AMICA LIFE 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 Life Insurance Company:

We have audited the accompanying financial statements of Amica Life Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2019 and 2018, and the related statutory statements of income, capital and surplus, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting practices and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of Amica Life Insurance Company as of December 31, 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 Life 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.

Emphasis of Matter

As discussed in note 2 to the financial statements, the Company received permission from the State of Rhode Island Department of Business Regulation Insurance Division in 2014 to allow the Company to record directly to surplus the change in XXX reserves that is above the change in the reserves calculated on a discounted cash flow basis. The National Association of Insurance Commissioners' (NAIC) requires the entire change in XXX reserves to be recorded directly to net income under statutory accounting practices. If the change in XXX reserves were recognized in accordance with NAIC statutory accounting practices, net income would have decreased by $13.7 million and $12.7 million, and there would be no change in surplus in 2019 and 2018, respectively.

Other Matter

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

KPMG LLP

Providence, Rhode Island
May 11, 2020

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

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

December 31, 2019 and 2018

	2019	2018
Assets:		
Bonds and debt securities	$ 981,972	$ 984,625
Preferred stocks	0	29
Common stocks	55,221	49,655
Mortgage loans	71,933	60,497
Policy loans	8,620	8,110
Cash and cash equivalents	87,677	72,392
Other invested assets	70,595	62,495
Receivables for securities	0	19
Total cash and invested assets	1,276,018	1,237,822
Deferred and uncollected premiums	33,569	33,058
Federal income tax recoverable	1,212	874
Interest and dividend income due and accrued	7,995	8,404
Reinsurance premium receivable	36,714	34,320
Reinsurance recoverable	1,051	3,856
Other assets admitted	4,660	4,090
Total assets	$ 1,361,219	$ 1,322,424
Liabilities and Capital and Surplus:		
Reserve for life policies and annuity contracts	$ 773,784	$ 752,350
Liability for deposit-type contracts	117,619	129,580
Policy and contract claims	8,281	4,781
Interest maintenance reserve	11,639	8,852
Accrued other expenses	12,928	5,226
Asset valuation reserve	21,115	14,866
Retired lives reserve	39,618	38,516
Other liabilities	38,096	39,991
Total liabilities	1,023,080	994,162
Capital and surplus:		
Capital stock – $100 par value per share. Authorized and issued 50,000 shares	5,000	5,000
Paid in surplus	177,000	152,000
Unassigned funds	156,139	171,262
Total capital and surplus	338,139	328,262
Total liabilities and capital and surplus	$ 1,361,219	$ 1,322,424

See accompanying notes to statutory financial statements.

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

Statutory Statements of Income
(in thousands)

December 31, 2019 and 2018

	2019	2018
Income:		
Premiums and annuity considerations	$ 73,733	$ 69,796
Considerations for supplementary contracts with life contingencies	628	1,146
Net investment income	45,666	45,408
Commissions and expense allowances on reinsurance ceded	11,276	11,075
Other income	0	285
Total income	131,303	127,710
Benefits and other expenses:		
Death benefits	33,012	33,178
Annuity benefits	22,090	23,495
Surrender benefits and other fund withdrawals	12,532	12,828
Other policyholder benefits	1,838	1,885
Increase in reserves for life policies and annuity contracts	7,713	1,105
Interest and adjustments on policy or deposit type contracts	6,237	6,779
Increase in reserve for retired lives	1,101	1,307
General insurance expenses	42,674	41,487
Taxes, licenses, and fees	3,610	3,469
Decrease in loading on deferred and uncollected premiums	(1,673)	(2,395)
Other expenses	10	0
Total benefits and other expenses	129,144	123,138
Net gain from operations before Federal income tax and net realized capital gains	2,159	4,572
Federal income tax benefit	(6,421)	(3,255)
Net gain from operations before net realized capital gains	8,580	7,827
Net realized capital gains, excluding gains transferred to IMR, net of Federal income taxes of $2,012 and $1,560 in 2019 and 2018, respectively	4,214	3,624
Net income	$ 12,794	$ 11,451

See accompanying notes to statutory financial statements.

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

Statutory Statements of Capital and Surplus
(in thousands)

December 31, 2019 and 2018

	2019	2018
Capital and surplus at January 1	$ 328,262	$ 310,163
Compensated absenses accrual	(844)	0
Change in accounting principles	0	(729)
Correction of an error	(242)	0
Surplus, beginning of period, restated	327,176	309,434
Net income	12,794	11,451
Paid in surplus	25,000	25,000
Change in XXX reserves	(13,721)	(12,725)
Net change in unrealized capital gains (losses), net of ($1,453) and ($1,688)		
Federal income tax benefit in 2019 and 2018, respectively	5,110	(6,349)
Change in net deferred income tax	1,453	(1,688)
Change in non-admitted assets	(12,893)	(180)
Change in Amica Companies Supplemental Retirement Trust	(76)	(506)
Change in asset valuation reserve	(6,249)	1,751
Change in retiree medical benefit liability	381	1,622
Other surplus adjustments	(836)	452
Change in capital and surplus	10,963	18,828
Capital and surplus at December 31	$ 338,139	$ 328,262

See accompanying notes to statutory financial statements.

AMICA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of 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	$ 73,136	$ 69,242
Net investment income	45,849	45,229
Miscellaneous income	11,513	11,042
Benefit and loss related payments	(63,590)	(77,623)
Commissions, expense, and aggregate write-ins for deductions	(45,113)	(43,856)
Federal income taxes recovered	3,885	2,761
Net cash from operations	25,680	6,795
Cash (to) from investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	594,246	156,045
Bonds and debt securities matured or repaid	103,504	96,679
Stocks	21,684	37,594
Mortgage loans repaid	515	1,452
Other	20,064	37,729
Total investment proceeds	740,013	329,499
Cost of investments acquired:		
Bonds and debt securities	689,907	248,897
Stocks	15,932	37,286
Mortgage loans	11,951	16,391
Other	26,058	22,948
Total investments acquired	743,848	325,522
Net increase (decrease) in policy loans	509	(273)
Net cash (to) from investments	(4,344)	4,250
Cash (to) from financing and miscellaneous sources:		
Capital and paid in surplus	25,000	25,000
Net deposits on deposit-type contract funds and other insurance liabilities	(18,043)	(19,468)
Other cash provided	(13,008)	(266)
Net cash (to) from financing and miscellaneous sources	(6,051)	5,266
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	15,285	16,311
Cash and cash equivalents - beginning of year	72,392	56,081
Cash and cash equivalents - end of year	$ 87,677	$ 72,392

See accompanying notes to statutory financial statements.

Note 1 - Nature of Operations

Amica Life Insurance Company, hereinafter referred to as “Amica Life” or “the Company”, is a Rhode Island domiciled life insurance company. Amica Life is a wholly owned subsidiary of Amica Mutual Insurance Company, hereinafter referred to as “Amica Mutual” or “Parent”. Amica Life markets traditional life insurance products and annuities through a direct distribution model. Prior to 2012, the majority of business was generated from the Amica Mutual policyholder base. Amica Life implemented a marketing campaign targeting the broad market in an effort to expand the book of business. Amica Life previously wrote structured settlements that resulted primarily from Amica Mutual bodily injury claim settlements, but a strategic decision was made in 2017 to focus on the traditional life business and stop actively marketing structured settlements. Amica Life is licensed in fifty states and the District of Columbia. Ordinary life insurance products make up the largest portion of the Company’s book of business, amounting to approximately 77% of net premiums and annuity considerations in 2019.

Note 2 - Summary of Significant Accounting Policies and Going Concern

A. Basis of Presentation

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

On January 1, 2000, the NAIC Valuation of Life Insurance Model Regulation XXX set out valuation requirements for term life policies with long-term guaranteed premiums. This regulation imposed significant increases in statutory reserves for life insurance companies, which the Company considered redundant. Effective January 1, 2014, the Rhode Island Department of Business Regulation Insurance Division approved a permitted accounting practice to allow the Company to record the change in XXX reserves exceeding the change in the reserves calculated on a discounted cash flow basis directly to surplus. This practice differs from the NAIC statutory accounting practice (NAIC SAP) requirement to record the change in XXX reserves directly to net income. This practice has no effect on the surplus of the Company, nor its reserve position, as the Company continues to establish reserves in accordance with Rhode Island Regulation 93. Recording the change in XXX reserves in accordance with NAIC SAP would decrease net income by $13,721 and $12,725 as of December 31, 2019 and 2018, respectively.

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

(in thousands)

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Rhode Island as of December 31, 2019 and December 31, 2018 is shown below:

	State of Domicile	12/31/19	12/31/18
Net Income - Rhode Island Basis	RI	$12,794	$11,451
State Prescribed Practices - None	RI	0	0
State Permitted Practices - Change in XXX Reserves	RI	13,721	12,725
Net Income (Loss) - NAIC SAP	RI	($927)	($1,274)
Statutory Capital and Surplus - Rhode Island Basis	RI	$338,139	$328,262
State Prescribed Practices - None	RI	0	0
State Permited Practices - None	RI	0	0
Statutory Surplus - NAIC SAP	RI	$338,139	$328,262

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

C. Investment Policy

1. Cash equivalents are stated at fair value. Certificates of deposit in banks or other similar financial institutions with maturity dates within one year or less from the acquisition date are classified as cash.

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

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

4. Preferred stocks are stated at cost.

5. Common stocks are stated at fair value.

6. Mortgage loans on real estate are reported at the unpaid balance of the loan. Interest earned on mortgage loans is accrued on the outstanding principal balance of the loan based on the loan's contractual coupon rate, less any service fees. 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.

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

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

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

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

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

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

D. Asset Valuation and Interest Maintenance Reserves

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

E. Asset Depreciation and Amortization Policy

The Company's capitalization policy includes a prepaid expense threshold of $50, capitalization of qualifying expenses associated with projects in excess of $50 and capitalization of internal labor costs on strategic projects to the extent they qualify. The policy maintains the $5 de minimis limitation on capitalizing individual items for projects under $50.

In 2019, the Company updated its capitalization policy to include the published revisions to SSAP No. 16R as it relates to implementation costs of cloud computing service contracts.

F. Policy Reserves

Policy reserves for life insurance are principally based on the 1941, 1958, 1980, 2001 and 2017 Commissioner's Standard Ordinary Mortality Tables; and the 1958, and 1980 Commissioner's Extended Term Tables, with assumed interest rates ranging from 3% to 6%.

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

G. Revenue Recognition Policy

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

H. Reinsurance

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

I. Federal Income Taxes

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

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

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

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J. Fair Value of Financial Instruments

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

1. Cash and Cash Equivalents

Cash and cash equivalents are carried at fair value.

2. Invested Assets

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

3. Other Invested Assets

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

4. Mortgage Loans

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

5. Policy Loans

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

6. Investment Contracts

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

K. New Accounting Standards

1. In 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 November 2018, the NAIC revised SSAP No. 51R "Life Contracts", No. 52 "Deposit-Type Contracts" and No. 61R "Life, Deposit-Type, and Accident and Health Reinsurance" to add product level granularity to the existing disclosures for annuity actuarial reserves and deposit-type liabilities by withdrawal characteristics, and similar disclosures for life products. The Company updated the related disclosures in 2019. As this revision was disclosure related, it did not have any impact on the results of operations or financial position of the Company.

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3. 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 June 2019. As of December 31, 2019, $13,300 of eligible costs have been capitalized in accordance with revised SSAP No. 16R.

4. In April 2019, the NAIC expanded SSAP No. 30R “Unaffiliated Common Stock” to amend the definition of common stock to include U.S. SEC registered closed-end funds and unit-investment trusts, clarified the accounting for assets pledged to the Federal Home Loan Bank on behalf of an affiliate, and to include foreign registered open-end investment funds in the scope of SSAP No 30R. The Company does own closed-end funds in its portfolio, but does not pledge any assets on behalf of an affiliate or own as foreign registered funds.

5. 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 applicable to 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.

6. 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.

7. 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.

8. 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.

L. Going Concern

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

M. Reclassification

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

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Note 3 - Accounting Changes and Correction of Errors

The following corrections of errors were recorded in 2019:

In June 2019, the Company discovered an error relating to allowances owed to one of its reinsurers stemming from incorrect allowance pointers taken between the years 2014 and 2018. This error resulted in an overstatement of premiums as well as an overstatement of net income by $940 during those years. As a result, surplus was overstated by $940 at December 31, 2018. The financial statements were adjusted in 2019 to correct the error of $940.

In November 2019, the Company discovered an error relating to prepayment assumptions necessary to amortize mortgage-backed securities and collateralized mortgage obligations. While maturity dates and bond factors were updated on a monthly basis, prepayment assumptions were not automatically recalculated within the investment accounting system. The Company transitioned to ICE Data Services in November 2019 in order to obtain updated prepayment information in accordance with SSAP No. 43R. The error resulted in the understatement of amortized cost and net investment income in previous years, primarily due to overstated premium amortization. As of December 31, 2018, bonds and net investment income were understated by $884. The financial statements were adjusted in the current year to correct the gross amount of the error of $884 and to correct the net of tax error of $698. The $186 tax impact is reflected in the current Federal income tax recoverable.

The following accounting changes were recognized by the Company:

Effective January 1, 2013 the Company adopted SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14” to account for retiree medical benefits. This statement requires participants not yet eligible to retire to be included in the accumulated postretirement benefit obligation. In accordance with this statement, the Company elected to phase in the corresponding transition liability over a period of six years and recorded a transition liability of $729 in 2018 which resulted in the transition liability being fully recognized as of December 31, 2018. As the transition liability has been fully recognized, the liability for retiree medical benefits is now recorded in general expenses due or accrued.

In April 2019, the Statutory Accounting Principles Working Group published revisions to SSAP No. 16R which adopts with modification ASU 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract.” SSAP No. 16R allows for the capitalization of implementation costs from a cloud computing service contract as non-operating software. The Company has adopted these changes retrospectively as of January 1, 2019. As of December 31, 2019, $13,300 of eligible costs have been capitalized and non-admitted in accordance with statutory accounting principles.

Effective December 15, 2019, the Company amended its vacation policy resulting in a need to record a compensated absence accrual as of December 31, 2019 and subsequently thereafter. At December 31, 2019, the Company recorded a liability of $1,053 of which $209 related to current year expense. The remaining $844 related to prior periods and was charged to opening surplus.

(Continued)

(in thousands)

Note 4 - Investments

A. Bonds and Debt Securities

Bonds on deposit with various regulatory authorities, as required by law, totaled $2,925 and $2,924 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	$347,424	$11,454	$1,361	$357,517
States, territories and possessions	75,092	5,957	15	81,034
Political subdivisions of states	26,965	1,371	0	28,336
Special revenue and special assessment obligations	116,897	1,466	172	118,191
Industrial and miscellaneous	415,594	22,342	464	437,472
Total	$981,972	$42,590	$2,012	$1,022,550
2018				
U. S. government and Federal agency securities	$361,246	$3,160	$5,420	$358,986
States, territories and possessions	81,254	2,196	395	83,055
Political subdivisions of states	50,529	2,444	0	52,973
Special revenue and special assessment obligations	118,892	722	2,606	117,008
Industrial and miscellaneous	372,704	5,986	9,199	369,491
Total	$984,625	$14,508	$17,620	$981,513

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	$10,155	$10,178
Due after one year through five years	144,179	148,883
Due after five years through ten years	169,195	181,153
Due after ten years	658,443	682,336
Total	$981,972	$1,022,550

B. Stocks

Common stocks, which are carried at fair value, had a cost basis of $37,579 and $39,417 at December 31, 2019 and 2018, respectively. Preferred stocks, which are carried at cost, had a value of $0 and $29 at December 31, 2019 and 2018, respectively.

The gross unrealized gains in the stock portfolio at December 31, 2019 and 2018 amounted to $17,661 and $11,429, respectively. Gross unrealized losses in the stock portfolio at December 31, 2019 and 2018 amounted to $19 and $1,191, respectively.

(Continued)

In addition to publicly traded stocks, the Company is a member of the Federal Home Loan Bank (FHLB) of Boston and holds $1,034 of FHLB capital stock. This stock is restricted and held by the FHLB of Boston. The FHLB provides members with access to secured loans from the issuance of discounted notes or term debt funded by Federal Home Loan Banks. The Company may decide to use its FHLB membership in the future for contingent liquidity needs. The Company does not currently have any funding agreements in place with the FHLB as of December 31, 2019.

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $71,933 and $60,497 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 industrial parks, five office properties, three retail properties, two self-storage portfolios, two student-housing properties, one multi-family property and one parking garage. 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%.

(Continued)

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D. Other Invested Assets

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

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	Cost	Fair Value	Cost	Fair Value
Adams Street Private Credit Fund, LP	$5,800	$5,800	$3,245	$3,269
AEA Mezzanine Fund III, LP	5,834	6,297	8,252	8,213
Cyprium Investors IV, LP	1,659	1,822	1,852	1,975
Cyprium Parallel Investors V, LP	1,918	1,873	0	0
GCG Investors IV, LP	5,277	5,422	4,621	4,718
GLC Direct Credit Fund, LP	3,802	4,720	5,057	5,602
Goldman Sachs Hedge Funds Opportunities	0	0	400	512
Goldman Sachs Private Equity Partners XI, LP	4	135	53	163
GoldPoint Mezzanine Partners IV, LP	4,569	4,754	3,409	3,551
Graycliff Mezzanine II Parallel, LP	4,594	4,795	8,504	8,831
Graycliff Mezzanine III, LP	6,380	6,210	2,111	1,939
Heartwood Forestland REIT III, LLC	101	111	101	122
Lyme Conservation Opportunities Fund LP	21	20	0	0
Lyme Forest Fund IV, LP	90	100	89	108
Lyme Forest Fund V, LP	74	70	21	20
ManchesterStory Venture Fund, LP	153	149	103	103
Midwest Mezzanine Fund V SBIC, LP	10,855	12,975	10,855	14,427
Midwest Mezzanine Fund VI SBIC, LP	3,324	3,381	2,130	2,096
Morgan Stanley IFHF SPV, LP	8	11	11	16
Morgan Stanley Institutional Fund of Hedge Funds, LP	0	0	782	1,431
Morgan Stanley Premium Partners Fund, LP	5	11	7	14
Morgan Stanley Private Markets Fund III, LP	23	57	32	77
Point Judith Venture Fund III, LP	94	564	236	518
Point Judith Venture Fund IV, LP	67	99	40	54
Savano Capital Partners II, LP	71	101	53	65
Stonepeak Infrastructure Fund III, LP	46	53	9	9
THL Credit Direct Lending IV Co-Invest, LLC	3,088	3,283	1,332	1,332
THL Credit Direct Lending Fund IV, LLC	7,720	7,782	3,330	3,330
Total	$65,577	$70,595	$56,635	$62,495

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

Name or Description	2019 OTTI	2018 OTTI
AEA Mezzanine Fund III, LP	$0	$282
Cyprium Investors IV, LP	0	178
GCG Investors IV, LP	0	145
Graycliff Mezzanine II Parallel, LP	0	602
Lyme Forest Fund V, LP	1	0
Point Judith Venture Fund IV, LP	0	2
Stonepeak Infrastructure Fund III, LP	0	1
Total	$1	$1,210

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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	$2,807	2021
AEA Mezzanine Fund III, LP	693	Life of the Fund
Aquiline Technology Growth Fund II *	3,000	2025
Blackstone Capital Partners VIII, LP *	13,750	2026
Cyprium Investors IV, LP	412	Life of the Fund
Cyprium Parallel Investors V, LP	16,082	2024
GCG Investors IV, LP	2,142	2022
GLC Direct Credit Fund, LP	1,505	2021
Goldman Sachs Private Equity Partners XI, LP	48	Life of the Fund
GoldPoint Mezzanine Partners IV, LP	757	2021
Graycliff Mezzanine II Parallel, LP	3,600	2021
Graycliff Mezzanine III, LP	8,608	2023
Lyme Conservation Opportunities Fund, LP	79	2022
Lyme Forest Fund V, LP	25	2021
ManchesterStory Venture Fund, LP	352	2023
Midwest Mezzanine Fund V SBIC, LP	1,561	Life of the Fund
Midwest Mezzanine Fund VI SBIC, LP	4,640	2023
Morgan Stanley Private Markets Fund III, LP	14	Life of the Fund
PJC Fund V, LP *	6,250	2025
Point Judith Venture Fund IV, LP	20	2022
Savano Capital Partners II, LP	6	2021
Stonepeak Capital Partners Fund III, LP	53	2023
THL Credit Direct Lending IV Co-Invest, LLC	3,312	2021
THL Credit Direct Lending IV, LLC	8,280	Life of the Fund
	$77,996	

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

(in thousands)

E. Unrealized Losses

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

	Less than 12 months		12 months or more		Total	
2019	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U. S. government and Federal Agency Securities	$752	$78,384	$609	$25,726	$1,361	$104,110
States, territories and possessions	15	3,028	0	0	15	3,028
Political subdivisions of states	0	0	0	0	0	0
Special revenue and special assessment obligations	161	21,329	11	2,950	172	24,279
Industrial and miscellaneous	356	32,495	108	13,890	464	46,385
Subtotal bonds and debt securities	1,284	135,236	728	42,566	2,012	177,802
Common stocks	19	682	0	0	19	682
Subtotal equity securities	19	682	0	0	19	682
Total temporarily impaired securities	$1,303	$135,918	$728	$42,566	$2,031	$178,484

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

1. Bonds and Debt Securities: The unrealized losses of $2,012 on investments in fixed income securities as of December 31, 2019 were substantially caused by increased interest rates and modestly wider spread levels. All of these securities with unrealized losses are rated NAIC Class 1 or 2 and full repayment of principal and interest is expected. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than par, which will equal amortized cost at maturity. The Company's investments in loan-backed and structured securities are not considered other-than-temporarily impaired as the Company does not intend to sell, is not required to sell and the present value of cash flows expected to be collected is greater than the amortized cost basis of the securities.

(Continued)

(in thousands)

As of December 31, 2019, investments in structured and loan-backed securities for which other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position had a fair value of $131,702. Structured and loan-backed securities in an unrealized loss position for less than 12 months had a fair value of $90,478 and unrealized losses of $639. Structured and loan-backed securities in an unrealized loss position for more than 12 months had a fair value of $41,224 and unrealized losses of $709. Unrealized losses are primarily attributable to increased interest rates and modestly wider spread levels. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by an analysis of the underlying credit of each security.

2. Common Stocks: As of December 31, 2019, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $682 in 11 issuers. These holdings were in an unrealized loss position of $19, of which none was in an unrealized loss position for more than 12 months. The declines in value are attributed to market volatility that is not considered uncommon. Based on the Company’s impairment review process discussed in Note 2B, the decline in values of these securities was not considered to be other-than-temporary as of December 31, 2019.

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

	2019
Adjusted cost basis	$37,579
Gross unrealized gains	17,661
Gross unrealized losses	(19)
Carrying value	$55,221

F. Fair Value of Financial Instruments

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

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

These inputs comprise the following fair value hierarchy:

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

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

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

(in thousands)

The following table provides 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	$36,118	$1,034	$0	$0	$37,152
Mutual funds	18,069	0	0	0	18,069
Total common stock	54,187	1,034	0	0	55,221
Cash equivalents:					
All other money market mutual funds	29,222	0	0	0	29,222
Total cash equivalents	29,222	0	0	0	29,222
Total assets at fair value	$83,409	$1,034	$0	$0	$84,443
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

2018	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Common stock:					
Industrial and miscellaneous	$30,904	$1,651	$0	$0	$32,555
Mutual funds	17,100	0	0	0	17,100
Total common stock	48,004	1,651	0	0	49,655
Cash equivalents:					
Exempt money market mutual funds (1)	1	0	0	0	1
All other money market mutual funds (1)	14,976	0	0	0	14,976
Total cash equivalents	14,977	0	0	0	14,977
Total assets at fair value	$62,981	$1,651	$0	$0	$64,632
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 $83,409 and $62,981 at December 31, 2019 and 2018, respectively, include activity-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 $1,034 and $1,651 at December 31, 2019 and 2018, respectively, include class B shares of capital stock in the FHLB of Boston, which is not actively traded on an exchange. The price of FHLB capital stock cannot fluctuate, and must be purchased, repurchased or transferred at its par value.

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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 recorded at fair value with a Level 3 fair value measurement, although the Company holds investments that have Level 3 fair value disclosures. There were no purchases, sales, or settlements of Level 3 assets during 2019 and 2018.

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

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	$357,517	$347,424	$62,085	$295,432	$0	$0	$0
States, territories and possessions	81,034	75,092	0	81,034	0	0	0
Political subdivisions of states	28,336	26,965	0	28,336	0	0	0
Special revenue and special assessment obligations	118,191	116,897	0	118,191	0	0	0
Industrial and miscellaneous	437,472	415,594	0	437,472	0	0	0
Total Bonds	1,022,550	981,972	62,085	960,465	0	0	0
Common stock:							
Industrial and miscellaneous	37,152	37,152	36,118	1,034	0	0	0
Mutual funds	18,069	18,069	18,069	0	0	0	0
Total common stock	55,221	55,221	54,187	1,034	0	0	0
Mortgage loans:							
Commercial mortgages	74,246	71,933	0	74,246	0	0	0
Total mortgage loans	74,246	71,933	0	74,246	0	0	0
Cash, cash equivalents and short-term investments:							
Cash	6,845	6,845	6,845	0	0	0	0
All other money market mutual funds	29,222	29,222	29,222	0	0	0	0
Commercial paper	50,103	50,103	0	50,103	0	0	0
Short-term bonds	1,508	1,507	0	1,508	0	0	
Total cash equivalents, cash equivalents and short-term investments	87,678	87,677	36,067	51,611	0	0	0
Total assets	$1,239,695	$1,196,803	$152,339	$1,087,356	$0	$0	$0

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2018	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds:							
U.S. government and Federal agency securities	$358,986	$361,246	$66,662	$292,324	$0	$0	$0
States, territories and possessions	83,055	81,254	0	83,055	0	0	0
Political subdivisions of states	52,973	50,529	0	52,973	0	0	0
Special revenue and special assessment obligations	117,008	118,892	0	117,008	0	0	0
Industrial and miscellaneous	369,491	372,704	0	369,491	0	0	0
Total Bonds	981,513	984,625	66,662	914,851	0	0	0
Perpetual preferred stock:							
Industrial and miscellaneous	29	29	29	0	0	0	0
Total perpetual preferred stock	29	29	29	0	0	0	0
Common stock:							
Industrial and miscellaneous	32,555	32,555	30,904	1,651	0	0	0
Mutual funds	17,100	17,100	17,100	0	0	0	0
Total common stock	49,655	49,655	48,004	1,651	0	0	0
Mortgage loans:							
Commercial mortgages	59,797	60,497	0	59,797	0	0	0
Total mortgage loans	59,797	60,497	0	59,797	0	0	0
Cash, cash equivalents and short-term investments:							
Cash	8,200	8,200	8,200	0	0	0	0
Exempt money market mutual funds (1)	1	1	1	0	0	0	0
All other money market mutual funds (1)	14,976	14,976	14,976	0	0	0	0
Commercial paper	49,215	49,215	0	49,215	0	0	0
Total cash equivalents, cash equivalents and short-term investm	72,392	72,392	23,177	49,215	0	0	0
Total assets	$1,163,386	$1,167,198	$137,872	$1,025,514	$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. Net Investment Income

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

	2019	2018
Bonds and debt securities	$33,566	$34,550
Preferred stocks	2	1
Common stocks	1,404	1,216
Mortgage loans	2,807	2,356
Policy loans	639	598
Short-term investments	2,472	1,543
Other invested assets	3,928	3,343
Amortization of IMR	2,069	2,029
Miscellaneous (expense) interest	(164)	355
Total investment income	46,723	45,991
Less investment expenses	1,057	583
Net investment income	$45,666	$45,408

H. Realized Gains and Losses

Realized gains and losses for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Gross gains:		
Bonds	$7,287	$2,574
Stocks	4,822	7,462
Preferred stocks	10	0
Short-term investments	51	3
Other invested assets	1,059	1,005
Total gross gains	$13,229	$11,044
Gross losses:		
Bonds	($1,149)	($2,112)
Stocks	(203)	(535)
Short-term investments	(48)	(2)
Total gross losses	($1,400)	($2,649)
Other realized adjustments	($746)	($2,846)
Transferred net gains to IMR	(4,857)	(365)
Capital gains tax	(2,012)	(1,560)
Net realized capital gains (losses)	$4,214	$3,624

Proceeds from sale of long-term bonds and debt securities during 2019 and 2018 were $594,246 and $156,045, respectively. Gains and losses generated from these sales were transferred, net of tax, to the IMR and will be amortized into income over the remaining life to maturity of the investment sold.

Proceeds from the sale of stocks during 2019 and 2018 were $21,684 and $37,594, respectively.

Reflected in other realized adjustments in 2019 and 2018 is the loss in fair value of certain assets owned at the end of the reporting period which has been determined to be other-than-temporary.

(Continued)

(in thousands)

Losses of $746 and $2,846 in 2019 and 2018, respectively, were realized to write down the book value of certain assets to reflect their market value at the time of the write down.

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:

	General Account
1. Number of CUSIPs sold	4
2. Aggregate amount of investment income	$119

Note 5 - Reinsurance

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

	2019	2018
Reinsurance ceded in-force	$25,243,458	$24,031,758
Reinsurance premiums ceded	43,060	40,903
Reinsurance reserve credit	285,727	255,192
Reinsurance premium receivable	36,714	34,320

A significant portion of the Company's reinsurance is provided by six highly rated domestic reinsurers. As of December 31, 2019, the top three reinsurers accounted for approximately 86% of the outstanding reinsurance recoverable balance. Three recoverables totaling $272 were outstanding for 90 days or longer and have been non-admitted as of December 31, 2019. All other recoverables as of December 31, 2019 are current. No recoverables from reinsurers are in dispute. The Company believes that no exposure to a single reinsurer represents an inappropriate concentration of risk to the Company, nor is the Company's business substantially dependent upon any single reinsurer.

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

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

A. Defined Benefit Plan

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

Prior to January 1, 2005, under the noncontributory defined benefit pension plan, the benefits were based upon years of service and the employee's average final compensation, usually the average of the final three consecutive years of credited service. Effective January 1, 2005, all pension credits for employees are based on career average pay. Pension credits vary based on years of service and the date of employment with the Company. No expense was recorded for 2019 and 2018 because, in accordance with SSAP No. 102, the Company's share of the net periodic recognized pension cost was $0. The Plan is funded through a pension trust (Amica Pension Fund).

(Continued)

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.

B. Postretirement Benefits

The Company provides postretirement medical insurance (“Postretirement Health Care”) to retirees meeting certain eligibility requirements. On January 1, 2013 the Company adopted SSAP No. 92, “Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14”. The Company elected to phase in the corresponding transition liability over a period of six years and recorded a current year transition liability of $729 in 2018 which resulted in the transition being fully recognized as of December 31, 2018. The liability for this plan totals $4,549 and $4,718 as of December 31, 2019 and 2018, respectively. The periodic benefit cost for this plan totals $690 and $690 in 2019 and 2018, respectively.

Life insurance benefits (“Retired Life Plans”) are based upon a multiple of salary and years of service at the date of retirement and are subject to a maximum benefit of $1,000 for active employees and $250 for retirees. At December 31, 2019 and 2018, the Company recorded a liability of $536 and $358, respectively, for retiree life insurance benefits. The Company’s share of the net periodic benefit cost for retiree life insurance benefits was $80 and $75 for 2019 and 2018, respectively.

C. Defined Contribution Plans

The Company participates with its Parent, in a defined contribution savings plan covering substantially all employees of the Company. Various investment funds are provided for employee savings, and the employee contributions can be made on a before-tax or after-tax basis. The Plan has limitations as to the amount of both employee and Company contributions. The Company contributed $651 and $588 on behalf of participating employees in 2019 and 2018, respectively.

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

D. Other Plans

The Company provides or funds supplemental pension benefits and certain deferred compensation plan liabilities through the Amica Companies Supplemental Retirement Trust. The supplemental pension benefits are amounts otherwise payable under the Company’s qualified pension plan which is in excess of that allowed under Sections 401 and/or 415 of the Internal Revenue Code. The trust’s assets, which are invested in both debt and equity type securities, are valued at either amortized cost or market value, respectively. The Company’s share of the trust assets was valued at $5,087 and $4,479 at December 31, 2019 and 2018, respectively. The Company has recorded $3,562 and $2,755 at December 31, 2019 and 2018, respectively, to reflect the Company’s obligation under this plan. Assets in excess of the plan’s obligations are non-admitted. The Company’s share of supplemental pension benefit expenses was $257 and $323 for 2019 and 2018, respectively.

(in thousands)

E. Summary

A summary of assets, obligations, and assumptions of the pension benefits, including the Pension Fund and the Supplemental Retirement Plan and postretirement benefits, including the Postretirement Health Care and Retired Life Plans covering employees of Amica Mutual and the Company are as follows at December 31, 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 beginning of 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	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 combinations, divestitures, curtailments, settlements and special termination benefits	0	0	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

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

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

	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)	50,271	(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	$381,650	$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	(3,996)	473	10,984	10,984
e. (Gains) and losses	11,741	6,928	0	35
f. Prior service cost or (credit)	(52)	(7,455)	(43)	(42)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	$7,758	($40,048)	$16,735	$16,577

(Continued)

AMICA LIFE INSURANCE COMPANY
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Notes to Statutory Financial Statements
(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 fund (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)	(256)
c. Net recognized (gains) and losses	305,117	356,091	(3,014)	(2,286)

(Continued)

(in thousands)

9. Weighted average assumptions as of December 31, 2019 and 2018:

	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 RP-2014 Total Employee and Healthy Annuitant Mortality tables rolled back to 2006 and projected Mortality Improvement Scale MP-2018.

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

Years	Pension Benefits	Postretirement Benefits
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)

9. The estimate of contributions expected to be paid by Amica Mutual and Amica Life during 2020 are as follows:

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

10. 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.

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

    The following provides the status of the Pension Fund and supplemental retirement plans covering employees of Amica Mutual and Amica Life as of December 31, 2019 and 2018:

Pension Benefits	Overfunded		Underfunded	
	12/31/19	12/31/18	12/31/19	12/31/18
Benefit obligation	($1,527,761)	($1,363,376)	($75,868)	($66,791)
Plan assets at fair value	2,082,394	1,822,749	0	0
Funded status	$554,633	$459,373	($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 Amica Mutual and the Company as the pension plan was overfunded by more than the transition liabilities. At transition, Amica Mutual recognized $346,824 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2014.

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

    In addition to pension benefits, Amica Mutual and 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.

(in thousands)

The following provides the status of the Postretirement Health Care Benefit Plans covering employees of Amica Mutual and the Company as of December 31, 2019 and 2018:

Postretirement Benefits	Overfunded		Underfunded	
	12/31/19	12/31/18	12/31/19	12/31/18
Benefit obligation	$0	$0	($421,370)	($382,485)
Plan assets at fair value	0	0	381,650	331,157
Funded status	$0	$0	($39,720)	($51,328)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2019 and 2018. The Companies 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 Amica Mutual's statutory financial statement at January 1, 2015 with the remaining $130 recorded as a liability on the statutory financial statements of Amica Life Insurance Company.

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

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.

Assets allocations for the Retiree Medical Trust 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 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	**12/31/19**	**12/31/18**	**12/31/19**	**12/31/18**
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%

The Postretirement Health Care 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	**12/31/19**	**12/31/18**	**12/31/19**	**12/31/18**
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%

(in thousands)

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**
Assets at Fair Value:				
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	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
2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$124,583	$146,752	$0	$271,335
States and political subdivisions	0	125,256	0	125,256
Corporate debt securities	0	168,640	0	168,640
Preferred stock	679	0	0	679
Common stock	650,288	0	0	650,288
Short-term investments	0	642	0	642
Cash equivalents (2)	65,258	64,717	0	129,975
Commercial mortgage loans	0	15,117	0	15,117
Index funds measured at net asset value (1)	0	0	0	350,537
Other invested assets	0	0	127,866	127,866
Total assets at fair value	$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, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

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

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

(in thousands)

Postretirement Health Care

2019	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$1,003	$16,628	$0	$17,631
States 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
Short-term investments	0	100	0	100
Cash equivalents	13,170	14,815	0	27,985
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 assets at fair value	$145,780	$109,405	$21,276	$344,313

2018	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
U.S. Government and Federal Agencies	$1,415	$14,668	$0	$16,083
States and political subdivisions	0	54,084	0	54,084
Corporate debt securities	0	12,620	0	12,620
Preferred stock	106	0	0	106
Common stock	108,384	0	0	108,384
Short-term investments	0	210	0	210
Cash equivalents (2)	9,283	16,349	0	25,632
Commercial mortgage loans	0	2,116	0	2,116
Index funds measured at net asset value (1)	0	0	0	55,223
Other invested assets	0	0	20,585	20,585
Total assets at fair value	$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 Retiree Medical Trust’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, as well as several actively-traded diversified mutual funds. The Company uses quoted market prices provided by an independent pricing service to determine the fair values.

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

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

(Continued)

(in thousands)

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	1,465	1,821
Purchases	906,405	48,644	8,932	6,984
Sales	(50,494)	(27,340)	(9,706)	(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 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	$15,728	$3,018	$12,710	$12,710	$0	$367
Furniture and equipment	9,710	5,917	3,793	3,793	0	61
Total	$25,438	$8,935	$16,503	$16,503	$0	$428
2018						
Computer equipment & software	$3,848	$3,844	$4	$4	$0	$135
Furniture and equipment	9,400	5,434	3,966	3,966	0	62
Total	$13,248	$9,278	$3,970	$3,970	$0	$197

Depreciation expense on furniture and equipment of $61 and $62 in 2019 and 2018, respectively is net of reimbursement from Amica Mutual of $1,414 and $1,164 in 2019 and 2018, respectively.

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

(in thousands)

Note 8 - Income Taxes

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

	Ordinary	Capital	Total
2019			
Gross deferred tax assets	$25,998	$787	$26,785
Statutory valuation allowance adjustment	5,895	0	5,895
Adjusted gross deferred tax assets	20,103	787	20,890
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	20,103	787	20,890
Deferred tax liabilities	15,715	5,175	20,890
Net admitted deferred tax asset (liability)	$4,388	($4,388)	$0
2018			
Gross deferred tax assets	$24,572	$1,122	$25,694
Statutory valuation allowance adjustment	7,143	0	7,143
Adjusted gross deferred tax assets	17,429	1,122	18,551
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	17,429	1,122	18,551
Deferred tax liabilities	15,171	3,380	18,551
Net admitted deferred tax asset (liability)	$2,258	($2,258)	$0
Change			
Gross deferred tax assets	$1,426	($335)	$1,091
Statutory valuation allowance adjustment	(1,248)	0	(1,248)
Adjusted gross deferred tax assets	2,674	(335)	2,339
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	2,674	(335)	2,339
Deferred tax liabilities	544	1,795	2,339
Net admitted deferred tax asset (liability)	$2,130	($2,130)	$0

Based on management's analysis of future taxable earnings, a valuation allowance for the net deferred tax asset was established. The valuation allowance totaled $5,895 and $7,143 for December 31, 2019 and 2018, respectively.

(in thousands)

Admission calculation components:

	Ordinary	Capital	Total
2019			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	50,721
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	15,715	5,175	20,890
Deferred tax assets admitted as the result of application of SSAP No. 101	$15,715	$5,175	$20,890
2018			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	49,239
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	15,171	3,380	18,551
Deferred tax assets admitted as the result of application of SSAP No. 101	$15,171	$3,380	$18,551
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$0	$0
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 or 2 below)	0	0	0
1. Adjusted gross deferred tax assets expected to be realized following			
the balance sheet date.	0	0	0
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	1,482
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	544	1,795	2,339
Deferred tax assets admitted as the result of application of SSAP No. 101	$544	$1,795	$2,339

Ratios used for threshold limitation:

	2019	2018
Ratio percentage used to determine recovery period and threshold limitation	1112%	1137%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$ 338,139	$ 328,262

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.

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

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

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

	2019	**2018**	**Change**
Federal	($6,421)	($3,255)	($3,166)
Foreign	0	0	0
Subtotal	(6,421)	(3,255)	(3,166)
Federal income tax on net capital gains	2,012	1,560	452
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	($4,409)	($1,695)	($2,714)

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

Notes to Statutory Financial Statements
(in thousands)

December 31, 2019 and 2018

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

Deferred Tax Assets:	**2019**	**2018**	**Change**
Ordinary:			
Policyholder reserves	$17,263	$17,255	$8
Deferred acquisition costs	4,719	4,167	552
Reserve for unassessed insolvencies	362	368	(6)
Compensation and benefits accrual	2,574	1,969	605
Pension accrual	320	362	(42)
Fixed assets	422	382	40
Tax credit carry-forward	0	0	0
Other	338	69	269
Subtotal	25,998	24,572	1,426
Statutory valuation allowance adjustment	5,895	7,143	(1,248)
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	20,103	17,429	2,674
Capital:			
Common stocks	463	609	(146)
Joint venture interests	324	513	(189)
Subtotal	787	1,122	(335)
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	787	1,122	(335)
Admitted deferred tax assets	$20,890	$18,551	$2,339
Deferred Tax Liabilities:			
Ordinary:			
Bonds	$280	$290	($10)
Fixed assets	48	0	48
Deferred and uncollected premium	7,049	6,942	107
Restated tax reserves (Tax Cuts and Jobs Act)	627	732	(105)
Reinsurance premium receivable	7,710	7,207	503
Subtotal	15,714	15,171	543
Capital:			
Common stocks	3,783	2,149	1,634
Joint venture interests	1,393	1,231	162
Subtotal	5,176	3,380	1,796
Deferred tax liabilities	$20,890	$18,551	$2,339
Net deferred tax assets (liabilities)	$0	$0	$0

(Continued)

(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	$26,785	$25,694	$1,091
Total deferred tax liabilities	20,890	18,551	2,339
Net deferred tax assets/(liabilities)	5,895	7,143	(1,248)
Statutory valuation allowance adjustment	(5,895)	(7,143)	1,248
Net deferred tax assets/(liabilities) after valuation allowance	0	0	0
Tax effect of unrealized gains (losses)	4,833	3,380	1,453
Change in net deferred tax	$4,833	$3,380	$1,453

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 was signed into law, which, among other things reduced the corporate tax rate from 35% to 21%. As of December 31, 2018, the Company had incorporated all significant impacts of the Act.

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	$2,781	21.0%	$2,125	21.0%
Permanent differences	(435)	-3.3%	(426)	-4.2%
Change in non-admitted assets	(2,708)	-20.5%	(38)	-0.4%
Tax credits	(1,100)	-21.8%	0	0.0%
Change in XXX reserves	(2,881)	-9.4%	(2,672)	-26.4%
Change in statutory valuation adjustment	(1,248)	-0.3%	809	8.0%
Reserve adjustments	(45)	-8.3%	19	0.2%
Other	(226)	-1.7%	176	1.7%
Total	($5,862)	-44.3%	($7)	-0.1%
Federal income taxes incurred	($6,421)	-48.5%	($3,255)	-32.2%
Tax on capital gains (losses)	2,012	15.2%	1,560	15.4%
Change in net deferred taxes	(1,453)	-11.0%	1,688	16.7%
Total statutory income taxes	($5,862)	-44.3%	($7)	-0.1%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2019 and 2018, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.

(in thousands)

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

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

G. Consolidated Federal Income Tax Return

The Company's Federal income tax return is consolidated with the following entities:

a. Amica Mutual Insurance Company
b. Amica General Agency, LLC
c. Amica Property and Casualty Insurance Company

H. Federal or Foreign Federal Income Tax Loss Contingencies

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

Note 9 - Investment Contracts

The Company issues certain life and annuity products which are considered financial instruments. The carrying value and estimated fair value of these liabilities at December 31, 2019 and 2018 are presented below:

	2019		2018	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Supplementary contracts without life contingencies	$9,710	$9,903	$9,517	$9,719
Deferred annuities	343,288	340,835	344,712	342,263
Immediate annuities without life contingencies	107,907	120,116	120,059	133,919
Total financial liabilities	$460,905	$470,854	$474,288	$485,901

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

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

As of December 31, 2019 and 2018, respectively, the Company had $4,727,322 and $4,889,084 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Rhode Island.

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

(in thousands)

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

	2019	2018
Subject to discretionary withdrawal:		
With market value adjustment	$0	$0
At book value less surrender charge	11,039	9,477
At fair value	0	0
Total with adjustment or at market value	$11,039	$9,477
At book value without adjustment	332,252	335,237
Not subjected to discretionary withdrawal	194,712	207,626
Total individual annuity actuarial reserves and deposit funds liabilities, net	$538,003	$552,340
Amount included in book value less surrender charge above that will move to at book value without adjustment in the year after the statement date	$3,245	N/A

Note 11 - Life Contracts - Premiums

Deferred and uncollected life insurance premiums were as follows:

	2019		2018	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary new business	$1,770	$398	$1,469	$677
Ordinary renewal	(2,947)	33,171	(1,483)	32,381
Total	($1,177)	$33,569	($14)	$33,058

Note 12 - Related Parties

The Company recorded a payable to Amica Mutual of $61 and $260 at December 31, 2019 and 2018, respectively. The payable represents end of the year intercompany transactions and the terms of the agreement require that these amounts are settled within fifty-five days.

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

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

The Company was reimbursed $2,288 and $1,913 in 2019 and 2018, respectively, by Amica Mutual for leasing motor vehicles owned by the Company.

The Company received premiums from Amica Mutual of $761 and $1,197 in 2019 and 2018, respectively, for the purchase of individual annuities to cover certain claims which had been settled by Amica Mutual on a structured basis.

The Company recorded a reimbursement to Amica Mutual of $2,374 in 2019 and 2018, respectively, for personnel and facility expenses incurred.

(Continued)

(in thousands)

The Company is subject to certain statutory restrictions on payment of dividends to Amica Mutual. These restrictions are based on earned surplus and net gain from operations. The maximum dividend payout which would have been allowed without prior approval of the Insurance Commissioner of the State of Rhode Island under Rhode Island Business Corporation Law in 2019 and 2018 was $11,451 and $12,670, respectively. No dividends were paid in 2019 or 2018.

Effective January 1, 2009, the Company entered into a line of credit agreement with its Parent, Amica Mutual. The line of credit agreement allows the Company to draw advances from Amica Mutual for up to $250,000. Any draw upon the line of credit by the Company must be repaid in full, with interest, within three years from the date of advance. The advances shall carry a fixed interest rate of one-percent above the Prime Rate in Interest on the date of any advance. Interest shall accrue on the principal sum of any outstanding advances on a monthly basis. The Company did not make any draw downs under the line of credit during 2019 or 2018.

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

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

The timing and amount of the remaining $50,000 will be determined by the President of Amica Mutual.

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

Note 13 - Risk Based Capital

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

Note 14 - Guaranty Fund and Other Assessments

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

1. Upon receipt of assessment, or

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

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

The Company has accrued a liability for guaranty fund and other assessments of $1,723 and $1,750 at December 31, 2019 and 2018, respectively. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The Company has not recorded a related asset as of December 31, 2019.

(in thousands)

Note 15 - Non-Admitted Assets

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

Description	2019	2018
Furniture and other equipment, net	$16,730	$3,970
Supplemental pension benefits	1,526	1,724
Other	551	220
Total non-admitted assets	$18,807	$5,914

Note 16 - 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 received a $25,000 capital contribution from its Parent, Amica Mutual. This contribution is intended to provide additional support with regard to the Company's growth initiatives.

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.

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

AMICA LIFE INSURANCE COMPANY
SELECTED FINANCIAL DATA
December 31, 2019

Schedule 1

Investment Income Earned			
1.	U.S. Government Bonds	L008 L01 C02	11,075,883
2.	Bonds exempt from U.S. tax	L008 L01.1 C02	
3.	Other bonds (unaffiliated)	L008 L01.2 C02	22,490,372
4.	Bonds of affiliates	L008 L01.3 C02	
5.	Preferred stocks (unaffiliated)	L008 L02.1 C02	2,428
6.	Preferred stocks of affiliates	L008 L02.11 C02	
7.	Common stocks (unaffiliated)	L008 L02.2 C02	1,403,980
8.	Common stocks of affiliates	L008 L02.21 C02	
9.	Mortgage loans	L008 L03 C02	2,807,316
10.	Real estate	L008 L04 C02	
11.	Contract Loans	L008 L05 C02	638,428
12.	Cash, cash equivalents and short-term investments	L008 L06 C02	2,471,489
13.	Derivative instruments	L008 L07 C02	
14.	Other invested assets	L008 L08 C02	3,927,988
15.	Aggregate write-ins for investment income	L008 L09 C02	720,179
16.	Gross investment income	L008 L10 C02	45,538,063
17.	Real Estate Owned – Book Value less Encumbrances	E01 L0699999 C09	
Mortgage Loans – Book Value:			
18.	Farm mortgages	E04 L01 + L09 + L17 + L25 C08	
19.	Residential mortgages	E04 L02 + L03 + L10 + L11 + L18 + L19 + L26 + L27 C08	
20.	Commercial mortgages	E04 L04 + L05 + L12 + L13 + L20 + L21 + L28 + L29 C08	71,932,922
21.	Total mortgage loans		71,932,922
Mortgage Loans By Standing – Book Value:			
22.	Good standing	E04 L0899999 C08	71,932,922
23.	Good standing with restructured terms	E04 L1699999 C08	
24.	Interest overdue more than 90 days, not in foreclosure	E04 L2499999 C08	
25.	Foreclosure in process	E04 L3299999 C08	
26.	Other Long Term Assets – Statement Value	L002 L08 C3	70,596,274
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value			
27.	Bonds	SI04 L12 C01	
28.	Preferred Stocks	SI04 L18 C01	
29.	Common Stocks	SI04 L24 C01	
Bonds and Short-Term Investments by NAIC Designation and Maturity:			
Bonds by Maturity - Statement Value			
30.	Due within one year less	SI07 L11.7 C01	120,133,850
31.	Over 1 year through 5 years	SI07 L11.7 C02	311,612,153
32.	Over 5 years through 10 years	SI07 L11.7 C03	261,490,976
33.	Over 10 years through 20 years	SI07 L11.7 C04	221,353,287
34.	Over 20 years	SI07 L11.7 C05	118,991,526
35.	No Maturity Date	SI07 L11.7 C06	
36.	Total by Maturity		1,033,581,792
Bonds by NAIC Designation - Statement Value			
37.	NAIC 1	SI07 L11.1 C07	853,008,105
38.	NAIC 2	SI07 L11.2 C07	180,573,687
39.	NAIC 3	SI07 L11.3 C07	
40.	NAIC 4	SI07 L11.4 C07	
41.	NAIC 5	SI07 L11.5 C07	
42.	NAIC 6	SI07 L11.6 C07	
43.	Total by NAIC Designation		1,033,581,792
44.	Total Bonds Publicly Traded	SI07 L13.7 C07	944,731,780
45.	Total Bonds Privately Placed	SI07 L14.7 C07	88,850,012
46.	Preferred Stocks – Book/Adjusted Carrying Value	E11 L8999999 C08	
47.	Common Stocks – Fair Value	E12 L9799999 C08	55,220,534
48.	Short Term Investments – Book/Adjusted Carrying Value	E17 L9199999 C08	1,506,868
49.	Options, Caps & Floors Owned – Statement Value		
50.	Options, Caps & Floors Written and In force – Statement Value		
51.	Collar, Swap & Forward Agreements Open – Statement Value	E18 L175999999 C14	
52.	Futures Contracts Open – Current Value	E20 L175999999 C14	
53.	Cash on Deposit	E27 L0399999 C06	6,844,224

AMICA LIFE INSURANCE COMPANY
SELECTED FINANCIAL DATA
December 31, 2019

Schedule 1

Life Insurance In Force (in thousands):			
54.	Industrial	L025 L21 C02	
55.	Ordinary	L025 L21 C04	44,223,730
56.	Credit Life	L025 L21 C06	
57.	Group Life	L025 L21 C09	715,403
58.	Amount of Accidental Death Insurance In Force Under Ordinary Policies	L026 L46 C01	38,404
Life Insurance Policies with Disability Provisions In Force (in thousands):			
59.	Industrial	L026 L52 C02	
60.	Ordinary	L026 L52 C04	966,293
61.	Credit Life	L026 L52 C06	
62.	Group Life	L026 L52 C08	
Supplementary Contracts In Force:			
63.	Ordinary – Not Involving Life Contingencies – Amount on Deposit	L027 L10 C02	9,709,789
64.	Ordinary – Not Involving Life Contingencies – Income Payable	L027 L12 C02	967,693
65.	Ordinary – Involving Life Contingencies – Income Payable	L027 L12 C01	1,480,730
66.	Group – Not Involving Life Contingencies – Amount on Deposit	L027 L10 C04	
67.	Group – Not Involving Life Contingencies – Income Payable	L027 L12 C04	
68.	Group – Involving Life Contingencies – Income Payable	L027 L12 C03	
Annuities:			
69.	Ordinary – Immediate – Amount of Income Payable	L027 L10 C01	14,369,620
70.	Ordinary – Deferred – Fully Paid Account Balance	L027 L11 C02	73,682,064
71.	Ordinary – Deferred – Not Fully Paid – Account Balance	L027 L12 C02	267,869,478
72.	Group – Amount of Income Payable	L027 L10 C04	
73.	Group – Fully Paid Account Balance	L027 L11 C04	
74.	Group – Not Fully Paid – Account Balance	L027 L12 C04	
Accident and Health Insurance – Premiums In Force:			
75.	Other	L027 L10 C06	
76.	Group	L027 L10 C02	
77.	Credit	L027 L10 C04	
Deposit Funds and Dividend Accumulations:			
78.	Deposit Funds – Account Balance	L027 L10 C01	2,944
79.	Dividend Accumulations – Account Balance	L027 L10 C02	
Claim Payments 2019 (in thousands):			
Group Accident and Health – Year Ended December 31, 2019 –			
80.	2019	L465-1 SN A L06 C05	
81.	2018	L465-1 SN A L05 C05	
82.	2017	L465-1 SN A L04 C05	
83.	2016	L465-1 SN A L03 C05	
84.	2015	L465-1 SN A L02 C05	
85	Prior	L465-1 SN A L01 C05	
Other Accident and Health –			
86.	2019	L465-1 SN B L06 C05	
87.	2018	L465-1 SN B L05 C05	
88.	2017	L465-1 SN B L04 C05	
89.	2016	L465-1 SN B L03 C05	
90.	2015	L465-1 SN B L02 C05	
91.	Prior	L465-1 SN B L01 C05	
Other Coverages that Use Developmental Methods to Calculate Claims Reserves:			
92.	2019	L465-1 SN C L06 C05	
93.	2018	L465-1 SN C L05 C05	
94.	2017	L465-1 SN C L04 C05	
95.	2016	L465-1 SN C L03 C05	
96.	2015	L465-1 SN C L02 C05	
97.	Prior	L465-1 SN C L01 C05	

AMICA LIFE INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2019

Schedule 2

	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
Investment Categories	Amount	Percentage of Column 1 Line 13	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	347,424,065	27.227	347,424,065		347,424,065	27.227
1.02 All other governments		0.000				0.000
1.03 U.S. states, territories and possessions, etc. guaranteed	75,091,487	5.885	75,091,487		75,091,487	5.885
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	26,965,031	2.113	26,965,031		26,965,031	2.113
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	116,896,997	9.161	116,896,997		116,896,997	9.161
1.06 Industrial and miscellaneous	415,593,978	32.570	415,593,978		415,593,978	32.570
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	981,971,558	76.956	981,971,558		981,971,558	76.956
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)	36,117,566	2.830	36,117,566		36,117,566	2.830
3.02 Industrial and miscellaneous Other (Unaffiliated)	1,033,900	0.081	1,033,900		1,033,900	0.081
3.03 Parent, subsidiaries and affiliates Publicly traded		0.000				0.000
3.04 Parent, subsidiaries and affiliates Other		0.000				0.000
3.05 Mutual funds	18,069,068	1.416	18,069,068		18,069,068	1.416
3.06 Unit investment trusts		0.000				0.000
3.07 Closed-end funds		0.000				0.000
3.08 Total common stocks	55,220,534	4.328	55,220,534		55,220,534	4.328
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	71,932,922	5.637	71,932,922		71,932,922	5.637
4.04 Mezzanine real estate loans		0.000				0.000
4.05 Total mortgage loans	71,932,922	5.637	71,932,922		71,932,922	5.637
5. Real estate (Schedule A):						
5.01 Properties occupied by company		0.000				0.000
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		0.000				0.000
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	6,844,724	0.536	6,844,724		6,844,724	0.536
6.02 Cash equivalents (Schedule E, Part 2)	79,325,484	6.217	79,325,484		79,325,484	6.217
6.03 Short-term investments (Schedule DA)	1,506,868	0.118	1,506,868		1,506,868	0.118
6.04 Total cash, cash equivalents and short-term investments	87,677,076	6.871	87,677,076		87,677,076	6.871
7. Contract loans	8,619,609	0.676	8,619,609		8,619,609	0.676
8. Derivatives (Schedule DB)		0.000				0.000
9. Other invested assets (Schedule BA)	70,596,274	5.533	70,596,274		70,596,274	5.533
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	1,276,017,973	100.000	1,276,017,973		1,276,017,973	100.000

See accompanying independent auditors' report.

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

Schedule 3

Of The AMICA LIFE INSURANCE COMPANY

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

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

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

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 1,361,218,954

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Federal National Mortgage Association	Bonds	$ 51,955,351	3.8 %
2.02	The Goldman Sachs Group Inc.	Bonds, Common Stock, Money Market Fund	$ 37,718,968	2.8 %
2.03	FREMF Mortgage Trust	Bonds	$ 28,225,611	2.1 %
2.04	State of Texas	Bonds	$ 22,735,012	1.7 %
2.05	Royal Caribbean Cruises Ltd.	Commercial Paper	$ 22,513,578	1.7 %
2.06	Sequoia Mortgage Trust	Bonds	$ 19,666,047	1.4 %
2.07	JP Morgan Mortgage Trust	Bonds	$ 18,109,472	1.3 %
2.08	State of Georgia	Bonds	$ 16,021,640	1.2 %
2.09	Energy Transfer, LP	Commerical Paper	$ 14,604,747	1.1 %
2.10	Midwest Mezzanine Fund V SBIC, LP	Private Debt Partnership	$ 12,976,074	1.0 %

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	$ 853,008,105	62.7 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 180,573,687	13.3 %	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	$ 19,287,580	1.4 %
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

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

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

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

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

		1	2
7.	Aggregate unhedged foreign currency exposure	$	%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	1 Issuer	2	3
13.02	Fidelity Total International Index Fund	$ 15,897,372	1.2 %
13.03	Fidelity Emerging Markets Index Fund	$ 1,986,059	0.1 %
13.04	Microsoft Corp	$ 1,384,606	0.1 %
13.05	Apple Inc	$ 1,334,933	0.1 %
13.06	Federal Home Loan Bank of Boston	$ 1,033,900	0.1 %
13.07	Alphabet Inc	$ 921,500	0.1 %
13.08	JPMorgan Chase & Co	$ 844,067	0.1 %
13.09	Johnson & Johnson	$ 570,352	%
13.10	Point Judith Venture Fund III, LP	$ 563,904	%
13.11	Facebook Inc	$ 544,939	%

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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 [ ] No [X]

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

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	Commercial	$ 8,474,269	0.6 %
16.03	Commercial	$ 6,467,559	0.5 %
16.04	Commercial	$ 6,399,547	0.5 %
16.05	Commercial	$ 5,357,143	0.4 %
16.06	Commercial	$ 4,494,920	0.3 %
16.07	Commercial	$ 3,801,651	0.3 %
16.08	Commercial	$ 3,507,047	0.3 %
16.09	Commercial	$ 3,996,522	0.3 %
16.10	Commercial	$ 2,906,988	0.2 %
16.11	Commercial	$ 2,666,348	0.2 %

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

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

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

		Residential		Commercial		Agricultural	
	Loan to Value	1	2	3	4	5	6
17.01	above 95%	$	%	$	%	$	%
17.02	91 to 95%	$	%	$	%	$	%
17.03	81 to 90%	$	%	$	%	$	%
17.04	71 to 80%	$	%	$	%	$	%
17.05	below 70%	$	%	$ 71,932,922	5.3 %	$	%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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