

# *Amica Values*

## Table of Contents

What Amica Values.....	2-3
Board of Directors .....	4
Amica Values Service.....	5-8
Amica Values Kindness.....	9-11
Amica Values Financial Stability .....	12-14
Privacy Policy.....	15



Robert A. DiMuccio,  
Chairman, President and  
Chief Executive Officer

## What Amica Values

As we enter a new decade, I've spent time reflecting on the one that just ended. The changes at Amica during that time were numerous and significant. I'm proud of all we accomplished, and I'm grateful that, as an organization, we chose to embark on a path of continuous adaptation.

Embracing change has allowed us to better serve you, bring out the best in our employees, and continue to play a relevant role in a world that's constantly evolving.

As your needs changed, we created new ways to help – from on-demand self-service tools to streamlined and integrated systems that reduce friction in our processes. If I were told a decade ago that over half of our customer transactions would be handled without the need for an Amica representative in 2019, I wouldn't have believed it. But here we are, and it's a reality. It's also a strong trend, and we'll continue to make changes to give you the functionality and convenience you desire.

But no matter how we evolve, certain things are constant. Our commitment to service, kindness and financial stability has remained unchanged for well over a century. These concepts define the Amica experience for you, for our employees and for our communities.

As the cornerstone of our company since 1907, our reputation for **service** is recognized throughout the insurance industry. It starts from the moment we connect with a new customer and continues with each interaction along the way. It's not complicated – in fact, it's quite the opposite.

At Amica, we strive to make the customer experience as simple as possible, and to serve you in a way that best fits your unique needs. As I mentioned, many of you are showing a preference for self-service and digital interaction. But even for the most digitally savvy customer, the time may come when you need someone to talk to. That's especially true after you've experienced a loss.

That's why our people are invaluable. Customers know there are helpful and knowledgeable individuals available to provide assistance when needed. And that truly distinguishes us from other companies. The excellent service our team members provide is fueled by something greater – kindness.

**Kindness** can be incredibly powerful, yet it's not always seen as an important part of business transactions. To our customers, kindness is the difference between simply signing up for coverage and knowing that, should the unexpected happen, someone will be by your side every step of the way.

To our employees, those on the front line and those behind the scenes, kindness is putting themselves in others' shoes and providing the personalized help and support that you need. It's why so many of you remain customers for your entire lives, and it's why you pass Amica down through the generations.

When service and kindness are an integral part of the customer experience, it becomes something special – something consumer organizations like J.D. Power have long recognized. With four more J.D. Power awards in 2019, we became the first insurance company to ever reach 50 syndicated awards. And we've earned them all since 2000.

The kindness our employees show doesn't stop there. It bubbles over to their communities, where they give generously of their time and financial resources to bring about positive change. As a company, we take pride in the good they do and provide them with support that maximizes the impact of their efforts. You can read more about the great community contributions of our employees and the Amica Companies Foundation in the Kindness section of this report.

As an insurance company, **financial stability** is of the utmost importance. We've maintained our financial strength over the decades through careful underwriting, prudent investment practices and fair claims handling. By keeping our eye on the long term, we've successfully navigated swings in the financial markets, years of record-breaking natural disasters, and costly technology trends that become obsolete as quickly as they arrive.

At year-end 2019, we remained financially sound with a strong balance sheet. In fact, our combined ratio improved to 102.9% in 2019, the best we've had in several years. Favorable home and auto loss ratios, lower catastrophe losses and steady premium growth supported this improvement.

I must also acknowledge the success of Amica Life, which celebrated its 50th anniversary in 2019. After five decades of growth, it continues to help more families face the future securely.

Amica Life also continued to enhance its digital platforms and services, which will provide a more seamless customer experience. These new tools enable applicants, policyholders and our employees to interact in a variety of customer-friendly ways based on individual preferences. When I think about these achievements, combined with the positive operating results, I am enthusiastic about the future of Amica Life.

Service, kindness and financial stability – they are at the core of everything we do at Amica. I am honored to lead a company that puts these values to work every day.



Robert A. DiMuccio  
Chairman, President and Chief Executive Officer



## Board of Directors



From left: Jeffrey Aiken, Debra Canales, Barry Hittner, Robert DiMuccio, Debra Paul, Diane Souza, Ronald Machtley, Jill Avery, Michael Jeans, Donald Reaves, Peter Marino, Patricia Chadwick

**Patricia W. Chadwick**

President, Ravengate Partners, LLC  
Age 71. Director since 1992. 1, 3

**Jeffrey P. Aiken, J.D.**

Attorney-at-law  
Age 73. Director since 1993. 1, 2

**Ronald K. Machtley**

President, Bryant University  
Age 71. Director since 1999. 1, 4 (Chair)

**Barry G. Hittner, J.D.**

Attorney-at-law  
Age 74. Director since 2000. 1, 3 (Chair)

**Michael D. Jeans**

President, New Directions, Inc. (Retired)  
Age 71. Director since 2001. 1, 3, 4

**Donald Julian Reaves, Ph.D.**

Chancellor and Professor,  
Winston-Salem State University (Retired)  
Age 73. Director since 2004. 1, 2

**Robert A. DiMuccio**

Chairman, President and Chief Executive  
Officer, Amica Insurance  
Age 62. Director since 2005. 1 (Chair)

**Debra A. Canales**

Executive Vice President  
Chief Administrative Officer, Providence  
Age 58. Director since 2012. 1, 4

**Jill J. Avery**

Senior Lecturer, Harvard Business School  
Age 52. Director since 2015. 1, 2 (Chair)

**Debra M. Paul**

President and Chief Executive Officer,  
Fellowship Health Resources, Inc.  
Age 56. Director since 2019. 1, 2

**Peter M. Marino**

President and Chief Executive Officer,  
Neighborhood Health Plan of Rhode Island  
Age 51. Director since 2019. 1, 3

**Diane D. Souza**

Chief Executive Officer, UnitedHealthcare  
Specialty Benefits (Retired)  
Age 67. Director since 2019. 1, 4

1 Investment Committee  
2 Audit Committee  
3 Governance and Nominating Committee  
4 Compensation Committee

“Our *service* starts from the moment we *connect* with a new *customer* and continues with each *interaction* along the way.”

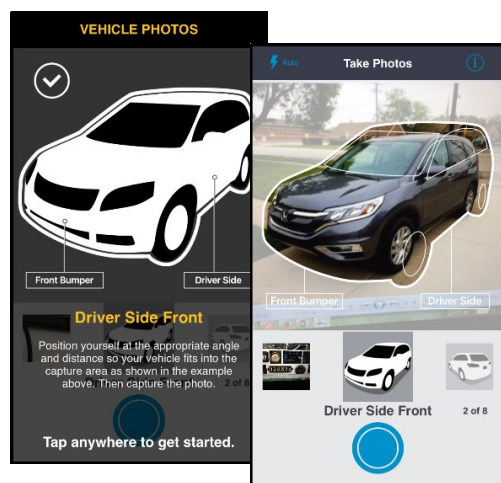
## Amica Values Service

Providing exceptional customer service has always been Amica’s top priority. The products and services we offer today look a lot different from those we provided a century ago, and, undoubtedly, they’ll continue to evolve as we respond to our customers’ changing needs.

Here are some of the ways we enhanced our service in 2019:

### Digital assistance at the ready

It’s important that customers are comfortable using the digital tools we offer, and that we deliver the same level of service no matter how you choose to interact with us. While all of Amica’s frontline employees can assist with these tools, we created a specialized Digital Assistance Center (DAC), staffed by a tech-savvy team in our Service Center Operations group, to help with some of the more technical challenges. The DAC’s one-on-one assistance will get you back on the right track.



### Minor to moderate auto claims resolved in a snap

We’re thrilled to offer our customers Amica’s photo appraisal app, which allows you to upload pictures of your vehicle damage at your convenience. The photos are then routed to our team of experienced appraisers, who use them to complete a repair estimate. Typically, payment is made within a day of photo submission. Thousands of our customers took advantage of this new tool in 2019 with great success.

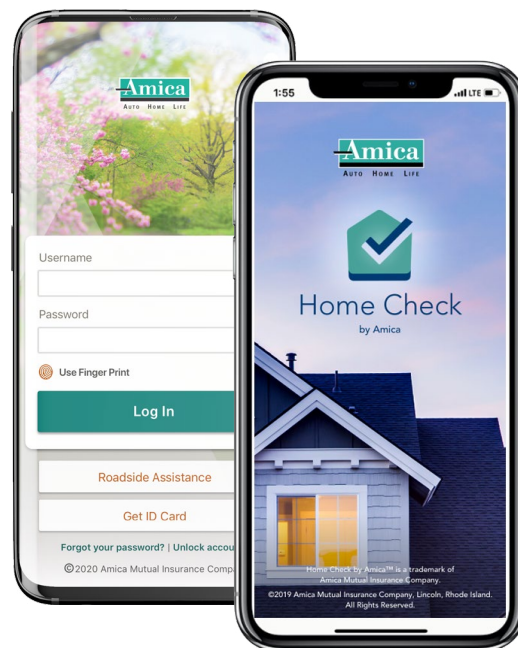


## There's an app – or two – for that



Amica's newly refreshed mobile app gives customers the ability to fully manage their Amica account and policies on the go. With functionality that's mirrored on [Amica.com](https://www.amica.com), it's easier than ever to access ID cards, view policy documents, make changes to your policies, pay bills and report and manage claims from your mobile device. Our new user feedback tool is a great addition that lets you tell us what you think and share ideas that will make the app even better.

In last year's annual report, we introduced Home Check by Amica™, our free home maintenance app that includes useful reminders, seasonal suggestions and preventive tips. We've made several enhancements to the app in the past year to deliver specific, personalized information about your home. At the same time, we can provide timely seasonal and weather-related news, while you can connect smart home devices to detect water leaks.



Visit the App Store or Google Play to download Amica Mobile or Home Check by Amica™.



## Amica's innovation ecosystem

Innovation is an important part of the Amica culture that requires us to look outside of our own organization. That's why we actively participate in an external innovation ecosystem of start-up companies, academia, and government and corporate partners in New England and across the globe.

Through our relationship with MassChallenge, a Boston-based nonprofit that develops start-ups in all industries, Amica executives directly connect with entrepreneurs in Rhode Island and Massachusetts. By lending their expertise to help entrepreneurs launch and grow their ventures, Amica employees get a front-row seat to the innovative products and services of the future. And with MassChallenge's global footprint and satellite locations in Israel, Mexico and Switzerland, Amica has additional access to some of the most innovative new companies across the globe.

We also partner with corporations that share our interest in innovation and experimentation with new tools and techniques. One example is FM Global, a large commercial property insurer that believes most property losses can be prevented. Their researchers and engineers help businesses understand and proactively mitigate risks, and, through FM Approvals, they test and certify building materials and products at their state-of-the-art research campus in Rhode Island. The Amica and FM Global innovation teams meet frequently to collaborate on innovation, with a special emphasis on investigating smart home technology and its potential to reduce risk in homes.

To develop breakthrough solutions, sometimes you need a fresh perspective, and we partner with colleges and universities to help us find them. Amica is a sponsor of Bryant University's annual IDEA Challenge – a three-day program where freshman students use outside-the-box thinking to solve complex problems. We also engage with Cornell University and Syracuse University to provide practical learning experiences and gain interesting perspectives from the students.

## The human touch

We strive to make every touchpoint with our customers positive and memorable. Sometimes circumstances arise when our people really shine. We're happy to share this heartwarming story of a long-time Amica insured, and a representative who saw an opportunity to brighten his day during the holiday season. Check out the video.

## Amica reaches 50 J.D. Power awards

With four more J.D. Power awards in 2019, we're now the first insurance company to ever reach 50 syndicated awards. We received the highest ranking in the following studies last year:

- U.S. Auto Insurance Study (New England Region)
- U.S. Home Insurance Study
- U.S. Auto Claims Satisfaction Study
- U.S. Property Claims Satisfaction Study



## Amica Life recognized by U.S. News & World Report

U.S. News & World Report's 360 Reviews team named Amica Life one of their Best Life Insurance Companies of 2019. U.S. News evaluated the selected companies based on consumer needs, including financial ratings, online tool availability and cost.

## We love to hear from satisfied customers, and here's just some of the positive feedback we received on social media in 2019:



"One of the things I am INCREDIBLY thankful for every year is that I discovered Amica Insurance 20+ years ago. We haven't had to make many claims over the years, but when we did, it was with such support and expedience that it made me happy to pay that bill every year! My peace of mind regarding our insurance company is strong! Thank you so much for so many years of incredible service!"

- Julia

"Amica is the hallmark of customer service in the world of insurance. We have been with Amica since 1972 – home and auto ... When you incur a loss of any kind, you receive a check within five business days. They handle everything, and they are happy to help you. I have no intention of going anywhere else. Amica is the only company you need."

- Steven

"I love your company. It is completely and thoroughly unmatched. I've been with you for my entire life – so was my grandfather, so was my mother. Keep on truckin', Amica."

- Pam

"I want to say that Amica has truly impressed me. I was in an accident last week, and the claims experience has been the easiest, most seamless experience I've ever had with an insurance company. Literally, I haven't had to lift a finger. Amica's amazing, and I just want to say thank you."

- Heather



"Thank you, @Amica, for making it super easy to transfer my insurance to a new car, and for emailing me the RMV paperwork! Fifteen minutes on the phone was all it took, and no hold time."

- Liz



“To our *employees*,  
*kindness* is putting  
 themselves in others' shoes  
 and *providing* the  
 personalized *help* and  
 support that you need.”



## Amica Values Kindness

Insurance is a people business, and the nature of what we do allows us to connect with customers and the communities where we live and work. Whether it's putting someone's life back together after a major claim or volunteering at a nonprofit organization, our employees' genuine interest, empathy and kindness leave a lasting impression on those around them.



### Amica in the Community

We believe by working together, we can make meaningful and positive change in our communities. We proudly support many organizations that promote well-being, as well as individual resiliency and financial security. Our efforts are twofold, rooted in engaging communities and empowering employees.



#### Engaging communities

We champion programs and events that foster growth and stability in communities across the country through grants and sponsorships.



#### Empowering employees

We encourage our employees to engage with the community, and support them with programs to increase the impact of their efforts. Programs include paid time off to volunteer, donation matches and grants awarded to nonprofits in the names of employees and their spouses who are actively involved in those organizations.

## Deep roots. Strong bonds.



### Frisco Family Services

What can a backpack, new clothes or eyeglasses mean to a student going back to school? For families experiencing hardships, it can mean everything. To learn more about our partnership with Frisco Family Services in Frisco, Texas, check out the video.



### Special Olympics Rhode Island

One way we support organizations that matter most to our employees is through our Employee Community Involvement Program (ECIP).

Through this program, more than 200 nonprofit organizations around the country received financial support in 2019. One example of an organization we assisted was Special Olympics Rhode Island, supported by Mark Dailey, an Appraiser Specialist in our Rhode Island Claims Office. Mark, whose daughter is a Special Olympics athlete, said, "I'm very thankful to work for a company that supports me, and what I consider to be one of the most respected nonprofit organizations in the world for helping individuals with intellectual disabilities."



### Month of Giving

During the holiday season, Amica employees around the country donated more than 50,000 food items – and their time – to community organizations. To learn more about our Month of Giving, check out the video.



## Seattle Marathon

Nearly 10,000 runners and walkers participated in the 50th anniversary of the Amica Insurance Seattle Marathon in December. As part of the event, we announced a new initiative called RUN-raising for Good, through which randomly selected marathon participants fundraising for a qualified nonprofit organization received an additional \$1,000 contribution for their designated charity.



## Buzzards Bay

Prior to the Buzzards Bay Swim in June, Amica employees picked up trash, removed debris and raked seaweed to keep the shore clean around the outer harbor of New Bedford, Massachusetts. The Buzzards Bay Swim is an annual open-water swim benefiting the Buzzards Bay Coalition, a nonprofit that works to protect clean water in the region.

## Giving by the numbers



**\$4.2** million to support nonprofits through grants and sponsorships



**50%** of Amica's grant dollars are employee driven



**150%** Amica match for employee donations to qualifying organizations



## Amica honored with Common Good Award

Amica was honored at the second annual Common Good Awards, hosted by Rhode Island Monthly magazine, for being a local business that inspires philanthropy and volunteerism. Our multifaceted approach to social responsibility allows employees to invest in their communities in meaningful ways through programs like Matching Gifts, Employee Community Involvement and Volunteer Day.



“We’ve *successfully navigated* swings in the financial markets, years of record-breaking *natural disasters*, and costly technology trends.”



## Amica Values Financial Stability

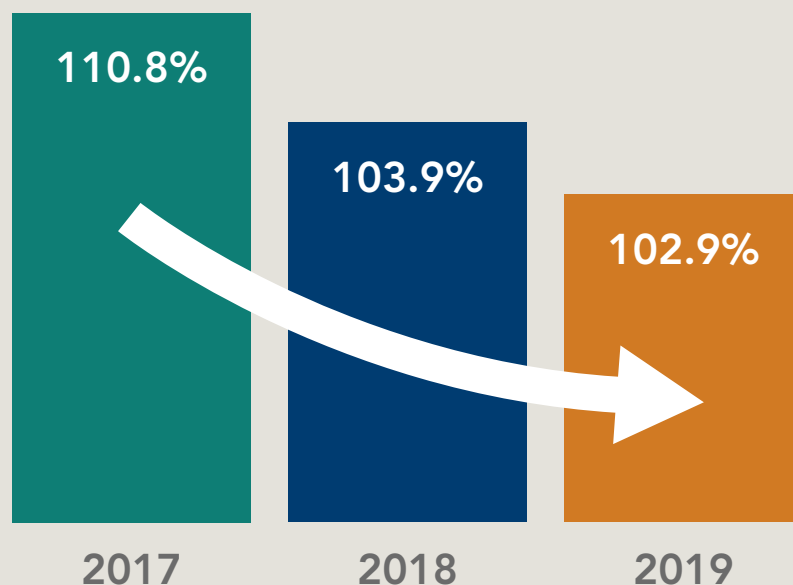
As a mutual insurer, our primary focus is in maintaining financial stability through a well-managed investment portfolio and a conservative business philosophy. Our mutual structure, combined with a strong financial foundation, provides exceptional security for our customers.

Below, you’ll find some of the highlights from 2019.

### Sustained improvement of combined ratio

Our combined ratio improved to 102.9% in 2019, compared to 103.9% in 2018 and 110.8% in 2017. This is the best combined ratio we’ve had in several years, and it’s the result of strategic underwriting initiatives driving improved loss experience.

Specifically, we saw more favorable results in our home and auto loss ratios. Our home loss ratio was 53.7%, down nearly 9 percentage points from 2018. And our auto loss ratio was 63.8%, down more than 3 percentage points from 2018. Lower catastrophe losses were a driving factor behind the improved ratios.







**\$161 million**  
in net income

## Net income

Net income for 2019 was \$161 million, with income from investments totaling \$241 million. Once again, our high-quality investment portfolio, coupled with our underwriting strategy and sound claims handling, kept us on firm financial ground.

## Strong balance sheet

At the end of the year, we had \$5.4 billion in assets. We also achieved nearly \$2.8 billion in surplus, a strong indicator of our stability and preparedness to respond to the unexpected.



**\$5.4 billion**  
in assets



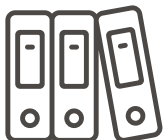
**\$2.8 billion**  
in surplus



**\$45 billion**  
in coverage in force



**\$73.7 million**  
in life and annuity revenue



Nearly **109,000**  
policies in force

## Growth of Amica Life

In 2019, Amica Life celebrated its 50th anniversary with continued growth. Coverage in force increased by \$2 billion, life and annuity revenue increased by nearly \$4 million, and we added almost 7,900 new life policies.

Our Amica Life surplus was also up by \$9.9 million, thanks to investments we've made to grow the company and its steady profitability.

## Amica Mutual, Amica Life receive "Superior" ratings from AM Best

Amica Mutual and Amica Life received "Superior" financial strength ratings of A+ from AM Best,<sup>1</sup> a leading insurance rating agency and the nation's authority on insurance company financial stability.



<sup>1</sup> AM Best Company, Jan. 24, 2020. For the latest rating, access [ambest.com](https://www.ambest.com).

## AMICA – Combined P&C Operations

### *Financials*

\$ in millions

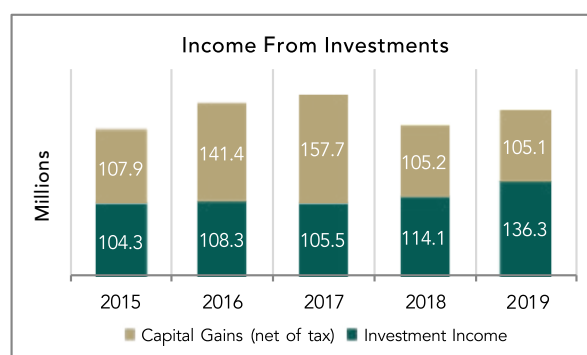
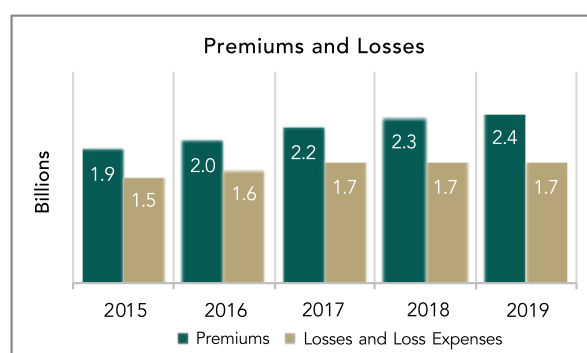
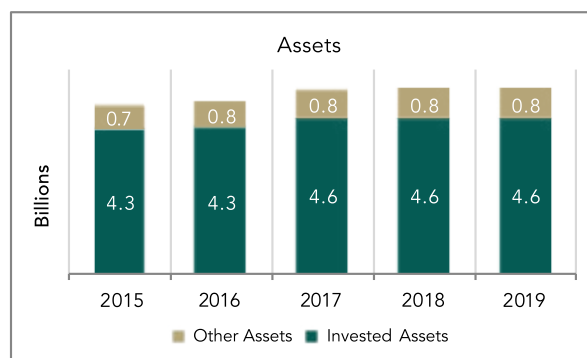
Balance Sheets	2019	2018
Assets:		
Bonds and debt securities	\$ 2,641	\$ 2,549
Stocks	1,504	1,409
Cash and short-term investments	118	248
Other invested assets	367	388
Premiums receivable	549	627
Other assets	181	213
Total assets	\$ 5,360	\$ 5,434
Liabilities:		
Reserves for losses and loss expenses	\$ 1,178	\$ 1,208
Reserve for unearned premiums	1,110	1,228
Other liabilities	289	440
Total liabilities	2,577	2,876
Surplus to policyholders	2,783	2,558
Total liabilities and surplus to policyholders	\$ 5,360	\$ 5,434

Income Statements	2019	2018
Premiums earned	\$ 2,412	\$ 2,327
Losses and loss expenses incurred	\$ 1,665	\$ 1,706
Other underwriting expenses	668	571
Dividends to policyholders	150	142
Investment and other income	235	215
Federal income taxes (benefit)	3	(13)
Net income	\$ 161	\$ 136

Statements of Surplus	2019	2018
Surplus, beginning of year	\$ 2,558	\$ 2,669
Net income	\$ 161	\$ 136
Change in unrealized capital gains	124	(257)
Other surplus adjustments	(60)	10
Surplus, end of year	\$ 2,783	\$ 2,558



### *Financial Highlights*

Statements of Surplus	2019	2018		2019	2018
Premium growth rate	3.7%	6.6%	Policies in force	1,564,906	1,610,792
Loss and loss expense ratio	69.0%	73.3%	Reported claims: Automobile	330,596	353,298
Combined ratio – earned basis	102.9%	103.9%	Reported claims: Homeowners	46,190	54,874
Return on policyholders' surplus	6.0%	5.2%	Reported claims: Umbrella and other lines	3,323	3,836

\* The audited financial statements will be available on Amica.com by 06/01/20.

Privacy Notice Effective Date: 05/01/2019

Consumers regularly trust Amica with their nonpublic personal information ("NPI"). We take our responsibility to appropriately treat and protect your NPI seriously. This notice explains what NPI we collect, how we collect it and how we protect it.

#### Summary of Amica's Privacy Notice

- We collect NPI about you from your application, our transactions with you and from third parties as permitted by law.
- We use your NPI only to service your policies and claims, and to underwrite and price insurance products that meet your needs as you have described them to us.
- We do not share your NPI with nonaffiliated third parties other than as necessary to service your policy or claim.
- When we disclose your NPI to third parties to perform services for us, we require that they protect the NPI and use it only for the purpose it was disclosed.
- We do not sell your NPI to third parties.
- We maintain physical, electronic and procedural safeguards to protect your NPI.

#### NPI We Collect About You

We get most NPI directly from you during the application process or through other transactions with you. This includes, for example, your name and address, Social Security number, payment account information, type of vehicle and information about other drivers in your household.

We may ask a consumer reporting agency for a report about you; for example: a credit-based insurance score, a report about your coverage and claims history with other companies, motor vehicle records, reports that identify other drivers in your household, or criminal records. In limited circumstances, we may request an investigative consumer report, which means that the consumer reporting agency will investigate your habits, finances or if you take part in hazardous activities.

For life insurance, we may obtain information about your health from medical providers, the Medical Information Bureau, or other prescription or insurance databases.

#### How We Use and Disclose NPI

Amica uses and discloses your NPI only as permitted by law and as necessary to conduct business. For example, we may use your NPI to: service products you have applied for or purchased, process claims, offer you other Amica products, protect against fraud, and comply with legal requirements. For these purposes, we may share your NPI with:

- Claims adjusters, appraisers, auto repair shops, rental companies, contractors, investigators, attorneys and other third-party vendors who provide services in facilitation of your claim
- Your agent
- Your mortgagee
- Our affiliated companies
- Consultants or other service providers that perform business functions for us, such as mailing or marketing services
- Our reinsurance companies
- Businesses that conduct research, including actuarial or underwriting studies
- Other insurance companies
- Consumer reporting agencies (Information that we share with consumer reporting agencies, including your claims history with us, may be maintained by the consumer reporting agency and disclosed to others as permitted by law.)

- Insurance support organizations
- Medical care institutions and medical providers
- State insurance departments, police or other governmental authorities
- Persons as ordered by subpoena, warrant or other court order, or as required by law

Please note that we do not share information about your creditworthiness with our affiliates for their own everyday business purposes.

#### How We Safeguard NPI

Amica maintains physical, electronic and procedural safeguards to keep your NPI secure. We limit access to employees who "need to know" to service your policy or claim. Also, we have an employee Code of Ethics, Confidentiality Policy and Cybersecurity Policy that require employees to keep confidential all NPI obtained in the course of our business.

#### Your Rights

You have the right to know what NPI we have about you and to receive a copy upon request. Requests must be mailed to Amica Mutual Insurance Company, PO Box 363, Lincoln, Rhode Island 02865. Because of its legal nature, NPI obtained when settling claims or defending lawsuits need not be shared with you.

Within thirty (30) business days of receipt of your written request, we will disclose to you the NPI about you in our files. You may receive a copy at a reasonable charge. We will tell you with whom we have shared your NPI within the past two years, or for the time period required by state law, and we will give you the name and address of any consumer reporting agency that gave us a report about you. Medical records and details about our decisions regarding those records will only be released to your physician or a physician qualified to interpret them.

You may contact Amica if you believe your file should be corrected. Within thirty (30) business days, we will make the change or provide an explanation of our refusal to do so. If we do not make the change, you may send a statement for insertion in your file. Minnesota residents may file an appeal with the Insurance Commissioner. If you ask us to, we will notify persons with whom we have shared your NPI of the change or your statement. With any subsequent sharing of NPI, we will include a copy of your statement.

This Notice applies to prospective, current and former customers of the following Amica Companies:

- Amica Mutual Insurance Company
- Amica Life Insurance Company
- Amica Property and Casualty Insurance Company
- Amica General Agency, LLC
- Amica General Insurance Agency LLC

