

# Empathy in Action

Welcome to the 2022 Amica Annual Report



Amica



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## A Message From Our CEO



**From the time of our founding in 1907, Amica has exemplified service and excellence by protecting our policyholders and the things that matter most to them.** Through prudent business practices and careful management, we've stood the test of time and established significant financial strength and stability. Maintaining our customers' trust and

providing them with peace of mind is something we're dedicated to at every level of this organization.

Like the rest of the insurance industry, we've also been put to the test over the past few years by fluctuating financial markets, devastating natural disasters and a life-altering pandemic. I'm pleased to report that, despite all of this, we remain in a solid financial position,

and are well equipped to weather these economic issues and be there for you when you need us most. Learn more about our 2022 financials [here](#).

Our long-term success has been achieved by holding strong to foundational principles that are at the heart of what Amica stands for. It's an approach that allows us to provide unwavering peace of mind, value and security to our customers, our employees and our communities.

Since our founding, Amica has aimed to attract customers who are responsible and risk-averse. Then, we partner with you to protect valuable parts of your life, provide you with world-class service and form lasting relationships that often extend through generations. And if the unexpected happens, you can trust you'll be met with empathy and guidance from our caring representatives.

Empathy is important because it sets us apart from our competitors. It elevates a relationship that's often transactional to one that's meaningful, and it's

at the root of why customers stay with Amica for life. In fact, 98% of customers who bundle auto, home and umbrella insurance with us come back year after year.

We believe so strongly in the power of empathy that we made it the focus of our new marketing messaging. In 2022, we rolled out a campaign that showcases the way we support customers in times of need. Learn more about that campaign [here](#).

We also know the employees who provide this type of service need to be supported and taken care of. As an employer of thousands across the country, we're proud to offer an inclusive workplace where our people can grow both personally and professionally. The result is a compassionate and talented team that gives you an insurance experience you can rely on.

Another thing we really care about at Amica is our community. Active involvement in the places where we live and work – both through charitable giving and volunteerism – is an important part of our corporate culture. We were excited to continue supporting the impactful work of hundreds of nonprofits around the country in 2022. Learn more about that support [here](#).

Thank you for taking the time to read our Annual Report. Please know how grateful we are for your business, and how much we're looking forward to serving you in the year ahead.

A handwritten signature in black ink that reads "Edmund Shallcross III". The signature is written in a cursive style with a Roman numeral "III" at the end.

Edmund (Ted) Shallcross III  
President and Chief Executive Officer  
Amica Insurance



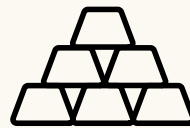
# Financials

Our financial strength is one of the many reasons you can feel confident about choosing Amica as your insurer.

Below, you'll find some of the highlights for 2022.

## Healthy balance sheet

Company assets and surplus are indicators of financial strength, and our ability to fulfill our commitment to policyholders.



**\$5.4 billion**  
in assets



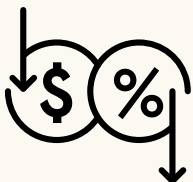
**\$2.7 billion**  
in surplus



**116.4%**  
combined ratio

## Combined ratio and expense ratio

Combined ratio expresses the relationship between expenses incurred (operational costs and claim payments) to premiums earned. Our combined ratio in 2022 was higher than we had originally planned due to factors like inflation, supply chain challenges and volatile investment markets. These were conditions that impacted the entire insurance industry.

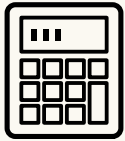


**37.6%**  
expense ratio

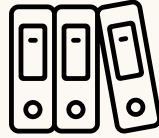
Our expense ratio – which speaks to our operational efficiency – came in under budget and has been relatively stable the last three years.

## Amica Life growth

Through Amica Life Insurance Company, we provide products and services that protect the ones you love. We saw continued strong performance from the Life Company in 2022.



**\$7.4 million**  
in new life premium



**6,101**  
new policies



**\$48.3 billion**  
coverage in force



**\$8.8 million**  
increase in surplus

## AM Best reaffirms “Superior” ratings for Amica Mutual, Amica Life

Amica Mutual and Amica Life once again received “Superior” financial strength ratings of A+ from AM Best,\* a leading insurance rating agency and the nation’s authority on insurance company financial stability.

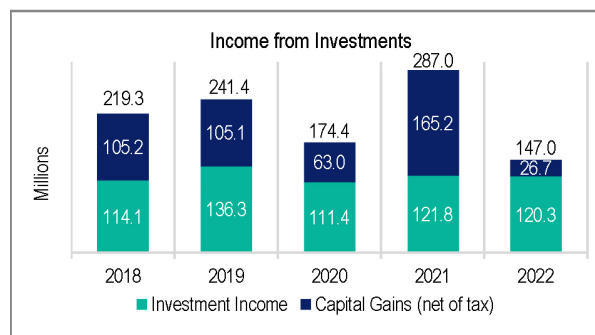
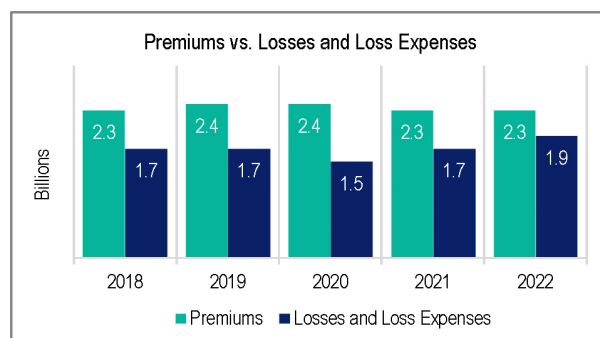
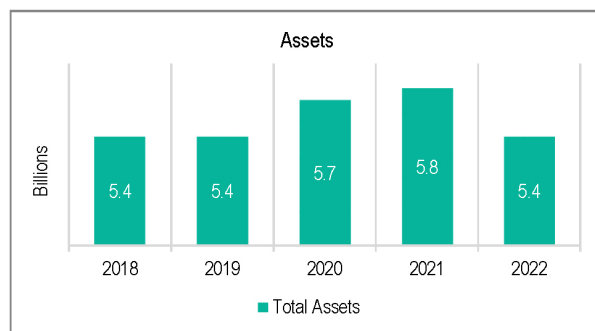
\* AM Best Company, Feb. 8, 2023.



# AMICA – Combined P&C Operations Financials

\$ in millions

Balance Sheets	2022	2021
Assets:		
Bonds and debt securities	\$ 2,843	\$ 2,860
Stocks	1,237	1,790
Cash and short-term investments	105	33
Other invested assets	543	527
Premiums receivable	442	423
Other assets	249	196
<b>Total assets</b>	<b>\$ 5,419</b>	<b>\$ 5,829</b>
Liabilities:		
Reserves for losses and loss expenses	\$ 1,501	\$ 1,306
Reserve for unearned premiums	940	915
Other liabilities	230	349
<b>Total liabilities</b>	<b>2,671</b>	<b>2,570</b>
Surplus to policyholders	2,748	3,259
<b>Total liabilities and surplus to policyholders</b>	<b>\$ 5,419</b>	<b>\$ 5,829</b>
Income Statements	2022	2021
Premiums earned	\$ 2,299	\$ 2,328
Losses and loss expenses incurred	1,892	1,722
Other underwriting expenses	646	649
Dividends to policyholders	138	150
Investment and other income	148	288
Federal income taxes	(53)	(15)
<b>Net income (loss)</b>	<b>\$ (176)</b>	<b>\$ 110</b>
Statements of Surplus	2022	2021
Surplus, beginning of year	\$ 3,259	\$ 3,008
Net income (loss)	(176)	110
Change in unrealized capital gains	(420)	125
Other surplus adjustments	85	16
<b>Surplus, end of year</b>	<b>\$ 2,748</b>	<b>\$ 3,259</b>



## Financial Highlights

\$ in thousands

	2022	2021		2022	2021
Combined ratio – earned basis	116.4%	108.3%	Policies in force	1,443,433	1,468,567
Loss and loss expense ratio	82.3%	74.0%	Premium growth rate	-1.3%	-3.3%
Return on policyholders' surplus	-5.9%	3.5%	New business premium: Total	\$ 78,902	\$ 84,288

\* The audited financial statements will be available on Amica.com by June 1, 2023.



## Year in Review

2022 was a year filled with exciting change at Amica. To learn more, check out the video and blurbs below.

Thank you for putting your trust in us.



Our new look and feel



We unveiled our new logo – the fifth in the company’s history – during the second half of the year. The script style gives the logo the feeling that it was handwritten, which is a nod to the personal service we provide to our customers. But unlike most script, ours stands upright, providing a more contemporary feel. We believe this gives a nice sense of our history, our modern capabilities and our strength moving forward.

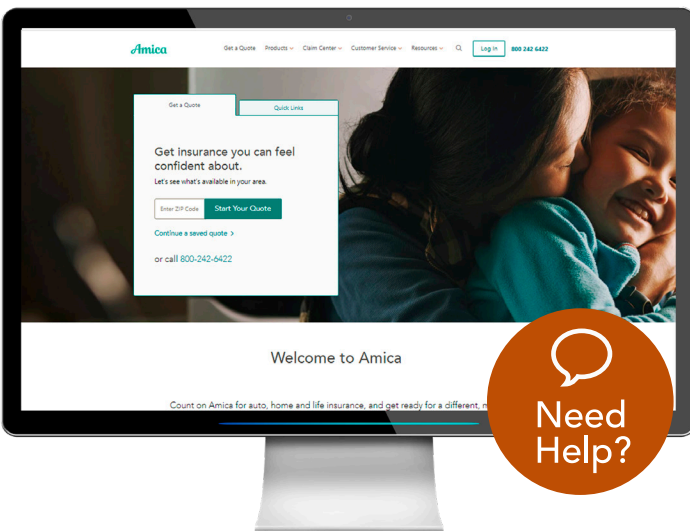


## Welcome to the Amica Mutual Pavilion

In September, we were awarded the naming rights to the Civic Center in Providence, Rhode Island. The building was renamed Amica Mutual Pavilion (the AMP), and is home to the Big East’s Providence College men’s basketball team and the AHL’s Providence Bruins ice hockey team. It also hosts major national touring acts, family shows and other sporting events. Not only does this signal our lasting commitment to the state, it strengthens our bonds with the Rhode Island community.

## Launching the Amica Resource Center

We were pleased to launch the Amica Resource Center, which provides customers and prospects with valuable insurance and lifestyle information. Our goal is to help you protect the people you love and the belongings that matter to you. [Click here](#) to visit the Resource Center.



## Get to know AVA

Did you know the Amica Virtual Assistant (AVA) can provide you with product information, self-service functionality and answers to your common insurance questions? Located in the bottom-right corner of pages on Amica.com, this tool can serve up useful information – from billing to claims to policy details. And with every question you ask AVA, it becomes even more robust. We also continue to add more content to AVA on a regular basis to better assist you. Get to know AVA today!

## Protect your furry family members

For many, pets are family. That's why we've partnered with Embrace to provide pet insurance, which can help you manage unexpected vet costs in the event they become sick or injured. In fact, we have nearly 2,000 pet insurance policies in place to help protect your furry family members. To learn more about pet insurance, and our relationship with Embrace, [click here](#).



## Smarter Home Savings

At Amica, we believe a smarter home is a safer home. Through our Smarter Home Savings program, Amica customers may be eligible for policy discounts, as well as discounts on devices that are connected to the internet and monitored by you or a third party.\* [Click here](#) to learn more about our Smarter Home Savings program.

\* Discounts are subject to state's regulatory approval and are typically greater when your device is monitored by a third-party service.

## Amica in the Community

Over the course of the past year, we donated millions of dollars and thousands of hours of service to organizations that make this world a better place. By focusing on important causes like food security, safe housing, education and job training, we aim to bring about positive and lasting change. We're also proud of how involved our employees are in their communities. Through a variety of company programs, we're thrilled to report that 62% of our giving last year was employee driven.



Our mission is to create peace of mind and build enduring relationships.

## Awards and Recognitions

We've provided protection for customers for 116 years, and we're proud to be recognized for our commitment to them and our employees.



### U.S. Auto Insurance Study, New England Region

Ranked #1 in the New England Region in the J.D. Power 2022 U.S. Auto Insurance Study

### U.S. Home Insurance Study

Highest in Customer Satisfaction Among Homeowners Insurance

### U.S. Auto Claims Satisfaction Study

Highest in Customer Satisfaction With the Auto Insurance Claims Experience



**"Standing the Test of Time"** recognition from AM Best, for a credit rating of A or higher for over 75 years



Named one of America's Best Insurance Companies by Forbes



Rated "Excellent" on Trustpilot,<sup>1</sup> a consumer review website that rates businesses around the world

<sup>1</sup>As of March 31, 2023.



2022 Providence Business News Best Places to Work in Rhode Island



### Recognized in the PROPERTY & CASUALTY

Insurance Monitor Awards Report For:  
Policy Holder Site Homepage: **Gold**  
Payment Capabilities: **Bronze**



2022 Exemplary Worksite Health Award from Blue Cross & Blue Shield of Rhode Island and Greater Providence Chamber of Commerce

We're excited about the opportunities we'll have to expand our relationships with you in 2023. And we'll do so while embracing the values that have served this company so well for so long.

# Board of Directors



**Patricia W. Chadwick**  
 President, Ravengate  
 Partners, LLC  
 Director since 1992. 1 (Chair), 3



**Ronald K. Machtley**  
 President, Bryant  
 University (Retired)  
 Director since 1999. 1, 4 (Chair)



**Michael D. Jeans**  
 President, New Directions, Inc.  
 (Retired)  
 Director since 2001. 1, 3 (Chair), 4



**Donald Julian Reeves, Ph.D.**  
 Chancellor Emeritus,  
 Winston-Salem State University  
 Director since 2004. 1, 2



**Robert A. DiMuccio**  
 Chairman, President and  
 Chief Executive Officer, Amica  
 Insurance (Retired)  
 Director since 2005. 1



**Debra A. Canales**  
 Executive Vice President  
 and Chief Administrative  
 Officer, Providence  
 Director since 2012. 1, 4



**Jill J. Avery**  
 Senior Lecturer, Harvard  
 Business School  
 Director since 2015. 1, 2 (Chair)



**Debra M. Paul**  
 Chief Executive Officer,  
 Fellowship Health Resources, Inc.  
 Director since 2019. 1, 2



**Peter M. Marino**  
 President and Chief Executive  
 Officer, Neighborhood Health  
 Plan of Rhode Island  
 Director since 2019. 1, 3



**Diane D. Souza**  
 Chief Executive Officer,  
 UnitedHealthcare Specialty  
 Benefits (Retired)  
 Director since 2019. 1, 4



**Ivy L. Brown**  
 President, UPS Northeast  
 District (Retired)  
 Director since 2022. 1, 2



**Matthew A. Lopes, Jr., J.D.**  
 Principal, Pannone Lopes  
 Devereaux & O’Gara LLC  
 Director since 2022. 1, 2



**Edmund Shallcross III**  
 President and Chief Executive  
 Officer, Amica Insurance  
 Director since 2022. 1

**Privacy Notice Effective Date: April 1, 2023**

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

**Summary of Amica’s Privacy Notice**

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

**NPI We Collect About You**

- We get most NPI directly from you during the application process or through other transactions with you. This includes, for example, your name and address, Social Security number, payment account information, type of vehicle, and information about other drivers and members in your household.
- We may ask a consumer reporting agency, data provider or other third party for a report about you, for example: a credit-based insurance score; a report about your coverage and claims history with other companies; motor vehicle records; reports that identify other drivers and members in your household; or criminal records. In limited circumstances, we may request an investigative consumer report, which means that the consumer reporting agency will investigate your habits, finances or if you take part in hazardous activities.
- In addition, for life insurance, we may obtain information about your health from medical providers, MIB Group, Inc., or other prescription or insurance databases. We may also obtain information from you about your beneficiaries or others on your policy.

**How We Use and Disclose NPI**

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

- Claims adjusters, appraisers, auto repair shops, rental companies, contractors, investigators, attorneys and other third-party vendors who provide services in facilitation of your claim
- Your agent
- Your mortgagee, lienholder or finance company
- Our affiliated companies
- Consultants or other service providers that perform business functions for us, such as mailing or marketing services
- Our reinsurance companies
- Businesses that conduct research, including actuarial or underwriting studies
- Other insurance companies
- Consumer reporting agencies (Information that we share with

consumer reporting agencies, including your claims history with us, may be maintained by the consumer reporting agency and disclosed to others as permitted by law.)

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

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

**How We Safeguard NPI**

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

**Your Rights**

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

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

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

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

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