AMICA LIFE INSURANCE COMPANY

Statutory Financial Statements

December 31, 2020 and 2019

(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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, 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 $13.0 million and $13.7 million, and there would be no change in surplus in 2020 and 2019, 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, Schedule 3 – supplemental investment risk interrogatories, and Schedule 4 - supplemental reinsurance 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.

/s/KPMG LLP

Providence, Rhode Island
May 11, 2021

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)

as of December 31, 2020 and 2019

	2020	2019
Assets:		
Bonds and debt securities	$ 1,025,498	$ 981,972
Common stocks	62,888	55,221
Mortgage loans	77,289	71,933
Policy loans	8,678	8,620
Cash and cash equivalents	94,305	87,677
Other invested assets	89,116	70,595
Receivables for securities	10,353	0
Total cash and invested assets	1,368,127	1,276,018
Deferred and uncollected premiums	34,632	33,569
Federal income tax recoverable	4,996	1,212
Interest and dividend income due and accrued	8,421	7,995
Reinsurance premium receivable	38,292	36,714
Reinsurance recoverable	517	1,051
Other assets admitted	5,215	4,660
Total admitted assets	$ 1,460,200	$ 1,361,219
Liabilities and Capital and Surplus:		
Reserve for life policies and annuity contracts	$ 816,007	$ 773,784
Liability for deposit-type contracts	113,885	117,619
Policy and contract claims	8,866	8,281
Interest maintenance reserve	14,018	11,639
Accrued other expenses	12,168	12,928
Asset valuation reserve	25,915	21,115
Retired lives reserve	40,222	39,618
Other liabilities	74,406	38,096
Total liabilities	1,105,487	1,023,080
Capital and surplus:		
Capital stock – $100 par value per share.		
Authorized and issued 50,000 shares	5,000	5,000
Paid in surplus	227,000	177,000
Unassigned funds	122,713	156,139
Total capital and surplus	354,713	338,139
Total liabilities and capital and surplus	$ 1,460,200	$ 1,361,219

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)

for the years ended December 31, 2020 and 2019

	2020	2019
Income:		
Premiums and annuity considerations	$ 72,710	$ 73,733
Considerations for supplementary contracts with life contingencies	1,180	628
Net investment income	43,390	45,666
Commissions and expense allowances on reinsurance ceded	10,866	11,276
Total income	128,146	131,303
Benefits and other expenses:		
Death benefits	35,371	33,012
Annuity benefits	17,745	22,090
Surrender benefits and other fund withdrawals	9,999	12,532
Other policyholder benefits	1,779	1,838
Increase in reserves for life policies and annuity contracts	11,681	7,713
Interest and adjustments on policy or deposit type contracts	4,695	6,237
Increase in reserve for retired lives	604	1,101
General insurance expenses	52,052	42,674
Taxes, licenses, and fees	3,645	3,610
Decrease in loading on deferred and uncollected premiums	(1,611)	(1,673)
Other expenses	0	10
Total benefits and other expenses	135,960	129,144
Net (loss) gain from operations before Federal income tax and net realized capital gains	(7,814)	2,159
Federal income tax benefit	(10,184)	(6,421)
Net gain from operations before net realized capital gains	2,370	8,580
Net realized capital gains, excluding gains transferred to IMR, net of Federal income taxes of $2,172 and $2,012 in 2020 and 2019, respectively	3,311	4,214
Net income	$ 5,681	$ 12,794

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, 2020 and 2019

	2020	2019
Capital and surplus at January 1	$ 338,139	$ 328,262
Compensated absences accrual	0	(844)
Correction of an error	0	(242)
Surplus, beginning of period, restated	338,139	327,176
Net income	5,681	12,794
Paid in surplus	50,000	25,000
Change in XXX reserves	(12,991)	(13,721)
Net change in unrealized capital gains, net of ($1,559) and ($1,453) Federal income tax benefit in 2020 and 2019, respectively	5,403	5,110
Change in net deferred income tax	1,559	1,453
Change in non-admitted assets	(873)	(12,893)
Change in Amica Companies Supplemental Retirement Trust	461	(76)
Change in reserve on account of change in valuation basis	(27,387)	0
Change in asset valuation reserve	(4,800)	(6,249)
Change in retiree medical benefit liability	325	381
Other surplus adjustments	(804)	(836)
Change in capital and surplus	16,574	10,963
Capital and surplus at December 31	$ 354,713	$ 338,139

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, 2020 and 2019

	2020	2019
Cash from operations:		
Premiums collected, net of reinsurance	$ 72,863	$ 73,136
Net investment income	43,827	45,849
Miscellaneous income	11,183	11,513
Benefit and loss related payments	(63,902)	(63,590)
Commissions, expense, and aggregate write-ins for deductions	(50,772)	(45,113)
Federal income taxes recovered	4,228	3,885
Net cash from operations	17,427	25,680
Cash to investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	383,977	594,246
Bonds and debt securities matured or repaid	206,566	103,504
Stocks	32,104	21,684
Mortgage loans repaid	644	515
Other	48,926	20,064
Total investment proceeds	672,217	740,013
Cost of investments acquired:		
Bonds and debt securities	631,410	689,907
Stocks	31,512	15,932
Mortgage loans	6,000	11,951
Other	39,154	26,058
Total investments acquired	708,076	743,848
Net increase in policy loans	58	509
Net cash to investments	(35,917)	(4,344)
Cash from (to) financing and miscellaneous sources:		
Capital and paid in surplus	50,000	25,000
Net deposits on deposit-type contract funds and other insurance liabilities	(17,868)	(18,043)
Other cash provided	(7,014)	(13,008)
Net cash from (to) financing and miscellaneous sources	25,118	(6,051)
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	6,628	15,285
Cash and cash equivalents - beginning of year	87,677	72,392
Cash and cash equivalents - end of year	$ 94,305	$ 87,677

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 is seen as a critical member of the holding group, and as such, management began targeting the broad market in an effort to expand the book of business. 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 81% of net premiums and annuity considerations in 2020.

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 March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a pandemic. The COVID-19 pandemic conditions create financial market volatility and uncertainty regarding whether and when certain customer behaviors will return to historical patterns. As a result of the COVID-19 pandemic, the Company may experience decreases in sales, increases in lapses, increased costs associated with claims activity, lower yields from low-interest rate environment increased credit risk and volatility in capital markets. Although impacting certain sales and revenues, none of the aforementioned items have had a material impact on the overall financial condition of the Company. The extent to which the COVID-19 pandemic may impact the Company's ongoing operations and financial condition will depend on future developments that are evolving and uncertain.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law in response to the COVID-19 pandemic. On December 27, 2020, the Consolidated Appropriations Act (CAA), 2021 was signed into law, which extends and expands certain tax provisions of the CARES Act. The CARES Act, among other things, includes temporarily expanded corporate net operating loss carryback provisions and extends bonus depreciation to qualified improvement property. The CARES Act and the CAA do not have a material effect on the financial statements.

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 $12,991 and $13,721 as of December 31, 2020 and 2019, respectively.

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

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(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, 2020 and December 31, 2019 is shown below:

	State of Domicile	12/31/20	12/31/19
Net Income - Rhode Island Basis	RI	$5,681	$12,794
State Prescribed Practices - None	RI	0	0
State Permitted Practices - Change in XXX Reserves	RI	12,991	13,721
Net Loss - NAIC SAP	RI	($7,310)	($927)
Statutory Capital and Surplus - Rhode Island Basis	RI	$354,713	$338,139
State Prescribed Practices - None	RI	0	0
State Permited Practices - None	RI	0	0
Statutory Surplus - NAIC SAP	RI	$354,713	$338,139

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, partnership and LLC investments do not have a contractual cash flow at time of maturity, the Company considers whether the price or fair value of the 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 ninety days past due will be non-admitted. Any accrued interest which is determined to be

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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.

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 through year-end and are recorded in surplus to policyholders.

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 debt or equity 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 1% 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 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. The Company has recorded capitalized cloud computing service implementation costs of $7,213 and $13,300 during 2020 and 2019, respectively, in accordance with revised SSAP No. 16R.

2. 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.

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3. In August 2019, the NAIC revised SSAP No. 22 “Leases” to adopt, with modification, US GAAP guidance on sale-leaseback transactions, lessor accounting and leveraged leases and update related disclosures. Changes are effective January 1, 2020 for all new leases, and for existing leases reassessed due to change in terms and conditions with early adoption is permitted. The modifications did not have any impact on the results of operations or financial position of the Company.

4. 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 was effective for 2020 year-end reporting. The modifications did not have any impact on the results of operations or financial position of the Company.

5. In March 2020, the NAIC adopted modifications to SSAP No. 51R, Life Contracts, SSAP No. 52, Deposit-Type Contracts and SSAP No. 54R, Individual and Group Accident and Health Contracts which were revised to add disclosures when an insurer voluntarily changes reserving methodologies that require commissioner approval and require those changes to be reported and disclosed as a change in valuation basis. The Company did complete a reserve strengthening in 2020, however, this strengthening did not qualify as a change in reserving methodology.

6. In May 2020, the NAIC adopted modifications to SSAP No. 2R Cash, Cash Equivalents, Drafts, and Short-Term Investments, requiring an added disclosure about the reporting entity’s share of cash pool by asset type. This modification is effective December 31, 2020. As this modification is disclosure related, it did not have any impact on the results of operations or financial position of the Company.

7. In May 2020, the NAIC adopted modifications to SSAP No. 103R, Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, clarifying the requirements of the wash sale disclosure. This modification is effective December 31, 2020. As this modification is disclosure related, it did not have any impact on the results of operations or financial position of the Company.

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.

Note 3 - Accounting Changes and Correction of Errors

No corrections of errors were recorded in 2020. However, 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 2019 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 2019 Federal income tax recoverable.

The following accounting changes were recognized by the Company:

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 and recorded capitalized cloud computing service implementation costs of $7,213 and $13,300 during 2020 and 2019, respectively. These costs have been 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.

In 2020, the Company completed a reserve strengthening of the payout annuity line of business which was effective as of January 1, 2020. The reserve strengthening qualifies as a change in valuation basis under SSAP No. 51R “Life Contracts” and SSAP No.52 “Deposit-type Contracts”. At December 31, 2020, the Company increased the reserves for life and annuity contracts by $17,551 and the liability for deposit-type contracts by $9,836. The combined increase of $27,387 was recorded directly to surplus in accordance with the guidance.

Note 4 - Investments

A. Bonds and Debt Securities

Bonds on deposit with various regulatory authorities, as required by law, totaled $2,926 and $2,925 at December 31, 2020 and 2019, respectively.

(in thousands)

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
2020				
U. S. Government and Federal Agency securities	$264,015	$26,971	$176	$290,810
States, territories and possessions	97,599	13,445	0	111,044
Political subdivisions of states	35,867	1,711	0	37,578
Special revenue and special assessment obligations	218,741	5,186	215	223,712
Industrial and miscellaneous	412,101	40,552	117	452,536
Total	$1,028,323	$87,865	$508	$1,115,680
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

The amortized cost and fair value of long-term bonds and debt securities at December 31, 2020 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	$12,262	$12,387
Due after one year through five years	157,302	168,107
Due after five years through ten years	159,761	178,194
Due after ten years	698,998	756,992
Total	$1,028,323	$1,115,680

B. Stocks

Common stocks, which are carried at fair value, had a cost basis of $41,373 and $37,579 at December 31, 2020 and 2019, respectively.

The gross unrealized gains in the stock portfolio at December 31, 2020 and 2019 amounted to $21,545 and $17,661, respectively. Gross unrealized losses in the stock portfolio at December 31, 2020 and 2019 amounted to $30 and $19, respectively.

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, 2020.

C. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $77,289 and $71,933 as of December 31, 2020 and 2019, respectively. The maximum and minimum lending rates for commercial mortgage loans funded during 2020 were 3.5% and 3.3%. The maximum percentage of any one loan to the value of security at the time of the loan was 70.5%. There were no taxes, assessments, or any amounts advanced and not included in the mortgage loan total.

In 2019, the Company held twenty-three commercial mortgage loans consisting of six industrial parks, five office properties, four retail properties, two self-storage portfolios, two student-housing properties, three multi-family properties and one parking garage. In 2020, the Company acquired three additional commercial mortgage loans consisting of two multi-family properties and one industrial park. All twenty-six mortgage loans are current and there have been no impairments as of December 31, 2020.

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.

(in thousands)

D. Other Invested Assets

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

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
Adams Street Private Credit Fund II, LP	$3,962	$4,083	$0	$0
Adams Street Private Credit Fund, LP	6,917	7,159	5,800	5,800
AEA Mezzanine Fund III, LP	5,150	5,662	5,834	6,297
Cyprium Investors IV, LP	1,024	1,268	1,659	1,822
Cyprium Parallel Investors V, LP	7,616	8,209	1,918	1,873
First Eagle Credit Direct Lending IV, LLC	10,979	11,563	7,720	7,782
First Eagle Direct Lending IV Co-Invest, LLC	4,573	4,664	3,088	3,283
GCG Investors IV, LP	5,695	6,374	5,277	5,422
GLC Direct Credit Fund, LP	2,522	3,375	3,802	4,720
Goldman Sachs Private Equity Partners XI, LP	5	126	4	135
GoldPoint Mezzanine Partners IV, LP	4,547	4,708	4,569	4,754
Graycliff Mezzanine II Parallel, LP	3,072	2,787	4,594	4,795
Graycliff Mezzanine III, LP	8,008	8,284	6,380	6,210
Heartwood Forestland REIT III, LLC	101	112	101	111
Lyme Conservation Opportunities Fund LP	24	23	21	20
Lyme Forest Fund IV, LP	89	96	90	100
Lyme Forest Fund V, LP	89	83	74	70
ManchesterStory Venture Fund, LP	281	308	153	149
Midwest Mezzanine Fund V SBIC, LP	10,855	13,751	10,855	12,975
Midwest Mezzanine Fund VI SBIC, LP	3,656	4,089	3,324	3,381
Morgan Stanley IFHF SPV, LP	5	6	8	11
Morgan Stanley Premium Partners Fund SPV, LP	4	10	5	11
Morgan Stanley Private Markets Fund III, LP	21	52	23	57
PJC Fund V, LP	1,547	1,561	0	0
Point Judith Venture Fund III, LP	58	457	94	564
Point Judith Venture Fund IV, LP	83	147	67	99
Savano Capital Partners II, LP	61	76	71	101
Stonepeak Capital Partners Fund III, LP	64	83	46	53
Total	$81,008	$89,116	$65,577	$70,595

In 2020, the Company did not recognize any other-than-temporary impairments (OTTI) on limited partnership investments. OTTIs recognized in 2019 are listed in the following table:

Name or Description	2019 OTTI
Lyme Forest Fund V, LP	$1
Stonepeak Infrastructure Fund III, LP	0
Total	$1

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As of December 31, 2020, the Company had the following commitments for additional investment:

	Additional Commitments	**Expected Capital Calls Through**
Adams Street Private Credit Fund II LP	$15,038	2024
Adams Street Private Credit Fund LP	1,350	2022
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	394	Life of the Fund
Cyprium Parallel Investors V, LP	10,256	2024
First Eagle Credit Direct Lending IV, LLC	4,378	2022
First Eagle Direct Lending IV Co-Invest, LLC	1,592	2022
GCG Investors IV, LP	1,049	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	713	Life of the Fund
Graycliff Mezzanine II Parallel, LP	3,217	Life of the Fund
Graycliff Mezzanine III, LP	6,980	2023
Lyme Conservation Opportunities Fund, LP	76	2022
Lyme Forest Fund V, LP	10	2022
ManchesterStory Venture Fund, LP	224	2023
Midwest Mezzanine Fund V SBIC, LP	1,561	Life of the Fund
Midwest Mezzanine Fund VI SBIC, LP	4,308	2023
Morgan Stanley Private Markets Fund III, LP	14	Life of the Fund
PJC Fund V, LP	4,703	2025
Point Judith Venture Fund IV, LP	4	2022
Savano Capital Partners II, LP	8	2021
Stonepeak Capital Partners Fund III, LP	35	2023
	$74,906	

* Reflects commitments to investments not yet owned as of December 31, 2020.

(Continued)

(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	
2020	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**
U. S. Government and Federal Agency securities	$21	$10,558	$156	$13,935	$177	$24,493
States, territories and possessions	0	0	0	0	0	0
Political subdivisions of states	0	0	0	0	0	0
Special revenue and special assessment obligations	214	30,533	0	0	214	30,533
Industrial and miscellaneous	118	15,610	0	0	118	15,610
Subtotal bonds and debt securities	353	56,701	156	13,935	509	70,636
Common stocks	30	759	0	0	30	759
Subtotal equity securities	30	759	0	0	30	759
Total temporarily impaired securities	$383	$57,460	$156	$13,935	$539	$71,395

	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

1. Bonds and Debt Securities: The unrealized losses of $509 on investments in fixed income securities as of December 31, 2020 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.

(in thousands)

As of December 31, 2020, the Company had investments in structured and loan-backed securities for which an other-than-temporary impairment had not been recognized in earnings and which were in an unrealized loss position, as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Residential	$307	$39,331	$82	$4,881	$389	$44,212
Commercial	32	6,537	74	9,055	106	15,592
Total	$339	$45,868	$156	$13,936	$495	$59,804

The Company's investments in loan-backed and structured securities are not considered other-than-temporarily impaired as the Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by an analysis of the underlying credit of each security. Unrealized losses are primarily attributable to higher interest rates and modestly wider spread levels. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and passage of time cause it to conclude that declines in fair value are other-than temporary.

2. Common Stocks: As of December 31, 2020, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of $759 in five issuers. These holdings were in an unrealized loss position of $30, of which none was in an unrealized loss position for more than twelve 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, 2020.

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

	2020
Adjusted cost basis	$41,373
Gross unrealized gains	21,545
Gross unrealized losses	(30)
Carrying value	$62,888

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.

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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.

The following table provides information as of December 31, 2020 and 2019 about the Company's financial assets and liabilities measured at fair value on a recurring basis:

2020	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Common stock:					
Industrial and miscellaneous	$41,210	$1,034	$0	$0	$42,244
Mutual funds	20,644	0	0	0	20,644
Total common stock	61,854	1,034	0	0	62,888
Cash equivalents:					
All other money market mutual funds	41,902	0	0	0	41,902
Total cash equivalents	41,902	0	0	0	41,902
Total assets at fair value	$103,756	$1,034	$0	$0	$104,790
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

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

(in thousands)

Level 1 financial assets totaling $103,756 and $83,409 at December 31, 2020 and 2019, 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 total $1,034 at December 31, 2020 and 2019, 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.

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, 2020, 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 2020 and 2019.

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

2020	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	$290,810	$264,015	$70,651	$220,159	$0	$0	$0
States, territories and possessions	111,044	97,599	0	111,044	0	0	0
Political subdivisions of states	37,578	35,867	0	37,578	0	0	0
Special revenue and special assessment obligations	223,712	218,741	0	223,712	0	0	0
Industrial and miscellaneous	449,712	409,276	1,694	448,018	0	0	0
Total bonds	1,112,856	1,025,498	72,345	1,040,511	0	0	0
Common stock:							
Industrial and miscellaneous	42,244	42,244	41,210	1,034	0	0	0
Mutual funds	20,644	20,644	20,644	0	0	0	0
Total common stock	62,888	62,888	61,854	1,034	0	0	0
Mortgage loans:							
Commercial mortgages	76,461	77,289	0	76,461	0	0	0
Total mortgage loans	76,461	77,289	0	76,461	0	0	0
Cash, cash equivalents and short-term investments:							
Cash	10,582	10,582	10,582	0	0	0	0
All other money market mutual funds	41,902	41,902	41,902	0	0	0	0
Commercial paper	13,997	13,997	0	13,997	0	0	0
Cash equivalent bonds	24,999	24,999	24,999	0	0	0	0
Short-term bonds	2,824	2,825	0	2,824	0	0	0
Total cash, cash equivalents and short-term investments	94,304	94,305	77,483	16,821	0	0	0
Total	$1,346,509	$1,259,980	$211,682	$1,134,827	$0	$0	$0

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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	0
Total cash, cash equivalents and short-term investments	87,678	87,677	36,067	51,611	0	0	0
Total	$1,239,695	$1,196,803	$152,339	$1,087,356	$0	$0	$0

There were no financial instruments where it was not practical to estimate fair value in 2020 and 2019.

(in thousands)

G. Net Investment Income

Net investment income for the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
Bonds and debt securities	$31,366	$33,566
Preferred stocks	0	2
Common stocks	1,091	1,404
Mortgage loans	3,150	2,807
Policy loans	595	639
Short-term investments	715	2,472
Other invested assets	4,679	3,928
Amortization of IMR	2,308	2,069
Miscellaneous interest (expense)	167	(164)
Total investment income	44,071	46,723
Less investment expenses	681	1,057
Net investment income	$43,390	$45,666

H. Realized Gains and Losses

Realized gains and losses for the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
Gross gains and losses:		
Bonds	$6,522	$6,138
Stocks	5,827	4,619
Preferred stocks	0	10
Short-term investments	(53)	3
Other invested assets	6	1,059
Total gross gains and losses	$12,302	$11,829
Other realized adjustments	($2,132)	($746)
Transferred net gains to IMR	(4,687)	(4,857)
Capital gains tax	(2,172)	(2,012)
Net realized capital gains	$3,311	$4,214

Proceeds from sale of long-term bonds and debt securities during 2020 and 2019 were $383,977 and $594,246, 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 2020 and 2019 were $32,104 and $21,684, respectively.

Reflected in other realized adjustments in 2020 and 2019 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. Losses of $2,132 and $746 in 2020 and 2019, 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, 2020 and 2019.

(in thousands)

J. Prepayment Penalties and Acceleration Fees

The Company recognized the following prepayment penalties for securities sold in 2020:

	General Account
1. Number of CUSIPs sold	7
2. Aggregate amount of investment income	$653

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:

	2020	2019
Reinsurance ceded in-force	$26,392,862	$25,243,458
Reinsurance premiums ceded	42,769	43,060
Reinsurance reserve credit	315,399	285,727
Reinsurance premium receivable	38,292	36,714

A significant portion of the Company's reinsurance is provided by six highly rated domestic reinsurers. As of December 31, 2020, the top three reinsurers accounted for approximately 84% of the outstanding reinsurance recoverable balance. All recoverables as of December 31, 2020 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 2020 and 2019 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).

During 2019, the Company's Parent, Amica Mutual, 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.

(Continued)

B. Postretirement Benefits

The Company provides postretirement medical insurance (“Postretirement Health Care”) to retirees meeting certain eligibility requirements. The liability for this plan totals $4,355 and $4,549 as of December 31, 2020 and 2019, respectively. The periodic benefit cost for this plan totals $637 and $690 in 2020 and 2019, 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, 2020 and 2019, the Company recorded a liability of $672 and $536, respectively, for retiree life insurance benefits. The Company’s share of the net periodic benefit cost for retiree life insurance benefits was $91 and $80 for 2020 and 2019, 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 $817 and $651 on behalf of participating employees in 2020 and 2019, 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 $5,707 and $5,087 at December 31, 2020 and 2019, respectively. The Company has recorded $4,434 and $3,562 at December 31, 2020 and 2019, 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 $358 and $257 for 2020 and 2019, respectively.

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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, 2020 and 2019:

	Pension Benefits				Postretirement Benefits	
	Overfunded		Underfunded		Underfunded	
	2020	2019	2020	2019	2020	2019
1. Change in benefit obligation						
1. Benefit obligation at beginning of year	$1,583,503	$1,402,573	$77,604	$69,146	$421,371	$382,485
2. Service cost	34,079	31,054	5,951	7,745	6,947	5,737
3. Interest cost	54,766	60,495	1,900	2,034	14,415	16,029
4. Contribution by plan participants	0	0	0	0	1,253	1,481
5. Actuarial (gain) loss	189,712	185,397	7,525	4,768	61,959	33,571
6. Foreign currency exchange rate changes	0	0	0	0	0	0
7. Benefits paid	(66,541)	(96,016)	(3,428)	(6,089)	(19,608)	(17,932)
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	$1,795,519	$1,583,503	$89,552	$77,604	$486,337	$421,371

(Continued)

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	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
2. Change in plan assets				
a. Fair Value on plan assets at beginning of year	$2,082,394	$1,822,750	$381,650	$331,157
b. Actual return on plan assets	318,431	330,660	42,853	50,271
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	3,428	31,089	8,355	16,918
e. Plan participants' contributions	0	0	1,254	1,481
f. Benefits paid	(69,969)	(102,105)	(20,159)	(18,177)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	$2,334,284	$2,082,394	$413,953	$381,650
3. Funded Status				
Overfunded				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$775,934	$765,378	$0	$3,389
2. Overfunded plan assets	(237,169)	(266,488)	0	(3,389)
3. Total assets (nonadmitted)	538,765	498,890	0	0
Underfunded				
b. Liabilities recognized				
1. Accrued benefit costs	67,346	60,709	72,383	39,720
2. Liability for pension benefits	22,205	16,895	0	0
3. Total liabilities recognized	89,552	77,604	72,383	39,720
c. Unrecognized liabilities	$259,375	$283,383	$55,978	$29,626
4. Components of net periodic benefit cost				
a. Service cost	$40,030	$38,799	$6,947	$5,737
b. Interest cost	56,666	62,529	14,415	16,030
c. Expected return on plan assets	(106,598)	(101,263)	(18,478)	(15,973)
d. Transition asset or obligation	473	(3,996)	10,984	10,984
e. (Gains) and losses	8,958	11,741	291	0
f. Prior service cost or (credit)	(19)	(52)	(44)	(43)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost/benefit	($490)	$7,758	$14,115	$16,735

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	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
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	$283,383	$330,308	$29,626	$41,295
b. Net transition asset or (obligation) recognized	(473)	3,997	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	19	52	(10,941)	(10,941)
e. Net (gain) and loss arising during the period	(14,597)	(39,233)	37,584	(728)
f. Net gain and (loss) recognized	(8,957)	(11,741)	291	0
g. Items not yet recognized as a component of net periodic cost - current year	$259,375	$283,383	$56,560	$29,626
6. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit costs				
a. Net transition (asset) or obligation	($23,873)	($23,400)	$21,969	$32,953
b. Net prior service cost or (credit)	1,686	1,666	(269)	(313)
c. Net recognized (gains) and losses	281,562	305,117	34,279	(3,014)

7. Weighted average assumptions as of December 31, 2020 and 2019:

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
Measurement date for:				
Net periodic benefit cost	12/31/20	12/31/19	12/31/20	12/31/19
Year-end benefit obligation	12/31/20	12/31/19	12/31/20	12/31/19
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	2.80%	3.50%	2.80%	3.50%
Rate of compensation increase	4.00%	4.00%	n/a	n/a
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:				
Discount rate	3.50%	4.30%	2.80%	3.50%
Expected return on plan assets	5.20%	5.20%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	n/a	n/a

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

The Company measured benefit obligations using the Society of Actuaries PRI-2012 mortality tables projected generationally with Mortality Improvement Scale MP-2020.

(in thousands)

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
2021	$71,581	$18,725
2022	80,700	19,484
2023	77,645	20,211
2024	89,627	20,774
2025	84,235	21,494
2026 through 2030	454,305	112,514

9. The estimate of contributions expected to be paid by Amica Mutual and Amica Life during 2021 are as follows:

Pension and Postretirement Plans	Contribution
Amica Pension Fund	$0
Supplemental Retirement Plan	3,780
Postretirement Health Care	15,708
Retired Life Reserve	2,110
Unfunded Retired Life Benefit	907

10. The assumed health care cost trend rate is 6.3% for 2020 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, 2020 and 2019:

Pension Benefits	Overfunded		Underfunded	
	12/31/20	12/31/19	12/31/20	12/31/19
Benefit obligation	($1,728,831)	($1,527,761)	($85,570)	($75,868)
Plan assets at fair value	2,334,284	2,082,394	0	0
Funded (underfunded) status	$605,453	$554,633	($85,570)	($75,868)

(in thousands)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2020 and 2019. 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.

The following provides the status of the Postretirement Health Care Benefit Plans covering employees of Amica Mutual and the Company as of December 31, 2020 and 2019:

Postretirement Benefits	**Overfunded**		**Underfunded**	
	12/31/20	**12/31/19**	**12/31/20**	**12/31/19**
Benefit obligation	$0	$0	($486,337)	($421,370)
Plan assets at fair value	0	0	413,953	381,650
Funded status	$0	$0	($72,384)	($39,720)

The non-vested liability is reflected in the benefit obligation on the above table for December 31, 2020 and 2019. 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.

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.

(in thousands)

The closure of the pension plan to new participants drove an updated asset allocation strategy for the Pension Fund in 2019. In an effort to de-risk the Pension Fund portfolio, the asset allocation was shifted away from individual debt and equity securities to include a buy-in group annuity contract and commingled pools. 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 commingled pools are 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.

Asset 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.

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, 2020 and 2019, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		**Target Allocation**	
Asset Category	**12/31/20**	**12/31/19**	**12/31/20**	**12/31/19**
a. Debt Securities	0.0%	0.0%	0.0%	0.0%
b. Equity Securities	0.0%	0.0%	0.0%	0.0%
c. Other	100.0%	100.0%	100.0%	100.0%
d. Total	100.0%	100.0%	100.0%	100.0%

At December 31, 2020, the Pension fund plan assets were comprised of commingled pool investments (51.3%), a buy-in group annuity contract (40.3%), other alternative investments (7.7%) and cash and short-term investments (0.7%).

The Postretirement Health Care plan asset allocation as of the measurement date, December 31, 2020 and 2019, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual Allocation		**Target Allocation**	
Asset Category	**12/31/20**	**12/31/19**	**12/31/20**	**12/31/19**
a. Debt Securities	28.0%	28.0%	29.0%	29.0%
b. Equity Securities	61.0%	58.0%	58.0%	58.0%
c. Other	11.0%	14.0%	13.0%	13.0%
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				
2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
Cash equivalents	$16,416	$0	$0	$16,416
Commercial mortgage loans	0	15,782	0	15,782
Buy-in group annuity contract	0	0	937,197	937,197
Commingled pools measured at net asset value (1)	0	0	0	1,194,640
Other invested assets	0	0	164,131	164,131
Total plan assets	$16,416	$15,782	$1,101,328	$2,328,166
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 (1)	0	0	0	1,028,156
Other invested assets	0	0	140,097	140,097
Total plan assets	$15,945	$16,697	$1,021,662	$2,082,460

(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.

Level 1 financial assets are comprised of U.S. Treasury Bonds and actively traded exchange-listed equity securities, as well as severely 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				
2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at Fair Value:				
U.S. Government and Federal Agencies	$662	$16,128	$0	$16,790
States and political subdivisions	0	71,317	0	71,317
Corporate debt securities	0	15,317	0	15,317
Common stock	144,023	0	0	144,023
Cash equivalents	11,485	5,999	0	17,484
Commercial mortgage loans	0	3,567	0	3,567
Index funds measured at net asset value (1)	0	0	0	85,377
Other invested assets	0	0	27,078	27,078
Total assets at fair value	$156,170	$112,328	$27,078	$380,953
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

(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 Fund’s statement of financial position.

Level 1 financial assets are comprised of U.S. Treasury Bonds and actively traded exchange-listed equity securities, as well as severely 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)

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	
	2020	2019	2020	2019
Balance at beginning of year	$1,021,662	$127,866	$21,276	$20,585
Total gains/losses (realized/unrealized) included in net increase (decrease) in net assets available for benefits	99,921	37,885	819	1,465
Purchases	30,925	906,405	7,658	8,932
Sales	(51,180)	(50,494)	(2,675)	(9,706)
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	$1,101,328	$1,021,662	$27,078	$21,276

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
2020						
Computer equipment & software	$21,040	$8,436	$12,604	$12,604	$0	$5,429
Furniture and equipment	9,560	6,477	3,083	3,083	0	30
Total	$30,600	$14,913	$15,687	$15,687	$0	$5,459
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

Depreciation expense on furniture and equipment of $30 and $61 in 2020 and 2019, respectively is net of reimbursement from Amica Mutual of $1,274 and $1,414 in 2020 and 2019, respectively.

There were no write-downs to fair value for equipment and furnishings in 2020 and 2019.

(in thousands)

Note 8 - Income Taxes

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

	Ordinary	Capital	Total
2020			
Gross deferred tax assets	$27,728	$1,381	$29,109
Statutory valuation allowance adjustment	5,960	0	5,960
Adjusted gross deferred tax assets	21,768	1,381	23,149
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	21,768	1,381	23,149
Deferred tax liabilities	16,756	6,393	23,149
Net admitted deferred tax asset (liability)	$5,012	($5,012)	$0
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
Change			
Gross deferred tax assets	$1,730	$594	$2,324
Statutory valuation allowance adjustment	65	0	65
Adjusted gross deferred tax assets	1,665	594	2,259
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	1,665	594	2,259
Deferred tax liabilities	1,041	1,218	2,259
Net admitted deferred tax asset (liability)	$624	($624)	$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 $5,960 and $5,895 for December 31, 2020 and 2019, respectively.

(in thousands)

Admission calculation components:

	Ordinary	Capital	Total
2020			
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	53,207
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	16,756	6,393	23,149
Deferred tax assets admitted as the result of application of SSAP No. 101	$16,756	$6,393	$23,149
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
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	2,486
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	1,041	1,218	2,259
Deferred tax assets admitted as the result of application of SSAP No. 101	$1,041	$1,218	$2,259

Ratios used for threshold limitation:

	2020	2019
Ratio percentage used to determine recovery period and threshold limitation	889%	1112%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$ 354,713	$ 338,139

There were no tax planning strategies, including the use of reinsurance, in place at December 31, 2020 that impacted the determination of ordinary and capital adjusted gross deferred tax assets.

(in thousands)

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

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

	2020	2019	Change
Federal	($10,184)	($6,421)	($3,763)
Foreign	0	0	0
Subtotal	(10,184)	(6,421)	(3,763)
Federal income tax on net capital gains	2,172	2,012	160
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes (received) incurred	($8,012)	($4,409)	($3,603)

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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:	**2020**	**2019**	**Change**
Ordinary:			
Policyholder reserves	$18,113	$17,263	$850
Deferred acquisition costs	5,114	4,719	395
Reserve for unassessed insolvencies	355	362	(7)
Compensation and benefits accrual	2,972	2,574	398
Pension accrual	267	320	(53)
Fixed assets	756	422	334
Other	151	338	(187)
Subtotal	27,728	25,998	1,730
Statutory valuation allowance adjustment	5,960	5,895	65
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	21,768	20,103	1,665
Capital:			
Common stocks	456	463	(7)
Joint venture interests	925	324	601
Subtotal	1,381	787	594
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	1,381	787	594
Admitted deferred tax assets	$23,149	$20,890	$2,259
Deferred Tax Liabilities:			
Ordinary:			
Bonds	$321	$280	$41
Fixed assets	444	48	396
Deferred and uncollected premium	7,273	7,049	224
Policyholder reserves	155	0	155
Restated tax reserves (Tax Cuts and Jobs Act)	523	627	(104)
Reinsurance premium receivable	8,041	7,710	331
Subtotal	16,757	15,714	1,043
Capital:			
Common stocks	4,518	3,783	735
Other (including items <5% of total ordinary tax liabilities)	171	0	171
Joint venture interests	1,703	1,393	310
Subtotal	6,392	5,176	1,216
Deferred tax liabilities	$23,149	$20,890	$2,259
Net deferred tax assets (liabilities)	$0	$0	$0

(in thousands)

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

	2020	2019	Change
Total deferred tax assets	$29,109	$26,785	$2,324
Total deferred tax liabilities	23,149	20,890	2,259
Net deferred tax assets/(liabilities)	5,960	5,895	65
Statutory valuation allowance adjustment	(5,960)	(5,895)	(65)
Net deferred tax assets/(liabilities) after valuation allowance	0	0	0
Tax effect of unrealized gains (losses)	6,392	4,833	1,559
			0
Change in net deferred tax	$6,392	$4,833	$1,559

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.

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

	2020		2019	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income before taxes	$495	21.0%	$2,781	21.0%
Permanent differences	(485)	-20.6%	(435)	-3.3%
Change in non-admitted assets	(183)	-7.8%	(2,708)	-20.5%
Tax credits	(430)	-18.3%	(1,100)	-21.8%
Change in valuation basis of reserves	(5,752)	-244.1%	0	0.0%
Change in XXX reserves	(2,728)	-115.8%	(2,881)	-9.4%
Change in statutory valuation adjustment	65	2.8%	(1,248)	-0.3%
Reserve adjustments	(90)	-3.8%	(45)	-8.3%
Other	(462)	-19.7%	(226)	-1.7%
Total	($9,570)	-406.3%	($5,862)	-44.3%
Federal income taxes incurred	($10,183)	-432.3%	($6,421)	-48.5%
Tax on capital gains (losses)	2,172	92.2%	2,012	15.2%
Change in net deferred taxes	(1,559)	-66.2%	(1,453)	-11.0%
Total statutory income taxes	($9,570)	-406.3%	($5,862)	-44.3%

The primary driver of the increased 2020 effective tax rate when compared to 2019 was the payout annuity reserve valuation basis adjustment and the decline in pre-tax income. See Note 3 for further information.

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2020 and 2019, 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 for these contracts are recorded on the Reserve for Life Policies and Annuity Contracts as well as the Liability for Deposit-Type Contract lines of the Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus. The carrying value and estimated fair value of these liabilities at December 31, 2020 and 2019 are presented below:

	2020		2019	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Supplementary contracts without life contingencies	$9,093	$9,138	$9,710	$9,903
Deferred annuities	344,641	342,244	343,288	340,835
Immediate annuities without life contingencies	104,789	107,049	107,907	120,116
Total financial liabilities	$458,523	$458,431	$460,905	$470,854

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, 2020 and 2019, respectively, the Company had $4,613,204 and $4,727,322 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:

	2020	2019
Subject to discretionary withdrawal:		
With market value adjustment	$0	$0
At book value less surrender charge	11,758	11,039
At fair value	0	0
Total with adjustment or at market value	$11,758	$11,039
At book value without adjustment	332,887	332,252
Not subjected to discretionary withdrawal	207,032	194,712
Total individual annuity actuarial reserves and deposit funds liabilities, net	$551,677	$538,003
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	$7,763	$3,245

Note 11 - Life Contracts - Premiums

Deferred and uncollected life insurance premiums were as follows:

	2020		2019	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary new business	$2,615	$172	$1,770	$398
Ordinary renewal	(4,339)	34,460	(2,947)	33,171
Total	($1,724)	$34,632	($1,177)	$33,569

Note 12 - Related Parties

The Company recorded a payable to Amica Mutual of $602 and $61 at December 31, 2020 and 2019, 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 2020 and 2019, expenses of $1,086 and $1,027, respectively, were allocated to the Company.

During 2020 and 2019 premiums of approximately $5,553 and $5,183, 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 $1,789 and $2,288 in 2020 and 2019, respectively, by Amica Mutual for leasing motor vehicles owned by the Company.

Starting in 2020, the Company reimbursed Amica Mutual a fixed fee for health, prescription and dental insurance coverage for its employees. In years prior, Amica Life paid the insurance coverage for their own employees, which were billed under the self-insurance contracts. As of December 31, 2020, $1,424 was reimbursed to Amica Mutual by Amica Life.

(in thousands)

The Company received premiums from Amica Mutual of $0 and $761 in 2020 and 2019, 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 $3,032 and $2,374 in 2020 and 2019, respectively, for personnel and facility expenses incurred.

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 2020 and 2019 was $12,794 and $11,451, respectively. No dividends were paid in 2020 or 2019.

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 2020 or 2019.

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 past and 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
2020	25,000	Paid December 14, 2020
2021	0	N/A
2022	25,000	At President's Discretion
Total	$150,000	

The second $25,000 capital contribution in 2020 was committed to in order to support the Company's aforementioned reserve strengthening.

The timing and amount of the remaining $25,000 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, 2020 and 2019.

(in thousands)

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 $1,691 and $1,723 at December 31, 2020 and 2019, 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, 2020.

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	2020	2019
Furniture and other equipment, net	$17,804	$16,730
Supplemental pension benefits	1,274	1,526
Other	602	551
Total non-admitted assets	$19,680	$18,807

Note 16 - Subsequent Events

Subsequent events have been considered through February 10, 2021 for the statutory statement issued on February 10, 2021 and through May 11, 2021 for the audited statutory financial statements issued on May 11, 2021. There were no 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, 2020

Schedule 1

Investment Income Earned			
1.	U.S. Government Bonds	L008 L01 C02	8,141,078
2.	Bonds exempt from U.S. tax	L008 L01.1 C02	
3.	Other bonds (unaffiliated)	L008 L01.2 C02	22,993,969
4.	Bonds of affiliates	L008 L01.3 C02	
5.	Preferred stocks (unaffiliated)	L008 L02.1 C02	
6.	Preferred stocks of affiliates	L008 L02.11 C02	
7.	Common stocks (unaffiliated)	L008 L02.2 C02	1,090,820
8.	Common stocks of affiliates	L008 L02.21 C02	
9.	Mortgage loans	L008 L03 C02	3,149,690
10.	Real estate	L008 L04 C02	
11.	Contract Loans	L008 L05 C02	595,409
12.	Cash, cash equivalents and short-term investments	L008 L06 C02	715,227
13.	Derivative instruments	L008 L07 C02	
14.	Other invested assets	L008 L08 C02	4,679,102
15.	Aggregate write-ins for investment income	L008 L09 C02	189,446
16.	Gross investment income	L008 L10 C02	41,554,741
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	77,289,070
21.	Total mortgage loans		77,289,070
Mortgage Loans By Standing – Book Value:			
22.	Good standing	E04 L0899999 C08	77,289,070
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	114,453,945
31.	Over 1 year through 5 years	SI07 L11.7 C02	332,964,868
32.	Over 5 years through 10 years	SI07 L11.7 C03	298,681,205
33.	Over 10 years through 20 years	SI07 L11.7 C04	189,436,411
34.	Over 20 years	SI07 L11.7 C05	131,782,192
35.	No Maturity Date	SI07 L11.7 C06	
36.	Total by Maturity		1,067,318,621
Bonds by NAIC Designation - Statement Value			
37.	NAIC 1	SI07 L11.1 C07	903,815,112
38.	NAIC 2	SI07 L11.2 C07	159,504,976
39.	NAIC 3	SI07 L11.3 C07	3,998,533
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		1,067,318,621
44.	Total Bonds Publicly Traded	SI07 L13.7 C07	979,066,754
45.	Total Bonds Privately Placed	SI07 L14.7 C07	88,251,867
46.	Preferred Stocks – Book/Adjusted Carrying Value	E11 L8999999 C08	
47.	Common Stocks – Fair Value	E12 L9799999 C08	62,887,521
48.	Short Term Investments – Book/Adjusted Carrying Value	E17 L9199999 C08	2,825,374
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	10,581,581

AMICA LIFE INSURANCE COMPANY
SELECTED FINANCIAL DATA
December 31, 2020

Schedule 1

Life Insurance In Force (in thousands):		
54. Industrial	L025 L21 C02	
55. Ordinary	L025 L21 C04	45,631,183
56. Credit Life	L025 L21 C06	
57. Group Life	L025 L21 C09	706,349
58. Amount of Accidental Death Insurance In Force Under Ordinary Policies	L026 L46 C01	43,869
Life Insurance Policies with Disability Provisions In Force (in thousands):		
59. Industrial	L026 L52 C02	
60. Ordinary	L026 L52 C04	908,692
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	9,393,331
64. Ordinary – Not Involving Life Contingencies – Income Payable	L027 L12 C02	759,515
65. Ordinary – Involving Life Contingencies – Income Payable	L027 L12 C01	1,222,117
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	16,494,471
70. Ordinary – Deferred – Fully Paid Account Balance	L027 L11 C02	77,091,668
71. Ordinary – Deferred – Not Fully Paid – Account Balance	L027 L12 C02	265,849,628
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	2,712
79. Dividend Accumulations – Account Balance	L027 L10 C02	
Claim Payments 2020 (in thousands):		
Group Accident and Health – Year Ended December 31, 2020 –		
80. 2020	L465-1 SN A L06 C05	
81. 2019	L465-1 SN A L05 C05	
82. 2018	L465-1 SN A L04 C05	
83. 2017	L465-1 SN A L03 C05	
84. 2016	L465-1 SN A L02 C05	
85 Prior	L465-1 SN A L01 C05	
Other Accident and Health –		
86. 2020	L465-1 SN B L06 C05	
87. 2019	L465-1 SN B L05 C05	
88. 2018	L465-1 SN B L04 C05	
89. 2017	L465-1 SN B L03 C05	
90. 2016	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. 2020	L465-1 SN C L06 C05	
93. 2019	L465-1 SN C L05 C05	
94. 2018	L465-1 SN C L04 C05	
95. 2017	L465-1 SN C L03 C05	
96. 2016	L465-1 SN C L02 C05	
97. Prior	L465-1 SN C L01 C05	

See accompanying independent auditors' report.

(Continued)

AMICA LIFE INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2020

Schedule 2

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage of Column 1 Line 13	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	264,015,284	19.298	264,015,284		264,015,284	19.298
1.02 All other governments		0.000				0.000
1.03 U.S. states, territories and possessions, etc. guaranteed	97,598,955	7.134	97,598,955		97,598,955	7.134
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	35,867,274	2.622	35,867,274		35,867,274	2.622
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	218,740,764	15.988	218,740,764		218,740,764	15.988
1.06 Industrial and miscellaneous	409,275,474	29.915	409,275,474		409,275,474	29.915
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	1,025,497,751	74.956	1,025,497,751		1,025,497,751	74.956
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)	41,209,925	3.012	41,209,925		41,209,925	3.012
3.02 Industrial and miscellaneous Other (Unaffiliated)	1,033,900	0.076	1,033,900		1,033,900	0.076
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	20,643,696	1.509	20,643,696		20,643,696	1.509
3.06 Unit investment trusts		0.000				0.000
3.07 Closed-end funds		0.000				0.000
3.08 Total common stocks	62,887,521	4.597	62,887,521		62,887,521	4.597
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	77,289,071	5.649	77,289,071		77,289,071	5.649
4.04 Mezzanine real estate loans		0.000				0.000
4.05 Total valuation allowance		0.000				0.000
4.06 Total mortgage loans	77,289,071	5.649	77,289,071		77,289,071	5.649
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)	10,582,081	0.773	10,582,081		10,582,081	0.773
6.02 Cash equivalents (Schedule E, Part 2)	80,897,505	5.913	80,897,505		80,897,505	5.913
6.03 Short-term investments (Schedule DA)	2,825,374	0.207	2,825,374		2,825,374	0.207
6.04 Total cash, cash equivalents and short-term investments	94,304,960	6.893	94,304,960		94,304,960	6.893
7. Contract loans	8,677,627	0.634	8,677,627		8,677,627	0.634
8. Derivatives (Schedule DB)		0.000				0.000
9. Other invested assets (Schedule BA)	89,117,597	6.514	89,117,597		89,117,597	6.514
10. Receivables for securities	10,352,780	0.757	10,352,780		10,352,780	0.757
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	1,368,127,307	100.000	1,368,127,307		1,368,127,307	100.000

See accompanying independent auditors' report. (Continued)

AMICA LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2020

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. $ 1,460,200,040

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	$ 60,730,241	4.2 %
2.02	JPMorgan Chase & Co	Bonds, Common Stock, Money Market Fund	$ 51,379,633	3.5 %
2.03	FREMF Mortgage Trust	Bonds	$ 42,420,668	2.9 %
2.04	Fannie Mae or Freddie Mac	Bonds	$ 34,918,482	2.4 %
2.05	State of Texas	Bonds	$ 31,808,817	2.2 %
2.06	Sequoia Mortgage Trust	Bonds	$ 16,748,897	1.1 %
2.07	State of Georgia	Bonds	$ 15,991,365	1.1 %
2.08	State of Washington	Bonds	$ 14,590,758	1.0 %
2.09	Virginia Housing Development Authority	Bonds	$ 14,203,481	1.0 %
2.10	Bank of America Corp	Bonds, Common Stock	$ 14,103,195	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	$ 903,815,119	61.9 %	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 159,504,985	10.9 %	3.08	P/RP-2	$	%
3.03	NAIC-3	$ 3,998,533	0.3 %	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	$	%
4.03	Foreign-currency-denominated investments	$	%
4.04	Insurance liabilities denominated in that same foreign currency	$	%

AMICA LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2020

Schedule 3

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	JPMorgan Chase & Co.	$ 42,584,105	2.9 %
13.03	iShares Core MSCI Total International Stock ETF	$ 10,228,871	0.7 %
13.04	Fidelity Total International Index Fund	$ 7,959,909	0.5 %
13.05	Fidelity Emerging Markets Index Fund	$ 2,231,373	0.2 %
13.06	Apple Inc.	$ 2,138,963	0.1 %
13.07	Microsoft Corp.	$ 2,026,246	0.1 %
13.08	Amazon.com Inc.	$ 1,690,347	0.1 %
13.09	PJC Fund V, L.P.	$ 1,561,173	0.1 %
13.10	Alphabet Inc.	$ 1,339,017	0.1 %
13.11	Vanguard 500 Index Fund ETF Class Shares	$ 1,145,519	0.1 %

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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 14.02 through 14.05.

	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	JPMorgan Asset Management	$ 41,901,993	$ 41,901,993	$
14.07	Blackrock Fund Advisors	$ 10,228,871	$ 10,228,871	$
14.08	Fidelity Management & Research Company	$ 10,191,282	$ 10,191,282	$
14.09	Vanguard	$ 1,145,519	$ 1,145,519	$
14.10	Ashmore Investment Advisors Ltd	$ 112,368	$ 112,368	$
14.11	Morgan Stanley Investment Management Company	$ 111,175	$ 111,175	$
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	$ 6,399,547	0.4 %
16.04	Commercial	$ 6,303,594	0.4 %
16.05	Commercial	$ 5,357,143	0.4 %
16.06	Commercial	$ 4,494,920	0.3 %
16.07	Commercial	$ 3,916,439	0.3 %
16.08	Commercial	$ 3,801,651	0.3 %
16.09	Commercial	$ 3,507,047	0.2 %
16.10	Commercial	$ 2,880,139	0.2 %
16.11	Commercial	$ 2,853,164	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:

Loan to Value		Residential 1	Residential 2	Commercial 3	Commercial 4	Agricultural 5	Agricultural 6
17.01	above 95%	$	%	$	%	$	%
17.02	91 to 95%	$	%	$	%	$	%
17.03	81 to 90%	$	%	$	%	$	%
17.04	71 to 80%	$	%	$	%	$	%
17.05	below 70%	$	%	$ 47,987,913	3.3 %	$	%

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	At Year End 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	Owned 2	Written 3	Written 4
21.01 Hedging	$	%	$	%
21.02 Income generation	$	%	$	%
21.03 Other	$	%	$	%

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

	At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	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	At Year End 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	$	%	$	$	$

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Based on the analysis of the Company’s reinsurance treaties, no agreements require disclosure as a result of the new requirements noted in paragraphs 78 to 84 of SSAP61R.