KPMG

AMICA MUTUAL INSURANCE COMPANY

Statutory Financial Statements

December 31, 2016 and 2015

(With Independent Auditors’ Report Thereon)

KPMG LLP
6th Floor, Suite A
100 Westminster Street
Providence, RI 02903-2321

Independent Auditors' Report

The Board of Directors
Amica Mutual Insurance Company:

We have audited the accompanying financial statements of Amica Mutual Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and surplus to policyholders as of December 31, 2016 and 2015, and the related statutory statements of income, surplus to policyholders, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with statutory accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in note 2 to the financial statements, the financial statements are prepared by Amica Mutual Insurance Company using statutory accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles.

The effects on the financial statements of the variances between the statutory accounting practices described in note 2 and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material.

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KPMG International Cooperative ("KPMG International"), a Swiss entity.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting practices and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of Amica Mutual Insurance Company as of December 31, 2016 and 2015, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and surplus of Amica Mutual Insurance Company as of December 31, 2016 and 2015, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on Schedule 1 – summary investment schedule, Schedule 2 – supplemental investment risk interrogatories, and Schedule 3 – general interrogatories, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the State of Rhode Island Department of Business Regulation Insurance Division. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Providence, Rhode Island
May 8, 2017

AMICA MUTUAL INSURANCE COMPANY

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

December 31, 2016 and 2015

	2016	2015
Assets:		
Bonds and debt securities	$ 2,152,648	$ 2,132,480
Common stocks	1,846,046	1,856,453
Mortgage loans	28,424	7,620
Real estate	44,562	45,159
Cash, cash equivalents, and short-term investments	119,362	135,209
Other invested assets	124,646	94,610
Receivable for securities	39,402	0
Total cash and invested assets	4,355,090	4,271,531
Premiums receivable	562,647	522,196
Reinsurance recoverable on paid losses and loss adjustment expenses	1,790	1,264
Deferred tax asset	34,349	48,825
Federal income tax recoverable	51,600	15,646
Interest and dividend income due and accrued	20,508	20,603
Equities and deposits in pools and associations	27,897	26,339
Other assets admitted	66,763	55,448
Total assets	$ 5,120,644	$ 4,961,852
Liabilities and surplus to policyholders:		
Reserves for losses and loss adjustment expenses	$ 1,178,986	$ 1,133,725
Reinsurance payable on paid losses	12,337	12,493
Accrued other expenses	59,854	48,208
Reserve for unearned premiums	1,089,035	1,013,363
Ceded reinsurance balances payable	140	117
Dividends payable to policyholders	10,601	9,836
Payable for securities	40,344	6,502
Reserve for non-qualified pensions and deferrals	59,661	52,731
Other liabilities	86,012	73,613
Total liabilities	2,536,970	2,350,588
Surplus to policyholders	2,583,674	2,611,264
Total liabilities and surplus to policyholders	$ 5,120,644	$ 4,961,852

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Income
(in thousands)

December 31, 2016 and 2015

	2016	2015
Underwriting income:		
Premiums earned	$ 2,010,870	$ 1,889,024
Underwriting expenses:		
Losses incurred	1,352,828	1,315,412
Loss expenses incurred	212,941	212,200
Other underwriting expenses	498,937	467,827
Total underwriting expenses	2,064,706	1,995,439
Net underwriting loss	(53,836)	(106,415)
Investment and other income:		
Net investment income	107,007	125,520
Net realized capital gains, net of Federal income taxes of $61,129 and $54,101 in 2016 and 2015, respectively	141,363	106,713
Other income, net	681	1,241
Total investment and other income	249,051	233,474
Income before dividends and before Federal income taxes, net	195,215	127,059
Dividends to policyholders	147,212	142,511
Income (loss) after dividends but before Federal income taxes, net	48,003	(15,452)
Federal income tax benefit, net	(98,156)	(71,641)
Net income	$ 146,159	$ 56,189

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Surplus to Policyholders
(in thousands)

December 31, 2016 and 2015

	2016	2015
Surplus to policyholders at January 1	$ 2,611,264	$ 2,759,755
Net income	146,159	56,189
Net change in unrealized capital gains (losses), net of ($22,373) and ($75,728) Federal income tax expense in 2016 and 2015, respectively	(47,083)	(134,278)
Change in deferred income tax	(36,849)	15,645
Change in non-admitted assets	(87,422)	(76,703)
Cumulative effect of change in accounting principles	(15,560)	(15,560)
Change in Amica Companies Supplemental Retirement Trust	1,698	(3,354)
Change in pension overfunded asset	7,427	(1,767)
Change in retiree medical overfunded asset	7,291	10,186
Other surplus adjustments	(3,251)	1,151
Change in surplus to policyholders	(27,590)	(148,491)
Surplus to policyholders at December 31	$ 2,583,674	$ 2,611,264

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Cash Flow
(in thousands)

December 31, 2016 and 2015

	2016	2015
Cash from operations:		
Premiums collected, net of reinsurance	$ 2,045,539	$ 1,925,018
Loss and loss adjustment expenses paid	(1,521,189)	(1,472,743)
Underwriting expenses paid, net of commissions received	(471,293)	(459,693)
Cash from (to) underwriting	53,057	(7,418)
Net investment income	121,434	140,793
Other losses, net	(1,420)	(2,384)
Dividends to policyholders	(146,447)	(142,278)
Federal income taxes recovered (paid)	1,072	(1,065)
Net cash from (to) operations	27,696	(12,352)
Cash from investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	118,222	74,606
Bonds and debt securities matured or repaid	257,763	329,833
Stocks	783,927	460,318
Mortgage loans repaid	74	38
Other	41,343	4,524
Total investment proceeds	1,201,329	869,319
Cost of investments acquired:		
Bonds and debt securities	397,237	405,492
Stocks	651,287	353,567
Mortgage loans	20,878	7,659
Other	77,837	40,698
Total investments acquired	1,147,239	807,416
Net cash from investments	54,090	61,903
Cash from financing and miscellaneous sources:		
Net transfers from affiliates	168	2,114
Other cash applied	(97,802)	(88,526)
Net cash to financing and miscellaneous sources	(97,634)	(86,412)
Reconciliation of cash, cash equivalents, and short-term investments:		
Net change in cash, cash equivalents, and short-term investments	(15,847)	(36,861)
Cash, cash equivalents, and short-term investments - beginning of year	135,209	172,070
Cash, cash equivalents, and short-term investments - end of year	$ 119,362	$ 135,209

See accompanying notes to statutory financial statements.

Note 1 – Nature of Operations

Amica Mutual Insurance Company (the Company) is a personal lines carrier primarily writing automobile and homeowners coverage on a direct basis. The Company is licensed in 50 states and the District of Columbia, though over 50% of the Company's direct premiums are written in New England, New York and Texas. Nearly 60% of direct written premiums derive from auto lines of business, with approximately another 35% attributable to the homeowners line.

In 2015, the Company elected to merge Amica Property & Casualty Insurance Company (Amica P&C) and Amica Texas Insurance Company (formerly Amica Lloyd's of Texas). To facilitate the merger, Amica Lloyd's was converted to a stock company, Amica Texas Insurance Company (Amica Texas), on December 22, 2015. On December 31, 2015, Amica Texas merged with Amica P&C, with Amica P&C continuing as the surviving entity of the merger. For the periods covered in the accompanying notes and statements, Amica Lloyd's will be referenced as Amica Texas.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying statutory financial statements have been prepared in conformity with the accounting practices of the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* and the accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division, which varies in some respects from U.S. generally accepted accounting principles (GAAP). The Company has no state basis adjustments.

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

1. Bonds and debt securities are generally carried at amortized cost, regardless of the level of portfolio activity.

2. Majority owned subsidiaries are not consolidated.

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

4. Salvage and subrogation recoverable generally is not recognized.

5. Premium income is taken into earnings on a pro-rata basis over the periods covered by the policies, whereas related acquisition costs are charged to income when incurred.

6. A provision is made for unearned premiums and losses recoverable on business reinsured with companies not qualified by license, through a charge to surplus to policyholders.

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

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

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

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

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

(Continued)

12. The statutory statements of cash flow do not classify cash flows consistent with GAAP and a reconciliation of net income to net cash provided by operating activities is not provided.

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

The effects of these differences on the accompanying statutory financial statements have not been determined.

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

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

1. Reserve for Loss and Loss Adjustment Expenses:

   Estimates and assumptions relating to reserves for loss and loss adjustment expenses are based on complex and subjective judgments, often including the interplay of specific uncertainties with related accounting and actuarial measurements. Such estimates are also susceptible to change as significant periods of time may elapse between the occurrence of an incurred loss, the report of the loss to the insurer, the ultimate determination of the cost of the loss and the insurer's payment of that loss. Reserve amounts are necessarily based on management's informed estimates and judgments using currently available data. As additional experience and other data becomes available and are reviewed, these estimates and judgments may be revised. This may result in reserve increases or decreases that would be reflected in the results in periods in which such estimates or assumptions are changed.

2. Other-Than-Temporary Declines in the Value of Investments:

   The cost of securities is adjusted where appropriate to include a provision for decline in value which is considered to be other-than-temporary. An other-than-temporary decline is considered to occur in any investment except loan-backed and structured securities where there has been a sustained reduction in market value and where the Company does not expect the fair value to recover prior to the time of sale or maturity. Since equity securities do not have a contractual cash flow at time of maturity, the Company considers whether the price of an equity security is expected to recover within a reasonable period of time. For loan-backed and structured securities that have a fair value less than amortized cost and the Company has either (1) the intent to sell or (2) does not have the intent and ability to hold the security until recovery of its carrying value, the Company must impair the security to fair value and record an other-than-temporary impairment as a net realized capital loss. For loan-backed and structured securities where the Company does not expect to recover the amortized cost, but has the intent and ability to hold the security to recovery, the Company recognizes an other-than-temporary impairment for the credit related decline in value. Management regularly reviews securities that have a fair value less than cost to determine whether an other-than-temporary impairment has occurred. If a decline in value is considered other-than-temporary, the Company reports a realized loss on its statement of income. Because of changing economic and market conditions affecting issuers of debt and equity securities and the performance of the underlying collateral affecting certain classes of assets, it is reasonably possible that the Company will recognize other-than-temporary impairments in the future.

C. Investment Policy

1. Cash equivalents and short-term investments are stated at cost, which approximates fair value.

(Continued)

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

3. Loan-backed bonds and structured securities are valued at amortized cost using the retrospective method (or a method which approximates the retrospective method). Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker dealer survey values, nationally recognized data services or internal estimates.

4. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. The fair value of investments in common stock of wholly-owned insurance affiliates equals the statutory equity of the affiliate. Fair value of investments in common stock of wholly-owned non-insurance affiliates equals the GAAP equity of the affiliate.

5. Mortgage loans on real estate are reported at the unpaid balance of the loan. There were no impaired mortgage loans as of December 31, 2016.

6. Other invested assets are stated as follows:

   a. Limited partnerships are carried at the Company's share of GAAP equity of the fund. The fair value of the funds at the end of the year is determined using the most recent available capital account balance as reported by each partnership.

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

7. The carrying value of real estate property occupied by the Company is based on depreciated cost less encumbrances.

   The carrying value of real estate property held for the production of income is the lower of depreciated cost less encumbrances or fair value, which is determined by appraisal. If the fair value is less than the depreciated cost less encumbrances, the real estate investment is written down to the fair value, thereby establishing a new cost basis. The adjustment is recorded in the statement of operations as a realized loss.

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

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

   a. Whether the decline is substantial;
   b. The Company's ability and intent to retain the investment for a period of time sufficient to allow for anticipated recovery in value;
   c. The duration and extent to which market value has been less than cost;
   d. The financial condition and near term prospects of the issuer;
   e. The NAIC designation; and
   f. The estimated present value of cash flows expected to be collected is less than the amortized cost basis of the security.

Premiums and discounts are amortized or accreted over the life of the investment security as an adjustment to yield using the effective interest method. Dividend and interest income are recognized when earned.

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

D. Asset Depreciation and Amortization Policy

1. The Company generally follows straight-line depreciation methods for all of its real estate holdings and electronic data processing equipment and software, and double-declining balance methods for office equipment and furniture.

2. Intangible assets are generally amortized over the estimated economic life of the asset, up to ten years, and are non-admitted assets.

E. Revenue Recognition Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Policies generally have a term of one year. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

F. Acquisition Expenditure Policy

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

G. Dividends to Policyholders Policy

Dividends to policyholders are incurred upon policy expiration or cancellation.

H. Unpaid Losses and Loss Adjustment Expenses Policy

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be different than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

I. Federal Income Taxes Policy

The method of allocating Federal income taxes between Amica Mutual and its subsidiaries is contained in a written agreement approved by the Board of Directors. Allocation is made in accordance with Section 1552 (a)(2) of the Internal Revenue Code based upon separate return calculations with current credit for net losses. Inter-company estimated tax balances are settled at least quarterly during the tax year with a final settlement during the month following the filing of the consolidated income tax return.

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

J. Premium Deficiency Calculations Policy

The Company does not anticipate investment income as a factor in premium deficiency calculations.

(Continued)

K. Fair Value of Financial Instruments

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

1. Cash, Cash Equivalents, and Short-Term Investments

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

2. Invested Assets

   The fair value of long-term bonds and debt securities and unaffiliated equity securities is based on market prices. In absence of publishers' market values, the fair value is based on market yields of securities from an identical issuer with similar maturities. Investments in insurance subsidiaries are carried on the statutory equity basis.

3. Other Invested Assets

   Unaffiliated other invested assets are valued on the equity method. Affiliated other invested assets are stated on the GAAP equity basis.

4. Mortgage Loans

   The fair value of mortgage loans is based on prices provided by a third party.

L. New Accounting Standards

1. In February and June 2016, the NAIC adopted modifications to SSAP No. 97, "Investments in Subsidiary, Controlled, and Affiliated Entities" requiring that for all investments in insurance SCA's for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures, disclosures must include a description of the accounting practice, a statement that the practice differs from NAIC statutory accounting practices and procedures, and the monetary effect on net income and surplus as a result of using the practice. This guidance was effective on issuance. See Note 13F for disclosure and additional information.

2. In April and August 2016, the NAIC adopted modifications to SSAP No.1, "Disclosures of Accounting Policies, Risks & Uncertainties, and Other Disclosures" to clarify disclosure requirements for permitted practices and restricted assets. The modifications clarify that the presentation for permitted and prescribed practices should include practices that result in different statutory reporting, including gross or net presentation or different financial statement reporting captions. The modifications also clarified that disclosure of restricted assets should be included in the annual financial statements and interim financial statements if significant changes have occurred since the annual statement. This guidance was effective on issuance and did not have an impact on the results of operations or the financial condition of the Company.

3. In June 2016, the NAIC adopted modifications to SSAP No.1, "Disclosures of Accounting Policies, Risks & Uncertainties, and Other Disclosures" requiring disclosure of current and prior period information relating to 5* securities (NAIC designation). This guidance was effective on issuance. The Company does not have any investments in 5* securities, which is disclosed in Note 4I.

4. In June 2016, the NAIC adopted modifications to SSAP No.1, "Disclosures of Accounting Policies, Risks & Uncertainties, and Other Disclosures" adding disclosure of the aggregate total collateral reported as assets on the balance sheet and the corresponding liability for the return of the collateral. This guidance was effective on issuance. The Company does not have any collateral reflected in the financial statements and therefore this modification did not have an impact on the results of operations or the financial condition of the Company.

5. In June 2016, the NAIC adopted changes to SSAP No. 2, “Cash, Drafts, and Short-Term Investments”, SSAP No. 26, “Bonds, Excluding Loan-backed and Structured Securities” and SSAP No. 30, “Unaffiliated Common Stock” which was effective September 30, 2016. The modifications removed the Class 1 Money Market Mutual Fund List from the Practices and Procedures Manual, and clarified that money market mutual funds should be accounted for and reported as short-term investments. This modification did not have an impact on the results of operations or the financial condition of the Company.

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

7. In June 2016, the NAIC adopted modifications to SSAP No. 26, “Bonds, Excluding Loan-backed and Structured Securities” and SSAP No. 43R, “Loan-backed and Structured Securities” to clarify the presentation and disclosure of investment income and realized gains and losses related to prepayment penalties. This requirement is effective January 1, 2017 with early adoption permitted. This modification is not expected to have a material impact on the results of operations or the financial condition of the Company.

8. In August 2016, the NAIC adopted modifications to SSAP No. 55 “Unpaid Claims, Losses and Loss Adjustment Expenses” to clarify that the reporting of salvage and subrogation expenses should be netted with any associated recoveries to be consistent with annual statement instructions. This guidance was effective on issuance. This modification did not have an impact on the results of operations or the financial condition of the Company.

9. In December 2016, the NAIC adopted revisions to SSAP No. 2, “Cash, Drafts, and Short-Term Investments” requiring (a) the reclassification of money market mutual funds from short-term investments to cash equivalents and (b) using fair value or net asset value (NAV) as valuation for these investments. This modification is effective December 31, 2017 and is not expected to have a material impact on the results of operations or the financial condition of the Company.

M. Going Concern

Management’s review of relevant conditions and events, considered in the aggregate, indicate that it is probable that the Company will be able to meet its obligations as they become due within one year after the date that the financial statements are issued.

N. Reclassification

Certain 2015 balances were reclassified to conform to the 2016 presentation.

Note 3 – Accounting Changes and Correction of Errors

In March 2012, the NAIC issued SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14.” This statement, which was effective January 1, 2013, requires participants not yet eligible to retire to be included in the accumulated postretirement benefit obligation. In accordance with this statement, the Company has elected to phase in the corresponding transition liability over a period not to exceed ten years and recorded the current year transition liability of $15,560 as of December 31, 2016. See Note 12 for additional information.

In January 2015, the Company modified the actuarial calculation and assumptions used over retiree life benefits to ensure expense and liability calculations were in accordance with SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14”. The modification created an additional liability of $3,659, which was recognized immediately, with a corresponding charge to surplus.

(Continued)

(in thousands)

Note 4 - Investments

A. Bonds and Debt securities

Bonds and debt securities on deposit with various regulatory authorities, as required by law, totaled $3,589 and $3,589 at December 31, 2016 and 2015, respectively.

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2016				
U. S. government and Federal agency securities	$768,003	$14,789	$6,543	$776,249
States, territories and possessions	413,733	16,127	1,642	428,218
Political subdivisions of states	178,633	7,370	543	185,460
Special revenue and special assessment obligations	225,855	615	3,993	222,477
Industrial and miscellaneous	566,424	17,650	4,935	579,139
Total	$2,152,648	$56,551	$17,656	$2,191,543
2015				
U. S. government and Federal agency securities	$813,595	$24,674	$3,629	$834,640
States, territories and possessions	409,132	24,254	535	432,851
Political subdivisions of states	208,286	12,743	32	220,997
Special revenue and special assessment obligations	211,266	1,319	1,302	211,283
Industrial and miscellaneous	490,201	16,274	4,802	501,673
Total	$2,132,480	$79,264	$10,300	$2,201,444

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2016 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	$40,890	$41,513
Due after one year through five years	247,410	254,710
Due after five years through ten years	554,343	569,272
Due after ten years	1,310,005	1,326,048
Total	$2,152,648	$2,191,543

Proceeds from the sale of bonds and debt securities during 2016 were $118,222. Gross gains of $9,349 and gross losses of $182 were realized on these sales. Proceeds from the sale of bonds and debt securities during 2015 were $74,606. Gross gains of $3,909 were realized on these sales.

(Continued)

(in thousands)

B. Stocks

Net admitted stocks, which are carried at fair value, had a cost basis of $1,138,112 and $1,078,260 at December 31, 2016 and 2015, respectively. Realized gains from the sale of stocks, net of realized losses on sales, amounted to $220,029 in 2016 and $195,067 in 2015. Offsetting these gains are losses related to other-than-temporary declines in the fair value of certain stocks of $27,535 and $40,627, respectively. Net unrealized gains on admitted stocks at December 31, 2016 and 2015 were comprised as follows:

	2016	2015
Unrealized gains	$709,316	$785,790
Unrealized losses	($1,382)	(7,597)
Net unrealized gains	$707,934	$778,193

C. Mortgage Loans

The Company holds first lien commercial mortgage loans with a carrying value of $28,424 and $7,620 as of December 31, 2016 and 2015, respectively. The maximum and minimum lending rates for commercial mortgage loans during 2016 were 4.3% and 3.8%. The maximum percentage of any one loan to the value of security at the time of the loan was 63.3%. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total. In 2015, the Company acquired three commercial mortgage loans consisting of a retail property, a parking garage, and an office center. In 2016, the Company acquired an additional six commercial mortgage loans consisting of three office buildings, one retail property, one industrial park and one self-storage portfolio made up of seven properties. All mortgage loans are current as of December 31, 2016.

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, 2016 was below 70%.

(in thousands)

D. Other Invested Assets

The Company holds other invested assets, which include:

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Cost	Fair Value	Cost	Fair Value
AEA Mezzanine Fund III, LP	$7,454	$7,335	$6,914	$6,718
Amica General Agency, LLC	200	8,717	200	7,455
Cyprium Investors IV, LP	6,813	6,942	0	0
GLC Direct Credit Fund, LP	4,507	4,570	3,121	2,806
Goldman Sachs Hedge Fund Opportunities Inst., LTD	10,600	12,344	1,733	1,614
Goldman Sachs Private Equity Partner XI Offshore, LP	245	318	10,600	12,673
Goldpoint Mezzanine Partners IV, LP	5,854	5,869	261	293
Graycliff Mezzanine II Parallel, LP	1,357	1,461	2,560	2,560
Heartwood Forestland REIT III, LLC	8,860	9,411	1,072	829
Lyme Forest Fund IV, LP	7,773	7,847	4,942	5,600
Midwest Mezzanine Fund V SBIC, LP	4,868	5,686	4,868	5,022
Morgan Stanley IFHF SPV, LP	597	746	771	1,011
Morgan Stanley Institutional Fund of Hedge Funds, LP	15,657	26,880	15,657	26,695
Morgan Stanley Premium Partners Fund, LP	203	387	245	457
Morgan Stanley Private Markets Fund III, LP	3,101	6,500	4,259	10,312
Point Judith Venture Fund III, LP	9,888	11,785	8,659	9,836
Point Judith Venture Fund IV, LP	2,741	2,741	728	728
Savano Capital Partners II, LP	5,104	5,107	0	0
Total	$95,822	$124,646	$66,590	$94,609

Unaffiliated other invested assets are valued on the GAAP equity method. The Company's affiliated other invested asset, Amica General Agency, LLC, is valued on the statutory equity method.

As of December 31, 2016, the Company had the following commitments for additional investment:

	Additional Commitments	Expected Capital Calls Through
AEA Mezzanine Fund III, LP	$6,607	2019
Cyprium Investors IV, LP	4,454	2018
GLC Direct Credit Fund, LP	2,081	2017
Goldman Sachs Private Equity Partners XI, LP	160	Life of the Fund
Goldpoint Mezzanine Partners IV, LP	6,853	2020
Graycliff Mezzanine II Parallel, LP	746	2017
Heartwood Forestland REIT III, LLC	5,279	2019
Lyme Forest Fund IV, LP	7,968	2018
Midwest Mezzanine Fund V SBIC, LP	2,505	2017
Morgan Stanley Private Markets Fund III, LP	819	Life of the Fund
Point Judith Venture Fund III, LP	1,166	2021
Point Judith Venture Fund IV, LP	24,593	2025
Savano Capital Partners II, LP	11,200	2019
	$74,431	

(in thousands)

E. Net Investment Income

Net investment income for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Bond and debt securities	$70,265	$72,881
Common stock	39,254	59,655
Real estate	11,470	10,989
Short-term investments	2,728	1,721
Commercial mortgage loans	750	178
Other invested assets	2,062	783
Miscellaneous	4,763	3,025
Total investment income	131,292	149,232
Less: investment expenses	24,285	23,712
Net investment income	$107,007	$125,520

F. Fair Value of Financial Instruments

	2016		2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Bonds and debt securities	$2,152,648	$2,191,543	$2,132,480	$2,201,444
Stocks	1,846,046	1,846,046	1,856,453	1,856,453
Mortgage loans	28,424	27,573	7,620	7,604
Cash, cash equivalents and short-term investments	119,362	119,362	135,209	135,209
Other invested assets	124,646	124,646	94,610	94,610
Total	$4,271,126	$4,309,170	$4,226,372	$4,295,320

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

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

These inputs comprise the following fair value hierarchy:

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

Level 2 - Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs would include, for example, quoted prices for similar assets or liabilities.

Level 3 - One or more unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using internal models, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

(Continued)

(in thousands)

The following table provides information as of December 31, 2016 and 2015 about the Company's financial assets and liabilities measured at fair value on a recurring basis.

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

2015	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stock:				
Industrial and miscellaneous	$1,490,791	$0	$0	$1,490,791
Total common stock	1,490,791	0	0	1,490,791
Total assets at fair value	$1,490,791	$0	$0	$1,490,791
Liabilities at fair value:				
Total liabilities at fair value	$0	$0	$0	$0

Level 1 financial assets totaling $1,488,149 and $1,490,791 at December 31, 2016 and 2015, respectively, include actively-traded exchange-listed equity securities, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

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

As of December 31, 2016, the Company did not hold any investments that are recorded with a Level 3 fair value measurement, although the Company holds investments that have Level 3 fair value disclosures. There were no purchases, sales, or settlements of Level 3 assets during 2016.

(Continued)

(in thousands)

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

2016	Fair Value	Carrying Value	Level 1	Level 2	Level 3
Bonds:					
U.S. governments	$776,249	$768,003	$60,421	$715,828	$0
Municipal bonds	826,549	809,014	0	826,550	0
U.S. special revenue and assessments	9,606	9,207	0	9,606	0
Industrial and miscellaneous	579,139	566,424	0	579,139	0
Total bonds	2,191,543	2,152,648	60,421	2,131,123	0
Common stock:					
Industrial and miscellaneous	1,488,149	1,488,149	1,488,149	0	0
Total common stock	1,488,149	1,488,149	1,488,149	0	0
Mortgage Loans:					
Commercial Mortgages	27,573	28,424	0	27,573	0
Total Mortgage Loans	27,573	28,424	0	27,573	0
Cash equivalents and short-term investments:					
Exempt money market mutual funds	78,674	78,674	0	78,674	0
Total cash equivalents and short-term investments	78,674	78,674	0	78,674	0
Total assets	$3,785,939	$3,747,895	$1,523,629	$2,262,310	$0

2015	Fair Value	Carrying Value	Level 1	Level 2	Level 3
Bonds:					
U.S. governments	$834,640	$813,595	$35,319	$799,321	$0
Municipal bonds	852,898	817,023	0	852,898	0
U.S. special revenue and assessments	12,233	11,661	0	12,233	0
Industrial and miscellaneous	501,673	490,201	0	499,528	2,145
Total bonds	2,201,444	2,132,480	35,319	2,163,980	2,145
Mortgage Loans:					
Commercial Mortgages	1,490,791	1,490,791	1,490,791	0	0
Total Mortgage Loans	1,490,791	1,490,791	1,490,791	0	0
Common stock:					
Industrial and miscellaneous	7,604	7,620	0	7,604	0
Total common stock	7,604	7,620	0	7,604	0
Cash equivalents and short-term investments:					
Bonds - Industrial and Miscellaneous	6,022	5,589	0	6,022	0
Exempt money market mutual funds	77,944	77,944	0	77,944	0
Commercial paper	29,972	29,972	0	29,972	0
Total cash equivalents and short-term investments	113,938	113,505	0	113,938	0
Total assets	$3,813,777	$3,744,396	$1,526,110	$2,285,522	$2,145

There were no financial instruments where it was not practical to estimate fair value in 2016 and 2015.

There was a single corporate debt security marked as Level 3 in 2015. This security was transferred into Level 2 in 2016 based upon the availability of market prices.

(in thousands)

G. Unrealized Losses

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2016 and 2015 were as follows:

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

	Less than 12 months		12 months or more		Total	
2015	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U.S. government	$1,222	$151,381	$2,407	$100,092	$3,629	$251,473
States, territories and possessions	520	21,022	15	423	535	21,445
Political subdivisions of states	32	8,719	0	0	32	8,719
Special revenue and special assessment obligations	551	91,426	751	40,590	1,302	132,016
Industrial and miscellaneous	4,173	204,272	629	6,344	4,802	210,616
Subtotal debt securities	6,498	476,820	3,802	147,449	10,300	624,269
Common Stock	7,597	138,666	0	0	7,597	138,666
Total temporarily impaired securities	$14,095	$615,486	$3,802	$147,449	$17,897	$762,935

1. Debt Securities: The unrealized losses of $17,656 on investments in fixed income securities as of December 31, 2016 are primarily attributable to higher interest rates and modestly wider spread levels. All of these securities with unrealized losses are rated NAIC Class 2 or better, and full repayment of principal and interest is expected. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than par, which will equal amortized cost at maturity. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

   As of December 31, 2016, investments in structured and loan-backed securities for which an other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position had a fair value of $580,588. Structured and loan-backed securities in an unrealized loss position for less than 12 months had a fair value of $498,483 and unrealized losses of $8,763. Structured and loan-backed securities in an unrealized loss position for more than 12 months had a fair value of $82,105 and unrealized losses of $2,686. The Company's investments in loan-backed and structured securities are not considered other-than-temporarily impaired as the Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by an analysis of the underlying credit of each security. Unrealized losses are primarily attributable to higher interest rates and modestly wider spread levels. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and passage of time cause it to conclude that declines in fair value are other-than temporary.

(in thousands)

2. Common Stocks: The unaffiliated common stock investments consist predominantly of positions in common stocks that trade actively on major exchanges. As of December 31, 2016, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $42,902 in 39 issuers. These holdings were in an unrealized loss position of $1,382, of which $78 were in an unrealized loss position more than 12 months. The declines in value are attributable to market volatility that is not considered unusual. The Company has the ability and intent to hold these positions until a market price recovery. Based on the Company's impairment review process discussed in Note 2, the decline in value of these securities was not considered to be other-than-temporary as of December 31, 2016.

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

	2016	2015
Adjusted cost basis	$979,493	$919,640
Gross unrealized gains	510,038	578,748
Gross unrealized losses	(1,382)	(7,597)
Carrying value	$1,488,149	$1,490,791

There was no affiliated common stock in an unrealized loss position as of December 31, 2016, and there were no write-downs on affiliated common stock. There were no realized gains on affiliated stocks in 2016. Realized gains on affiliated stocks were $568 as of December 31, 2015, which relates to the disposal of Amica General Insurance Agency of California, Inc., on June 30, 2015. See Note 13 for additional information on affiliates.

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

	2016	2015
Gross realized capital gains on sales	$224,771	$199,047
Gross realized capital losses on sales	(4,743)	(4,548)
Other-than-temporary impairments	(27,535)	(40,627)

(in thousands)

H. Investments in Affiliates

A summary of investments in affiliates is as follows:

Affiliate	2016 Cost	2016 Carrying Value	2015 Cost	2015 Carrying Value
Common Stock:				
Amica Life Insurance Company	$ 107,000	$ 278,821	$ 107,000	$ 287,527
Amica Property and Casualty Insurance Company	51,620	79,077	51,620	78,135
	158,620	357,898	158,620	365,662
Other Invested Asset:				
Amica General Agency, LLC	200	8,717	200	7,455
	200	8,717	200	7,455
Total	$158,820	$366,615	$158,820	$373,117

The Company owns 100% of the above subsidiaries and affiliates. See Note 13 for changes to the holding company group in 2015 and additional information concerning the affiliates.

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

	2016	2015
Assets	$1,240,660	$1,224,718
Liabilities	961,839	937,191
Capital and surplus	$278,821	$287,527
Income	$123,837	$116,166
Expenses	(120,805)	(116,848)
Net realized capital gains	3,724	2,276
Federal income (tax) benefit	3,541	3,409
Net income	$10,297	$5,003

Amica Life's statutory financial information reflects a Rhode Island Department of Business Regulation Insurance Division approved permitted practice, which deviates from required NAIC statutory accounting practices. See Note 13 for additional information.

I. 5* Securities

There were no investments in 5* securities as of December 31, 2016 and 2015.

Note 5 – Non-Cash Transactions

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

The Company reported the following non-cash operating, investing and financing activities in 2015:

1. Amica Texas (previously Amica Lloyd's) was converted from a Lloyds company to a stock company on December 22, 2015, and subsequently merged with its stock insurance affiliate, Amica P&C, on December 31, 2015. As a result of these non-cash transactions, the $18,000 cost basis of Amica

(in thousands)

Texas was reclassified from other invested assets to common stocks. See Note 13 for additional information.

2. Amica General Agency, LLC (previously Amica General Agency, Inc.) was converted from a stock company to a limited liability company effective January 1, 2015. As a result of this non-cash transaction, the $200 cost basis of Amica General Agency, LLC was reclassified from common stocks to other invested assets. See Note 13 for additional information.

Note 6 – Real Estate

Real estate as of December 31, 2016 and 2015 is summarized as follows:

	2016	2015
Land	$9,272	$9,272
Buildings and improvements	105,703	103,798
Less: accumulated depreciation on buildings and improvements	70,413	67,911
Real estate, net	$44,562	$45,159

The Company depreciates buildings and improvements on a straight-line basis. Depreciation expense totaled $2,502 and $2,463 for 2016 and 2015, respectively.

Note 7 – Equipment and Furnishings

Major classes of equipment and furnishings were as follows:

Asset Class	Cost	Accumulated Depreciation	Net Book Value	Non-admitted	Admitted	Depreciation Expense
2016						
Computer equipment & software	$241,374	$155,231	$86,143	$86,143	$0	$18,379
Furniture and equipment	33,764	30,997	2,767	2,767	0	1,197
Total	$275,138	$186,228	$88,910	$88,910	$0	$19,576
2015						
Computer equipment & software	$226,250	$148,483	$77,767	$77,767	$0	$17,667
Furniture and equipment	34,820	31,655	3,165	3,165	0	1,332
Total	$261,070	$180,138	$80,932	$80,932	$0	$18,999

There were no write-downs to fair value for equipment and furnishings in 2016 and 2015.

(in thousands)

Note 8 – Reserves for Loss and Loss Adjustment Expenses

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

	2016	2015
Balance at January 1	$1,154,484	$1,098,961
Less reinsurance recoverables	8,265	7,634
Net balance at January 1	$1,146,219	$1,091,327
Incurred related to:		
Current year	1,658,105	1,654,863
Prior years	(92,336)	(127,251)
Total incurred	1,565,769	1,527,612
Paid related to:		
Current year	1,035,777	1,052,794
Prior years	484,887	419,926
Total paid	1,520,664	1,472,720
Net balance at December 31	1,191,324	1,146,219
Plus reinsurance recoverables	7,577	8,265
Balance at December 31	$1,198,901	$1,154,484

In 2016 and 2015, the estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $92,336 and $127,251, respectively. Approximately 83% and 88% of this decrease occurred in the private passenger liability and physical damage automobile lines of business in 2016 and 2015, respectively.

Increases or decreases of this nature occur as a result of claim settlements during the current year, and as additional information is received regarding individual claims, changes from the original estimates of the cost of these claims can occur. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. The Company does not discount the liability for unpaid losses and unpaid loss adjustment expenses.

Note 9 – Dividends to policyholders

Dividends to policyholders were $147,212 and $142,511 in 2016 and 2015, respectively. At December 31, 2016 and 2015, 62.7% and 63.2%, respectively, of policies in-force were from participating policies.

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2016 and 2015

Note 10 – Income Taxes

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

	Ordinary	Capital	Total
2016			
Gross deferred tax assets	$454,118	$26,000	$480,118
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	454,118	26,000	480,118
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	454,118	26,000	480,118
Deferred tax liabilities	260,625	185,144	445,769
Net admittted deferred tax asset (liability)	$193,493	($159,144)	$34,349
2015			
Gross deferred tax assets	$448,622	$37,836	$486,458
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	448,622	37,836	486,458
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	448,622	37,836	486,458
Deferred tax liabilities	230,116	207,517	437,633
Net admittted deferred tax asset (liability)	$218,506	($169,681)	$48,825
Change			
Gross deferred tax assets	$5,496	($11,836)	($6,340)
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	5,496	(11,836)	(6,340)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	5,496	(11,836)	(6,340)
Deferred tax liabilities	30,509	(22,373)	8,136
Net admittted deferred tax asset (liability)	($25,013)	$10,537	($14,476)

(in thousands)

Admission calculation components:

	Ordinary	Capital	Total
2016			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	138,789	0	138,789
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	138,789	0	138,789
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	382,399
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	315,329	26,000	341,329
Deferred tax assets admitted as the result of application of SSAP No. 101	$454,118	$26,000	$480,118
2015			
Federal income taxes paid in prior years recoverable through loss carrybacks	$813	$24,502	$25,315
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	139,178	0	139,178
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	139,178	0	139,178
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	384,366
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	308,631	13,334	321,965
Deferred tax assets admitted as the result of application of SSAP No. 101	$448,622	$37,836	$486,458
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	($813)	($24,502)	($25,315)
Adjusted gross deferred tax assets expected to be realized within 3 years (The lesser of 1 or 2 below)	(389)	0	(389)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(389)	0	(389)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	(1,967)
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	6,698	12,666	19,364
Deferred tax assets admitted as the result of application of SSAP No. 101	$5,496	($11,836)	($6,340)

Ratios used for threshold limitation:

	2016	2015
Ratio percentage used to determine recovery period and threshold limitation	1238%	1319%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$2,563,398	$2,611,264

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2016 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

(in thousands)

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

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

	2016	**2015**	**Change**
Federal	($98,156)	($71,641)	($26,515)
Foreign	0	0	0
Subtotal	(98,156)	(71,641)	(26,515)
Federal income tax on net capital gains	61,129	54,101	7,028
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	($37,027)	($17,540)	($19,487)

(in thousands)

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

Deferred Tax Assets:	**2016**	**2015**	**Change**
Ordinary:			
Discounting of unpaid losses	$15,508	$62,128	($46,620)
Unearned premium reserve	76,839	71,704	5,135
Fixed assets	31,119	21,576	9,543
Compensation and benefits accrual	67,391	58,161	9,230
Pension accrual	226,198	203,221	22,977
Receivables - nonadmitted	223	675	(452)
Anticipated salvage/subrogation	29,822	26,250	3,572
Other	7,018	4,907	2,111
Subtotal	454,118	448,622	5,496
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	454,118	448,622	5,496
Capital:			
Investments	26,000	37,836	(11,836)
Subtotal	26,000	37,836	(11,836)
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	26,000	37,836	(11,836)
Admitted deferred tax assets	$480,118	$486,458	($6,340)
Deferred Tax Liabilities:			
Ordinary:			
Investments	$771	$608	$163
Fixed assets	29,184	19,732	9,452
Retirees' medical fund contribution	3,818	6,370	(2,552)
Pension fund contribution	225,680	202,703	22,977
Other	1,172	703	469
Subtotal	260,625	230,116	30,509
Capital:			
Investments	185,144	207,517	(22,373)
Subtotal	185,144	207,517	(22,373)
Deferred tax liabilities	$445,769	$437,633	$8,136
Net deferred tax assets (liabilities)	$34,349	$48,825	($14,476)

(in thousands)

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

	2016	2015	Change
Total deferred tax assets	$480,118	$486,458	($6,340)
Total deferred tax liabilities	445,769	437,633	8,136
Net deferred tax assets/(liabilities)	34,349	48,825	(14,476)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets/(liabilities) after valuation allowance	34,349	48,825	(14,476)
Tax effect of unrealized gains (losses)	185,145	207,518	(22,373)
Statutory valuation allowance adjustment allocation to unrealized	0	0	0
Change in net deferred tax	$219,494	$256,343	($36,849)

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

	2016		2015	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income before taxes	$38,196	35.0%	$13,527	35.0%
Tax exempt interest, net of pro-ration	(4,826)	-4.4%	(5,396)	-14.0%
Dividends received deduction, net of pro-ration	(4,222)	-3.9%	(12,826)	-33.2%
Change in nonadmitted assets	(30,597)	-28.0%	(26,846)	-69.5%
Change in pension overfunded asset	2,070	1.9%	(618)	-1.6%
Change in retiree medical liability	(2,894)	-2.7%	(1,881)	-4.9%
Other	2,095	1.9%	855	2.2%
Total	($178)	-0.2%	($33,185)	85.9%
Federal income taxes incurred	($98,156)	-90.0%	($71,641)	-185.4%
Tax on capital gains	61,129	56.0%	54,101	140.0%
Change in net deferred taxes	36,849	33.8%	(15,645)	-40.5%
Total statutory income taxes	($178)	-0.2%	($33,185)	-85.9%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2016 and 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

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

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

(in thousands)

G. The Company's Federal income tax return is consolidated with the following subsidiaries:

1. Amica General Agency, LLC
2. Amica Property and Casualty Insurance Company

Note 11 – Reinsurance

A. In the ordinary course of business, the Company assumes and cedes reinsurance with other insurers. These arrangements provide greater diversification of business and limit the maximum net loss potential on large risks. The effect of reinsurance on premiums for the years ended December 31, 2016 and 2015 is as follows:

Year	Direct Premiums Written	Written Reinsurance Premiums Assumed From Affiliates	Written Reinsurance Premiums Assumed From Non-Affiliates	Written Reinsurance Premiums Ceded To Affiliates	Written Reinsurance Premiums Ceded To Non-Affiliates	Net Premiums Written	Change in Unearned Premiums	Net Premiums Earned
2016	$2,098,880	$19,549	$2,844	$0	$34,732	$2,086,541	($75,671)	$2,010,870
2015	$1,954,386	$18,938	$2,492	$0	$33,057	$1,942,759	($53,735)	$1,889,024

The majority of assumed reinsurance premiums from non-affiliates results primarily from the Company's mandatory participation in various automobile pools and underwriting facilities. The majority of ceded reinsurance premiums to non-affiliates results primarily from premiums ceded for catastrophe reinsurance, as well as the Company's mandatory participation in various automobile pools and underwriting facilities.

B. Amounts representing ceded losses recoverable on unpaid losses and unpaid loss adjustment expenses deducted from losses and loss adjustment expense reserves amounted to $7,577 and $8,265 at December 31, 2016 and 2015, respectively. The Company is not relieved of its primary obligation to the policyholder in a reinsurance transaction.

C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2016. Direct unearned premium at December 31, 2015 was $1,003,100.

	Assumed Premium Reserve	Assumed Commission Equity	Ceded Premium Reserve	Ceded Commission Equity	Net Premium Reserve	Net Commission Equity
Affiliated	$10,060	$2,012	$0	$0	$10,060	$2,012
All Other	1,599	0	1,362	246	237	($246)
Total	$11,659	$2,012	$1,362	$246	$10,297	$1,766
Direct Unearned Premium Reserve			$1,078,737			

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

A. Defined Benefit Plans

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

Prior to January 1, 2005, under the noncontributory defined benefit pension plan, the benefits were based upon years of service and the employee's average final compensation, usually the average of the final three consecutive years of credited service. Effective January 1, 2005, all pension credits for employees are based on career average pay and years of service. Pension credits will vary based on years of service and the date of employment with the Company.

The plan is funded through a pension trust (Amica Pension Fund). The net periodic benefit cost/(benefit) for 2016 and 2015 was ($15,647) and ($14,086), respectively, as the expected return on plan assets exceeded the pension costs. At December 31, 2016, the Company recorded a prepaid pension asset of $644,800, offset by a $265,204 overfunded contra asset in accordance with SSAP No. 102. At December 31, 2015, the Company recorded a prepaid pension asset of $579,153, offset by a $272,631 overfunded contra asset in accordance with SSAP No. 102. The net prepaid assets were non-admitted under statutory accounting principles and resulted in a charge to surplus to policyholders.

B. Postretirement Benefits

In addition to pension benefits, the Company provides certain health care and life insurance benefits ("post retirement") for retired employees. Employees may become eligible for these benefits if they reach retirement age while working for the Company and satisfy certain service requirements. In 2005, the Company implemented an employee health care cost sharing arrangement with its employees. No employee contribution is required for employees retiring prior to January 1, 2005. Employees who retired after 2004 will contribute approximately 20% to their health care coverage for 2005 going forward. In October 2013, the Company amended the postretirement health care benefits for current retirees and active employees. The amendment changes the future benefits provided to retirees to defined subsidy payments to facilitate purchasing coverage from an independent health exchange. In addition, employees hired on or after January 1, 2014 will not be eligible for postretirement health care benefits.

Qualifying retiree health care expenses are funded through the Amica Retiree Medical Trust. The Company's share of the net periodic benefit cost for postretirement health care was $18,673 for 2016 and $21,246 for 2015. At December 31, 2016, the Company recorded a prepaid retiree medical expense of $10,909, offset by a $10,909 overfunded contra asset, and a $62,815 transition liability from the adoption of SSAP No. 92. At December 31, 2015, the Company recorded a prepaid retiree medical expense of $18,199, offset by an $18,199 overfunded contra asset, and a $47,254 transition liability from the adoption of SSAP No. 92.

Life insurance benefits are based upon a multiple of salary and years of service at the date of retirement and are subject to a maximum benefit of $1,000 for active employees and $250 for retirees. The plan was amended in 2016 to increase the maximum active benefit from $500 to $1,000 and change the benefit for employees who retire after March 1, 2016 to $25. This amendment resulted in a $403 reduction to the retiree life liabilities.

The Company performed a review of the retiree life insurance benefits in 2015 which resulted in an update to the liability calculation and actuarial assumptions to be in accordance with SSAP No. 92. These changes resulted in an additional liability of $3,788 as of January 1, 2015. The Company's share of the liability, which was recorded as an adjustment to surplus, was of $3,659. At December 31, 2016 and 2015, the Company recorded a liability of $16,510 and $15,455, respectively, for retiree life insurance benefits. The Company's share of the net periodic benefit cost for retiree life insurance benefits was $2,246 for 2016 and $1,405 for 2015.

The Company has no material special or contractual benefits per SSAP No. 11.

C. Defined Contribution Plans

The Company has an incentive savings plan in which a majority of the employees participate. Various investment funds are provided for employee savings, and the employee contributions can be made on a before-tax or after-tax basis. The plan has limitations as to the amount of both employee and Company contributions. The Company contributed $11,499 and $10,949 on behalf of participating employees in 2016 and 2015, respectively.

(Continued)

(in thousands)

The Company has a deferred compensation plan for certain eligible officers and directors. The plan is a salary reduction plan in which no matching contribution is made by the Company on behalf of the plan participants. As explained in Note 12D, certain deferred compensation liabilities are funded through the Amica Companies Supplemental Retirement Trust.

D. Other Plans

The Company provides or funds supplemental pension benefits and certain deferred compensation plan liabilities through the two supplemental retirement trusts. The supplemental pension benefits are amounts otherwise payable under the Company's qualified pension plan which are in excess of that allowed under Sections 401 and/or 415 of the Internal Revenue Code. The trusts' assets, which are invested in both debt and equity type securities, are valued at either amortized cost or market value, respectively. The Company's share of the trust assets was valued at $85,497 at December 31, 2016 and $76,462 at December 31, 2015. The Company has recorded $59,661 and $52,731 at December 31, 2016 and 2015, respectively, to reflect the Company's obligation under this plan. Assets in excess of the plans' obligations are non-admitted. The Company's share of supplemental pension benefit expenses was $9,318 in 2016 and $5,531 in 2015, respectively.

E. Summary

A summary of assets, obligations and assumptions of the Pension Benefits, including the Pension Fund and the Supplemental Retirement Plan, and Postretirement Benefits, including the Postretirement Health Care and Retired Life Plans, covering employees of Amica Mutual Insurance Company and Amica Life Insurance Company are as follows at December 31, 2016 and 2015:

	Pension Benefits				Postretirement Benefits	
	Overfunded		Underfunded		Underfunded	
	2016	2015	2016	2015	2016	2015
1. Change in benefit obligation						
1. Benefit obligation at beginning of year	$1,288,554	$1,365,853	$54,881	$55,691	$394,092	$428,614
2. Service cost	31,585	36,626	6,187	2,282	6,561	6,783
3. Interest cost	56,857	53,806	1,884	1,697	17,311	16,734
4. Contribution by plan participants	0	0	0	0	1,275	1,296
5. Actuarial (gain) loss	32,510	(119,440)	3,467	(2,342)	4,970	(43,938)
6. Foreign currency exchange rate changes	0	0	0	0	0	0
7. Benefits paid	(51,265)	(48,291)	(3,972)	(3,043)	(16,101)	(15,397)
8. Plan amendments	0	0	(421)	596	(420)	0
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0	0	0
10. Benefit obligation at end of year	$1,358,241	$1,288,554	$62,026	$54,881	$407,688	$394,092

(Continued)

(in thousands)

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
2. Change in plan assets				
a. Fair Value on plan assets at beginning of year	$1,595,075	$1,610,056	$278,637	$279,447
b. Actual return on plan assets	144,026	(16,690)	22,660	(306)
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	53,972	53,043	15,311	14,191
e. Plan participants' contributions	0	0	1,275	1,296
f. Benefits paid	(55,237)	(51,334)	(16,601)	(15,991)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	$1,737,836	$1,595,075	$301,282	$278,637
3. Funded Status				
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$644,800	$579,153	$10,909	$18,199
2. Overfunded plan assets	(265,205)	(272,631)	(10,909)	(18,199)
3. Total assets (nonadmitted)	379,595	306,522	0	0
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	45,918	40,336	86,293	69,060
2. Liability for pension benefits	16,108	14,544	0	0
3. Total liabilities recognized	62,026	54,881	86,293	69,060
c. Unrecognized liabilities	$281,312	$287,176	$101,820	$117,931
4. Components of net periodic benefit cost				
a. Service cost	$37,772	$38,908	$6,561	$6,783
b. Interest cost	58,741	55,502	17,311	16,734
c. Expected return on plan assets	(109,879)	(111,033)	(13,403)	(13,139)
d. Transition asset or obligation	473	473	10,984	10,984
e. (Gains) and losses	14,582	15,472	464	2,368
f. Prior service cost or (credit)	(7,782)	(7,650)	(43)	(11)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	($6,093)	($8,328)	$21,874	$23,719

(in thousands)

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
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	$287,176	$288,934	$117,931	$158,969
b. Net transition asset or (obligation) recognized	(473)	(473)	0	0
c. Net prior service cost or (credit) arising during the period	(421)	596	(420)	2,796
d. Net prior service cost or (credit) recognized	7,782	7,650	(10,941)	(10,973)
e. Net (gain) and loss arising during the period	1,830	5,941	(4,286)	(30,492)
f. Net (gain) and loss recognized	(14,582)	(15,472)	(464)	(2,369)
g. Items not yet recognized as a component of net periodic cost - current year	$281,312	$287,176	$101,820	$117,931
6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost				
a. Net transition (asset) or obligation	$473	$473	$10,984	$10,984
b. Net prior service cost or (credit)	(7,782)	(7,675)	(44)	(11)
c. Net recognized (gains) and losses	12,122	14,431	31	497
7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit costs				
a. Net transition (asset) or obligation	($26,451)	($25,977)	$65,906	$76,890
b. Net prior service cost or (credit)	(16,342)	(23,704)	(443)	(66)
c. Net recognized (gains) and losses	324,104	336,857	36,358	41,108

(in thousands)

8. Weighted-average assumptions as of December 31, 2016 and 2015 were:

	Pension Benefits		Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Measurement date for:				
Net periodic benefit cost	12/31/16	12/31/15	12/31/16	12/31/15
Year-end benefit obligation	12/31/16	12/31/15	12/31/16	12/31/15
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	4.25%	4.50%	4.25%	4.50%
Rate of compensation increase	4.00%	4.00%	n/a	n/a
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:				
Discount rate	4.50%	4.00%	4.50%	4.00%
Expected return on plan assests	7.00%	7.00%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	n/a	n/a

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

The Company measured benefit obligations using the Society of Actuaries RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006 and projected with Mortality Improvement Scale MP-2016.

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

Years	Pension Benefits	Postretirement Benefits
2017	$55,765	$17,111
2018	58,343	17,990
2019	63,287	18,826
2020	67,599	20,023
2021	68,243	21,084
2022 through 2026	402,376	115,946

(in thousands)

10. The estimate of contributions expected to be paid by Amica Mutual Insurance Company and Amica Life Insurance Company during 2017 are as follows:

Pension and Postretirement Plans	Contribution
Pension Fund	$0
Supplemental Retirement Plan	2,616
Postretirement Health Care	14,548
Retired Life Reserve	1,858
Unfunded Retired Life Benefit	705

11. The assumed health care cost trend rate is 6.9% for 2016 with an ultimate health care trend rate of 4.5% reached in 2037.

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:

	2016	2015
Effect of a 1% Increase in Health Care Cost Trend Rates:		
Total of service cost and interest cost	$1,194	$1,397
Postretirement benefit obligation	19,991	21,013
Effect of a 1% Decrease in Health Care Cost Trend Rates:		
Total of service cost and interest cost	(994)	(1,142)
Postretirement benefit obligation	(16,950)	(17,740)

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

The following provides the funded status of the Pension Fund and supplemental retirement plans covering employees of Amica Mutual Insurance Company and Amica Life Insurance Company as of December 31, 2016 and 2015:

Pension Benefits	Overfunded		Underfunded	
	12/31/16	12/31/15	12/31/16	12/31/15
Accumulated benefit obligation	($1,321,481)	($1,255,294)	($60,425)	($53,919)
Plan assets at fair value	1,737,836	1,595,075	0	0
Funded status	$416,355	$339,781	($60,425)	($53,919)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2016 and 2015. The adoption of SSAP No. 102 for the Pension Fund did not have a surplus impact on Amica Mutual Insurance Company and Amica Life Insurance Company as the pension plan was overfunded by more than the transition liabilities. At transition, the Company recognized $346,824 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2014.

(in thousands)

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

In addition to pension benefits, the Company provides certain health care and life insurance benefits ("post retirement") for retired employees. SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14" became effective January 1, 2013. This SSAP requires that any underfunded postretirement benefit amounts, other than pensions, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R.

The following provides the funded status of the postretirement benefits covering employees of Amica Mutual Insurance Company and Amica Life Insurance Company as of December 31, 2016 and 2015:

Postretirement Benefits	Overfunded		Underfunded	
	12/31/16	12/31/15	12/31/16	12/31/15
Accumulated benefit obligation	$0	$0	($407,688)	($394,092)
Plan assets at fair value	0	0	301,282	278,637
Funded status	$0	$0	($106,406)	($115,455)

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

14. The Company elected to phase in the transition liability relating to postretirement health care benefits under the transition guidance set forth in SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14". The total transition liability for the postretirement health care benefits was $169,973 resulting in a minimum transition liability of $16,997 after applying the guidance in paragraphs 103bi and 103bii. A total of $127,362 of the transition liability was recognized at December 31, 2015 resulting in an unrecognized transition liability of $42,611 as of December 31, 2015. In accordance with the guidance, the Company's share of the cumulative transition liability recorded on the financial statements was $62,815 on December 31, 2016, with $15,560 recognized in 2016 and 2015. The remaining $5,175 was recorded on the financial statements of Amica Life Insurance Company, with $1,437 recognized in 2016 and 2015.

(in thousands)

The following table includes the 2016 transition surplus activity:

	Transition Liability
Beginning of year	($42,611)
Recognized during year	16,997
End of year funded status	($25,614)

The anticipated amortization of the remaining transition liability is:

Year	Anticipated Amortization
2017	$16,997
2018	8,617
2019	0

The Company's share of anticipated amortization is $15,560 for 2017 and $7,888 for 2018.

F. Description of Investment Policies

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

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

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

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

(in thousands)

The defined benefit pension plan asset allocation as of the measurement date, December 31, 2016 and 2015, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/16**	**12/31/15**	**12/31/16**	**12/31/15**
a. Debt Securities	28.6%	29.0%	29.0%	29.0%
b. Equity Securities	64.1%	64.6%	64.5%	65.0%
c. Real estate	0.0%	0.0%	0.0%	0.0%
d. Other	7.3%	6.4%	6.5%	6.0%
e. Total	100.0%	100.0%	100.0%	100.0%

The postretirement benefit plan asset allocation as of the measurement date, December 31, 2016 and 2015, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**12/31/16**	**12/31/15**	**12/31/16**	**12/31/15**
a. Debt Securities	25.5%	26.4%	27.0%	27.0%
b. Equity Securities	63.7%	64.5%	64.5%	65.0%
c. Real estate	0.0%	0.0%	0.0%	0.0%
d. Other	10.8%	9.1%	8.5%	8.0%
e. Total	100.0%	100.0%	100.0%	100.0%

(Continued)

(in thousands)

G. Fair Value of Plan Assets

1. Fair Value Measurements of Plan Assets at Reporting Date

Pension Fund				
2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$71,396	$104,951	$0	$176,347
State and political subdivisions	0	173,011	0	173,011
Corporate debt securities	0	136,585	0	136,585
Common stocks	855,150	0	0	855,150
Short-term investments	0	50,737	0	50,737
Commercial mortgage loans	0	4,596	0	4,596
Other invested assets	0	0	327,617	327,617
Total assets at fair value	$926,546	$469,880	$327,617	$1,724,043
2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$67,794	$110,208	$0	$178,002
State and political subdivisions	0	151,294	0	151,294
Corporate debt securities	0	128,563	0	128,563
Common stocks	794,738	0	0	794,738
Short-term investments	0	43,395	0	43,395
Commercial mortgage loans	0	1,267	0	1,267
Other invested assets	0	0	291,856	291,856
Total assets at fair value	$862,532	$434,727	$291,856	$1,589,115

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

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

Level 3 financial assets consist of holdings in limited partnership hedge funds, private equity investments and index funds. The values of the funds are based on the Pension Fund’s ownership percentage of the investment or obtained from the issuer.

(in thousands)

Postretirement Health Care

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

2015	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$124	$14,783	$0	$14,907
State and political subdivisions	0	37,839	0	37,839
Corporate debt securities	0	10,568	0	10,568
Common stocks	121,637	0	0	121,637
Short-term investments	0	13,168	0	13,168
Commercial mortgage loans	0	177	0	177
Other invested assets	0	0	45,998	45,998
Total assets at fair value	$121,761	$76,535	$45,998	$244,294

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

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

Level 3 financial assets consist of holdings in limited partnership hedge funds, private equity investments and index funds. The values of the funds are based on the Trust's ownership percentage of the investment or obtained from the issuer.

(in thousands)

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

	Pension Fund		Postretirement Health Care	
	2016	**2015**	**2016**	**2015**
Balance at beginning of year	$291,856	$270,032	$45,997	$41,546
Total gains/losses (realized/unrealized) included in net				
increase (decrease) in net assets available for benefits	13,100	(7,652)	1,982	(1,856)
Purchases	35,662	224,543	5,297	32,388
Sales	(13,001)	(195,067)	(1,995)	(25,730)
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	(351)
Balance at end of year	$327,617	$291,856	$51,281	$45,997

The transfer out of Level 3 in 2015 for the Postretirement Health Care Plan was due to the availability of market prices in 2015 to value a corporate debt security.

Note 13 - Information Concerning Affiliates

A. Amica Life Insurance Company

1. The Company owns 100% of the outstanding stock of Amica Life. The statutory equity value of the investment in Amica Life was $278,821 and $287,527 at December 31, 2016 and 2015, respectively.

2. The Company allocates a portion of the postretirement benefit expense to Amica Life under an expense allocation arrangement. During 2016 and 2015, expenses of $1,191 and $1,296 respectively, were allocated to the subsidiary.

3. During 2016 and 2015, the Company paid premiums of $4,449 and $3,843, respectively, for group life insurance on the lives of employees and retirees to its affiliate, Amica Life.

4. During 2016 and 2015, costs of $1,800 and $1,646, respectively, were incurred by the Company for the leasing of motor vehicles owned by Amica Life.

5. The Company paid premiums to Amica Life of $11,566 and $10,482 in 2016 and 2015, respectively, for structured settlements.

6. Amica Life reimbursed the Company $2,261 and $2,205 in 2016 and 2015, respectively, for personnel and facility expenses used by Amica.

7. Effective January 1, 2009, the Company entered into a line of credit agreement with Amica Life Insurance Company, a wholly-owned subsidiary of the Company. The line of credit agreement allows Amica Life Insurance Company to draw advances from the Company for up to $250,000. Any draw upon the line of credit by Amica Life Insurance Company must be repaid in full, with interest, within three years from the date of advance. There were no outstanding balances under the agreement as of December 31, 2016 or 2015.

8. On April 20, 2016, the Board of Directors of Amica Mutual authorized up to $150,000 in capital contributions to Amica Life to provide additional support with regard to Amica Life's growth initiatives, with the timing and amount of any contributions being at the discretion of the President of Amica Mutual.

B. Amica Property and Casualty Insurance Company

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

2. Effective December 31, 2015, Amica Mutual elected to merge its two wholly-owned property and casualty insurance subsidiaries, Amica P&C and Amica Texas (formerly Amica Lloyd's).

   Prior to January 1, 2014, Amica Lloyd's wrote homeowners and related coverages in Texas. Amica Lloyd's ceased writing new and renewal business on December 31, 2013, at which point all Texas homeowners and related policies were renewed by Amica Mutual. Amica Lloyd's continued operations in 2015 to manage investments and settle outstanding losses and other liabilities. To facilitate the merger, Amica Lloyd's was converted to a stock company, Amica Texas Insurance Company, on December 22, 2015. On December 31, 2015, Amica Texas merged with Amica P&C, with Amica P&C continuing as the surviving entity of the merger. As a result of the merger, Amica P&C assumed all remaining assets and liabilities of Amica Texas as of December 31, 2015, as well as its surplus of $75,030.

   Prior to the aforementioned merger, Amica Texas maintained reinsurance coverage with Amica Mutual. This coverage included an 80% quota share reinsurance contract, an excess of loss reinsurance contract and a catastrophe reinsurance contract. As 100% of Amica Texas Insurance Company losses and loss adjustment expenses immediately became covered under Amica P&C's quota share reinsurance contract upon the merger, these reinsurance coverages will not continue subsequent to the merger.

3. The initial capitalization of Amica P&C occurred on June 16, 2005, with the purchase of 10,000 shares of common stock totaling $3,500 and additional paid in capital totaling $30,120, for a total investment of $33,620. The paid in capital of Amica P&C increased by $18,000 to $51,620 million in 2015, as the $18,000 cost basis of Amica Texas was assumed by Amica P&C during the aforementioned merger. To redistribute a portion of the total $75,030 in surplus assumed by Amica P&C in the merger, Amica P&C paid a $23,000 million extraordinary dividend to Amica Mutual on December 31, 2015. At December 31, 2016, Amica P&C has capital and surplus of $79,077, an increase of $942 over December 31, 2015.

4. Amica P&C maintains a 100% quota share reinsurance contract with Amica Mutual, under which all premiums, losses, and loss adjustment expenses are ceded to Amica Mutual. Additionally, Amica P&C is a named insured under Amica Mutual's catastrophe reinsurance program.

5. As there are no employees of Amica P&C, Amica Mutual's employees perform certain managerial and other operation functions for the benefit of Amica P&C. In accordance with a formal cost-sharing agreement, Amica Mutual allocates such costs to Amica P&C based on the estimated costs of the services performed. The costs charged from Amica Mutual to Amica P&C amounted to $4,440 in 2016. The costs charged to Amica P&C and Amica Texas in 2015 were $3,873 and $452, respectively.

(in thousands)

C. Changes to the Holding Company System

In addition to the aforementioned merger of Amica P&C and Amica Texas, the following changes to the holding company system occurred in 2015:

1. Effective December 31, 2015, Amica Lloyd's of Texas, Inc., an attorney-in-fact and a wholly-owned subsidiary of the Company, was dissolved. Amica Lloyd's of Texas, Inc. managed Amica Texas and was no longer deemed a necessary entity of the holding company system subsequent to the aforementioned merger.

2. Effective April 1, 2015, all agency business previously conducted by the Company's non-insurance subsidiary, Amica General Insurance Agency of California, Inc., was transferred to another of the Company's non-insurance subsidiaries, Amica General Agency, LLC. Amica General Insurance Agency of California, Inc. was dissolved on June 30, 2015.

3. Effective January 1, 2015, the Company's non-insurance affiliate, Amica General Agency, Inc., was converted from a C Corporation to a Limited Liability Company. From that date forward, Amica General Agency, Inc. has been known as Amica General Agency, LLC.

D. Amounts Due to or from Related Parties

At December 31, 2016 and 2015, the following amounts were (payable)/recoverable from affiliates:

	2016		2015	
Affiliate	**Management, Service and Reinsurance Contracts**	**Federal Income Taxes**	**Management, Service and Reinsurance Contracts**	**Federal Income Taxes**
Amica General Agency, LLC	$61	$53	$62	$51
Amica Life Insurance Company	181	0	321	0
Amica Property and Casualty Insurance Company	859	38	886	40
Total	$1,101	$91	$1,269	$91

The management and service contracts require that the intercompany balances be settled within fifty-five days of the month to which it applies.

E. All Subsidiary, Controlled and Affiliated (SCA) Investments

The Company owns 100% of Amica General Agency, LLC, an insurance agency which sells certain insurance products of other insurance companies through the Company's distribution system. The agency's value of $8,717 is fully admitted in the Company's December 31, 2016 balance sheet.

F. Insurance SCA Entities Utilizing Prescribed or Permitted Practices

1. The Company owns two insurance SCA entities that are carried at audited statutory equity value. Amica Property and Casualty Insurance Company follows no state prescribed or permitted practices that depart from NAIC statutory accounting practices and procedures (NAIC SAP). The statutory financial statements of Amica Life reflect a permitted practice approved by the Rhode Island Department of Business Regulation Insurance Division, which deviates from required NAIC SAP. This permitted practice allows Amica Life to record directly to surplus the change in XXX reserves that is above the change in the reserves calculated on a discounted cash flow basis, instead of recording the change in XXX reserves directly to net income as required by NAIC SAP.

2. The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC SAP, the amount of the investment in the insurance SCA per audited statutory

(in thousands)

equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the NAIC Accounting Practices and Procedures (AP&P) Manual is as follows:

SCA Entity (Investment in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
Amica Life Insurance Company	($10,710,665)	$0	$278,821,309	$278,821,309

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

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

Note 14 – Leases

A. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through 2025. Rental expense for 2016 and 2015 was $9,998 and $9,311 respectively. Future minimum rental payments are as follows:

Year	Amount
2017	$8,961
2018	8,342
2019	7,851
2020	6,797
2021	5,291
Thereafter	5,550
Total	$42,792

B. Certain rental commitments have renewal options extending through the year 2035. Some of these renewals are subject to adjustments in future periods.

Note 15 – Contingencies

A. Contingent Commitments

The Company has made commitments to provide $74,431 in additional funds to unaffiliated limited partnerships as of December 31, 2016. See Note 4 for more information.

B. Guarantees

Not applicable.

C. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred.

(in thousands)

The Company has accrued a liability for guaranty fund and other assessments of $1,894 at December 31, 2016 and $2,368 at December 31, 2015. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The Company does not have the ability to recover assessments through policyholder surcharges so no related asset has been recorded.

D. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. The ultimate resolution of such proceedings will not, in our opinion, have a material impact on the Company's financial position.

Note 16 – Non-admitted Assets

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

Description	2016	2015
Prepaid pension contribution	$379,595	$306,521
Furniture and other equipment, net	88,910	80,933
Prepaid expenses	12,560	7,707
Premium receivable over 90 days past due	609	1,902
Amica Companies Supplemental Retirement Trust	25,835	23,730
Other	1,950	1,244
Total non-admitted Assets	$509,459	$422,037

Note 17 – Subsequent Events

Subsequent events have been considered through February 8, 2017 for the statutory statement issued on February 8, 2017 and through May 8, 2017 for the audited financial statements issued on May 8, 2017.

1. On January 3, 2017, the Company made a $25,000 capital contribution to its wholly-owned insurance subsidiary, Amica Life. This contribution is intended to provide additional support with regard to Amica Life's growth initiatives.

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

AMICA MUTUAL INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2016

Schedule 1

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	64,741,518	1.487	64,741,518		64,741,518	1.487
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	249,522,173	5.729	249,522,173		249,522,173	5.729
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	413,732,438	9.500	413,732,438		413,732,438	9.500
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	178,632,416	4.102	178,632,416		178,632,416	4.102
1.43 Revenue and assessment obligations	36,986,619	0.849	36,986,619		36,986,619	0.849
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	127,305,076	2.923	127,305,076		127,305,076	2.923
1.512 Issued or guaranteed by FNMA and FHLMC	3,071,478	0.071	3,071,478		3,071,478	0.071
1.513 All other		0.000				0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	374,501,520	8.599	374,501,520		374,501,520	8.599
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	179,661,038	4.125	179,661,038		179,661,038	4.125
1.523 All other	83,691,633	1.922	83,691,633		83,691,633	1.922
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	434,803,778	9.984	434,803,778		434,803,778	9.984
2.2 Unaffiliated non-U.S. securities (including Canada)	5,998,184	0.138	5,998,184		5,998,184	0.138
2.3 Affiliated securities		0.000				0.000
3. Equity interests:						
3.1 Investments in mutual funds	398,059,942	9.140	398,059,942		398,059,942	9.140
3.2 Preferred stocks:						
3.21 Affiliated		0.000				0.000
3.22 Unaffiliated		0.000				0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000				0.000
3.32 Unaffiliated	1,090,088,606	25.030	1,090,088,606		1,090,088,606	25.030
3.4 Other equity securities:						
3.41 Affiliated	357,897,893	8.218	357,897,893		357,897,893	8.218
3.42 Unaffiliated		0.000				0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.000				0.000
3.52 Unaffiliated		0.000				0.000
4. Mortgage loans:						
4.1 Construction and land development		0.000				0.000
4.2 Agricultural		0.000				0.000
4.3 Single family residential properties		0.000				0.000
4.4 Multifamily residential properties		0.000				0.000
4.5 Commercial loans	28,424,207	0.653	28,424,207		28,424,207	0.653
4.6 Mezzanine real estate loans		0.000				0.000
5. Real estate investments:						
5.1 Property occupied by company	44,562,357	1.023	44,562,357		44,562,357	1.023
5.2 Property held for production of income (including $ .... of property acquired in satisfaction of debt)		0.000				0.000
5.3 Property held for sale (including $ .... property acquired in satisfaction of debt)		0.000				0.000
6. Contract loans		0.000				0.000
7. Derivatives		0.000				0.000
8. Receivables for securities	39,402,108	0.905	39,402,108		39,402,108	0.905
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	119,361,699	2.741	119,361,699		119,361,699	2.741
11. Other invested assets	124,645,617	2.862	124,645,617		124,645,617	2.862
12. Total invested assets	4,355,090,300	100.000	4,355,090,300		4,355,090,300	100.000

See accompanying independent auditors’ report.

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES

Schedule 2

December 31, 2016

Of The AMICA MUTUAL INSURANCE COMPANY

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

NAIC Group Code 0028 NAIC Company Code 19976 Federal Employer's Identification Number (FEIN) 05-0348344

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 5,120,643,548

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Amica Life Insurance Company	Common Stock	$ 278,821,309	5.4 %
2.02	Amica Property & Casualty Insurance Company	Common Stock	$ 79,076,584	1.5 %
2.03	State of Texas	Bonds	$ 68,441,484	1.3 %
2.04	State of Wisconsin	Bonds	$ 57,891,239	1.1 %
2.05	Missouri Housing Development Commission	Bonds	$ 46,675,684	0.9 %
2.06	State of Washington	Bonds	$ 45,718,469	0.9 %
2.07	State of Georgia	Bonds	$ 45,048,706	0.9 %
2.08	FREMF Mortgage Trust	Bonds	$ 41,930,676	0.8 %
2.09	State of Ohio	Bonds	$ 37,080,069	0.7 %
2.10	Florida Housing Finance Corp	Bonds	$ 35,707,527	0.7 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC-1	$ 2,046,558,082	40.0 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 184,764,168	3.6 %	3.08	P/RP-2	$	%
3.03	NAIC-3	$	%	3.09	P/RP-3	$	%
3.04	NAIC-4	$	%	3.10	P/RP-4	$	%
3.05	NAIC-5	$	%	3.11	P/RP-5	$	%
3.06	NAIC-6	$	%	3.12	P/RP-6	$	%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$ 69,361,823	1.4 %
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES **Schedule 2**
December 31, 2016

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

		1	2
5.01	Countries designated NAIC-1	$	%
5.02	Countries designated NAIC-2	$	%
5.03	Countries designated NAIC-3 or below	$	%

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

		1	2
	Countries designated NAIC - 1:		
6.01	Country 1:	$	%
6.02	Country 2:	$	%
	Countries designated NAIC - 2:		
6.03	Country 1:	$	%
6.04	Country 2:	$	%
	Countries designated NAIC - 3 or below:		
6.05	Country 1:	$	%
6.06	Country 2:	$	%

		1	2
7.	Aggregate unhedged foreign currency exposure	$	%

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

		1	2
8.01	Countries designated NAIC-1	$	%
8.02	Countries designated NAIC-2	$	%
8.03	Countries designated NAIC-3 or below	$	%

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

		1	2
	Countries designated NAIC - 1:		
9.01	Country 1:	$	%
9.02	Country 2:	$	%
	Countries designated NAIC - 2:		
9.03	Country 1:	$	%
9.04	Country 2:	$	%
	Countries designated NAIC - 3 or below:		
9.05	Country 1:	$	%
9.06	Country 2:	$	%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	1 Issuer	2 NAIC Designation	3	4
10.01			$	%
10.02			$	%
10.03			$	%
10.04			$	%
10.05			$	%
10.06			$	%
10.07			$	%
10.08			$	%
10.09			$	%
10.10			$	%

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES **Schedule 2**
December 31, 2016

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.

		1	2
11.02	Total admitted assets held in Canadian investments	$	%
11.03	Canadian-currency-denominated investments	$	%
11.04	Canadian-denominated insurance liabilities	$	%
11.05	Unhedged Canadian currency exposure	$	%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions	$	%
	Largest three investments with contractual sales restrictions:		
12.03		$	%
12.04		$	%
12.05		$	%

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

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

	1 Issuer	2	3
13.02	Amica Life Insurance Company	$ 278,821,309	5.4 %
13.03	Fidelity Global ex US Index Fund	$ 174,925,807	3.4 %
13.04	Vanguard Developed Markets Index Fund Institutional Plus Shares	$ 125,569,525	2.5 %
13.05	Amica Property & Casualty Insurance Company	$ 79,076,584	1.5 %
13.06	Fidelity Emerging Markets Index	$ 52,257,469	1.0 %
13.07	Apple Inc.	$ 31,818,650	0.6 %
13.08	Alphabet Inc.	$ 27,611,861	0.5 %
13.09	Schwab U.S. REIT ETF	$ 27,315,690	0.5 %
13.10	Morgan Stanley Institutional Fund of Hedge Funds	$ 26,880,285	0.5 %
13.11	Microsoft Corp.	$ 24,884,895	0.5 %

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2016

Schedule 2

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

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

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

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1		2	3	
15.02	Aggregate statement value of investments held in general partnership interests	$			%
	Largest three investments in general partnership interests:				
15.03		$			%
15.04		$			%
15.05		$			%

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)		2	3	
16.02		$			%
16.03		$			%
16.04		$			%
16.05		$			%
16.06		$			%
16.07		$			%
16.08		$			%
16.09		$			%
16.10		$			%
16.11		$			%

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2016

Schedule 2

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans	
16.12	Construction loans	$	%
16.13	Mortgage loans over 90 days past due	$	%
16.14	Mortgage loans in the process of foreclosure	$	%
16.15	Mortgage loans foreclosed	$	%
16.16	Restructured mortgage loans	$	%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

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

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

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

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

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

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

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

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

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

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

(Continued)

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2016

Schedule 2

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	$	%	$	$	$

AMICA MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES
December 31, 2016

Schedule 3

7.1	Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?	Yes [ ] No [X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions:	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [ ] No [ ]
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [ ] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.	Yes [ ] No [X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [ ] No [X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [ ] No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:	
	(a) The entity does not utilize reinsurance; or,	Yes [ ] No [X]
	(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [ ] No [X]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [ ] No [X]