Financial Supplement

Quarter Ended March 31, 2009

LIBERTY MUTUAL HOLDING COMPANY INC.
Financial Supplement

LIBERTY MUTUAL HOLDING COMPANY INC.

Reconciliation of PTOI to Net Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2009						Three Months Ended March 31, 2008					
	Agency Markets	Personal Markets	International	Commercial Markets	Corporate and Other	Consolidated	Agency Markets	Personal Markets	International	Commercial Markets	Corporate and Other	Consolidated
Revenues	$3,034	$1,671	$1,728	$1,604	($631)	$7,406	$1,647	$1,634	$1,731	$1,702	$171	$6,885
Pre-tax operating income (loss) before catastrophes and incurred attributable to prior years and private equity (loss) income	$329	$222	$128	$110	($242)	$547	$108	$204	$125	$113	($27)	$523
Catastrophes [1]												
- September 2008 Hurricanes	(14)	21	(3)	-	(10)	(6)	-	-	-	-	-	-
- All other [2]	(192)	(123)	(1)	(6)	2	(320)	(80)	(64)	-	(15)	(7)	(166)
Net incurred attributable to prior years												
- Asbestos & environmental	-	-	-	-	(1)	(1)	-	-	-	-	-	-
- All other [3]	151	18	(2)	19	(2)	184	66	2	6	10	(9)	75
Pre-tax operating income before private equity (loss) income	274	138	122	123	(253)	404	94	142	131	108	(43)	432
Private equity (loss) income [4]	-	7	-	-	(380)	(373)	-	-	-	-	60	60
Pre-tax operating income (loss)	274	145	122	123	(633)	31	94	142	131	108	17	492
Realized investment gains (losses), net [5]	-	(20)	8	-	18	6	-	(2)	(3)	-	(7)	(12)
Federal and foreign income tax (expense) benefit [5]	(85)	(37)	(30)	(37)	180	(9)	(28)	(42)	(32)	(33)	15	(120)
Net income (loss) [5]	**$189**	**$88**	**$100**	**$86**	**($435)**	**$28**	**$66**	**$98**	**$96**	**$75**	**$25**	**$360**

[1] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[2] Catastrophe losses ceded under the homeowners quota share treaty are included to the extent that the ceded combined ratio exceeds 100.0%.

[3] Net of both earned premium attributable to prior years and amortization of retroactive reinsurance gains.

[4] Private equity (loss) income is included in net investment income in the accompanying statements of income.

[5] Amounts are only reported on a consolidated basis in the MD&A.

LIBERTY MUTUAL HOLDING COMPANY INC.

Combined Ratio by Strategic Business Unit

(Unaudited)

	Three Months Ended March 31, 2009					Three Months Ended March 31, 2008				
Combined ratio, before catastrophes and incurred attributable to prior years	Agency Markets	Personal Markets	International	Commercial Markets	Consolidated	Agency Markets	Personal Markets	International	Commercial Markets	Consolidated
Claims and claims adjustment expense ratio	64.5%	65.3%	69.2%	84.3%	69.4%	68.7%	65.5%	69.2%	83.2%	71.2%
Underwriting expense ratio	30.1%	24.6%	31.0%	20.7%	27.7%	32.2%	25.7%	31.1%	21.5%	27.6%
Dividend ratio	0.3%	-	-	0.6%	0.2%	0.8%	-	-	0.6%	0.3%
Subtotal	**94.9%**	**89.9%**	**100.2%**	**105.6%**	**97.3%**	**101.7%**	**91.2%**	**100.3%**	**105.3%**	**99.1%**
Catastrophes [1]										
- September 2008 Hurricanes	0.5%	(1.5%)	0.2%	-	0.1%	-	-	-	-	-
- All other	6.9%	8.7%	0.1%	0.5%	4.8%	5.3%	4.7%	-	1.1%	2.9%
Net incurred attributable to prior years										
- Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
- All other	(5.4%)	(1.3%)	0.1%	(1.7%)	(2.7%)	(4.4%)	(0.2%)	(0.4%)	(0.7%)	(1.3%)
Total combined ratio [2]	**96.9%**	**95.8%**	**100.6%**	**104.4%**	**99.5%**	**102.6%**	**95.7%**	**99.9%**	**105.7%**	**100.7%**

[1] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[2] The combined ratio, expressed as a percentage, is a measure of underwriting profitability. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company's competitors. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense to earned premium; the ratio to earned premium of insurance operating costs plus amortization of deferred policy acquisition costs less fee income (primarily related to the Company's involuntary market servicing carrier operations and managed care income) and less installment charges; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation.

LIBERTY MUTUAL HOLDING COMPANY INC.
Reinsurance Overview

CORPORATE REINSURANCE GUIDELINES AND POLICIES

Scope

The term "reinsurance" refers to all assumed and ceded reinsurance (and coinsurance) arrangements that typically transfer risk in the property-casualty and life insurance industries.

Strategy

Liberty uses reinsurance as a risk management tool to accomplish the following objectives:

- Limit the organization's potential loss to catastrophic events such as hurricane, earthquake and terrorism.
- Limit the organization's potential loss to non-catastrophic trends such as rising medical inflation.
- Improve the organization's spread of risk.

Liberty is a servicing carrier for a number of voluntary and involuntary pools and associations in a number of states and classes of business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool.

Reinsurance Security Oversight

As part of its reinsurance security oversight, Liberty Mutual has established a Reinsurance Credit Committee ("RCC") that meets quarterly to monitor and review the credit quality of the existing reinsurance portfolio, discuss emerging trends in the reinsurance market place and ensure that the current portfolio of reinsurance is in compliance with the Committee's security standards. The RCC is directly responsible for establishing the minimum rating, collateral and diversification requirements governing Liberty's purchase and use of reinsurance.

LIBERTY MUTUAL HOLDING COMPANY INC.

Footnotes to Reinsurance Recoverable Exhibits

[1] AM Best Co. and Standard & Poor's ratings are as of March 31, 2009.

[2] Gross recoverables are defined as paid and unpaid claims and claim adjustment expense including IBNR and before both bad debt reserves set aside for potential uncollectible reinsurance and consideration of collateral.

[3] Collateral refers to letters of credit, trust accounts, and funds held against outstanding and potential future claims and claim adjustment expenses related to reinsurance recoverable balances.

[4] Net recoverables are defined as the difference between the amount of gross recoverables and collateral held for specific reinsurance contracts.

[5] The reinsurance recoverables from state mandated involuntary market pools and associations represent servicing carrier business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool. Payment of losses is shared among the pool participants in proportion to their pool participation. Credit risk with respect to this servicing carrier business is the composite of the cumulative creditworthiness of all participants in their respective pools.

[6] Reinsurers not rated by A.M. Best Co. and/or Standard & Poor's.

[7] Reinsurance Groups are defined as all reinsurance subsidiaries owned by a common parent.

[8] The rating of Nationwide Indemnity Co. (NIC) is determined for the purposes of this exhibit to equal the rating of its parent, Nationwide Mutual Insurance Co. Nationwide Mutual has guaranteed the timely payment and performance of the obligations of Nationwide Indemnity Company under the reinsurance agreements, dated December 31, 1998, between NIC and Employers Insurance Company of Wausau and certain of its affiliated property and casualty companies.

[9] The rating of Vantage Casualty Insurance Company is determined for the purposes of this exhibit to equal the rating of Prudential Insurance Company of America, the principal operating insurance company of the parent, Prudential Financial Inc. Pursuant to a guaranty agreement dated October 31, 2003, Prudential Financial Inc. has guaranteed the complete and timely payment and performance of the obligations of Vantage Casualty Insurance Company pursuant to two reinsurance agreements between Vantage Casualty Insurance Company and certain companies acquired by Liberty Mutual Group from subsidiaries of Prudential Financial, Inc.

Liberty Mutual Group

Distribution of Reinsurance Recoverables by A.M. Best Rating

As of March 31, 2009 [1]

(dollars in millions)

	Gross Recoverables [2]	Collateral Held [3]	Net Recoverables [4]	% of Total Net Recov.
Rated Entities [8, 9]				
A++	$1,528	$819	$710	6%
A+	4,135	610	3,615	32%
A	3,850	1,084	2,838	25%
A-	253	120	149	1%
B++	7	-	7	-
B+	7	2	7	-
B or Below	13	-	13	-
Subtotal	**$9,793**	**$2,635**	**$7,339**	**64%**
Pools & Associations				
State mandated involuntary pools and associations [5]	$3,224	$5	$3,219	28%
Voluntary	381	74	307	3%
Subtotal	**$3,605**	**$79**	**$3,526**	**31%**
Non-Rated Entities [6]				
Captives & fronting companies	$1,580	$1,982	$69	1%
Other [6]	819	1,267	469	4%
Subtotal	**$2,399**	**$3,249**	**$538**	**5%**
Grand Total	**$15,797**	**$5,963**	**$11,403**	**100%**

See explanation of footnoted items on page 4 of financial supplement.

Liberty Mutual Group

Distribution of Reinsurance Recoverables by Standard & Poor's Rating

As of March 31, 2009 [1]

(dollars in millions)

	Gross Recoverables [2]	Collateral Held [3]	Net Recoverables [4]	% of Total Net Recov.
Rated Entities [8, 9]				
AAA	$1,155	$646	$508	4%
AA+, AA , AA-	1,866	704	1,270	11%
A+, A , A-	6,645	1,322	5,429	48%
BBB+, BBB , BBB -	18	2	16	-
BB+ or Below	5	-	5	-
Subtotal	**$9,689**	**$2,674**	**$7,228**	**63%**
Pools & Associations				
State mandated involuntary pools and associations [5]	$3,224	$5	$3,219	28%
Voluntary	381	74	307	3%
Subtotal	**$3,605**	**$79**	**$3,526**	**31%**
Non-Rated Entities [6]				
Captives & fronting companies	$1,580	$1,983	$69	1%
Other [6]	923	1,227	580	5%
Subtotal	**$2,503**	**$3,210**	**$649**	**6%**
Grand Total	**$15,797**	**$5,963**	**$11,403**	**100%**

See explanation of footnoted items on page 4 of financial supplement.

Liberty Mutual Group

Top 15 Reinsurance Recoverables by Group

As of March 31, 2009

(dollars in millions)

	Reinsurance Groups [7] (Data in Millions)	Gross Recoverables [2]	Collateral Held [3]	Net Recoverables [4]
1	Swiss Re Group	$2,254	$841	$1,418
2	Nationwide Group	1,973	-	1,973
3	Berkshire Hathaway Inc	1,157	647	511
4	Everest Re Group	600	133	490
5	Munich Re Group	529	30	500
6	UPINSCO	506	583	-
7	PartnerRe Group	406	356	105
8	Chubb Group	382	172	209
9	AIG	305	-	305
10	Lloyds Syndicates	261	-	261
11	ACE Group	252	256	31
12	Associated Electric & Gas	240	252	-
13	W. R. Berkley Group	204	5	201
14	Equitas	189	-	189
15	Contractors Casualty & Surety	177	250	-
	State Mandated Involuntary pools and associations [5]	3,224	5	3,219
	Voluntary pools and associations	381	74	307
	All Other	2,757	2,359	1,684
	Total Reinsurance Recoverables	**$15,797**	**$5,963**	**$11,403**

See explanation of footnoted items on page 4 of financial supplement.

LIBERTY MUTUAL HOLDING COMPANY INC.

Issuer and Sector Exposure as of March 31, 2009

(dollars in millions)

(Unaudited)

Top 20 Issuers	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Wells Fargo & Co	$420	$27	$3	$450	0.75%
2 Bank of America Corp	320	64	29	413	0.69%
3 JP Morgan Chase & Co	347	18	4	369	0.62%
4 AT&T Corp	351	2	2	355	0.59%
5 Commonwealth of Massachusetts	353	-	-	353	0.59%
6 State of Florida	350	-	-	350	0.58%
7 Government of Canada	306	-	-	306	0.51%
8 State of California	286	-	-	286	0.48%
9 Commonwealth of Pennsylvania	280	-	-	280	0.47%
10 Government of Venezuela	276	-	-	276	0.46%
11 General Electric Co	263	1	1	265	0.44%
12 Verizon Communications	247	1	-	248	0.41%
13 Invenergy	241	-	-	241	0.40%
14 State of Georgia	231	-	-	231	0.39%
15 Government of Spain	226	-	3	229	0.38%
16 State of New York	227	-	-	227	0.38%
17 Citigroup Inc	211	-	2	213	0.36%
18 Goldman Sachs Group Inc	156	41	15	212	0.35%
19 HSBC Holdings Plc	168	21	21	210	0.35%
20 Public School Authority, VA	208	-	-	208	0.35%
	$5,467	**$175**	**$80**	**$5,722**	**9.55%**

Top 20 Sectors	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Municipal	$14,136	$ -	$25	$14,161	23.65%
2 Banks	3,096	241	163	3,500	5.84%
3 Sovereign	2,373	-	264	2,637	4.40%
4 Electric	1,598	53	7	1,658	2.77%
5 Diversified Financial Services	1,548	4	102	1,654	2.76%
6 Telecommunications	1,264	13	6	1,283	2.14%
7 Oil&Gas	808	336	9	1,153	1.93%
8 Retail	927	10	3	940	1.57%
9 Transportation	761	3	24	788	1.32%
10 Media	601	4	-	605	1.01%
11 Insurance	476	71	-	547	0.91%
12 Food	484	4	10	498	0.83%
13 Real Estate	40	442	-	482	0.80%
14 Beverages	395	3	-	398	0.66%
15 Miscellaneous Manufacturers	376	4	-	380	0.63%
16 Energy-Alternate Sources	248	40	76	364	0.61%
17 Home Builders	361	1	-	362	0.60%
18 Aerospace/Defense	276	3	-	279	0.47%
19 Pharmaceuticals	251	11	-	262	0.44%
20 Regional (state/province)	262	-	-	262	0.44%
	$30,281	**$1,243**	**$689**	**$32,213**	**53.78%**

Note: Charts exclude US Treasury and agency securities, mortgage-backed securities, private equity investments and short-term securities.

Note: Top 20 issuers excludes municipal obligations that are pre-refunded or escrowed to maturity.