



History

Amica Mutual Insurance Company is an industry-leading insurance provider, offering a portfolio of insurance products to customers nationwide. Founded in 1907, Amica is the oldest mutual insurer of automobiles in the nation, protecting drivers for nearly 100 years. Amica employs more than 3,200 people in 42 offices across the country. In Rochester, New York, Amica has had a presence since 1954. The company was first located in the City of Rochester, and then expanded its offices with the construction of a new Rochester headquarters in Pittsford, New York in 1972. In 2004, Amica again experienced growth, reflected in a move to a larger site in the Woodcliff Office Park also in Pittsford, New York. The company anticipates expanding its current employee base in Rochester from 77 to more than 100.

Amica has one of the highest customer retention rates, with more than one-third of its customers staying with Amica for 20 years or more. Amica has a strong history and commitment to providing personal service, fast claims, financial strength, careful underwriting, billing flexibility, and direct dealing with no agent involvement. Amica's portfolio of products includes auto insurance, homeowner insurance, life insurance and retirement, marine coverage, and personal umbrella liability insurance. The company provides a breadth and depth of insurance coverage to meet customer needs, focusing on building personal relationships with customers. Amica has implemented cutting-edge technologies to expedite services, and process claims quickly with courtesy and attention to detail.

Background

Amica developed a clear strategy to create prompt and efficient handling of claims. Defined as the "Amica Advantage," this dedication to customer needs has been in place since the company was founded in 1907. Amica facilitates the claims process by applying a high staff-to-policyholder ratio. Amica retains more staff per policyholder than most insurance companies, helping to give claims the time and attention that they deserve. The personal service Amica offers is reflected in the fact that thousands of Amica's customers stay with Amica for 50 years or more.

Amica enjoys a very high number of word-of-mouth recommendations, an indication of the level of customer satisfaction. In 2003, J.D. Power and Associates ranked Amica "Highest in Customer Satisfaction Among National Auto Insurers" for a fourth year in a row, and "Highest in Customer Satisfaction Among National Homeowner Insurers" for a second consecutive year.* In 2003, Amica's on-line customer service was recognized by the Customer Respect Group, an international research and consulting firm that focuses on how corporations treat their customers on-line. In 2002, Gomez, Inc., an Internet

quality measurement firm, ranked Amica's Web site as the Top Internet Insurance Carrier for Life Buyers based on a number of factors including its instant on-line quoting capabilities and policyholder access to an array of on-line features, including account information and bill paying.

Amica and its employees are active in the Rochester community, pursuing a number of philanthropic programs including the Pittsford Home and Kitchen Tour to benefit fundraising efforts for the Women's Club of Pittsford, which in turn assists local charities such as Advent House, Boys & Girls Club of Rochester, and Community Partners for Youths. Amica also participates in United Way programs, grant programs, and Habitat for Humanity projects, and local employees volunteer at hospitals, libraries, schools, and museums. Recent recipients of funds include the American Heart Association, the Miami Project to Cure Paralysis, and The Nature Conservancy.

Amica provides a number of programs in support of employee volunteering and charitable giving. In 1997, Amica established the Amica Companies Foundation to financially support employee volunteer efforts. Amica also annually awards Amica Citizenship Grants in amounts up to \$1,000 to dozens of community groups in which Amica employees are involved. Amica also provides matching gift funds up to \$1,000 when employees provide financial support to elementary and secondary schools, as well as two- and four-year colleges, universities, and college-level graduate schools. Amica believes that both students and the community benefit with an increase in skilled and educated people in the workforce.

Situation Analysis

The "Amica Advantage" reflects the company's overall customer philosophy. With more than 56,000 policyholders served from the Rochester office, Amica's growth in the Rochester area continues. Amica's commitment to providing the best service to its customers is illustrated by exceptional personal service and efficiency. Amica deals directly with customers and does not use agents, translating into lower costs for customers as well as a team approach to serving policyholders' needs. Amica also seeks to insure responsible drivers because they cause fewer accidents. This policy helps lower expenses and ultimately lower premiums for Amica's policyholders.

Amica has a proven ability to meet claims obligations. The company's prudent investment philosophy and careful business practices have made the company a well-managed, financially stable company with a strong capital position. Amica has experienced increased assets, consistent growth, and financial gains year after year. Amica's financial strength is recognized by leading industry rating companies, including the highest rating available, the A++ Superior designation, from leading insurance analyst A.M. Best, as well as the AA Very Strong rating from Standard & Poor's, a global leader in company risk evaluation.**

Amica offers billing flexibility, with customers able to pay premiums in two or up to ten installments, or through an automatic payment plan. On-line account tracking is also available. Amica is a mutual insurance company, owned by its policyholders, and

without stockholders or investors. Because Amica is a mutual company, profit is not its primary goal and earnings are shared with policyholders through dividends.

Conclusion

Amica's commitment to its customers is reflected in every aspect of the company's dealings—the community, dedicated employees, charitable giving, business conduct, and financial strength. Amica's long-standing tradition of customer service will foster the company's growth as it expands in Rochester, New York. With new ideas and efficiencies emerging, Amica continues to seek the best methods and most comprehensive services for its customers. The "Amica Advantage" reflects nearly 100 years of insurance experience, and remains a vital part of Amica's core customer service approach.

**J.D. Power and Associates 2000-2003 National Automotive Insurance Satisfaction StudiesSM. 2003 study based on responses from 14,862 automotive insurance policyholders. J.D. Power and Associates 2002 and 2003 National Homeowners Insurance StudiesSM. 2003 study based on responses from 12,672 homeowner insurance policyholders residing in the United States. www.jdpower.com*

*** A.M. Best Company. 3 March 2004. Applies to Amica Mutual Insurance Company. Standard & Poor's. 9 September 2003. Applies to both Amica Mutual Insurance Company and Amica Life Insurance Company.*