AMICA PROPERTY AND CASUALTY 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 Property and Casualty Insurance Company:

We have audited the accompanying financial statements of Amica Property and Casualty 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 Operations, 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 Property and Casualty 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.

KPMG

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 Property and Casualty 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 Property and Casualty 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.

Other Matter

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

/s/ KPMG LLP

Providence, Rhode Island
May 11, 2021

AMICA PROPERTY AND CASUALTY 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	$ 74,259	$ 77,333
Mortgage loans	4,761	3,598
Cash and cash equivalents	4,857	6,347
Receivable for securities	274	0
Total cash and invested assets	84,151	87,278
Premiums receivable	11,057	13,515
Reinsurance recoverable on paid losses and loss adjustment expenses	3,102	3,779
Investment income due and accrued	593	598
Net deferred tax asset	0	256
Federal income tax recoverable	79	0
Receivable from parent	462	596
Other assets admitted	36	437
Total admitted assets	$ 99,480	$ 106,459
Liabilities and capital and surplus:		
Accrued other expenses	$ 199	$ 1,225
Net deferred tax liability	13	0
Federal income taxes payable	0	39
Ceded reinsurance premiums payable	16,523	19,846
Other liabilities	1,315	2,246
Total liabilities	18,050	23,356
Common stock - $350 par value per share. Authorized and issued 10,000 shares.	3,500	3,500
Additional paid-in-capital	48,120	48,120
Surplus	29,810	31,483
Total capital and surplus	81,430	83,103
Total liabilities and capital and surplus	$ 99,480	$ 106,459

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY

(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Operations

(in thousands)

for the years ended December 31, 2020 and 2019

	2020	2019
Underwriting income:		
Premiums earned	$ 0	$ 0
Underwriting expenses:		
Losses incurred	0	0
Loss expenses incurred	0	0
Other underwriting expenses (income), net	4,497	(535)
Total underwriting expenses (income)	4,497	(535)
Net underwriting (loss) income	(4,497)	535
Investment and other income:		
Net investment income	2,212	2,455
Net realized capital gains, net of Federal income tax expense of $101 and $37 in 2020 and 2019, respectively	381	138
Other expense, net	(328)	(364)
Total investment and other income	2,265	2,229
(Loss) income before Federal income taxes, net	(2,232)	2,764
Federal income tax (benefit) incurred, net	(814)	367
Net (loss) income	$ (1,418)	$ 2,397

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Capital and Surplus
(in thousands)

for the years ended December 31, 2020 and 2019

	2020	2019
Capital and surplus at January 1	$ 83,103	$ 80,854
Net (loss) income	(1,418)	2,397
Change in net deferred income tax	(269)	(182)
Change in non-admitted assets	27	(11)
Other equity adjustments	(13)	45
Change in capital and surplus	(1,673)	2,249
Capital and surplus at December 31	$ 81,430	$ 83,103

See accompanying notes to statutory financial statements.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY

(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Statutory Statements of Cash Flow

(in thousands)

for the years ended December 31, 2020 and 2019

	2020	2019
Cash (to) from operations:		
Premiums (remitted) collected, net of reinsurance	$ (882)	$ 1,558
Loss and loss adjustment expenses recovered (paid)	677	(1,154)
Underwriting expenses paid, net of commissions received	(5,548)	(351)
Cash (to) from underwriting	(5,753)	53
Net investment income	2,524	2,675
Other income (losses), net	97	(367)
Federal income taxes recovered (paid)	595	(467)
Net cash (to) from operations	(2,537)	1,894
Cash from (to) investments:		
Proceeds from investments sold, matured or repaid:		
Bonds and debt securities sold	19,711	47,947
Bonds and debt securities matured or repaid	14,837	6,903
Mortgage loans repaid	27	13
Other (paid) received	(3)	989
Total investment proceeds	34,572	55,852
Cost of investments acquired:		
Bonds and debt securities	32,469	59,880
Mortgage loans	1,190	1,779
Total investments acquired	33,659	61,659
Net cash from (to) investments	913	(5,807)
Cash from (to) financing and miscellaneous sources:		
Net transfers from (to) affiliates	134	(31)
Net cash from (to) financing and miscellaneous sources	134	(31)
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents	(1,490)	(3,944)
Cash and cash equivalents - beginning of year	6,347	10,291
Cash and cash equivalents - end of year	$ 4,857	$ 6,347

See accompanying notes to statutory financial statements.

Note 1 – Nature of Operations

Amica Property and Casualty Insurance Company, hereinafter referred to as “Amica P&C” or “the Company”, is a Rhode Island domiciled property and casualty insurer, which is solely owned and managed by Amica Mutual Insurance Company (Amica Mutual). The initial capitalization of Amica P&C occurred on June 16, 2005, with the purchase of 10,000 shares of common stock totaling $3,500 and additional paid in capital totaling $30,100, for a total initial investment of $33,600.

Amica P&C has an instrumental role in the Amica holding company group as one of the group’s two property and casualty insurers, Amica Mutual being the other, and is primarily used to supplement Amica Mutual’s personal automobile writings. Prior to 2014, Amica P&C was the sole writer of personal automobile coverages in New Jersey for the Amica holding company group. However, effective January 1, 2014, a dual-company underwriting approach was undertaken, under which personal automobile policies underwritten by Amica are split between Amica Mutual and Amica P&C based on set underwriting criteria, which places preferred business with Amica Mutual and standard business with Amica P&C.

Prior to 2017, Amica P&C’s underwriting was comprised exclusively of auto business in New Jersey and New York; however, Amica’s commitment to the aforementioned dual-company underwriting model resulted in the expansion of Amica P&C’s writings, and the Company began writing auto business in Georgia, Texas and Rhode Island in 2017.

The Company expanded auto writings into thirteen additional states in 2018 and another seven states in 2019, bringing the ultimate total to twenty-five states as of December 31, 2019. No additional states were added in 2020.

In November 2018, the Company began converting automobile policies in select states to six-month policy periods upon renewal. Additionally, new automobile policies written in affected states are written exclusively with a six-month policy term, which will enable the Company to quickly respond to underwriting conditions. The rollout of this six-month policy initiative was fully completed during 2020; however, there are still a few remaining twelve-month policies, mostly in Massachusetts, in force as of December 31, 2020.

The Company has no employees as its parent, Amica Mutual, performs management, advertising and other operational functions on its behalf. Amica Mutual systematically allocates such costs to Amica P&C based on the estimated costs of the services performed, in accordance with a formal cost-sharing agreement.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

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

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, including sales of new and retention of existing policies, driving behavior and auto claim frequency. 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.

In the second quarter of 2020, to provide relief to our policyholders during the COVID-10 pandemic, the Company announced its intention to return a portion of its profits to policyholders through its COVID-19 Financial Relief Program. Effective June 2020, the Rhode Island Department of Business Regulation Insurance Division approved a permitted accounting practice to classify COVID-19 relief funds as other underwriting expenses. This treatment contrasts that of *INT 20-08: COVID-19 Premium Refunds, Limited-Time Exception, Rate Reductions and Policyholder Dividends*, which mandates such relief funds be treated as reductions to premium, with a limited-time exception for treatment as other underwriting expense under specific conditions, for which the Company does not qualify. The expected total disbursements under this program have been recorded as a charge to other underwriting expenses totaling $4,065, with $198 remaining to be credited to policyholder premium installments in the beginning of 2021. The decrease to surplus is due to the terms of the quota share agreement. Under this agreement, using NAIC SAP, the impact of the premium relief would have been ceded to Amica Mutual, whereas following the permitted practice, other underwriting expense cannot be ceded to Amica Mutual. This additional expense is partially offset by an increase to commission income due to higher premiums reflected with the permitted practice. Refer to Note 7 for information on the Company's quota share reinsurance agreement.

(in thousands)

A reconciliation of the Company's net (loss) income and capital and surplus between NAIC statutory accounting practices (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	2020	2019
Net (Loss) Income - Rhode Island Basis	RI	($1,418)	$2,397
State Prescribed Practices - None	RI	0	0
State Permitted Practices - COVID-19 Financial Relief	RI	(2,569)	0
Net (Loss) Income - NAIC SAP	RI	$1,151	$2,397
Statutory Capital and Surplus - Rhode Island Basis	RI	$81,430	$83,103
State Prescribed Practices - None	RI	0	0
State Permitted Practices - COVID-19 Financial Relief	RI	(2,569)	0
Statutory Capital and Surplus - NAIC SAP	RI	$83,999	$83,103

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.

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

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

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

3. Salvage and subrogation recoverable generally is not recognized.

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

5. Reserves for losses and loss adjustment expenses and reserves for unearned premiums are presented net of reinsurance ceded.

6. Certain assets designated as "non-admitted" are charged off against surplus.

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

8. 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.

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

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

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

1. Reserve for Loss and Loss Adjustment Expenses:

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

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

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

C. Investment Policy

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

2. Bonds, except loan-backed bonds and structured securities, are stated at amortized cost using the scientific method, or fair value as specified by the NAIC's Securities Valuations Office (SVO) Manual.

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

5. Realized gains and losses are determined on a specific identification basis, are credited or charged to income, and are presented in the statements of operations net of Federal income tax. Unrealized capital gains and losses resulting from the

valuation of investments at fair value are credited or charged directly to surplus. A decline in the market value of any investment security, excluding loan-backed and structured securities, below cost that is deemed to be other-than-temporary results in a reduction in the carrying amount to fair value. A decline in market value of loan-backed and structured securities below cost that is deemed to be other-than-temporary results in a reduction in the carrying amount in accordance with SSAP 43R, "Loan-backed and Structured Securities".

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

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

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

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

D. Asset Depreciation and Amortization Policy

All equipment expenses are allocated to the Company through its cost-sharing agreement with its parent company, Amica Mutual. The capitalization policy includes a prepaid expense threshold of $500, capitalization of qualifying expenses associated with projects in excess of $500, and capitalization of internal labor costs on strategic projects to the extent they qualify. The policy maintains the $5 de minimis limitation on capitalizing individual items for projects under $500.

E. Revenue Recognition Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Policies generally have a term of one year. However, in November 2018, the Company began converting automobile policies in select states to six-month policy periods upon renewal. Additionally, new automobile policies written in affected states are written exclusively with a six-month policy term. The rollout of this six-month policy initiative was fully completed during 2020; however, there are still a few remaining twelve-month policies, mostly in Massachusetts, in force as of December 31, 2020. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business.

F. Acquisition Expenditure Policy

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

G. Commissions Policy

When the commission received under a reinsurance agreement exceeds the anticipated acquisition cost of the business ceded, the Company establishes a liability equal to the difference between the anticipated acquisition cost and the reinsurance commission received. The excess is recorded as income over the life of the reinsurance contract.

H. Unpaid Losses and Loss Adjustment Expenses Policy

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are determined based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be different than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Refer to Note 2B for information on the Company's policy for recording a reserve for loss and loss adjustment expenses.

I. Federal Income Taxes Policy

The method of allocating Federal income taxes between Amica Mutual and its subsidiaries is contained in a written agreement approved by the Board of Directors. Allocation is made in accordance with Section 1552 (a)(2) of the Internal Revenue Code based upon separate return calculations with current credit for net losses. 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 to policyholders. Deferred tax assets are subject to certain admissibility requirements.

J. Premium Deficiency Calculations Policy

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

K. Fair Value of Financial Instruments

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

1. Cash and Cash Equivalents

   Cash and cash equivalents are carried at fair value which approximate cost.

2. Bonds and Debt Securities

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

3. Mortgage Loans

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

L. New Accounting Standards

1. In August 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.

2. 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.

3. 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

(in thousands)

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.

4. In June 2020, the NAIC adopted INT 20-08, *COVID-19 Premium Refunds, Limited-Time Exception, Rate Reductions and Policyholder Dividends* which requires disclosures related to COVID-19 premium refunds. The Company has updated the related disclosures in 2020, including the state permitted practice which was granted in June 2020.

M. Going Concern

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

N. Reclassification

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

Note 3 – Investments

A. Bonds and Debt Securities

1. Bonds and debt securities on deposit with various regulatory authorities, as required by law, totaled $2,446 and $2,463 at December 31, 2020 and 2019, respectively.

2. 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	$18,274	$2,278	$21	$20,531
States, territories and possessions	7,303	937	0	8,240
Political subdivisions of states	2,250	51	0	2,301
Special revenue and special assessment obligations	15,634	530	6	16,158
Industrial and miscellaneous	30,798	2,464	7	33,255
Total	$74,259	$6,260	$34	$80,485
2019				
U.S. Government and Federal Agency securities	$26,001	$1,284	$144	$27,141
States, territories and possessions	6,552	289	8	6,833
Political subdivisions of states	1,719	17	0	1,736
Special revenue and special assessment obligations	11,687	219	16	11,890
Industrial and miscellaneous	31,374	1,016	34	32,356
Total	$77,333	$2,825	$202	$79,956

(in thousands)

3. The amortized cost and fair value of bonds and debt securities at December 31, 2020, by contractual maturities, are shown as follows:

	Amortized Cost	**Fair Value**
Due in one year or less	$1,332	$1,347
Due after one year through five years	14,074	15,068
Due after five years through ten years	11,931	12,989
Due after ten years	46,922	51,081
Total	$74,259	$80,485

4. Proceeds from the sale of bonds and debt securities during 2020 and 2019 were $19,711 and $47,947, respectively. During 2020 and 2019, gross gains of $388 and $272, respectively, were realized on these sales. Gross losses of $4 and $99 were incurred on these sales in 2020 and 2019.

B. Mortgage Loans

The Company is a co-lender in first lien commercial mortgage loans with a carrying value of $4,761 and $3,598 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 fifteen commercial mortgage loans consisting of five industrial parks, two retail properties, one parking garage, five multi-family properties, one office property, and one self-storage portfolio made up of six properties. In 2020, the Company acquired three additional commercial mortgage loans consisting of two multi-family properties and one industrial park. All mortgage loans are current 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.

C. Net Investment Income

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

	2020	**2019**
Bonds and debt securities	$2,286	$2,442
Mortgage loans	175	105
Cash equivalents	49	217
Miscellaneous	5	(60)
Total investment income	2,515	2,704
Less: Investment expenses	303	249
Net investment income	$2,212	$2,455

(in thousands)

D. Fair Value of Financial Instruments

	2020		2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Bonds and debt securities	$74,259	$80,485	$77,333	$79,956
Mortgage loans	4,761	4,695	3,598	3,688
Cash and cash equivalents	4,857	4,857	6,347	6,347
Total assets	$83,877	$90,037	$87,278	$89,991

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 upon observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources based on trades of securities, while unobservable inputs reflect the Company's market assumptions. These inputs comprise the following fair value hierarchy:

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

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

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

The following tables provide 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	NAV	Total
Assets at fair value:					
Cash equivalents:					
Exempt money market mutual funds	$0	$0	$0	$0	$0
All other money market mutual funds	2,701	0	0	0	2,701
Total cash equivalents	$2,701	$0	$0	$0	$2,701
Total assets at fair value	$2,701	$0	$0	$0	$2,701
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Notes to Statutory Financial Statements
(in thousands)

December 31, 2020 and 2019

2019	Level 1	Level 2	Level 3	NAV	Total
Assets at fair value:					
Cash equivalents:					
Exempt money market mutual funds	$0	$0	$0	$0	$0
All other money market mutual funds	2,618	0	0	0	2,618
Total cash equivalents	$2,618	$0	$0	$0	$2,618
Total assets at fair value	$2,618	$0	$0	$0	$2,618
Liabilities at fair value:					
Total liabilities at fair value	$0	$0	$0	$0	$0

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

2020	Fair Value	Carrying Value	Level 1	Level 2	Level 3	NAV
Bonds:						
U.S. Government and Federal Agency securities	$20,531	$18,274	$6,554	$13,977	$0	$0
States, territories and possessions	8,239	7,303	0	8,239	0	0
Political subdividions of states	2,301	2,250	0	2,301	0	0
Special revenue and special assessment obligations	16,158	15,634	0	16,158	0	0
Industrial and miscellaneous	33,256	30,798	0	33,256	0	0
Total bonds	80,485	74,259	6,554	73,931	0	0
Mortgage loans:						
Mortgage loans	4,695	4,761	0	4,695	0	0
Total mortgage loans	4,695	4,761	0	4,695	0	0
Cash equivalents:						
Cash	595	595	595	0	0	0
All other money market mutual funds	2,702	2,702	2,702	0	0	0
Commercial paper	1,500	1,500	0	1,500	0	0
Short-term bonds	60	60	0	60	0	0
Total cash equivalents	4,857	4,857	3,297	1,560	0	0
Total assets	$90,037	$83,877	$9,851	$80,186	$0	$0

(in thousands)

2019	Fair Value	Carrying Value	Level 1	Level 2	Level 3	NAV
Bonds:						
U.S. Government and Federal Agency securities	$27,141	$26,001	$7,031	$20,110	$0	$0
States, territories and possessions	6,833	6,552	0	6,833	0	0
Political subdividions of states	1,736	1,719	0	1,736	0	0
Special revenue and special assessment obligations	11,890	11,687	0	11,890	0	0
Industrial and miscellaneous	32,356	31,374	0	32,356	0	0
Total bonds	79,956	77,333	7,031	72,925	0	0
Mortgage loans:						
Mortgage loans	3,688	3,598	0	3,688	0	0
Total mortgage loans	3,688	3,598	0	3,688	0	0
Cash equivalents:						
Cash	0	0	0	0	0	0
All other money market mutual funds	2,618	2,618	2,618	0	0	0
Commercial paper	3,558	3,558	0	3,558	0	0
Short-term bonds	171	171	0	171	0	0
Total cash equivalents	6,347	6,347	2,618	3,729	0	0
Total assets	$89,991	$87,278	$9,649	$80,342	$0	$0

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

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.

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, at December 31, 2020 and 2019, are as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
2020						
U.S. Government and Federal Agency securities	$4	$543	$17	$456	$21	$999
State, 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	6	1,376	0	0	6	1,376
Industrial and miscellaneous	7	2,757	0	0	7	2,757
Total temporarily impaired securities	$17	$4,676	$17	$456	$34	$5,132
2019						
U.S. Government and Federal Agency securities	$93	$10,092	$51	$1,833	$144	$11,925
State, territories and possessions	8	1,651	0	0	8	1,651
Political subdivisions of states	0	141	0	0	0	141
Special revenue and special assessment obligations	15	2,529	1	345	16	2,874
Industrial and miscellaneous	22	2,243	12	1,032	34	3,275
Total temporarily impaired securities	$138	$16,656	$64	$3,210	$202	$19,866

The unrealized losses of $34 on investments in fixed income securities as of December 31, 2020 are primarily attributable to 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. Because the Company has the ability and intent to hold these investments until a market price recovery, these investments are not considered other-than-temporarily impaired.

(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 mortgage-backed securities	$11	$2,247	$16	$378	$27	$2,625
Commercial mortgage-backed securities	4	709	1	79	5	788
Other	0	0	0	0	0	0
Total	$15	$2,956	$17	$457	$32	$3,413

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 increased 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.

F. 5GI* Securities

There were no investments in 5GI* securities as of December 31, 2020 and 2019.

G. Prepayment Penalties and Acceleration Fees

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

Number of CUSIPs sold	6
Aggregate amount of investment income	$16

Note 4 – Non-Cash Transactions

The Company did not report any non-cash operating, investing or financing activities in 2020 and 2019, other than non-cash payments as a result of the Company's 2020 COVID-19 Financial Relief Program. Such non-cash payments classified within operating activities amounted to approximately $3,361 and were the result of refund payments credited against policyholders' accounts versus actual cash payments being made.

(in thousands)

Note 5 – Reserves for Losses and Loss Adjustment Expenses

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

	2020	2019
Balance at January 1	$51,419	$38,229
Less reinsurance recoverables	51,419	38,229
Net balance at January 1	0	0
Incurred related to:		
Current year	0	0
Prior years	0	0
Total incurred	0	0
Paid related to:		
Current year	0	0
Prior years	0	0
Total paid	0	0
Net balance at December 31	0	0
Plus reinsurance recoverables	55,304	51,419
Balance at December 31	$55,304	$51,419

As the Company's reserves for losses and loss adjustment expenses are ceded at 100% to Amica Mutual, there were no net balances related to 2020 or 2019.

Reinsurance recoverables at December 31, 2020 were $55,304, an increase of $3,885 from December 31, 2019. These recoverables result from the Company's quota share reinsurance agreement with Amica Mutual.

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2020 and 2019

Note 6 – Income Taxes

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

	Ordinary	Capital	Total
2020			
Gross deferred tax assets	$8	$0	$8
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	8	0	8
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	8	0	8
Deferred tax liabilities	21	0	21
Net admitted deferred tax (liability) asset	($13)	$0	($13)
2019			
Gross deferred tax assets	$273	$0	$273
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	273	0	273
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	273	0	273
Deferred tax liabilities	17	0	17
Net admitted deferred tax asset (liability)	$256	$0	$256
Change			
Gross deferred tax assets	($265)	$0	($265)
Statutory valuation allowance adjustment	0	0	0
Adjusted gross deferred tax assets	(265)	0	(265)
Deferred tax assets nonadmitted	0	0	0
Subtotal net admitted deferred tax asset	(265)	0	(265)
Deferred tax liabilities	4	0	4
Net admitted deferred tax (liability) asset	($269)	$0	($269)

(Continued)

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2020 and 2019

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)			
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date			
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	12,215
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	8	0	8
Deferred tax assets admitted as the result of application of SSAP No. 101	$8	$0	$8
2019			
Federal income taxes paid in prior years recoverable through loss carrybacks	$273	$0	$273
Adjusted gross deferred tax assets expected to be realized within 3 years			
(The lesser of 1 and 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	12,427
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	0	0	0
Deferred tax assets admitted as the result of application of SSAP No. 101	$273	$0	$273
Change			
Federal income taxes paid in prior years recoverable through loss carrybacks	($273)	$0	($273)
Adjusted gross deferred tax assets expected to be realized withing 3 years			
(The lesser of 1 and 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	(212)
Adjusted gross deferred tax assets offset by gross deferred tax liabilities	8	0	8
Deferred tax assets admitted as the result of application of SSAP No. 101	($265)	$0	($265)

Ratios used for threshold limitation:

	2020	2019
Ratio percentage used to determine recovery period and threshold limitations amount	20912%	25562%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	$ 81,430	$ 82,847

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.

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

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
(A Wholly-owned Subsidiary of Amica Mutual Insurance Company)

Notes to Statutory Financial Statements
(in thousands)

December 31, 2020 and 2019

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

	2020	2019	Change
Federal	($814)	$367	($1,181)
Foreign	0	0	0
Subtotal	(814)	367	(1,181)
Federal income tax on net capital gains (losses)	101	37	64
Utilization of capital loss carry-forw ards	0	0	0
Other	0	0	0
Federal and foreign income taxes (recovered) incurred	($713)	$404	($1,117)

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Notes to Statutory Financial Statements
(in thousands)

December 31, 2020 and 2019

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

Deferred Tax Assets:	**2020**	**2019**	**Change**
Ordinary:			
Discounting of unpaid losses	$0	$0	$0
Unearned premium reserve	1	3	(2)
Receivables - nonadmitted	7	13	(6)
Deferred ceded commissions	0	257	(257)
Prepaid expenses	0	0	0
Subtotal	8	273	(265)
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted ordinary deferred tax assets	8	273	(265)
Capital:			
Investments	0	0	0
Net capital loss carry-forward	0	0	0
Subtotal	0	0	0
Statutory valuation allowance adjustment	0	0	0
Nonadmitted	0	0	0
Admitted capital deferred tax assets	0	0	0
Admitted deferred tax assets	$8	$273	($265)
Deferred Tax Liabilities:			
Ordinary:			
Investments	$21	$17	$4
Fixed assets	0	0	0
Subtotal	21	17	4
Capital:			
Investments	0	0	0
Real estate	0	0	0
Subtotal	0	0	0
Deferred tax liabilities	$21	$17	$4
Net deferred tax (liability) asset	($13)	$256	($269)

(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	$8	$273	($265)
Total deferred tax liabilities	21	17	4
Net deferred tax (liabilities)/assets	(13)	256	(269)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax (liabilities)/assets after valuation allowance	(13)	256	(269)
Tax effect of unrealized gains (losses)	0	0	0
Statutory valuation allowance adjustment allocation to unrealized	0	0	0
Change in net deferred tax	($13)	$256	($269)

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
(Loss) income before taxes	($447)	21.0%	$588	21.0%
Change in non-admitted assets	6	-0.3%	(2)	-0.1%
Other	(3)	0.1%	0	0.0%
Total	($444)	20.8%	$586	20.9%
Federal income tax (benefit) expense	($814)	38.2%	$367	13.1%
Tax on capital gains (losses)	101	-4.8%	37	1.3%
Change in net deferred taxes	269	-12.6%	182	6.5%
Total statutory income taxes (recovered)	($444)	20.8%	$586	20.9%

F. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2020 and 2019, the Company did not have any unused operating loss carryforwards available to offset against future taxable income as the Company's Federal income tax return is consolidated and filed by Amica Mutual Insurance Company.

2. The amounts of Federal income taxes incurred and available for recoupment in the event of future net losses are:

Year	Total
2020	$0
2019	$416

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

(Continued)

(in thousands)

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 Life 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 7 – Reinsurance

A. The Company maintains a 100% quota share reinsurance agreement covering all premiums, losses and loss adjustment expenses with Amica Mutual. In return, the Company receives a 20% ceding commission on premiums ceded under this treaty, and it records the commission income as an offset to other underwriting expenses. During 2020 and 2019, the Company earned commissions on this quota share treaty totaling $12,172 and $11,147, respectively.

Additionally, Amica P&C is a named insured under Amica Mutual's catastrophe reinsurance program. The Company remains contingently liable in the event that reinsurers are unable to meet the obligations for existing paid and unpaid loss recoverables and unearned premiums ceded under reinsurance agreements.

B. The effect of reinsurance on premiums for the years ended December 31, 2020 and 2019 are as follows:

		Written Reinsurance Premiums Assumed		Written Reinsurance Premiums Ceded				
Year	Direct Premiums Written	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	Net Premiums Written	Change in Unearned Premiums	Net Premiums Earned
2020	$54,768	$0	$0	$54,751	$17	$0	$0	$0
2019	$51,688	$0	$0	$51,483	$205	$0	$0	$0

C. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2020 and 2019:

	Assumed		Ceded to Affiliates		
Year	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Direct Unearned Prem. Reserve
2020	$0	$0	$15,894	$3,179	$15,894
2019	$0	$0	$19,554	$3,911	$19,554

D. The Company does not have any existing reinsurance contractual arrangements which allow for additional or return commission which is predicated on loss experience or on any other form of profit sharing arrangements.

Note 8 – Information Concerning Parent, Subsidiaries, Affiliates

A. Amica Mutual Insurance Company

The Company is a party to a quota-share reinsurance agreement with Amica Mutual. Effective January 1, 2013, the Company amended the quota-share reinsurance agreement with Amica Mutual. From inception of business to December 31, 2012, the Company maintained quota-share reinsurance ceding 80% of all premiums, losses, and loss adjustment expenses. Beginning January 1, 2013, the ceding share changed from 80% to 100%. In return, Amica Mutual Insurance Company pays a 20% ceding commission to the Company.

Amica Mutual performs certain managerial and other operational functions for the benefit of Amica P&C. Amica Mutual allocates such costs to Amica P&C based on the estimated costs of the services performed. The written agreement between the companies indicates that settlement of these costs be made within fifty-five days of the end of the month to which it applies. The costs charged from Amica Mutual to Amica P&C amounted to $11,876 and $8,729 in 2020 and 2019, respectively.

B. Amounts Due to or from Related Parties

The Company reported $462 due from Amica Mutual at December 31, 2020 and $596 due from Amica Mutual at December 31, 2019. These balances are for the net amount of management fee and reinsurance contract premiums, which are offset by the net amount of premiums received and underwriting expenses paid by Amica Mutual on behalf of the Company. In addition, the Company reported an amount recoverable from Amica Mutual for Federal income taxes of $79 at December 31, 2020 and an amount due to Amica Mutual for Federal income taxes of $39 at December 31, 2019. The management and service contracts require that the intercompany balances be settled within fifty-five days of the month to which it applies.

Note 9 – Contingencies

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

Note 10 – Dividend Restrictions

The State of Rhode Island has limitations on the amount of ordinary dividends that may be paid to stockholders in any twelve-month period. These limitations are based on net income and surplus. For 2020 and 2019, any dividends paid by the Company would be categorized as "extraordinary" for purposes of the Rhode Island statute, and would require the Insurance Commissioner's approval before being paid.

Note 11 – 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 audited 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.

(Continued)

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE
December 31, 2020

Schedule 1

	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
Investment Categories	Amount	Percentage of Column 1 Line 13	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	18,274,362	21.716	18,274,362		18,274,362	21.716
1.02 All other governments		0.000				0.000
1.03 U.S. states, territories and possessions, etc. guaranteed	7,302,829	8.678	7,302,829		7,302,829	8.678
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	2,249,564	2.673	2,249,564		2,249,564	2.673
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	15,634,032	18.579	15,634,032		15,634,032	18.579
1.06 Industrial and miscellaneous	30,798,110	36.599	30,798,110		30,798,110	36.599
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	74,258,897	88.245	74,258,897		74,258,897	88.245
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)		0.000				0.000
3.02 Industrial and miscellaneous Other (Unaffiliated)		0.000				0.000
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		0.000				0.000
3.06 Unit investment trusts		0.000				0.000
3.07 Closed-end funds		0.000				0.000
3.08 Total common stocks		0.000				0.000
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	4,761,325	5.658	4,761,325		4,761,325	5.658
4.04 Mezzanine real estate loans		0.000				0.000
4.05 Total valuation allowance		0.000				0.000
4.06 Total mortgage loans	4,761,325	5.658	4,761,325		4,761,325	5.658
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)	595,337	0.707	595,337		595,337	0.707
6.02 Cash equivalents (Schedule E, Part 2)	4,201,105	4.992	4,201,105		4,201,105	4.992
6.03 Short-term investments (Schedule DA)	60,221	0.072	60,221		60,221	0.072
6.04 Total cash, cash equivalents and short-term investments	4,856,663	5.771	4,856,663		4,856,663	5.771
7. Contract loans		0.000				0.000
8. Derivatives (Schedule DB)		0.000				0.000
9. Other invested assets (Schedule BA)		0.000				0.000
10. Receivables for securities	273,641	0.325	273,641		273,641	0.325
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	84,150,526	100.000	84,150,526		84,150,526	100.000

See accompanying independent auditors' report.

AMICA PROPERTY AND CASUALTY INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
December 31, 2020

Schedule 2

Of The AMICA PROPERTY AND CASUALTY INSURANCE COMPANY

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

NAIC Group Code 0028 NAIC Company Code 12287 Federal Employer's Identification Number (FEIN) 26-0115568

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. $ 99,480,044

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	$ 5,035,641	5.1 %
2.02	State of Texas	Bonds	$ 3,539,997	3.6 %
2.03	FREMF Mortgage Trust	Bonds	$ 3,320,578	3.3 %
2.04	JPMorgan Prime MMF Capital	Cash Equivalents	$ 2,701,455	2.7 %
2.05	Federal Home Loan Mortgage Corporation	Bonds	$ 1,559,873	1.6 %
2.06	State of Washington	Bonds	$ 1,312,878	1.3 %
2.07	Bank of America Corp	Bonds	$ 1,253,331	1.3 %
2.08	Virginia Housing Development Authority	Bonds	$ 1,200,000	1.2 %
2.09	Prime Notes LLC	Bonds	$ 1,200,000	1.2 %
2.10	State of Tennessee	Bonds	$ 1,193,819	1.2 %

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	$ 63,416,819	63.7%	3.07	P/RP-1	$	%
3.02	NAIC-2	$ 11,902,134	12.0%	3.08	P/RP-2	$	%
3.03	NAIC-3	$ 499,815	0.5%	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	$	%

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

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

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

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

		1	2
7.	Aggregate unhedged foreign currency exposure	$	%

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

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

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

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

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

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

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? .... Yes [ ] 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 [ ] 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 [ ]

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

	1 Issuer	2	3
13.02	....	$	.... %
13.03	....	$	.... %
13.04	....	$	.... %
13.05	....	$	.... %
13.06	....	$	.... %
13.07	....	$	.... %
13.08	....	$	.... %
13.09	....	$	.... %
13.10	....	$	.... %
13.11	....	$	.... %

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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 [ ] 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	....	$	$	$ ....
14.07	....	$	$	$ ....
14.08	....	$	$	$ ....
14.09	....	$	$	$ ....
14.10	....	$	$	$ ....
14.11	....	$	$	$ ....
14.12	....	$	$	$ ....
14.13	....	$	$	$ ....
14.14	....	$	$	$ ....
14.15	....	$	$	$ ....

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

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

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

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

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

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

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

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	Commercial	$ 704,988	0.7 %
16.03	Commercial	$ 578,966	0.6 %
16.04	Commercial	$ 450,228	0.5 %
16.05	Commercial	$ 443,932	0.4 %
16.06	Commercial	$ 349,892	0.4 %
16.07	Commercial	$ 343,769	0.3 %
16.08	Commercial	$ 278,200	0.3 %
16.09	Commercial	$ 274,029	0.3 %
16.10	Commercial	$ 260,834	0.3 %
16.11	Commercial	$ 195,403	0.2 %

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

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

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

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

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

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

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

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

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

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

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

Schedule 3

7.1	Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?	Yes [ ] No [X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions:	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [ ] No [ ]
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [ ] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.	Yes [ ] No [X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [ ] No [X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [ ] No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:	
	(a) The entity does not utilize reinsurance; or,	Yes [ ] No [X]
	(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [X] No [ ]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [ ] No [X]