assumed health care cost trend rate is 7.0% for 2018 with an ultimate health care trend rate of 4.5% reached in 2027.

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

	2018	2017
Effect of a 1% Increase in Health Care Cost Trend Rates:		
Total of service cost and interest cost	$807	$932
Postretirement benefit obligation	14,085	17,860
Effect of a 1% Decrease in Health Care Cost Trend Rates:		
Total of service cost and interest cost	(663)	(774)
Postretirement benefit obligation	(12,012)	(15,119)

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

The following provides the status of the Pension Fund and supplemental retirement plans covering employees of Amica Mutual and Amica Life as of December 31, 2018 and 2017:

Pension Benefits	Overfunded		Underfunded	
	12/31/18	12/31/17	12/31/18	12/31/17
Benefit obligation	($1,363,376)	($1,443,866)	($66,791)	($70,859)
Plan assets at fair value	1,822,750	1,940,952	0	0
Funded status	$459,374	$497,086	($66,791)	($70,859)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2018 and 2017. The adoption of SSAP No. 102 for the Pension Fund did not have a surplus impact on Amica Mutual and the Company as the pension plan was overfunded by more than the transition liabilities. At transition, Amica Mutual recognized $346,824 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2014.

(in thousands)

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

In addition to pension benefits, Amica Mutual and the Company provide certain health care and life insurance benefits ("post retirement") for retired employees. Substantially all employees may become eligible for these benefits if they reach retirement age while working for the Companies and satisfy certain service requirements. SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14" became effective January 1, 2013. This SSAP requires that any underfunded postretirement benefit amounts, other than pensions, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R.

The following provides the status of the Postretirement Health Care Benefit Plans covering employees of Amica Mutual and the Company as of December 31, 2018 and 2017:

Postretiment Benefits	Overfunded		Underfunded	
	12/31/18	12/31/17	12/31/18	12/31/17
Benefit obligation	$0	$0	($382,485)	($425,682)
Plan assets at fair value	0	0	331,157	339,721
Funded status	$0	$0	($51,328)	($85,961)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2018 and 2017. The Companies elected to utilize the minimum transition option reflected in Paragraph 103 of SSAP No. 92 for the postretirement health care plan. The Company elected to recognize the full transition liability for retiree life benefits upon adoption. This recognition resulted in an additional $3,659 liability recorded on Amica Mutual's statutory financial statement at January 1, 2015 with the remaining $130 recorded as a liability on the statutory financial statements of the Company.

14. The Companies elected to phase in the transition liability relating to postretirement health care benefits under the transition guidance set forth in SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14". The total transition liability for the postretirement health care benefits was $169,973 resulting in a minimum transition liability of $16,997 after applying the guidance in paragraphs 103bi and 103bii. A total of $161,357 of the transition liability was recognized at December 31, 2017 resulting in an unrecognized transition liability of $8,617 as of December 31, 2017. In accordance with the guidance, Amica Mutual's share of the cumulative transition liability recorded on the financial statements was $156,427 on December 31, 2018, with $7,888 and $15,560 recognized in 2018 and 2017, respectively. Amica Life's share of the cumulative transition liability recorded on the financial statements was $8,458 on December 31, 2018, with $729 and $1,437 recognized in 2018 and 2017, respectively. As a result, the transition liability was recognized in its entirety as of December 31, 2018.

(Continued)

The following table includes the 2018 transition surplus activity:

	Transition liability
Beginning of year	($8,617)
Recognized during year	8,617
End of year funded status	$0

F. Description of Investment Policies

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

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

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

The investment manager of the Pension Trust and Retiree Medical Trust may not deviate significantly from the targeted asset allocation percentages without prior approval from the trustees of the various plans. The Pension Trust and Retiree Medical Trust assets are not invested in derivatives and such investment would require prior consent from the trustees. The Pension Trust and the Retiree Medical Trust have no fee interests in real estate.

(in thousands)

The defined benefit pension plan asset allocation as of the measurement date, December 31, 2018 and 2017, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/18**	**12/31/17**	**12/31/18**	**12/31/17**
a. Debt Securities	32.0%	29.6%	30.5%	28.5%
b. Equity Securities	55.2%	63.7%	58.5%	64.5%
c. Other	12.8%	6.7%	11.0%	7.0%
d. Total	100.0%	100.0%	100.0%	100.0%

The Postretirement Health Care plan asset allocation as of the measurement date, December 31, 2018 and 2017, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/18**	**12/31/17**	**12/31/18**	**12/31/17**
a. Debt Securities	29.3%	28.6%	29.0%	27.0%
b. Equity Securities	56.3%	61.8%	58.5%	64.5%
c. Other	14.4%	9.6%	12.5%	8.5%
d. Total	100.0%	100.0%	100.0%	100.0%

(in thousands)

G. Fair Value of Plan Assets

1. Fair Value Measurements of Plan Assets at Reporting Date:

Pension Fund				
2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$124,583	$146,752	$0	$271,335
States and political subdivisions	0	125,256	0	125,256
Corporate debt securities	0	168,640	0	168,640
Preferred stock	679	0	0	679
Common stock	650,288	0	0	650,288
Short-term investments	0	642	0	642
Cash equivalents				
at fair value	0	64,717	0	64,717
at net asset value (1)	0	0	0	65,258
Commercial Mortgage Loans	0	15,117	0	15,117
Index funds measured at net asset value (1)	0	0	0	350,537
Other invested assets	0	0	127,866	127,866
Total assets at fair value	$775,550	$521,124	$127,866	$1,840,335
2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$81,752	$128,183	$0	$209,935
States and political subdivisions	0	177,448	0	177,448
Corporate debt securities	0	170,181	0	170,181
Preferred stock	0	0	0	0
Common stock	880,952	0	0	880,952
Short-term investments	0	2,998	0	2,998
Cash equivalents				
at fair value	0	44,950	0	44,950
at net asset value (1)	0	0	0	5,229
Commercial Mortgage Loans	0	11,575	0	11,575
Index funds measured at net asset value (1)	0	0	0	347,509
Other invested assets	0	0	97,194	97,194
Total assets at fair value	$962,704	$535,335	$97,194	$1,947,971

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

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

(in thousands)

Level 2 financial assets are comprised of debt securities and mortgage loans whose quoted prices are provided by an independent pricing service. Cash equivalents and short-term investments are stated at cost or amortized cost, which approximates fair value.

Level 3 financial assets consist of holdings in limited partnership, classified as other invested assets. The fair values of the funds are based on the GAAP equity of the fund from the most recent statement received, adjusted for any cash transactions through year-end.

Postretirement Health Care

2018	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$1,415	$14,668	$0	$16,083
States and political subdivisions	0	54,084	0	54,084
Corporate debt securities	0	12,620	0	12,620
Preferred stock	106	0	0	106
Common stock	108,384	0	0	108,384
Short-term investments	0	210	0	210
Cash equivalents				
at fair value	0	16,349	0	16,349
at net asset value (1)	0	0	0	9,283
Commercial Mortgage Loans	0	2,116	0	2,116
Index funds measured at net asset value (1)	0	0	0	55,223
Other invested assets	0	0	20,585	20,585
Total assets at fair value	$109,905	$100,047	$20,585	$295,043

2017	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$206	$14,084	$0	$14,290
States and political subdivisions	0	54,131	0	54,131
Corporate debt securities	0	10,428	0	10,428
Preferred stock	0	0	0	0
Common stock	136,845	0	0	136,845
Short-term investments	0	998	0	998
Cash equivalents				
at fair value	0	16,224	0	16,224
at net asset value (1)	0	0	0	2,025
Commercial Mortgage Loans	0	1,620	0	1,620
Index funds measured at net asset value (1)	0	0	0	49,805
Other invested assets	0	0	15,990	15,990
Total assets at fair value	$137,051	$97,485	$15,990	$302,356

(1) Assets held at net asset value are included in the leveling table above to permit reconciliation to the amounts presented in the Retiree Medical Trust's statement of financial opinion.

(in thousands)

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

Level 2 financial assets are comprised of debt securities and mortgage loans whose quoted prices are provided by an independent pricing service. Cash equivalents and short-term investments are stated at cost or amortized cost, which approximates fair value.

Level 3 financial assets consist of holdings in limited and investment funds classified as other invested assets. The fair values of the funds are based on the GAAP equity of the fund from the most recent statement received, adjusted for any cash transactions through year-end.

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

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

	Pension Fund		Postretirement Health Care	
	2018	2017	2018	2017
Balance at beginning of year	$97,194	$75,952	$15,990	$12,632
Total gains/losses (realized/unrealized) included in net				
increase (decrease) in net assets available for benefits	9,368	6,268	1,821	1,282
Purchases	48,644	20,430	6,984	2,944
Sales	(27,340)	(5,456)	(4,210)	(868)
Issuances	0	0	0	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance at end of year	$127,866	$97,194	$20,585	$15,990

Note 7 - Equipment and Furnishings

Major classes of equipment and furnishings were as follows:

Asset Class	Cost	Accumulated Depreciation	Net Book Value	Non-admitted	Admitted	Depreciation Expense
2018						
Computer equipment & software	$3,848	$3,844	$4	$4	$0	$135
Furniture and equipment	9,400	5,434	3,966	3,966	0	62
Total	$13,248	$9,278	$3,970	$3,970	$0	$197
2017						
Computer equipment & software	$3,962	$3,824	$138	$138	$0	$200
Furniture and equipment	9,205	5,820	3,385	3,385	0	62
Total	$13,167	$9,644	$3,523	$3,523	$0	$262

(Continued)

(in thousands)

Depreciation expense on furniture and equipment of $62 in both 2018 and 2017 is net of reimbursement from Amica Mutual of $1,164 and $864 in 2018 and 2017, respectively.

There were no write-downs to fair value for equipment and furnishings in 2018 and 2017.

Note 8 - Income Taxes

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

	Ordinary	Capital	Total
2018			
Gross deferred tax assets	$24,572	$1,122	$25,694
Statutory valuation allow ance adjustment	7,143	0	7,143
Adjusted gross deferred tax assets	17,429	1,122	18,551
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	17,429	1,122	18,551
Deferred tax liabilities	15,171	3,380	18,551
Net admitted deferred tax asset (liability)	$2,258	($2,258)	$0
2017			
Gross deferred tax assets	$24,681	$1,085	$25,766
Statutory valuation allow ance adjustment	6,334	0	6,334
Adjusted gross deferred tax assets	18,347	1,085	19,432
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	18,347	1,085	19,432
Deferred tax liabilities	14,364	5,068	19,432
Net admitted deferred tax asset (liability)	$3,983	($3,983)	$0
Change			
Gross deferred tax assets	($109)	$37	($72)
Statutory valuation allow ance adjustment	809	0	809
Adjusted gross deferred tax assets	(918)	37	(881)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	(918)	37	(881)
Deferred tax liabilities	807	(1,688)	(881)
Net admitted deferred tax asset (liability)	($1,725)	$1,725	$0

Based on management's analysis of future taxable earnings, a valuation allowance for the net deferred tax asset was established. The valuation allowance totaled $7,143 and $6,334 for December 31, 2018 and 2017, respectively.

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Admission calculation components:

	Ordinary	Capital	Total
2018			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	49,239
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	15,171	3,380	18,551
Deferred tax assets admitted as the result of application of SSAP No. 101	$15,171	$3,380	$18,551
2017			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	46,524
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	14,364	5,068	19,432
Deferred tax assets admitted as the result of application of SSAP No. 101	$14,364	$5,068	$19,432
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	2,715
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	807	(1,688)	(881)
Deferred tax assets admitted as the result of application of SSAP No. 101	$807	($1,688)	($881)

Ratios used for threshold limitation:

	2018	2017
Ratio percentage used to determine recovery period and		
threshold limitation	1137%	1447%
Amount of adjusted capital and surplus used to determine recovery		
period and threshold limitation above	$ 328,262	$ 310,163

(Continued)

(in thousands)

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2018 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

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

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

	2018	2017	Change
Federal	($3,255)	($4,357)	$1,102
Foreign	0	0	0
Subtotal	(3,255)	(4,357)	1,102
Federal income tax on net capital gains	1,560	3,008	(1,448)
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	($1,695)	($1,349)	($346)

(in thousands)

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

Deferred Tax Assets:	**2018**	**2017**	**Change**
Ordinary:			
Policyholder reserves	$17,255	$17,269	($14)
Deferred acquisition costs	4,167	3,640	527
Reserve for unassessed insolvencies	368	375	(7)
Compensation and benefits accrual	1,969	2,493	(524)
Pension accrual	362	368	(6)
Fixed assets	382	377	5
Tax credit carry-forward	0	37	(37)
Other	69	122	(53)
Subtotal	24,572	24,681	(109)
Statutory valuation allowance adjustment	7,143	6,334	809
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	17,429	18,347	(918)
Capital:			
Common stocks	609	508	101
Joint venture interests	513	577	(64)
Subtotal	1,122	1,085	37
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	1,122	1,085	37
Admitted deferred tax assets	$18,551	$19,432	($881)
Deferred Tax Liabilities:			
Ordinary:			
Bonds	$290	$249	$41
Deferred and uncollected premium	6,942	6,750	192
Restated tax reserves (Tax Cuts and Jobs Act)	732	833	(101)
Reinsurance premium receivable	7,207	6,532	675
Subtotal	15,171	14,364	807
Capital:			
Common stocks	2,149	4,337	(2,188)
Joint venture interests	1,231	731	500
Subtotal	3,380	5,068	(1,688)
Deferred tax liabilities	$18,551	$19,432	($881)
Net deferred tax assets (liabilities)	$0	$0	$0

(in thousands)

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

	2018	2017	Change
Total deferred tax assets	$25,694	$25,766	($72)
Total deferred tax liabilities	18,551	19,432	(881)
Net deferred tax assets/(liabilities)	7,143	6,334	809
Statutory valuation allowance adjustment	(7,143)	(6,334)	(809)
Net deferred tax assets/(liabilities) after valuation allowance	0	0	0
Tax effect of unrealized gains (losses)	3,380	5,068	(1,688)
			0
Change in net deferred tax	$3,380	$5,068	($1,688)

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 $16,617 and deferred tax liabilities were reduced by $12,400, causing a decrease to net deferred tax assets of $4,216 at December 31, 2017. Since the Company carries a valuation allowance, the impact of the change in tax rates is surplus neutral.

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	Valuation Allowance	Post Tax Reform
(Tax) benefit on change in net unrealized capital gains	($2,021)	$3,379	$0	$1,358
Change in net deferred income tax	(1,018)	(7,595)	7,255	(1,358)
Net impact	($3,039)	($4,216)	$7,255	$0

The Company estimated certain effects of tax reform on tax reserves and recorded the estimate as a provisional amount in the deferred tax inventory as of December 31, 2017. The impact of this recorded estimate was surplus neutral at December 31, 2017, as any increases in deferred tax assets were offset by increases in deferred tax liabilities. During 2018, the Company finalized the calculation of the tax reserves under the new law for the year ended December 31, 2017. The recalculation of the reserves will result in a $3,982 increase to life reserves, which will be amortized into taxable income over eight years, beginning in 2018. The Company believes that all material changes of the Act have been recognized as of December 31, 2018.

(Continued)

(in thousands)

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

	2018		2017	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income before taxes	$2,125	21.0%	$4,133	35.0%
Change in deferred tax rate	0	0.0%	7,595	64.3%
Permanent differences	(426)	-4.2%	(834)	-7.1%
Change in non-admitted assets	(38)	-0.4%	(130)	-1.0%
Change in XXX reserves	(2,672)	-26.4%	(3,557)	-30.1%
Change in statutory valuation adjustment	809	8.0%	(7,255)	-61.4%
Reserve adjustments	19	0.2%	(2)	0.0%
Other	176	1.7%	409	3.4%
Total	($7)	-0.1%	$359	3.1%
Federal income taxes incurred	($3,255)	-32.2%	($4,357)	-36.9%
Tax on capital gains (losses)	1,560	15.4%	3,008	25.5%
Change in net deferred taxes	1,688	16.7%	1,708	14.5%
Total statutory income taxes	($7)	-0.1%	$359	3.1%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2018 and 2017, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.

2. The Company did not have any Federal income taxes incurred and available for recoupment in the event of future net losses.

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

G. 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 Property and Casualty Insurance Company

H. Federal or Foreign Federal Income Tax Loss Contingencies

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

I. Repatriation Transition Tax (RTT)

The Company does not have any liability as it relates to Repatriation Transition Tax.

(in thousands)

J. Alternative Minimum Tax (AMT) Credit

The Company does not have an AMT credit available to be recognized.

Note 9 - Investment Contracts

The Company issues certain life and annuity products which are considered financial instruments. The carrying value and estimated fair value of these liabilities at December 31, 2018 and 2017 are presented below:

	2018		2017	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Supplementary contracts without life contingencies	$9,517	$9,719	$9,532	$9,788
Deferred annuities	344,712	342,263	351,967	348,602
Immediate annuities without life contingencies	120,059	133,919	133,057	148,753
Total financial liabilities	$474,288	$485,901	$494,556	$507,143

Note 10 - Life, Annuity and Deposit-Type Contracts and Reinsurance – Benefits and Reserves

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally provided reserves. Extra premiums are charged for substandard lives plus the gross premium for a rated age. Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding, one-half (1/2) of the extra premium charge for the year.

As of December 31, 2018 and 2017, respectively, the Company had $4,889,084 and $5,136,645 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Rhode Island.

Tabular interest, tabular less actual reserves released, and tabular cost has been determined by formula as outlined in the Annual Statement instructions.

The amount of annuity actuarial reserves and deposit liabilities by withdrawal characteristics is as follows:

	2018	2017
Subject to discretionary withdrawal:		
With market value adjustment	$0	$0
At book value less surrender charge	9,477	7,585
At fair value	0	0
Total with adjustment or at market value	$9,477	$7,585
At book value without adjustment	335,237	344,385
Not subjected to discretionary withdrawal	207,626	220,828
Total annuity actuarial reserves and deposit funds liabilities, net	$552,340	$572,798

(in thousands)

Note 11 - Life Contracts - Premiums

Deferred and uncollected life insurance premiums were as follows:

	2018		2017	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary new business	$1,469	$677	$1,469	$696
Ordinary renewal	(1,483)	32,381	(4)	31,445
Total	($14)	$33,058	$1,465	$32,141

Note 12 - Related Parties

The Company recorded a payable to Amica Mutual of $260 and $150 at December 31, 2018 and 2017, respectively. The payable represents end of the year intercompany transactions and the terms of the agreement require that these amounts are settled within fifty-five days.

Amica Mutual allocated a portion of the postretirement benefit expense to the Company under an expense allocation arrangement. During 2018 and 2017, expenses of $1,088 and $1,183, respectively, were allocated to the Company.

During 2018 and 2017 premiums of approximately $4,748 and $4,688, respectively, were paid to the Company by Amica Mutual for the group life insurance on lives of its employees and retirees.

The Company was reimbursed $1,913 and $1,771 in 2018 and 2017, respectively, by Amica Mutual for leasing motor vehicles owned by the Company.

The Company received premiums from Amica Mutual of $1,197 and $2,190 in 2018 and 2017, respectively, for the purchase of individual annuities to cover certain claims which had been settled by Amica Mutual on a structured basis.

The Company recorded a reimbursement to Amica Mutual of $2,374 and $2,261 in 2018 and 2017, respectively, for personnel and facility expenses incurred.

The Company is subject to certain statutory restrictions on payment of dividends to Amica Mutual. These restrictions are based on earned surplus and net gain from operations. The maximum dividend payout which would have been allowed without prior approval of the Insurance Commissioner of the State of Rhode Island under Rhode Island Business Corporation Law in 2018 and 2017 was $12,670 and $10,297, respectively. No dividends were paid in 2018 or 2017.

Effective January 1, 2009, the Company entered into a line of credit agreement with its Parent, Amica Mutual. The line of credit agreement allows the Company to draw advances from Amica Mutual for up to $250,000. Any draw upon the line of credit by the Company must be repaid in full, with interest, within three years from the date of advance. The advances shall carry a fixed interest rate of one-percent above the Prime Rate in Interest on the date of any advance. Interest shall accrue on the principal sum of any outstanding advances on a monthly basis. The Company did not make any draw downs under the line of credit during 2018 or 2017.

(Continued)

(in thousands)

On April 20, 2016, the Board of Directors of Amica Mutual authorized up to $150,000 in capital contributions to Amica Life to support the Company's ongoing growth initiatives. The timing and amount of any capital contributions are at the discretion of the President of Amica Mutual. The schedule of expected payments is as follows:

Year	Amount	Status
2017	$25,000	Paid January 3, 2017
2018	25,000	Paid January 2, 2018
2019	25,000	Paid January 2, 2019
2020	25,000	At President's Discretion
2021	25,000	At President's Discretion
2022	25,000	At President's Discretion
Total	$150,000	

The timing and amount of the remaining $75,000 will be determined by the President of Amica Mutual.

The Consolidated Federal Income Tax Agreement between Amica Mutual and affiliates was amended in 2017 to include the Company. See Note 8G for further information.

Note 13 - Risk Based Capital

Risk Based Capital (RBC) is intended to identify companies that are in financial difficulty by establishing minimum capital needs based on the risks applicable to the operations of the individual company. The calculation of RBC for the Company was above the minimum required level at December 31, 2018 and 2017.

Note 14 - Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued:

1. Upon receipt of assessment, or

2. At the time premiums are written, in the case of premium based assessments, or

3. At the time losses are incurred, in the case of loss based assessments.

The Company has accrued a liability for guaranty fund and other assessments of $1,750 and $1,787 at December 31, 2018 and 2017, respectively. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The Company has not recorded a related asset as of December 31, 2018.

(in thousands)

Note 15 - Non-Admitted Assets

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

Description	2018	2017
Furniture and other equipment, net	$3,970	$3,523
Supplemental pension benefits	1,724	1,750
Other	220	461
Total non-admitted assets	$5,914	$5,734

Note 16 - Subsequent Events

Subsequent events have been considered through February 13, 2019 for the statutory statement issued on February 13, 2019 and through May 10, 2019 for the audited statutory financial statements issued on May 10, 2019.

On January 2, 2019, the Company received a $25,000 capital contribution from its Parent, Amica Mutual. This contribution is intended to provide additional support with regard to the Company's growth initiatives.

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

AMICA LIFE INSURANCE COMPANY
SELECTED FINANCIAL DATA
December 31, 2018

Schedule 1

Investment Income Earned			
1.	U.S. Government Bonds	L008 L01 C02	11,221,206
2.	Bonds exempt from U.S. tax	L008 L01.1 C02	
3.	Other bonds (unaffiliated)	L008 L01.2 C02	23,328,659
4.	Bonds of affiliates	L008 L01.3 C02	
5.	Preferred stocks (unaffiliated)	L008 L02.1 C02	647
6.	Preferred stocks of affiliates	L008 L02.11 C02	
7.	Common stocks (unaffiliated)	L008 L02.2 C02	1,215,901
8.	Common stocks of affiliates	L008 L02.21 C02	
9.	Mortgage loans	L008 L03 C02	2,355,788
10.	Real estate	L008 L04 C02	
11.	Contract Loans	L008 L05 C02	597,506
12.	Cash, cash equivalents and short-term investments	L008 L06 C02	1,542,959
13.	Derivative instruments	L008 L07 C02	
14.	Other invested assets	L008 L08 C02	3,342,982
15.	Aggregate write-ins for investment income	L008 L09 C02	367,927
16.	Gross investment income	L008 L10 C02	43,973,575
17.	Real Estate Owned – Book Value less Encumbrances	E01 L0699999 C09	
Mortgage Loans – Book Value:			
18.	Farm mortgages	E04 L01 + L09 + L17 + L25 C08	
19.	Residential mortgages	E04 L02 + L03 + L10 + L11 + L18 + L19 + L26 + L27 C08	
20.	Commercial mortgages	E04 L04 + L05 + L12 + L13 + L20 + L21 + L28 + L29 C08	60,497,041
21.	Total mortgage loans		60,497,041
Mortgage Loans By Standing – Book Value:			
22.	Good standing	E04 L0899999 C08	60,497,041
23.	Good standing with restructured terms	E04 L1699999 C08	
24.	Interest overdue more than 90 days, not in foreclosure	E04 L2499999 C08	
25.	Foreclosure in process	E04 L3299999 C08	
26.	Other Long Term Assets – Statement Value	L002 L08 C3	62,495,325
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value			
27.	Bonds	SI04 L12 C01	
28.	Preferred Stocks	SI04 L18 C01	
29.	Common Stocks	SI04 L24 C01	
Bonds and Short-Term Investments by NAIC Designation and Maturity:			
Bonds by Maturity - Statement Value			
30.	Due within one year less	SI07 L11.7 C01	134,556,349
31.	Over 1 year through 5 years	SI07 L11.7 C02	344,707,201
32.	Over 5 years through 10 years	SI07 L11.7 C03	266,215,919
33.	Over 10 years through 20 years	SI07 L11.7 C04	183,361,693
34.	Over 20 years	SI07 L11.7 C05	104,998,985
35.	No Maturity Date	SI07 L11.7 C06	
36.	Total by Maturity		1,033,840,147
Bonds by NAIC Designation - Statement Value			
37.	NAIC 1	SI07 L11.1 C07	835,498,423
38.	NAIC 2	SI07 L11.2 C07	188,284,413
39.	NAIC 3	SI07 L11.3 C07	10,057,311
40.	NAIC 4	SI07 L11.4 C07	
41.	NAIC 5	SI07 L11.5 C07	
42.	NAIC 6	SI07 L11.6 C07	
43.	Total by NAIC Designation		1,033,840,147
44.	Total Bonds Publicly Traded	SI07 L13.7 C07	963,568,989
45.	Total Bonds Privately Placed	SI07 L14.7 C07	70,271,158
46.	Preferred Stocks – Book/Adjusted Carrying Value	E11 L8999999 C08	28,977
47.	Common Stocks – Fair Value	E12 L9799999 C08	49,654,787
48.	Short Term Investments – Book/Adjusted Carrying Value	E17 L9199999 C08	
49.	Options, Caps & Floors Owned – Statement Value		
50.	Options, Caps & Floors Written and In force – Statement Value		
51.	Collar, Swap & Forward Agreements Open – Statement Value	E18 L1449999 C14	
52.	Futures Contracts Open – Current Value	E20 L1449999 C14	
53.	Cash on Deposit	E26 L0399999 C06	8,200,260

AMICA LIFE INSURANCE COMPANY
SELECTED FINANCIAL DATA
December 31, 2018

Schedule 1

Life Insurance In Force (in thousands):			
54.	Industrial	L025 L21 C02	
55.	Ordinary	L025 L21 C04	42,724,032
56.	Credit Life	L025 L21 C06	
57.	Group Life	L025 L21 C09	697,780
58.	Amount of Accidental Death Insurance In Force Under Ordinary Policies	L026 L46 C01	41,034
Life Insurance Policies with Disability Provisions In Force (in thousands):			
59.	Industrial	L026 L52 C02	
60.	Ordinary	L026 L52 C04	1,013,774
61.	Credit Life	L026 L52 C06	
62.	Group Life	L026 L52 C08	
Supplementary Contracts In Force:			
63.	Ordinary – Not Involving Life Contingencies – Amount on Deposit	L027 L10 C02	9,517,003
64.	Ordinary – Not Involving Life Contingencies – Income Payable	L027 L12 C02	877,418
65.	Ordinary – Involving Life Contingencies – Income Payable	L027 L12 C01	1,508,023
66.	Group – Not Involving Life Contingencies – Amount on Deposit	L027 L10 C04	
67.	Group – Not Involving Life Contingencies – Income Payable	L027 L12 C04	
68.	Group – Involving Life Contingencies – Income Payable	L027 L12 C03	
Annuities:			
69.	Ordinary – Immediate – Amount of Income Payable	L027 L10 C01	15,865,316
70.	Ordinary – Deferred – Fully Paid Account Balance	L027 L11 C02	71,097,060
71.	Ordinary – Deferred – Not Fully Paid – Account Balance	L027 L12 C02	271,569,107
72.	Group – Amount of Income Payable	L027 L10 C04	
73.	Group – Fully Paid Account Balance	L027 L11 C04	
74.	Group – Not Fully Paid – Account Balance	L027 L12 C04	
Accident and Health Insurance – Premiums In Force:			
75.	Other	L027 L10 C06	
76.	Group	L027 L10 C02	
77.	Credit	L027 L10 C04	
Deposit Funds and Dividend Accumulations:			
78.	Deposit Funds – Account Balance	L027 L10 C01	2,944
79.	Dividend Accumulations – Account Balance	L027 L10 C02	
Claim Payments 2018 (in thousands):			
Group Accident and Health – Year Ended December 31, 2018 –			
80.	2018	L465-1 SN A L06 C05	
81.	2017	L465-1 SN A L05 C05	
82.	2016	L465-1 SN A L04 C05	
83.	2015	L465-1 SN A L03 C05	
84.	2014	L465-1 SN A L02 C05	
85	Prior	L465-1 SN A L01 C05	
Other Accident and Health –			
86.	2018	L465-1 SN B L06 C05	
87.	2017	L465-1 SN B L05 C05	
88.	2016	L465-1 SN B L04 C05	
89.	2015	L465-1 SN B L03 C05	
90.	2014	L465-1 SN B L02 C05	
91.	Prior	L465-1 SN B L01 C05	
Other Coverages that Use Developmental Methods to Calculate Claims Reserves:			
92.	2018	L465-1 SN C L06 C05	
93.	2017	L465-1 SN C L05 C05	
94.	2016	L465-1 SN C L04 C05	
95.	2015	L465-1 SN C L03 C05	
96.	2014	L465-1 SN C L02 C05	
97.	Prior	L465-1 SN C L01 C05	

AMICA LIFE INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2018

Schedule 2

	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
Investment Categories	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities	66,201,239	5.348	66,201,239		66,201,239	5.348
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	134,147,360	10.837	134,147,360		134,147,360	10.837
1.22 Issued by U.S. government sponsored agencies		0.000				0.000
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	81,254,391	6.564	81,254,391		81,254,391	6.564
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	50,528,507	4.082	50,528,507		50,528,507	4.082
1.43 Revenue and assessment obligations		0.000				0.000
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	44,805,933	3.620	44,805,933		44,805,933	3.620
1.512 Issued or guaranteed by FNMA and FHLMC	74,867,951	6.048	74,867,951		74,867,951	6.048
1.513 All other		0.000				0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	119,419,065	9.648	119,419,065		119,419,065	9.648
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	49,039,064	3.962	49,039,064		49,039,064	3.962
1.523 All other	57,680,789	4.660	57,680,789		57,680,789	4.660
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	291,976,372	23.588	291,976,372		291,976,372	23.588
2.2 Unaffiliated non-U.S. securities (including Canada)	14,704,756	1.188	14,704,756		14,704,756	1.188
2.3 Affiliated securities		0.000				0.000
3. Equity interests:						
3.1 Investments in mutual funds	17,100,005	1.381	17,100,005		17,100,005	1.381
3.2 Preferred stocks:						
3.21 Affiliated		0.000				0.000
3.22 Unaffiliated	28,977	0.002	28,977		28,977	0.002
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000				0.000
3.32 Unaffiliated	30,904,082	2.497	30,904,082		30,904,082	2.497
3.4 Other equity securities:						
3.41 Affiliated		0.000				0.000
3.42 Unaffiliated	1,650,700	0.133	1,650,700		1,650,700	0.133
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	60,497,041	4.887	60,497,041		60,497,041	4.887
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	8,109,868	0.655	8,109,868		8,109,868	0.655
7. Derivatives		0.000				0.000
8. Receivables for securities	18,000	0.001	18,000		18,000	0.001
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	72,392,380	5.848	72,392,380		72,392,380	5.848
11. Other invested assets	62,495,325	5.049	62,495,325		62,495,325	5.049
12. Total invested assets	1,237,821,805	100.000	1,237,821,805		1,237,821,805	100.000

See accompanying independent auditors' report.

AMICA LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2018

Schedule 3

Of The AMICA LIFE INSURANCE COMPANY

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

NAIC Group Code 0028 NAIC Company Code 72222 Federal Employer's Identification Number (FEIN) 05-0340166

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. $ 1,322,423,896

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	Federal National Mortgage Association	Bonds	$ 34,503,427	2.6 %
2.02	Federal Home Loan Mortgage Corporation	Bonds	$ 24,510,963	1.9 %
2.03	The Goldman Sachs Group Inc.	Bonds, Common Stock, Money Market Fund	$ 22,960,010	1.7 %
2.04	State of Texas	Bonds	$ 20,893,379	1.6 %
2.05	United States Treasury	Bonds	$ 20,620,640	1.6 %
2.06	Energy Transfer LP	Commercial Paper	$ 20,128,914	1.5 %
2.07	FREMF Mortgage Trust	Bonds	$ 19,181,354	1.5 %
2.08	State of Georgia	Bonds	$ 15,884,829	1.2 %
2.09	JP Morgan Mortgage Trust	Bonds	$ 15,717,203	1.2 %
2.10	Midwest Mezzanine Fund V SBIC, LP	Private Equity Partnership	$ 14,427,103	1.1 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC-1	$ 835,498,423	63.2 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 188,284,413	14.2 %	3.08	P/RP-2	$	%
3.03	NAIC-3	$ 10,057,311	0.8 %	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	$ 15,395,819	1.2 %
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 [ ] No [X]

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

	1 Issuer	2	3
13.02	Fidelity Total International Index Fund	$ 15,041,809	1.1 %
13.03	Midwest Mezzanine Fund V SBIC, LP	$ 14,427,103	1.1 %
13.04	Graycliff Mezzanine II Parallel, LP	$ 8,831,009	0.7 %
13.05	AEA Mezzanine Fund III, LP	$ 8,213,309	0.6 %
13.06	GLC Direct Credit Fund, LP	$ 5,601,821	0.4 %
13.07	GCG Investors IV, LP	$ 4,718,038	0.4 %
13.08	GoldPoint Mezzanine Partners IV, LP	$ 3,550,507	0.3 %
13.09	THL Credit Direct Lending IV, LLC	$ 3,330,454	0.3 %
13.10	Adams Street Private Credit Fund LP	$ 3,268,804	0.2 %
13.11	Midwest Mezzanine Fund VI SBIC, LP	$ 2,096,168	0.2 %

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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 [ ] No [X]

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	Commercial	$	8,474,269	0.6 %
16.03	Commercial	$	6,624,446	0.5 %
16.04	Commercial	$	6,399,547	0.5 %
16.05	Commercial	$	5,357,143	0.4 %
16.06	Commercial	$	4,494,920	0.3 %
16.07	Commercial	$	4,073,391	0.3 %
16.08	Commercial	$	2,958,636	0.2 %
16.09	Commercial	$	2,666,348	0.2 %
16.10	Commercial	$	2,630,304	0.2 %
16.11	Commercial	$	2,590,293	0.2 %

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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:

Loan to Value		Residential 1	Residential 2	Commercial 3	Commercial 4	Agricultural 5	Agricultural 6
17.01	above 95%	$	%	$	%	$	%
17.02	91 to 95%	$	%	$	%	$	%
17.03	81 to 90%	$	%	$	%	$	%
17.04	71 to 80%	$	%	$	%	$	%
17.05	below 70%	$	%	$ 60,497,041	4.6 %	$	%

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

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

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

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

	Description 1	2	3
18.02		$	%
18.03		$	%
18.04		$	%
18.05		$	%
18.06		$	%

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

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

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

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

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

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

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

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

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

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

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