AMICA MUTUAL INSURANCE COMPANY

Statutory Financial Statements

December 31, 2019 and 2018

(With Independent Auditors' Report Thereon)

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

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, 2019 and 2018, 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.

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, 2019 and 2018, 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, 2019 and 2018, 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 in Schedule 1 – summary investment schedule, Schedule 2 – supplemental investment risks interrogatories, and Schedule 3 – general interrogatories is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the State of Rhode Island Department of Business Regulation Insurance Division. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Providence, Rhode Island
May 11, 2020

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Admitted Assets, Liabilities and Surplus to Policyholders

(in thousands)

December 31, 2019 and 2018

	2019	2018
Assets:		
Bonds and debt securities	$ 2,563,228	$ 2,473,492
Preferred stocks	0	758
Common stocks	1,587,128	1,489,309
Mortgage loans	117,369	90,419
Real estate	52,391	52,462
Cash and cash equivalents	111,991	237,287
Other invested assets	193,865	196,136
Receivable for securities	0	45,746
Total cash and invested assets	4,625,972	4,585,609
Premiums receivable	555,567	632,258
Reinsurance recoverable on paid losses and loss adjustment expenses	2,367	1,217
Net deferred tax asset	28,896	66,429
Interest and dividend income due and accrued	19,687	18,803
Equities and deposits in pools and associations	36,814	33,349
Other assets admitted	91,341	92,149
Total assets	$ 5,360,644	$ 5,429,814
Liabilities and surplus to policyholders:		
Reserves for losses and loss adjustment expenses	$ 1,178,421	$ 1,208,498
Reinsurance payable on paid losses	19,392	15,166
Accrued other expenses	105,218	67,641
Reserve for unearned premiums	1,110,433	1,227,669
Ceded reinsurance balances payable	166	157
Dividends payable to policyholders	11,304	10,344
Payable for securities	45,040	204,788
Reserve for non-qualified pensions and deferrals	74,042	66,391
Other liabilities	33,765	70,883
Total liabilities	2,577,781	2,871,537
Surplus to policyholders	2,782,863	2,558,277
Total liabilities and surplus to policyholders	$ 5,360,644	$ 5,429,814

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Income
(in thousands)

December 31, 2019 and 2018

	2019	2018
Underwriting income:		
Premiums earned	$ 2,412,202	$ 2,327,032
Underwriting expenses:		
Losses incurred	1,412,395	1,480,193
Loss expenses incurred	252,585	225,377
Other underwriting expenses	668,789	570,823
Total underwriting expenses	2,333,769	2,276,393
Net underwriting gain (loss)	78,433	50,639
Investment and other income:		
Net investment income	133,811	112,106
Net realized capital gains, net of Federal income taxes of $20,231 and $36,515 in 2019 and 2018, respectively	104,934	105,371
Other expense, net	(6,117)	(3,848)
Total investment and other income	232,628	213,629
Income before dividends and before Federal income taxes, net	311,061	264,268
Dividends to policyholders	149,536	142,379
Income after dividends but before Federal income taxes, net	161,525	121,889
Federal income tax expense (benefit), net	3,406	(12,880)
Net income	$ 158,119	$ 134,769

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Surplus to Policyholders
(in thousands)

December 31, 2019 and 2018

	2019	2018
Surplus to policyholders at January 1	$ 2,558,277	$ 2,669,490
Net income	158,119	134,769
Net change in unrealized capital gains (losses), net of ($32,273) and ($53,399) Federal income tax benefit in 2019 and 2018, respectively	93,512	(202,885)
Change in deferred income tax	(5,260)	(4,532)
Change in non-admitted assets	(62,338)	39,100
Cumulative effect of change in accounting principles	0	(7,888)
Change in Amica Companies Supplemental Retirement Trust	(1,356)	(9,001)
Change in pension overfunded asset	50,231	(98,834)
Change in retiree medical overfunded asset	(938)	(825)
Change in retiree medical benefit liability	20,499	29,524
Other surplus adjustments	(27,883)	9,359
Change in surplus to policyholders	224,586	(111,213)
Surplus to policyholders at December 31	$ 2,782,863	$ 2,558,277

See accompanying notes to statutory financial statements.

AMICA MUTUAL INSURANCE COMPANY

Statutory Statements of Cash Flow
(in thousands)

December 31, 2019 and 2018

	2019	2018
Cash from operations:		
Premiums collected, net of reinsurance	$ 2,374,255	$ 2,350,153
Loss and loss adjustment expenses paid	(1,691,981)	(1,729,199)
Underwriting expenses paid, net of commissions received	(619,060)	(544,187)
Cash from underwriting	63,214	76,767
Net investment income	143,977	122,423
Other losses, net	(9,946)	(5,674)
Dividends to policyholders	(148,576)	(142,688)
Federal income taxes (paid) recovered	(7,135)	(13,182)
Net cash from operations	41,534	37,646
Cash (to) from investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	2,160,784	1,551,627
Bonds and debt securities matured or repaid	269,067	230,462
Stocks	402,044	821,800
Mortgage loans repaid	771	2,178
Other invested assets	108,924	201,761
Total investment proceeds	2,941,590	2,807,828
Cost of investments acquired:		
Bonds and debt securities	2,510,259	1,730,376
Stocks	267,279	689,640
Mortgage loans	27,721	24,466
Other invested assets	219,674	100,257
Total investments acquired	3,024,933	2,544,739
Net cash (to) from investments	(83,343)	263,089
Cash to financing and miscellaneous sources:		
Net transfers from affiliates	75	1,614
Other cash applied	(83,562)	(100,441)
Net cash to financing and miscellaneous sources	(83,487)	(98,827)
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	(125,296)	201,908
Cash and cash equivalents - beginning of year	237,287	35,379
Cash and cash equivalents - end of year	$ 111,991	$ 237,287

See accompanying notes to statutory financial statements.

Note 1 – Nature of Operations

Amica Mutual is a personal lines carrier primarily writing automobile and homeowners coverage on a direct basis. Amica Mutual is licensed in all fifty states and the District of Columbia, and though historically the Company has been most concentrated in the Northeast, almost 70% of business is written outside of the Northeast as of December 31, 2019. Just under 55% of direct written premiums derive from automobile lines of business, with approximately 40% attributable to the homeowners line.

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 premiums receivable greater than ninety days past due in excess of related unearned premium, furniture and equipment and prepaid expenses, including 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.

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.

(Continued)

14. Equity securities are carried at fair value with the corresponding change in fair value recorded through surplus rather than through income.

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 determined based on management's informed estimates and judgments using currently available data. As additional experience and other data becomes available and are reviewed, these estimates and judgments may be revised. This may result in reserve increases or decreases that would be reflected in the results in periods in which such estimates or assumptions are changed.

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

   The cost of securities is adjusted where appropriate to include a provision for the decline in value which is considered to be other-than-temporary. An other-than-temporary decline is considered to occur in any investment except loan-backed and structured securities where there has been a sustained reduction in market value and where the Company does not expect the fair value to recover prior to the time of sale or maturity. 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 and cash equivalents are stated at fair value. Certificates of deposit in banks or similar institutions with maturity dates within one year or less from the acquisition date are classified as cash.

2. Short-term investments are stated at amortized cost and include bonds with maturity dates within one year or less from the acquisition date.

(Continued)

3. Bonds, except loan-backed bonds and structured securities, are stated at amortized cost using the scientific method.

4. 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.

5. Preferred stocks are stated at fair value.

6. 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.

7. Mortgage loans on real estate are reported at the unpaid balance of the loan. Interest earned on mortgage loans is accrued on the outstanding principal balance of the loan based on the loan’s contractual coupon rate, less any service fees. Interest accrued on impaired loans which are over 90 days past due will be non-admitted. Any accrued interest which is determined to be uncollectible will be written off immediately in the period such determination is made. The Company continually monitors the performance of each mortgage loan for any potential impairments. A mortgage loan will be temporarily impaired if it has been determined that the Company will be unable to collect principal and interest payments as described in the mortgage agreements, and a valuation allowance will be recorded in net unrealized capital losses as the difference between the fair value of the collateral and the carrying value of the loan. Refer to Note 2B for information on the Company’s policy for determining other-than-temporary impairments.

8. 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, adjusted for any cash transactions through year-end.

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

9. 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 income as a realized loss.

10. Realized gains and losses are determined on a specific identification basis, are credited or charged to income, and are presented in the Statutory Statements of Income net of Federal income taxes. Unrealized capital gains and losses resulting from the valuation of investments at fair value are credited or charged directly to surplus 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.

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

D. Asset Depreciation and Amortization Policy

The Company's capitalization policy includes a prepaid expense threshold of $500, capitalization of qualifying expenses associated with projects in excess of $500, and capitalization of internal labor costs on strategic projects to the extent they qualify. The policy maintains the $5 de minimis limitation on capitalizing individual items for projects under $500.

E. Revenue Recognition Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Policies historically have had a term of one year. However, in November 2018, the Company began converting automobile policies in select states to six-month policy periods upon renewal. Additionally, new automobile policies written in affected states are written exclusively with a six-month policy term. As of December 31, 2019, the Company has converted automobile policies to six-month periods in twenty states. 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 and are paid in cash.

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 determined 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 the Company 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 Calculation Policy

The Company reviews historical and projected operating results by major line of business on a quarterly basis to determine if a premium deficiency reserve is necessary. Investment income is not anticipated as a factor in this calculation.

K. Fair Value of Financial Instruments

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

1. Cash and Cash Equivalents

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

L. New Accounting Standards

1. In August 2017, the NAIC adopted modifications to SSAP No. 1, "Disclosures of Accounting Policies, Risks, and Uncertainties, and Other Disclosures" clarifying that information on restricted cash, cash equivalents, and short-term investments is reported in the restricted asset disclosure. This guidance is effective December 31, 2019. As this modification is disclosure related it will not have any impact on the results of operations or financial position of the Company.

2. In April 2019, the NAIC revised SSAP No. 16R "Electronic Data Processing Equipment and Software" allowing the capitalization of implementation costs from a cloud hosting service contract as non-operating system software with amortization not to exceed five years. Adopted revisions also clarify the accounting for cloud hosting arrangements that are not service contracts. The Company early-adopted this guidance on a prospective basis in October 2019. As of December 31, 2019, $2,543 of eligible costs have been capitalized in accordance with revised SSAP No. 16R.

3. In August 2019, the NAIC revised SSAP No. 22 "Leases" to adopt, with modification, US GAAP guidance on sale-leaseback transactions, lessor accounting and leveraged leases and update related disclosures. Changes are effective January 1, 2020 for all new leases, and for existing leases reassessed due to change in terms and conditions with early adoption is permitted. The Company chose not to early adopt will assess the impact to the financial statements and disclosures in 2020.

4. In April 2019, the NAIC revised SSAP No. 92 "Postretirement Benefits Other than Pensions" and SSAP No. 102 "Accounting for Pensions, A Replacement of SSAP No. 89" to adopt, with modification, U.S. GAAP guidance on changes to certain disclosures for pension and postretirement plans. Although the changes in US GAAP are effective December 31, 2020 for public business entities and December 31, 2021 for all other entities, with early adoption permitted, the changes were effective on adoption. The Company updated the related disclosures in 2019. As these revisions were disclosure related, it did not have any impact on the results of operations or financial position of the Company.

5. In April 2019, the NAIC adopted, with modification, revised US GAAP guidance on SSAP No. 100R "Fair Value" about fair value disclosures. Although changes in US GAAP guidance are effective January 1, 2020, with early adoption permitted, the changes to SSAP No. 100R were effective upon adoption (2019 reporting). The Company updated the related disclosures in 2019. As this modification was disclosure related, it did not have any impact on the results of operations or financial position of the Company.

6. In December 2019, the NAIC clarified aggregation considerations for information disclosed on the Supplemental Risk Interrogatories for the ten largest equity interests and that a look-through should only occur for non-diversified funds. This is effective for 2020 year-end reporting. The Company will evaluate the impact of this clarification on the interrogatories in 2020.

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 statutory financial statements are issued.

N. Reclassification

Certain prior year balances may be reclassified to conform to the current year 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 of six years and recorded a current year transition liability of $7,888 in 2018, which resulted in the transition being fully recognized as of December 31, 2018. See Note 12 for additional information.

(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 $3,606 and $3,734 at December 31, 2019 and 2018, 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
2019				
U.S. government and federal agency securities	$908,197	$27,455	$3,826	$931,826
States, territories and possessions	228,949	16,070	61	244,958
Political subdivisions of states	33,602	2,321	0	35,923
Special revenue and special assessment obligations	385,270	4,414	287	389,397
Industrial and miscellaneous	1,007,210	42,253	1,937	1,047,526
Total	$2,563,228	$92,513	$6,111	$2,649,630
2018				
U.S. government and federal agency securities	$787,696	$6,363	$15,777	$778,282
States, territories and possessions	204,731	3,207	1,509	206,429
Political subdivisions of states	50,374	2,512	0	52,886
Special revenue and special assessment obligations	585,360	2,021	10,199	577,182
Industrial and miscellaneous	845,331	8,680	22,245	831,766
Total	$2,473,492	$22,783	$49,730	$2,446,545

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2019 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	$23,246	$23,295
Due after one year through five years	355,431	364,965
Due after five years through ten years	425,636	448,616
Due after ten years	1,758,915	1,812,754
Total	$2,563,228	$2,649,630

Proceeds from the sale of bonds and debt securities during 2019 were $2,160,784. Gross gains of $16,475 and gross losses of $1,858 were realized on these sales. Proceeds from the sale of bonds and debt securities during 2018 were $1,551,627. Gross gains of $15,452 and gross losses of $13,472 were realized on these sales. There were no other-than-temporary impairment losses on bonds and debt securities in 2019 or 2018.

(Continued)

(in thousands)

B. Stocks

Net admitted preferred stocks, which are carried at fair value, had a cost basis of $0 and $758 at December 31, 2019 and 2018, respectively. There were no realized gains from the sale of preferred stocks, net of realized losses on sales, in 2019 and 2018. There were no other-than-temporary impairment losses recognized on preferred stocks in 2019 and 2018.

Net admitted common stocks, which are carried at fair value, had a cost basis of $974,643 and $1,015,674 at December 31, 2019 and 2018, respectively. Realized gains from the sale of common stocks, net of realized losses on sales, amounted to $121,959 in 2019 and $188,486 in 2018. Offsetting these gains are losses related to other-than-temporary declines in the fair value of certain common stocks of $29,251 and $47,214 in 2019 and 2018, respectively.

Net unrealized gains on admitted stocks at December 31, 2019 and 2018 were comprised as follows:

	2019	2018
Gross unrealized gains:		
Preferred stocks	$0	$1
Common stocks	612,638	510,282
	612,638	510,283
Gross unrealized losses:		
Common stocks	(153)	(36,647)
Net unrealized gains	$612,485	$473,636

In addition to publicly traded stocks, the Company is a member of the Federal Home Loan Bank (FHLB) of Boston and holds $2,891 of FHLB capital stock. This stock is restricted and held by the FHLB of Boston. The FHLB provides members with access to secured loans from the issuance of discounted notes or term debt funded by Federal Home Loan Banks. The Company may decide to use its FHLB membership in the future for contingent liquidity needs. The Company has determined the estimated maximum borrowing capacity as $1,419,580 in accordance with the most recent FHLB capital stock calculation. The Company does not currently have any funding agreements in place with the FHLB as of December 31, 2019.

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $117,369 and $90,419 as of December 31, 2019 and 2018, respectively. The maximum and minimum lending rates for commercial mortgage loans funded during 2019 were 4.3% and 3.5%. The maximum percentage of any one loan to the value of security at the time of the loan was 68.5%. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total. In 2018, the Company held nineteen commercial mortgage loans consisting of five office properties, three retail properties, five industrial parks, three multifamily properties, two parking garages, one self-storage portfolio made up of seven properties and one self-storage portfolio made up of six properties. In 2019, the Company acquired four additional commercial mortgage loans consisting of two multi-family properties, one retail property and one industrial park. All twenty-three mortgage loans are current and there have been no impairments as of December 31, 2019.

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, 2019 was below 69%.

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

D. Other Invested Assets

The Company holds other invested assets, which include:

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	Cost	Fair Value	Cost	Fair Value
Adams Street Private Credit Fund, LP	$12,889	$12,889	$7,212	$7,264
AEA Mezzanine Fund III, LP	5,834	6,296	8,252	8,213
Amica General Agency, LLC	200	3,301	200	11,996
Cyprium Investors IV, LP	4,048	4,445	4,518	4,818
Cyprium Parallel Investors V, LP	349	341	0	0
GCG Investors IV, LP	4,518	4,642	3,956	4,040
GLC Direct Credit Fund, LP	5,703	7,080	7,586	8,403
Goldman Sachs Hedge Fund Opportunities Inst., LTD	0	0	10,600	13,408
Goldman Sachs Private Equity Partners XI Offshore, LP	11	338	132	408
Goldpoint Mezzanine Partners IV, LP	11,423	11,886	8,523	8,876
Graycliff Mezzanine II Parallel, LP	612	639	1,134	1,177
Graycliff Mezzanine III, LP	2,127	2,070	704	646
Heartwood Forestland REIT III, LLC	14,139	15,567	14,139	17,045
Lyme Conservation Opportunities Fund, LP	1,733	1,643	0	0
Lyme Forest Fund IV, LP	14,325	16,049	14,325	17,276
Lyme Forest Fund V, LP	14,848	14,101	4,200	4,068
ManchesterStory Venture Fund, LP	1,373	1,342	929	929
Midwest Mezzanine Fund V SBIC, LP	6,421	7,912	6,421	8,797
Midwest Mezzanine Fund VI SBIC, LP	2,493	2,536	1,597	1,572
Morgan Stanley IFHF SPV, LP	160	217	226	313
Morgan Stanley Institutional Fund of Hedge Funds, LP	0	0	15,657	28,542
Morgan Stanley Premium Partners Fund, LP	101	208	129	256
Morgan Stanley Private Markets Fund III, LP	976	2,421	1,380	3,263
Point Judith Venture Fund III, LP	2,656	15,930	6,663	14,627
Point Judith Venture Fund IV, LP	18,863	27,755	11,163	15,212
Savano Capital Partners II, LP	11,338	16,178	8,401	10,481
Stonepeak Infrastructure Fund III, LP	10,594	12,078	2,132	2,050
THL Credit Direct Lending IV Co-Invest LLC	4,728	5,028	2,040	2,040
THL Credit Direct Lending Fund IV LLC	965	973	416	416
Total	$153,427	$193,865	$142,635	$196,136

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 GAAP equity method.

(in thousands)

In 2019 and 2018, the Company recognized other-than-temporary impairments on the following limited partnership investments:

	OTTI	
Name or Description	**2019**	**2018**
AEA Mezzanine Fund III, LP	$0	$282
Cyprium Investors IV, LP	$0	435
GCG Investors IV, LP	$0	124
Graycliff Mezzanine II Parallel, LP	$0	81
Lyme Forest Fund V, LP	132	0
Point Judith Venture Fund IV, LP	$0	581
Stonepeak Infrastructure Fund III, LP	82	153
Total	$214	$1,656

As of December 31, 2019, the Company had the following commitments for additional investment:

	Additional Commitments	**Expected Capital Calls Through**
Adams Street Private Credit Fund, LP	$6,239	2021
AEA Mezzanine Fund III, LP	693	Life of the Fund
Aquiline Technology Growth Fund II *	16,200	2025
Blackstone Capital Partners VIII, LP *	30,575	2026
Cyprium Investors IV, LP	1,005	Life of the Fund
Cyprium Parallel Investors V, LP	2,926	2024
GCG Investors IV, LP	1,834	2022
GLC Direct Credit Fund, LP	2,258	2021
Goldman Sachs Private Equity Partners XI, LP	119	Life of the Fund
Goldpoint Mezzanine Partners IV, LP	1,894	2021
Graycliff Mezzanine II Parallel, LP	480	2021
Graycliff Mezzanine III, LP	2,869	2023
Lyme Conservation Opportunities Fund, LP	6,518	2022
Lyme Forest Fund V, LP	5,020	2021
ManchesterStory Venture Fund, LP	3,164	2023
Midwest Mezzanine Fund V SBIC, LP	952	Life of the Fund
Midwest Mezzanine Fund VI SBIC, LP	3,480	2023
Morgan Stanley Private Markets Fund III, LP	587	Life of the Fund
PJC Fund V, LP *	38,075	2025
Point Judith Venture Fund IV, LP	5,610	2022
Savano Capital Partners II, LP	880	2021
Stonepeak Capital Partners Fund III, LP	12,167	2023
THL Credit Direct Lending IV Co-Invest, LLC	5,072	2021
THL Credit Direct Lending IV, LLC	1,035	2021
	$149,652	

* Reflects commitments to funds not yet owned as of December 31, 2019.

(in thousands)

E. Net Investment Income

Net investment income for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Bond and debt securities	$79,520	$80,125
Preferred stocks	62	17
Common stocks	28,510	27,098
Real estate	12,821	11,682
Cash equivalents	7,431	5,407
Commercial mortgage loans	4,305	3,521
Other invested assets	17,724	2,997
Miscellaneous	13,544	6,550
Total investment income	163,917	137,397
Less: investment expenses	30,106	25,291
Net investment income	$133,811	$112,106

F. Fair Value of Financial Instruments

The table below reflects the carrying value and fair value of assets including those accounted for under the equity method (subsidiaries, joint ventures, partnerships and limited liability corporations).

	2019		2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Bonds and debt securities	$2,563,228	$2,649,630	$2,473,492	$2,446,545
Preferred stocks	0	0	758	758
Common stocks	1,587,128	1,587,128	1,489,309	1,489,309
Mortgage loans	117,369	120,904	90,419	89,373
Cash and cash equivalents	111,991	111,993	237,287	237,287
Other invested assets	193,865	193,865	196,136	196,136
Total	$4,573,581	$4,663,520	$4,487,401	$4,459,408

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.

(in thousands)

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

The following tables provide information as of December 31, 2019 and 2018 about the Company's financial assets and liabilities measured at fair value on a recurring basis:

2019	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value (NAV)**	**Total**
Assets at fair value:					
Common stock:					
Industrial and miscellaneous	$774,557	$2,891	$0	$0	$777,448
Mutual funds	388,438	0	0	0	388,438
Total common stock	1,162,995	2,891	0	0	1,165,886
Cash equivalents:					
All other money market mutual funds	73,996	0	0	0	73,996
Total cash equivalents	73,996	0	0	0	73,996
Total assets at fair value	$ 1,236,991	$2,891	$0	$0	$1,239,882
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

(in thousands)

2018	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Preferred stock:					
Industrial and miscellaneous	$758	$0	$0	$0	$758
Total preferred stock	758	0	0	0	758
Common stock - unaffiliated:					
Industrial and miscellaneous	715,012	4,481	0	0	719,493
Mutual funds	360,699	0	0	0	360,699
Total common stock	1,075,711	4,481	0	0	1,080,192
Cash equivalents:					
Exempt money market mutual funds (1)	4	0	0	0	4
All other money market mutual funds (1)	97,211	0	0	0	97,211
Total cash equivalents	97,215	0	0	0	97,215
Total assets at fair value	$1,173,684	$4,481	$0	$0	$1,178,165
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

(1) - For 2018, exempt money market mutual funds and all other money market mutual funds were incorrectly reported in the NAV column in the fair value table. These funds should have been reflected as Level 1 since the price is readily available. The 2018 balances have been reclassified to reflect the correct fair value level.

Level 1 financial assets totaling $1,236,991 and $1,173,684 at December 31, 2019 and 2018, respectively, include actively-traded exchange-listed equity securities. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

Level 2 financial assets totaling $2,891 and $4,481 at December 31, 2019 and 2018, is comprised of class B shares of capital stock in the FHLB of Boston, which is not actively traded on an exchange. The price of FHLB capital stock cannot fluctuate, and must be purchased, repurchased or transferred at its par value.

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

As of December 31, 2019, 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 2019 or 2018.

(in thousands)

The following tables provide information about the carrying values and fair values of all the Company's financial instruments, excluding those accounted for under the equity method (subsidiaries, joint ventures, partnerships and limited liability corporations):

2019	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds:							
U.S. government and federal agency securities	$931,826	$908,197	$149,587	$782,239	$0	$0	$0
States, territories and possessions	244,958	228,949	0	244,958	0	0	0
Political subdivisions of states	35,923	33,602	0	35,923	0	0	0
Special revenue and special assessment obligations	389,397	385,270	0	389,397	0	0	0
Industrial and miscellaneous	1,047,526	1,007,210	0	1,047,526	0	0	0
Total bonds	2,649,630	2,563,228	149,587	2,500,043	0	0	0
Common stock:							
Industrial and miscellaneous	777,448	777,448	774,557	2,891	0	0	0
Mutual funds	388,438	388,438	388,438	0	0	0	0
Total common stock	1,165,886	1,165,886	1,162,995	2,891	0	0	0
Mortgage loans:							
Commercial mortgages	120,904	117,369	0	120,904	0	0	0
Total mortgage loans	120,904	117,369	0	120,904	0	0	0
Cash, cash equivalents and short-term investments:							
Cash	(75,218)	(75,218)	(75,218)	0	0	0	0
All other money market mutual funds	73,996	73,996	73,996	0	0	0	0
Commercial paper	110,701	110,701	0	110,701	0	0	0
Short-term bonds	2,514	2,512	0	2,514	0	0	0
Total cash, cash equivalents, and short-term investments	111,993	111,991	(1,222)	113,215	0	0	0
Total assets	$4,048,413	$3,958,474	$1,311,360	$2,737,053	$0	$0	$0

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

2018	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds:							
U.S. government and federal agency securities	$778,282	$787,696	$131,571	$646,711	$0	$0	$0
States, territories and possessions	206,429	204,731	0	206,429	0	0	0
Political subdivisions of states	52,886	50,374	0	52,886	0	0	0
Special revenue and special assessment obligations	577,182	585,360	0	577,182	0	0	0
Industrial and miscellaneous	831,766	845,331	0	831,766	0	0	0
Total bonds	2,446,545	2,473,492	131,571	2,314,974	0	0	0
Preferred stock:							
Industrial and miscellaneous	758	758	758	0	0	0	0
Total preferred stock	758	758	758	0	0	0	0
Common stock:							
Industrial and miscellaneous	719,493	719,493	715,012	4,481	0	0	0
Mutual Funds	360,699	360,699	360,699	0	0	0	0
Total common stock - unaffiliated	1,080,192	1,080,192	1,075,711	4,481	0	0	0
Mortgage loans:							
Commercial mortgages	89,372	90,419	0	89,372	0	0	0
Total mortgage loans	89,372	90,419	0	89,372	0	0	0
Cash equivalents:							
Cash	(69,061)	(69,061)	(69,061)	0	0	0	0
Exempt money market mutual funds (1)	4	4	4	0	0	0	0
All other money market mutual funds (1)	97,211	97,211	97,211	0	0	0	0
Commercial paper	209,133	209,133	0	209,133	0	0	0
Total cash and cash equivalents	237,287	237,287	28,154	209,133	0	0	0
Total assets	$3,854,154	$3,882,148	$1,236,194	$2,617,960	$0	$0	$0

(1) - For 2018, exempt money market mutual funds and all other money market mutual funds were incorrectly reported in the NAV column in the fair value table. These funds should have been reflected as Level 1 since the price is readily available. The 2018 balances have been reclassified to reflect the correct fair value level.

There were no financial instruments where it was not practical to estimate fair value in 2019 and 2018.

(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, 2019 and 2018 were as follows:

	Less than 12 months		12 months or more		Total	
2019	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Bonds and Debt Securities:						
U. S. government and Federal agency securities	$1,405	$234,041	$2,421	$83,638	$3,826	$317,679
States, territories and possessions	61	13,671	0	0	61	13,671
Political subdivisions of states	0	0	0	0	0	0
Special revenue and special assessment obligations	253	50,596	34	3,986	287	54,582
Industrial and miscellaneous	1,722	129,785	215	39,862	1,937	169,647
Subtotal bonds and debt securities	3,441	428,093	2,670	127,486	6,111	555,579
Stocks:						
Preferred stocks	0	0	0	0	0	0
Common stocks	153	8,220	0	0	153	8,220
Subtotal stocks	153	8,220	0	0	153	8,220
Total temporarily impaired securities	$3,594	$436,313	$2,670	$127,486	$6,264	$563,799

	Less than 12 months		12 months or more		Total	
2018	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Bonds and Debt Securities:						
U. S. government and Federal agency securities	$399	$59,545	$15,378	$456,639	$15,777	$516,184
States, territories and possessions	254	20,660	1,255	49,095	1,509	69,755
Political subdivisions of states	0	0	0	0	0	0
Special revenue and special assessment obligations	40	12,212	10,159	356,912	10,199	369,124
Industrial and miscellaneous	4,539	232,576	17,706	458,183	22,245	690,759
Subtotal bonds and debt securities	5,232	324,993	44,498	1,320,829	49,730	1,645,822
Stocks:						
Preferred stocks	0	0	0	0	0	0
Common stocks	36,612	317,468	35	152	36,647	317,620
Subtotal stocks	36,612	317,468	35	152	36,647	317,620
Total temporarily impaired securities	$41,844	$642,461	$44,533	$1,320,981	$86,377	$1,963,442

(in thousands)

1. Bonds and Debt Securities: The unrealized losses of $6,111 on investments in bonds and debt securities as of December 31, 2019 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.

2. As of December 31, 2019, the Company had investments in structured and loan-backed securities for which an other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position, as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Residential	$577	$186,456	$1,604	$68,724	$2,181	$255,180
Commercial	570	70,711	1,034	56,414	1,604	127,125
Other	7	17,742	0	0	7	17,742
Total	$1,154	$274,909	$2,638	$125,138	$3,792	$400,047

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.

3. Stocks: The unaffiliated common stock investments consist predominantly of positions in common stocks that trade actively on major exchanges. As of December 31, 2019, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $8,220 in 10 issuers. These holdings were in an unrealized loss position of $153, of which none 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, 2019.

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

Carrying value	2019	2018
Adjusted cost basis	$741,022	$807,054
Gross unrealized gains	425,017	309,785
Gross unrealized losses	(153)	(36,647)
Carrying value	$1,165,886	$1,080,192

(in thousands)

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

	2019	2018
Gross realized capital gains on sales	$126,160	$202,546
Gross realized capital losses on sales	(4,201)	(14,061)
Other-than-temporary impairments	(29,251)	(47,214)

There were no preferred stocks in an unrealized loss position as of December 31, 2019 and 2018, and there were no write-downs on preferred stocks. The realized gains on preferred stocks are $269 and $0 in 2019 and 2018, respectively.

H. Investments in Affiliates

A summary of investments in affiliates is as follows:

Affiliate	2019 Cost	2019 Carrying Value	2018 Cost	2018 Carrying Value
Common Stock:				
Amica Life Insurance Company	$182,000	$338,139	$157,000	$328,262
Amica Property and Casualty Insurance Company	51,620	83,103	51,620	80,854
	233,620	421,242	208,620	409,116
Other Invested Asset:				
Amica General Agency, LLC	200	3,301	200	11,996
	200	3,301	200	11,996
Total	$233,820	$424,543	$208,820	$421,112

There was no affiliated common stock in an unrealized loss position as of December 31, 2019 and 2018, and there were no write-downs on affiliated common stocks. There were no realized gains or losses on affiliated stocks in 2019 and 2018. The Company owns 100% of the above subsidiaries and affiliates.

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

	2019	2018
Assets	$1,361,219	$1,322,424
Liabilities	1,023,080	994,162
Capital and surplus	$338,139	$328,262
Income	131,304	127,710
Expenses	(129,145)	(123,138)
Net realized capital gains	4,214	3,624
Federal income tax benefit	6,421	3,255
Net income	$12,794	$11,451

(in thousands)

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. 5GI* Securities

There were no investments in 5GI* securities as of December 31, 2019 and 2018.

J. Prepayment Penalties and Acceleration Fees

The Company recognized the following prepayment penalties for securities sold in 2019:

Number of CUSIPs sold	4
Agggregate amount of investment income	$262

Note 5 – Non-Cash Transactions

The Company did not report any non-cash operating, investing or financing activities in 2019 and 2018.

Note 6 – Real Estate

Real estate as of December 31, 2019 and 2018 is summarized as follows:

	2019	2018
Land	$9,272	$9,272
Buildings and improvements	122,122	118,962
Less: accumulated depreciation on buildings and improvements	79,003	75,772
Real estate, net	$52,391	$52,462

The Company depreciates buildings and improvements on a straight-line basis. Depreciation expense totaled $3,231 and $2,765 for 2019 and 2018, 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
2019						
Computer equipment & software	$276,562	$212,737	$63,825	$63,825	$0	$37,000
Furniture and equipment	31,881	28,404	3,477	3,477	0	1,133
Total	$308,443	$241,141	$67,302	$67,302	$0	$38,133
2018						
Computer equipment & software	$294,545	$208,168	$86,377	$86,377	$0	$36,624
Furniture and equipment	32,233	29,702	2,531	2,531	0	992
Total	$326,778	$237,870	$88,908	$88,908	$0	$37,616

(in thousands)

There were no write-downs to fair value for equipment and furnishings in 2019 and 2018.

Note 8 – Reserves for Loss and Loss Adjustment Expenses

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

	2019	2018
Balance at January 1	$1,227,339	$1,252,018
Less reinsurance recoverables	3,675	4,237
Net balance at January 1	$1,223,664	$1,247,781
Incurred related to:		
Current year	1,765,161	1,833,157
Prior years	(100,181)	(127,587)
Total incurred	1,664,980	1,705,570
Paid related to:		
Current year	1,111,226	1,158,515
Prior years	579,605	571,172
Total paid	$1,690,831	1,729,687
Net balance at December 31	1,197,813	1,223,664
Plus reinsurance recoverables	7,563	3,675
Balance at December 31	$1,205,376	$1,227,339

In 2019 and 2018, the estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $100,181 and $127,587, respectively. The majority of the favorable prior year loss development in both 2019 and 2018 occurred in the private passenger auto liability and auto physical damage lines of business. This was driven primarily by salvage and subrogation recoveries on physical damage claims, which are not anticipated when developing loss reserves.

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 $149,536 and $142,379 in 2019 and 2018, respectively. At December 31, 2019 and 2018, 58.7% and 60.5%, respectively, of policies in-force were from participating policies.

(in thousands)

Note 10 – Income Taxes

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

	Ordinary	Capital	Total
2019			
Gross deferred tax assets	$298,436	$11,738	$310,174
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	298,436	11,738	310,174
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	298,436	11,738	310,174
Deferred tax liabilities	180,420	100,858	281,278
Net admittted deferred tax asset (liability)	$118,016	($89,120)	$28,896
2018			
Gross deferred tax assets	$297,693	$15,371	$313,064
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	297,693	15,371	313,064
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	297,693	15,371	313,064
Deferred tax liabilities	180,518	66,117	246,635
Net admittted deferred tax asset (liability)	$117,175	($50,746)	$66,429
Change			
Gross deferred tax assets	$743	($3,633)	($2,890)
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	743	(3,633)	(2,890)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	743	(3,633)	(2,890)
Deferred tax liabilities	(98)	34,741	34,643
Net admittted deferred tax asset (liability)	$841	($38,374)	($37,533)

(Continued)

AMICA MUTUAL INSURANCE COMPANY

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

Admission calculation components:

	Ordinary	Capital	Total
2019			
Federal income taxes paid in prior years recoverable through loss carrybacks	$26	$57,465	$57,491
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	21,665	0	21,665
			-
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	21,665	0	21,665
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	416,262
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	219,962	11,056	231,018
Deferred tax assets admitted as the result of application of SSAP No. 101	$241,653	$68,521	$310,174
2018			
Federal income taxes paid in prior years recoverable through loss carrybacks	($71,640)	$107,926	$36,286
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	56,603	0	56,603
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	56,603	0	56,603
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	376,007
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	205,441	14,734	220,175
Deferred tax assets admitted as the result of application of SSAP No. 101	$190,404	$122,660	$313,064
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	$71,666	($50,461)	$21,205
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	(34,938)	0	(34,938)
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	(34,938)	0	(34,938)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	40,255
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	14,521	(3,678)	10,843
Deferred tax assets admitted as the result of application of SSAP No. 101	$51,249	($54,139)	($2,890)

(in thousands)

Ratios used for threshold limitation:

	2019	2018
Ratio percentage used to determine recovery period and threshold limitation	702%	674%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$2,775,081	$2,506,713

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2019 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

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

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

	2019	2018	Change
Federal	$3,406	($12,880)	$16,286
Foreign	0	0	0
Subtotal	3,406	(12,880)	16,286
Federal income tax on net capital gains	20,231	36,515	(16,284)
Utilization of capital loss carry-forwards	0	0	0
Federal and foreign income taxes incurred	$23,637	$23,635	$2

(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:	**2019**	**2018**	**Change**
Ordinary:			
Discounting of unpaid losses	$12,441	$13,094	($653)
Unearned premium reserve	47,109	51,909	(4,800)
Fixed assets	14,133	18,671	(4,538)
Compensation and benefits accrual	38,635	33,972	4,663
Pension accrual	160,729	155,058	5,671
Receivables - nonadmitted	275	131	144
Anticipated salvage/subrogation	20,839	19,944	895
Other	4,275	4,914	(639)
Subtotal	298,436	297,693	743
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	298,436	297,693	743
Capital:			
Investments	11,738	15,371	(3,633)
Subtotal	11,738	15,371	(3,633)
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	11,738	15,371	(3,633)
Admitted deferred tax assets	$310,174	$313,064	($2,890)
Deferred Tax Liabilities:			
Ordinary:			
Investments	$847	$631	$216
Fixed assets	13,769	18,047	(4,278)
Pension fund contribution	160,729	154,748	5,981
Other	4,363	6,183	(1,820)
Subtotal	180,420	180,518	(98)
Capital:			
Investments	100,858	66,117	34,741
Subtotal	100,858	66,117	34,741
Deferred tax liabilities	281,278	246,635	34,643
Net deferred tax assets (liabilities)	$28,896	$66,429	($37,533)

(in thousands)

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

	2019	2018	Change
Total deferred tax assets	$310,174	$313,064	($2,890)
Total deferred tax liabilities	281,278	246,635	34,643
Net deferred tax assets/(liabilities)	28,896	66,429	(37,533)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets/(liabilities) after valuation allowance	28,896	66,429	(37,533)
Tax effect of unrealized gains (losses)	98,390	66,117	32,273
Statutory valuation allowance adjustment allocation to unrealized	0	0	0
Change in net deferred tax	$127,286	$132,546	($5,260)

In accordance with NAIC Statutory Accounting Principles, the Company recognizes deferred tax assets and liabilities for the expected future consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are determined on the basis of differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

On December 22, 2017, H.R. 1, known as the Tax Cuts and Jobs Act (the Act) was signed into law, which among other things reduced the corporate tax rate from 35% to 21%. In accordance with the transition rule of the Act, the Company re-calculated the discounted unpaid losses and salvage at December 31, 2017. The recalculation of reserves for income tax purposes resulted in a $27,428 net increase to loss reserves, which will be amortized into taxable income over eight years, beginning in 2018. As of December 31, 2018, the Company has incorporated all significant impacts of the Act.

(in thousands)

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

	2019		2018	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income before taxes	$38,169	21.0%	$33,265	21.0%
Tax exempt interest, net of pro-ration	0	0.0%	(160)	-0.1%
Dividends received deduction, net of pro-ration	(1,135)	-0.6%	(1,261)	-0.8%
Change in nonadmitted assets	(13,091)	-7.2%	8,211	5.2%
Change in pension overfunded asset	10,548	5.8%	(20,755)	-13.1%
Change in accounting principles	611	0.4%	4,370	2.8%
Other	(6,205)	-3.5%	4,497	2.8%
Total	$28,897	15.9%	$28,167	17.8%
Federal income taxes incurred	$3,406	1.9%	($12,880)	-8.1%
Tax on capital gains	20,231	11.1%	36,515	23.0%
Change in net deferred taxes	5,260	2.9%	4,532	2.9%
Total statutory income taxes	$28,897	15.9%	$28,167	17.8%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2019, the Company had no unused operating loss or tax credit carryforwards available.

2. The Company has the following Federal income taxes incurred and available for recoupment in the event of future net losses.

Year	Total
2019	$29,576
2018	$27,915

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

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
3. Amica Life Insurance Company

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

(in thousands)

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, 2019 and 2018 is as follows:

		Written Reinsurance Premiums Assumed		Written Reinsurance Premiums Ceded				
Year	Direct Premiums Written	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	Net Premiums Written	Change in Unearned Premiums	Net Premiums Earned
2019	$2,283,945	$51,483	$3,472	$0	$43,934	$2,294,966	$117,236	$2,412,202
2018	$2,376,191	$42,375	$3,291	$0	$47,598	$2,374,259	($47,227)	$2,327,032

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. The 2019 catastrophe reinsurance contract provides coverage of $1,300,000, excess of $200,000, before retained share, with net coverage totaling $850,000. In addition, the Company participates in the Florida Hurricane Catastrophe Fund (FHCF), with 90% coverage of approximately $118,000 excess of $40,700.

In 2018, the Company became a member in the California Earthquake Authority (CEA). The CEA is a privately funded not-for-profit entity established in 1996 by the California Legislature that works with participating insurers. The membership in the CEA requires the Company to make a capital contribution to the CEA based on market share, which resulted in a one-time $13,300 capital contribution payable over a twelve month period. In order to limit the Company's exposure until this business was completely transferred, the Company purchased California earthquake catastrophe reinsurance coverage of $150,000, excess $50,000. As of October 2019, the Company no longer had earthquake exposures in California.

B. Amounts representing ceded losses recoverable on unpaid losses and unpaid loss adjustment expenses deducted from losses and loss adjustment expense reserves amounted to $7,409 and $3,675 at December 31, 2019 and 2018, 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, 2019. Direct unearned premium at December 31, 2018 was $1,165,077.

	Assumed Premium Reserve	Assumed Commission Equity	Ceded Premium Reserve	Ceded Commission Equity	Net Premium Reserve	Net Commission Equity
Affiliated	$19,554	$3,911	$0	$0	$19,554	$3,911
All Other	1,865	0	1,861	389	435	(389)
Total	$21,419	$3,911	$1,861	$389	$19,989	$3,522
Direct Unearned Premium Reserve			$1,090,874			

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.

During 2019, the Company elected to close the defined benefit pension plan to new participants such that no new participants may be added on or after July 1, 2019. Employees hired on or after July 1, 2019 will have an enhanced 401(k) benefit in lieu of a pension benefit.

The plan is funded through a pension trust (Amica Pension Fund). The net periodic benefit cost/(benefit) for 2019 and 2018 was ($3,483) and ($45,599), respectively, as the expected return on plan assets exceeded the pension costs. At December 31, 2019, the Company recorded a prepaid pension asset of $765,378, offset by a $266,488 overfunded contra asset in accordance with SSAP No. 102. At December 31, 2018, the Company recorded a prepaid pension asset of $736,895, offset by a $316,719 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 Mutual Insurance Company Health and Welfare Plan. The Company’s share of the net periodic benefit cost for postretirement health care was $13,584 for 2019 and $13,505 for 2018. At December 31, 2019, the Company recorded a prepaid retiree medical expense of $3,389, offset by a $3,389 overfunded contra asset and a $14,368 liability from the adoption of SSAP No. 92. At December 31, 2018, the Company recorded a prepaid retiree medical expense of $4,327, offset by a $4,327 overfunded contra asset and a $32,992 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.

At December 31, 2019 and 2018, the Company recorded a liability of $20,268 and $14,034, respectively, for retiree life insurance benefits. The Company’s share of the net periodic benefit cost for retiree life insurance benefits was $2,379 for 2019 and $2,307 for 2018.

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

(in thousands)

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 $13,809 and $12,720 on behalf of participating employees in 2019 and 2018, respectively.

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 $110,891 at December 31, 2019 and $96,982 at December 31, 2018. The Company has recorded $74,042 and $66,391 at December 31, 2019 and 2018, 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 $10,984 in 2019 and $5,228 in 2018, 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 the Company and Amica Life are as follows at December 31, 2019 and 2018:

	Pension Benefits				Postretirement Benefits	
	Overfunded		Underfunded		Underfunded	
	2019	2018	2019	2018	2019	2018
1. Change in benefit obligation						
1. Benefit obligation at the beginning of the year	$1,402,573	$1,487,540	$69,146	$74,714	$382,485	$425,682
2. Service cost	31,054	35,546	7,745	1,835	5,737	6,595
3. Interest cost	60,495	55,924	2,034	1,863	16,029	15,428
4. Contribution by plan participants	0	0	0	0	1,481	1,468
5. Actuarial (gain) loss	185,397	(119,019)	4,768	(4,296)	33,571	(48,624)
6. Foreign currency exchange rate changes	0	0		0	0	0
7. Benefits paid	(96,016)	(57,418)	(6,089)	(4,970)	(17,932)	(18,064)
8. Plan amendments	0	0	0	0	0	0
9. Business contributions, divestitures, curtailments, settlements, and special termination benefits	0	0	0	0		
10. Benefit obligation at end of year	$1,583,503	$1,402,573	$77,604	$69,146	$421,371	$382,485

(in thousands)

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
2. Change in plan assets				
a. Fair Value on plan assets at beginning of year	$1,822,750	$1,940,952	$331,157	$339,721
b. Actual return on plan assets	330,660	(80,784)	50,272	(8,292)
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	31,089	24,970	16,918	16,683
e. Plan participants' contributions	0	0	1,481	1,468
f. Benefits paid	(102,105)	(62,388)	(18,177)	(18,423)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	$2,082,394	$1,822,750	$381,651	$331,157
3. Funded Status				
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$765,378	$736,895	$3,389	$5,102
2. Overfunded plan assets	(266,488)	(316,719)	(3,389)	(5,102)
3. Total assets (nonadmitted)	498,890	420,176	0	0
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	60,709	55,557	39,720	52,103
2. Liability for pension benefits	16,895	13,589	0	0
3. Total liabilities recognized	77,604	69,146	39,720	52,103
c. Unrecognized liabilities	$283,383	$330,308	$29,626	$41,295
4. Components of net periodic benefit cost				
a. Service cost	$38,799	$37,380	$5,737	$6,595
b. Interest cost	62,529	57,787	16,030	15,427
c. Expected return on plan assets	(101,263)	(135,161)	(15,973)	(16,422)
d. Transition asset or obligation	(3,997)	473	10,984	10,984
e. (Gains) and losses	11,741	6,928	0	35
f. Prior service cost or (credit)	(52)	(7,455)	(44)	(42)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	$7,757	($40,048)	$16,734	$16,577

AMICA MUTUAL INSURANCE COMPANY

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(in thousands)

December 31, 2019 and 2018

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
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	$330,308	$237,624	$41,295	$76,181
b. Net transition asset or (obligation) recognized	3,997	(473)	0	0
c. Net prior service cost or (credit) arising during the period	0	0	0	0
d. Net prior service cost or (credit) recognized	52	7,454	(10,941)	(10,941)
e. Net (gain) and loss arising during the period	(39,233)	92,631	(728)	(23,911)
f. Net (gain) and loss recognized	(11,741)	(6,928)	0	(34)
g. Items not yet recognized as a component of net periodic cost - current year	$283,383	$330,308	$29,626	$41,295
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)	(19)	(52)	(44)	(44)
c. Net recognized (gains) and losses	7,692	13,623	262	0
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	($23,400)	($27,397)	$32,953	$43,937
b. Net prior service cost or (credit)	1,666	1,614	(313)	(356)
c. Net recognized (gains) and losses	305,117	356,091	(3,014)	(2,286)

(in thousands)

8. Weighted-average assumptions as of December 31, 2019 and 2018 were:

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
Measurement date for:				
Net periodic benefit cost	12/31/19	12/31/18	12/31/19	12/31/18
Year-end benefit obligation	12/31/19	12/31/18	12/31/19	12/31/18
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	3.50%	4.40%	3.50%	4.40%
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	4.30%	3.80%	3.50%	3.80%
Expected return on plan assets	5.20%	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 PRI-2012 mortality tables projected generationally with Mortality Improvement Scale MP-2019.

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

Years	Pension Benefits	Postretirement Benefits
2020	$69,282	$17,243
2021	71,741	18,113
2022	79,790	18,873
2023	77,472	19,520
2024	89,271	20,266
2025 through 2029	439,273	104,412

(in thousands)

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

Pension and Postretirement Plans	Contribution
Pension Fund	$0
Supplemental Retirement Plan	3,696
Postretirement Health Care	14,357
Retired Life Reserve	2,033
Unfunded Retired Life Benefit	853

11. The assumed health care cost trend rate is 6.7% for 2019 with an ultimate health care trend rate of 4.5% reached in 2027.

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

	2019	2018
Effect of a 1% Increase in Health Care Cost Trend Rates:		
Total of service cost and interest cost	$694	$807
Postretirement benefit obligation	13,777	14,085
Effect of a 1% Decrease in Health Care Cost Trend Rates:		
Total of service cost and interest cost	(576)	(663)
Postretirement benefit obligation	(11,575)	(12,012)

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 the Company and Amica Life as of December 31, 2019 and 2018:

Pension Benefits	Overfunded		Underfunded	
	2019	2018	2019	2018
Accumulated benefit obligation	($1,527,761)	($1,363,376)	($75,868)	($66,791)
Plan assets at fair value	2,082,394	1,822,750	0	0
Funded status	$554,633	$459,374	($75,868)	($66,791)

    The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2019 and 2018. The adoption of SSAP No. 102 for the Pension Fund did not have a surplus impact on the Company and Amica Life as the pension plan was overfunded by more than the transition liabilities. At transition, the

(in thousands)

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.

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.

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 the Company and Amica Life as of December 31, 2019 and 2018:

Postretirement Benefits	**Overfunded**		**Underfunded**	
	2019	**2018**	**2019**	**2018**
Accumulated benefit obligation	$0	$0	($421,371)	($382,485)
Plan assets at fair value	0	0	381,650	331,157
Funded status	$0	$0	($39,721)	($51,328)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2019 and 2018. 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. Prior to 2018, $161,357 was recognized for the transition liability, resulting in an unrecognized transition liability of $8,617. In accordance with the guidance, the Company's share of the cumulative transition liability reflected in the financial statements was $156,427 on December 31, 2018, with $7,888 recognized in 2018. The remaining $8,458 was recorded on the financial statements of Amica Life Insurance Company with $729 recognized in 2018. As a result, the transition liability was recognized in its entirety as of December 31, 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.

(in thousands)

The closure of the pension plan to new participants drove an updated asset allocation strategy for the Pension Fund in 2019. In an effort to de-risk the Pension Fund portfolio, the asset allocation was shifted away from individual debt and equity securities to include a buy-in group annuity contract and liability hedging portfolio. The group annuity contract was purchased in 2019 to provide the Pension Fund with an income stream to match retirees actively receiving pension benefits at the time of purchase. The liability hedging portfolio is comprised of a series of fund investments designed to complement pension liabilities not covered by the group annuity contract. 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.

The defined benefit pension plan asset allocation as of the measurement date, December 31, 2019 and 2018, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**2019**	**2018**	**2019**	**2018**
a. Debt securities	0.0%	32.0%	0.0%	30.5%
b. Equity securities	0.0%	55.2%	0.0%	58.5%
c. Other	100.0%	12.8%	100.0%	11.0%
d. Total	100.0%	100.0%	100.0%	100.0%

At December 31, 2019, the Pension fund plan assets were comprised of a liability hedging portfolio (49.4%), a buy-in group annuity contract (42.3%), other alternative investments (7.5%) and cash and short-term investments (0.8%).

(in thousands)

The postretirement benefit plan asset allocation as of the measurement date, December 31, 2019 and 2018, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		Target Allocation	
Asset Category	**2019**	**2018**	**2019**	**2018**
a. Debt securities	28.0%	29.3%	29.0%	29.0%
b. Equity securities	58.0%	56.3%	58.0%	58.5%
c. Other	14.0%	14.4%	13.0%	12.5%
d. Total	100.0%	100.0%	100.0%	100.0%

G. Fair Value of Plan Assets

1. Fair Value Measurements of Plan Assets at Reporting Date

Pension Fund				
2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Description for each class of plan assets				
Cash equivalents	$15,945	$0	$0	$15,945
Commercial mortgage loans	0	16,697	0	16,697
Buy-in group annuity contract	0	0	881,565	881,565
Commingled pools measured at net asset value [(1)]	0	0	0	1,028,156
Other invested assets	0	0	140,097	140,097
Total plan assets	$15,945	$16,697	$1,021,662	$2,082,460

(in thousands)

Pension Fund				
2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Description for each class of plan assets				
U.S. government and Federal agencies	$124,583	$146,752	$0	$271,335
State and political subdivisions	0	125,256	0	125,256
Corporate debt securities	0	168,640	0	168,640
Preferred stock	679	0	0	679
Common stock	650,288	0	0	650,288
Cash equivalents (2)	65,258	64,717	0	129,975
Short-term investments	0	642	0	642
Commercial mortgage loans	0	15,117	0	15,117
Index funds measured at net asset value (1)	0	0	0	350,537
Other invested assets	0	0	127,866	127,866
Total plan assets	$840,808	$521,124	$127,866	$1,840,335

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

(2) - For 2018, certain cash equivalents were incorrectly reported in the NAV category in the fair value table. These funds should have been reflected as Level 1 since the price is readily available. The 2018 balances have been reclassified to reflect the correct fair value level.

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

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

Level 3 financial assets consist of holdings in a buy-in group annuity contract, limited partnership hedge funds and private equity investments. The buy-in contract is valued by the contract issuer and is equal to the present value of each projected annuity payment to be paid under the terms of the contract, adjusted using a discount rate of 100% "AA" credit quality bonds and defined mortality, pricing and actuarial assumptions. The fair values of the funds are based on the GAAP equity of the fund from the most recent statement received, adjusted for any cash transactions through year-end.

(in thousands)

Postretirement Health Care				
2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Description for each class of plan assets				
U.S. government and Federal agencies	$1,003	$16,628	$0	$17,631
State and political subdivisions	0	58,234	0	58,234
Corporate debt securities	0	16,497	0	16,497
Common stock	131,607	0	0	131,607
Cash equivalents	13,170	14,815	0	27,985
Short-term investments	0	100	0	100
Commercial mortgage loans	0	3,131	0	3,131
Index funds measured at net asset value (1)	0	0	0	67,852
Other invested assets	0	0	21,276	21,276
Total plan assets	$145,780	$109,405	$21,276	$344,313

Postretirement Health Care				
2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Description for each class of plan assets				
U.S. government and Federal agencies	$1,415	$14,668	$0	$16,083
State and political subdivisions	0	54,084	0	54,084
Corporate debt securities	0	12,620	0	12,620
Preferred stock	106	0	0	106
Common stock	108,384	0	0	108,384
Cash equivalents (2)	9,283	16,349	0	25,632
Short-term investments	0	210	0	210
Commercial mortgage loans	0	2,116	0	2,116
Index funds measured at net asset value (1)	0	0	0	55,223
Other invested assets	0	0	20,585	20,585
Total plan assets	$119,188	$100,047	$20,585	$295,043

(1) - Assets held at net asset value are included in the leveling table above to permit reconciliation to the amounts presented in the Amica Mutual Insurance Company Health and Welfare Plan's statement of financial position.

(2) - For 2018, certain cash equivalents were incorrectly reported in the NAV category in the fair value table.

(in thousands)

These funds should have been reflected as Level 1 since the price is readily available. The 2018 balances have been reclassified to reflect the correct fair value level.

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

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

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

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

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

	Pension Fund		Postretirement Health Care	
	2019	**2018**	**2019**	**2018**
Balance at beginning of year	$127,866	$97,194	$20,585	$15,990
Total gains/losses (realized/unrealized) included in net				
increase (decrease) in net assets available for benefits	37,885	9,368	1,464	1,821
Purchases	906,404	48,645	8,932	6,984
Sales	(50,493)	(27,341)	(9,705)	(4,210)
Issuances	0	0	0	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance at end of year	$1,021,662	$127,866	$21,276	$20,585

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 Company's investment in Amica Life was $338,139 and $328,262 at December 31, 2019 and 2018, respectively.

2. The Company allocates a portion of the postretirement benefit expense to Amica Life under an expense allocation arrangement. During 2019 and 2018, expenses of $1,027 and $1,088 respectively, were allocated to the subsidiary.

3. During 2019 and 2018, the Company paid premiums of $5,183 and $4,748, respectively, for group life insurance on the lives of employees and retirees to its affiliate, Amica Life.

4. During 2019 and 2018, costs of $2,288 and $1,913, 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 $761 and $1,197 in 2019 and 2018, respectively, for structured settlements.

6. Amica Life reimbursed the Company $2,374 and $2,374 in 2019 and 2018, 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, 2019 or 2018.

8. On April 20, 2016, the Board of Directors of Amica Mutual authorized up to $150,000 in capital contributions to Amica Life to support the Amica Life's ongoing growth initiatives. The timing and amount of any capital contributions are at the discretion of the President of Amica Mutual. On January 3, 2017, Amica Mutual made a capital contribution of $25,000 to Amica Life to provide support regarding Amica Life's growth initiatives. On both January 2, 2018 and January 2, 2019, Amica Mutual made capital contributions of $25,000 to Amica Life for the same purpose. Subsequent to the date of the statutory financial statements, the Company made an additional $25,000 capital contribution to Amica Life on January 2, 2020. The Company has contributed a total of $100,000 of the authorized capital infusion. The timing and amount of the remaining $50,000 will be determined by the President of Amica Mutual.

9. The Consolidated Federal Income Tax Agreement between Amica Mutual and affiliates was amended in 2017 to include Amica Life. See Note 10G for further information.

B. Amica Property and Casualty Insurance Company (Amica P&C)

1. The Company owns 100% of the outstanding stock of Amica P&C, a property and casualty insurance company that is primarily used to supplement Amica Mutual's personal automobile writings. The Company operates under a dual-company underwriting approach under which personal automobile policies underwritten by Amica Mutual are split between Amica Mutual and Amica P&C based on set underwriting criteria, which places preferred business with Amica Mutual and standard business with Amica P&C. Prior to 2017, Amica P&C's underwriting was comprised exclusively of auto business in New Jersey and New York; however, Amica's commitment to the aforementioned dual-company underwriting model resulted in the expansion of Amica P&C's writings, and the Company began writing auto business in Georgia, Texas and Rhode Island in 2017. The Company expanded auto writings into thirteen additional states in 2018 and began writing auto business in another seven states in 2019, bringing the ultimate total to twenty-five states by the end of the year. The statutory equity value of the Company's investment in Amica P&C was $83,103 and $80,854 at December 31, 2019 and 2018, respectively.

2. 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.

   Effective October 1, 2018, the Company changed its settlement methodology related to premiums assumed under the quota share reinsurance agreement. The Company will now settle premiums on an earned basis rather than on a written basis. As a result of this change, the Company transferred $16,360 to Amica P&C in October as a reimbursement for amounts settled under the previous methodology. This change did not impact income or expenses for either company, only the timing related to the settlement of premiums.

3. 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

(Continued)

(in thousands)

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 $8,729 and $6,441 in 2019 and 2018, respectively.

C. Amounts Due to or from Related Parties

At December 31, 2019 and 2018, the following amounts were (payable)/recoverable (to)/from affiliates:

	2019		2018	
Affiliate	Management, Service and Reinsurance Contracts	Federal Income Taxes	Management, Service and Reinsurance Contracts	Federal Income Taxes
Amica General Agency, LLC	$101	$54	($51)	$52
Amica Life Insurance Company	61	(1,212)	259	(471)
Amica Property and Casualty Insurance Company	(596)	38	(566)	90
Total	($434)	($1,120)	($358)	($329)

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

The Company received an $11,000,000 member contribution from Amica General Agency, LLC in August 2019.

D. 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 $3,301 is fully admitted in the Company's December 31, 2019 balance sheet. In August 2019, an $11,000 member distribution was made to Amica Mutual.

E. 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 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:

(in thousands)

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	$13,721	$0	$338,139	$338,139

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 – Risk Based Capital

Risk Based Capital (RBC) is intended to identify companies that are in financial difficulty by establishing minimum capital needs based on the risks applicable to the operations of the individual company. The calculation of RBC for the Company was above the minimum required level at December 31, 2019 and 2018.

Note 15 – Leases

A. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through 2025. Rental expense for 2019 and 2018 was $12,254 and $11,820 respectively. Future minimum rental payments are as follows:

Year	Amount
2020	$10,135
2021	9,306
2022	7,305
2023	4,695
2024	4,695
Thereafter	4,123
Total	$40,259

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

Note 16 – Contingencies

A. Contingent Commitments

The Company has made commitments to provide $149,652 in additional funds to unaffiliated limited partnerships as of December 31, 2019. See Note 4 for more information.

B. Guarantees

Not applicable.

(in thousands)

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.

The Company has accrued a liability for guaranty fund and other assessments of $970 at December 31, 2019 and $1,212 at December 31, 2018. 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 17 – 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	2019	2018
Prepaid pension contribution	$498,890	$420,176
Furniture and other equipment, net	67,302	88,908
Prepaid expenses	15,682	10,601
Premium receivable over 90 days past due	519	609
Amica Companies Supplemental Retirement Trust	36,848	30,591
Other	2,802	8,820
Total Non-admitted Assets	$622,043	$559,705

Note 18 – Subsequent Events

Subsequent events have been considered through February 12, 2020 for the statutory statement issued on February 12, 2020 and through May 11, 2020 for the audited statutory financial statements issued on May 11, 2020.

On January 2, 2020, 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.

The outbreak of the coronavirus disease (COVID-19) has led to a substantial impact on financial markets. As a result of COVID-19, economic growth will meaningfully slow in 2020 and considerable uncertainty exists as to the duration of the slowdown. Global monetary and fiscal authorities are expected to support the economy and financial markets throughout this uncertainty with policy support. Reactions to the outbreak have led to market declines, reducing the fair market value of invested assets held by the Company, and prompted the Federal Reserve to reduce interest rates, which will influence future investment returns. While it is likely the Company's insurance operations will also be impacted to some degree, it is too early to estimate the extent to which any of the Company's revenues, losses and expenses may be affected.

In April 2020, the Company announced its COVID-19 Auto Premium Relief Program, which will provide auto policyholders insured as of April 1, 2020, a 20% credit on their auto premiums for April and May 2020.

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, 2019

Schedule 1

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	908,196,705	19.633	908,196,705		908,196,705	19.633
1.02 All other governments		0.000				0.000
1.03 U.S. states, territories and possessions, etc. guaranteed	228,949,059	4.949	228,949,059		228,949,059	4.949
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	33,601,739	0.726	33,601,739		33,601,739	0.726
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	385,270,569	8.328	385,270,569		385,270,569	8.328
1.06 Industrial and miscellaneous	1,007,210,124	21.773	1,007,210,124		1,007,210,124	21.773
1.07 Hybrid securities		0.000				0.000
1.08 Parent, subsidiaries and affiliates		0.000				0.000
1.09 SVO identified funds		0.000				0.000
1.10 Unaffiliated Bank loans		0.000				0.000
1.11 Total long-term bonds	2,563,228,196	55.410	2,563,228,196		2,563,228,196	55.410
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)		0.000				0.000
2.02 Parent, subsidiaries and affiliates		0.000				0.000
2.03 Total preferred stocks		0.000				0.000
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	774,557,486	16.744	774,557,486		774,557,486	16.744
3.02 Industrial and miscellaneous Other (Unaffiliated)	2,890,800	0.062	2,890,800		2,890,800	0.062
3.03 Parent, subsidiaries and affiliates Publicly traded		0.000				0.000
3.04 Parent, subsidiaries and affiliates Other	421,241,550	9.106	421,241,550		421,241,550	9.106
3.05 Mutual funds	388,438,291	8.397	388,438,291		388,438,291	8.397
3.06 Unit investment trusts		0.000				0.000
3.07 Closed-end funds		0.000				0.000
3.08 Total common stocks	1,587,128,127	34.309	1,587,128,127		1,587,128,127	34.309
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages		0.000				0.000
4.02 Residential mortgages		0.000				0.000
4.03 Commercial mortgages	117,368,844	2.537	117,368,844		117,368,844	2.537
4.04 Mezzanine real estate loans		0.000				0.000
4.05 Total mortgage loans	117,368,844	2.537	117,368,844		117,368,844	2.537
5. Real estate (Schedule A):						
5.01 Properties occupied by company	52,390,966	1.133	52,390,966		52,390,966	1.133
5.02 Properties held for production of income		0.000				0.000
5.03 Properties held for sale		0.000				0.000
5.04 Total real estate	52,390,966	1.133	52,390,966		52,390,966	1.133
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	(75,217,890)	(1.626)	(75,217,890)		(75,217,890)	(1.626)
6.02 Cash equivalents (Schedule E, Part 2)	184,697,106	3.993	184,697,106		184,697,106	3.993
6.03 Short-term investments (Schedule DA)	2,511,446	0.054	2,511,446		2,511,446	0.054
6.04 Total cash, cash equivalents and short-term investments	111,990,662	2.421	111,990,662		111,990,662	2.421
7. Contract loans		0.000				0.000
8. Derivatives (Schedule DB)		0.000				0.000
9. Other invested assets (Schedule BA)	193,864,996	4.191	193,864,996		193,864,996	4.191
10. Receivables for securities		0.000				0.000
11. Securities Lending (Schedule DL, Part 1)		0.000		XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)		0.000				0.000
13. Total invested assets	4,625,971,791	100.000	4,625,971,791		4,625,971,791	100.000

See accompanying independent auditors' report.

AMICA MUTUAL INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2019

Schedule 2

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. $ 5,360,643,572

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	$ 338,138,711	6.3 %
2.02	Federal National Mortgage Association	Bonds	$ 193,031,459	3.6 %
2.03	The Goldman Sachs Group Inc.	Bonds, Common Stock, Money Market Fund	$ 96,804,414	1.8 %
2.04	Federal Home Loan Mortgage Corporation	Bonds	$ 86,978,504	1.6 %
2.05	Amica Property & Casualty Insurance Company	Common Stock	$ 83,102,839	1.6 %
2.06	State of Washington	Bonds	$ 77,611,052	1.4 %
2.07	FREMF Mortgage Trust	Bonds	$ 77,117,741	1.4 %
2.08	State of Texas	Bonds	$ 55,737,623	1.0 %
2.09	JP Morgan Mortgage Trust	Bonds	$ 51,105,211	1.0 %
2.10	Royal Caribbean Cruises Ltd.	Commerical Paper	$ 43,612,883	0.8 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC-1	$ 2,240,796,089	41.8 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 435,644,846	8.1 %	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	$ 94,305,633	1.8 %
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

See accompanying independent auditors' report.

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

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

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

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

		1	2
7.	Aggregate unhedged foreign currency exposure	$	%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	1 Issuer	2	3
13.02	Fidelity Total International Index Fund	$ 341,783,327	6.4 %
13.03	Amica Life Insurance Company	$ 338,138,711	6.3 %
13.04	Amica Property & Casualty Insurance Company	$ 83,102,839	1.6 %
13.05	Fidelity Emerging Markets Index Fund	$ 42,726,122	0.8 %
13.06	Microsoft Corp.	$ 32,379,910	0.6 %
13.07	Apple Inc.	$ 30,844,996	0.6 %
13.08	Point Judith Capital Partners IV, LLC	$ 27,754,948	0.5 %
13.09	Alphabet Inc.	$ 23,178,144	0.4 %
13.10	JPMorgan Chase & Co.	$ 19,641,599	0.4 %
13.11	Savano Direct GP II, LLC	$ 16,177,595	0.3 %

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

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

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

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

Ten largest fund managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Nondiversified
14.06		$	$	$
14.07		$	$	$
14.08		$	$	$
14.09		$	$	$
14.10		$	$	$
14.11		$	$	$
14.12		$	$	$
14.13		$	$	$
14.14		$	$	$
14.15		$	$	$

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		$	%

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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		$	%

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		$	%

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Schedule 2

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

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

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

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

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

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

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

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

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Schedule 3

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions:

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 37 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]