



**Liberty
Mutual[®]**

INSURANCE

First Quarter 2015 Results

May 12, 2015

Cautionary Statement Regarding Forward Looking Statements

This report contains forward looking statements that are intended to enhance the reader's ability to assess the Company's future financial and business performance. Forward looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. Because these forward looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different.

Some of the factors that could cause actual results to differ include, but are not limited to the following: the occurrence of catastrophic events (including terrorist acts, hurricanes, hail, tornados, tsunamis, earthquakes, floods, snowfall and winter conditions); inadequacy of loss reserves; adverse developments involving asbestos, environmental or toxic tort claims and litigation; adverse developments in the cost, availability or ability to collect reinsurance; disruptions to the Company's relationships with its independent agents and brokers; financial disruption or a prolonged economic downturn; the performance of the Company's investment portfolios; a rise in interest rates; risks inherent in the Company's alternative investments in private limited partnerships ("LP") and limited liability companies ("LLC"); difficulty in valuing certain of the Company's investments; subjectivity in the determination of the amount of impairments taken on the Company's investments; unfavorable outcomes from litigation and other legal proceedings, including the effects of emerging claim and coverage issues and investigations by state and federal authorities; the Company's exposure to credit risk in certain of its business operations; terrorist acts; the Company's inability to obtain price increases or maintain market share due to competition or otherwise; inadequacy of the Company's pricing models; changes to insurance laws and regulations; changes in the amount of statutory capital that the Company must hold to maintain its financial strength and credit ratings; regulatory restrictions on the Company's ability to change its methods of marketing and underwriting in certain areas; assessments for guaranty funds and mandatory pooling arrangements; a downgrade in the Company's claims-paying and financial strength ratings; the ability of the Company's subsidiaries to pay dividends to the Company; inflation, including inflation in medical costs and automobile and home repair costs; the cyclical nature of the property and casualty insurance industry; political, legal, operational and other risks faced by the Company's international business; potentially high severity losses involving the Company's surety products; loss or significant restriction on the Company's ability to use credit scoring in the pricing and underwriting of personal lines policies; inadequacy of the Company's controls to ensure compliance with legal and regulatory standards; changes in federal or state tax laws; risks arising out of the Company's securities lending program; the Company's utilization of information technology systems and its implementation of technology innovations; difficulties with technology or data security; insufficiency of the Company's business continuity plan in the event of a disaster; the Company's ability to successfully integrate operations, personnel and technology from its acquisitions; insufficiency of the Company's enterprise risk management models and modeling techniques; and changing climate conditions. The Company's forward looking statements speak only as of the date of this report or as of the date they are made and should be regarded solely as the Company's current plans, estimates and beliefs. For a detailed discussion of these and other cautionary statements, visit the Company's Investor Relations website at www.libertymutual.com/investors. The Company undertakes no obligation to update these forward looking statements.

Liberty Mutual Overview

Mission statement: Helping people live safer, more secure lives



Strategic Business Units (SBUs)



- Mutual holding company structure
- \$124.3B of assets and \$39.7B of revenues in 2014
- The most diversified P&C insurer
- 76th among Fortune 500 companies¹
- 3rd largest P&C writer in the U.S.²
- 4th largest commercial lines writer in the U.S.²
- 5th largest personal lines writer in the U.S.²
- 6th largest global P&C insurer³

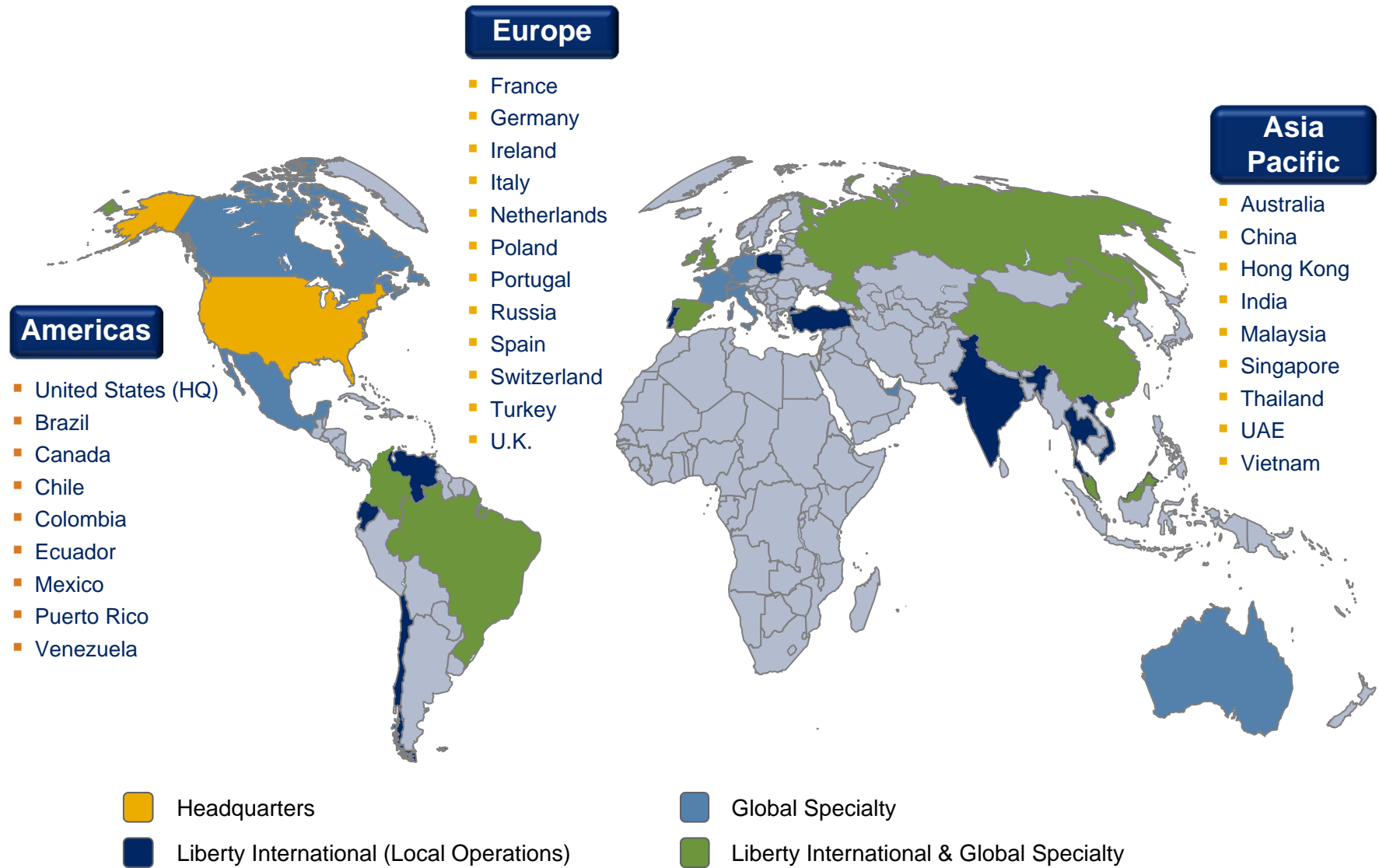
¹ Based on 2013 Revenue.

² Based on 2014 DWP.

³ Based on 2014 GWP.

Liberty Mutual's Global Presence

LMIG operates in 30 countries and economies around the globe



2015 Highlights

First Quarter

- ❖ Revenues for the three months ended March 31, 2015 were \$9.680 billion, an increase of \$18 million or 0.2% over the same period in 2014.
- ❖ Net written premium (“NWP”) for the three months ended March 31, 2015 was \$9.399 billion, an increase of \$613 million or 7.0% over the same period in 2014.
- ❖ Pre-tax operating income (“PTOI”) for the three months ended March 31, 2015 was \$553 million, a decrease of \$119 million or 17.7% from the same period in 2014.
- ❖ Net income attributable to LMHC for the three months ended March 31, 2015 was \$276 million, an increase of \$11 million or 4.2% over the same period in 2014.
- ❖ The Company’s combined ratio improved 2.4 points to 97.1% for the three months ended March 31, 2015 over the same period in 2014, including the impact of catastrophes and net incurred losses attributable to prior years. The consolidated combined ratio before catastrophes and net incurred losses attributable to prior years for the three months ended March 31, 2015 improved 1.2 points to 92.8%.
- ❖ Pre-tax loss associated with the Venezuela devaluation and foreign exchange under hyperinflationary accounting (including other-than-temporary impairments and foreign exchange losses on certain Venezuela investments) was \$163 million in 2015 compared to a pre-tax loss of \$274 million in the same period in 2014.
- ❖ Net operating income for the three months ended March 31, 2015 was \$426 million, a decrease of \$126 million or 22.8% from the same period in 2014.
- ❖ Cash flow from operations for the three months ended March 31, 2015 was \$728 million, an increase of \$410 million or 128.9% over the same period in 2014.

Please see Management’s Discussion & Analysis (MD&A) of Financial Condition and Results of Operations for definitions of terms.

Consolidated Results

\$ millions	First Quarter		
	2015 ¹	2014 ¹	Change
Revenues	\$9,680	\$9,662	0.2%
Pre-tax operating income before LP, LLC and other equity method income	\$570	\$435	31.0%
LP, LLC, and other equity method (loss) income ²	(17)	237	NM
Pre-tax operating income	\$553	\$672	(17.7%)
Net operating income	426	552	(22.8)
Consolidated net income	272	255	6.7
Less: Net loss attributable to non-controlling interest	(4)	(10)	(60.0)
Net income attributable to LMHC	\$276	\$265	4.2%
Combined ratio before catastrophes and net incurred losses attributable to prior years			
Claims and claim adjustment expense ratio	61.7%	62.8%	(1.1)
Underwriting expense ratio	31.1	31.1	-
Dividend ratio	-	0.1	(0.1)
Subtotal	92.8%	94.0%	(1.2)
Catastrophes ³	5.9	6.0	(0.1)
Net incurred losses attributable to prior years ^{4,5}	(1.6)	(0.5)	(1.1)
Total combined ratio⁶	97.1%	99.5%	(2.4)

¹ The combined ratio has been adjusted to exclude the impact of the Venezuela devaluation and foreign exchange.

² LP, LLC, and other equity method income is included in net investment income in the accompanying Consolidated Statements of Income.

³ Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., U.K and Ireland floods. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

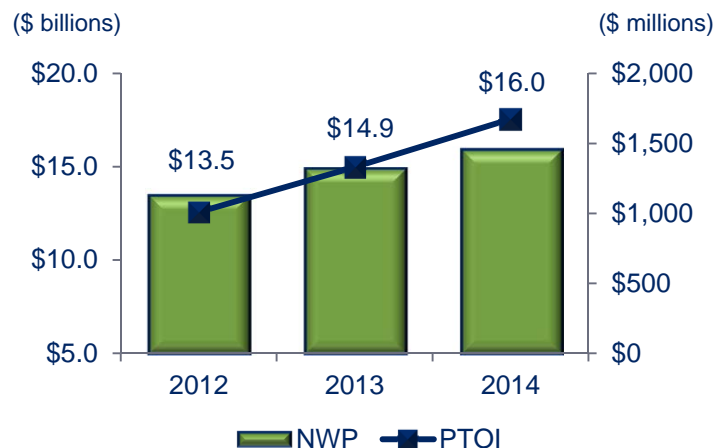
⁴ 2015 includes a one-time benefit of \$91 million due to a reduction in the estimated prior years' liability for state assessments related to workers compensation.

⁵ Net of earned premium and reinstatement premium attributable to prior years and amortization of deferred gains on retroactive reinsurance.

⁶ 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 and certain other run off.

Personal Insurance

NWP & PTOI



Segment Highlights

- Distributes through independent agent channel under the Safeco brand and through other channels under the Liberty Mutual brand
- 5th largest writer of personal lines in the U.S.²
- 2nd largest independent agency writer in the U.S.³
- Market leader in affinity marketing, with over 17,000 affinity relationships

Financial Performance

\$ millions	First Quarter		
	2015	2014	Change
NWP	\$3,904	\$3,712	5.2%
PTOI before catastrophes and net incurred losses attributable to prior years	\$677	\$552	22.6%
Catastrophes ¹	(408)	(335)	21.8
Net incurred losses attributable to prior years	13	(10)	NM
Pre-tax operating income	\$282	\$207	36.2%

Combined ratio before catastrophes and net incurred losses attributable to prior years

Claims and claim adjustment expense ratio	60.8%	62.2%	(1.4)
Underwriting expense ratio	25.3	26.0	(0.7)
Subtotal	86.1%	88.2%	(2.1)
Catastrophes ¹	10.3	9.0	1.3
Net incurred losses attributable to prior years	(0.3)	0.3	(0.6)
Total combined ratio	96.1%	97.5%	(1.4)

¹ Catastrophes include all current accident year catastrophe losses. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

² Based on 2014 DWP.

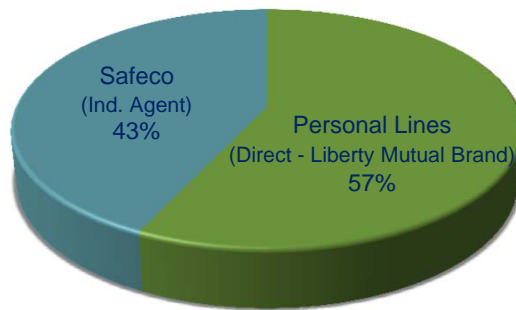
³ Based on Q1 2015 DWP (rolling 12-months).

NM = Not Meaningful

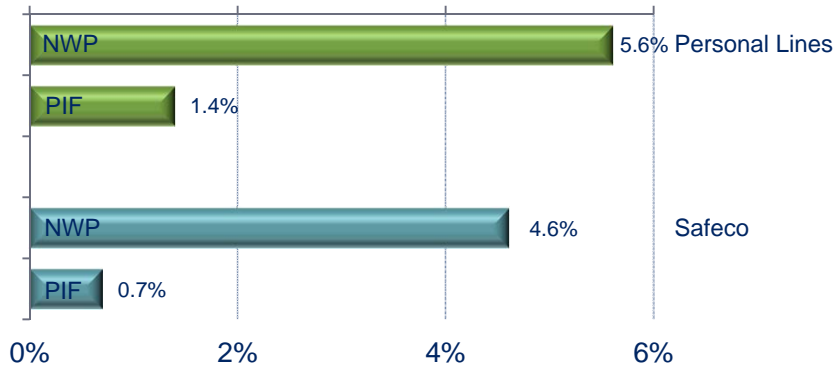
Personal Insurance NWP Distribution

NWP by market segment

Q1 2015

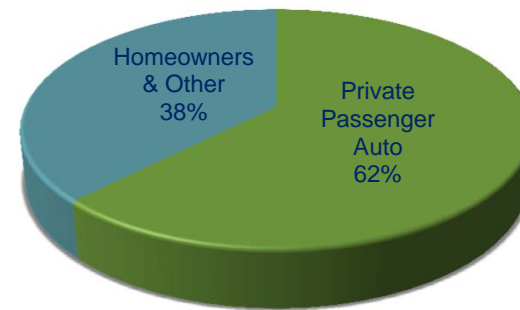


YOY Change

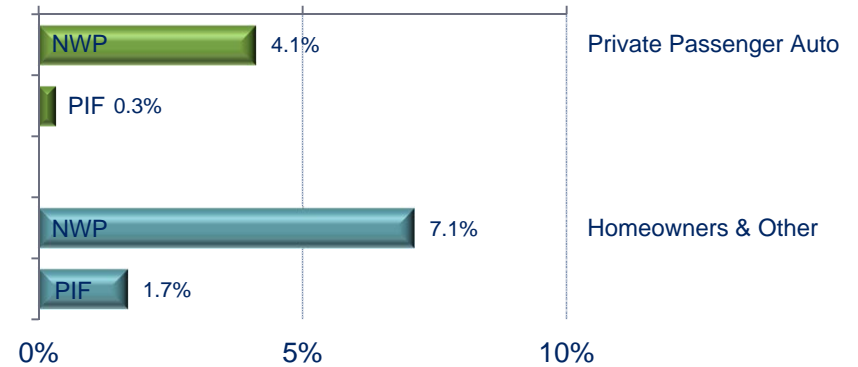


NWP by line of business

Q1 2015



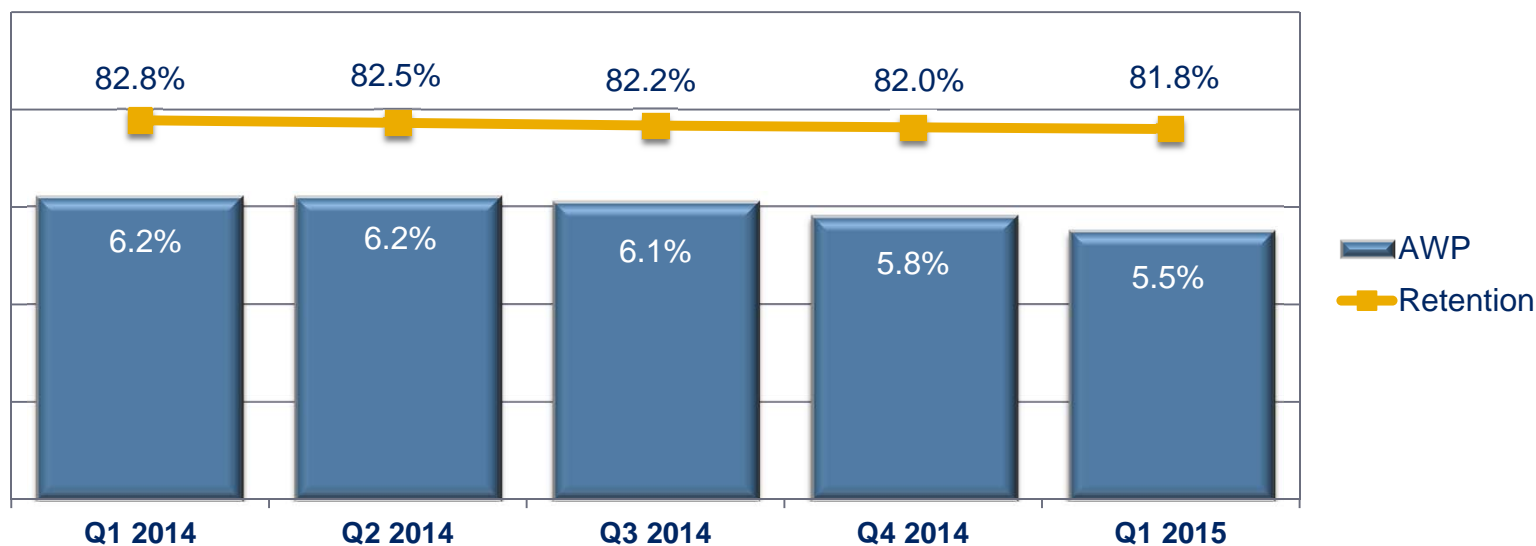
YOY Change



NWP for the first quarter 2015 totaled \$3.9 billion, an increase of 5.2% over the same period in 2014.

YOY: Year-over-Year
PIF: Policies in Force

Personal Insurance: Average Written Premium (AWP) & Retention



	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Private Passenger Auto					
AWP	5.0%	4.9%	4.9%	4.8%	4.8%
Retention	82.1%	81.8%	81.4%	81.2%	81.0%
Homeowners					
AWP	7.6%	7.7%	7.3%	6.9%	6.3%
Retention	83.5%	83.3%	83.1%	82.9%	82.7%

*Note: Figures are reported on a 12-month rolling basis.

Commercial Insurance

NWP & PTOI



Segment Highlights

- As an SBU, 7th largest U.S. P&C commercial lines insurer measured by DWP - \$8.3B⁵
- Equipped to underwrite and service a wide spectrum of exposures, from small proprietors to multi-nationals
- Approximately 5,700 active P&C independent agents and brokers in 12,000 locations
- Liberty Mutual Benefits (LMB) formed in 2014 (includes Life and Disability)

¹Catastrophes include all current accident year catastrophe losses. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

²2015 includes a one-time benefit of \$91 million due to a reduction in the estimated liability for state assessments related to workers compensation premiums.

³Net of earned premium attributable to prior years of \$2 million for the three months ended March 31, 2015 and \$15 million for the same period in 2014. Net of amortization of deferred gains on assumed retroactive reinsurance of zero for the three months ended March 31, 2015 and \$1 million for the same period in 2014.

⁴Net of earned premium attributable to prior years.

⁵Based on 2014 DWP (excludes LMB).

NM=Not Meaningful

Financial Performance

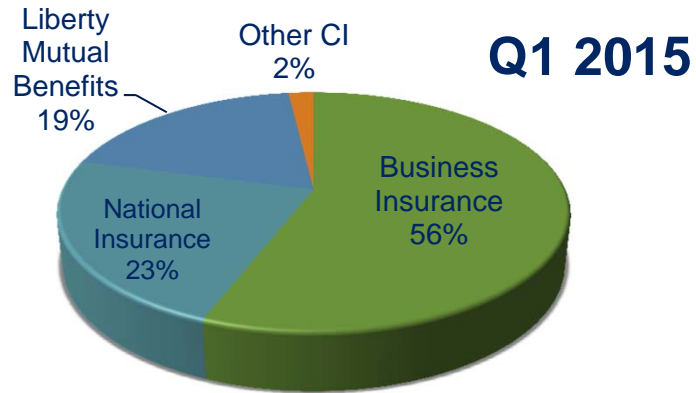
\$ millions	First Quarter		
	2015	2014	Change
NWP	\$2,204	\$2,198	0.3%
PTOI before catastrophes and net incurred losses attributable to prior years	\$305	\$276	10.5%
Catastrophes ¹	(93)	(123)	(24.4)
Net incurred losses attributable to prior years ^{2,3}	92	22	NM
Pre-tax operating income	\$304	\$175	73.7%

Combined ratio before catastrophes and net incurred losses attributable to prior years.

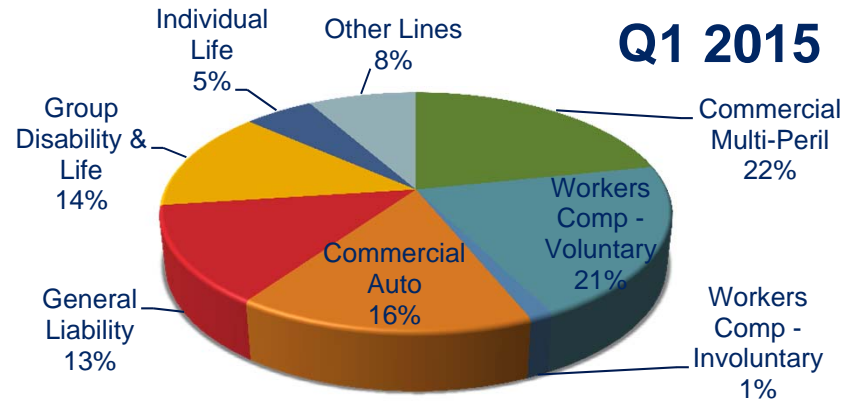
Claims and claim adjustment expense ratio	61.7%	66.0%	(4.3)
Underwriting expense ratio	34.2	32.6	1.6
Dividend ratio	0.1	0.2	(0.1)
Subtotal	96.0%	98.8%	(2.8)
Catastrophes ¹	5.1	6.6	(1.5)
Net incurred losses attributable to prior years ^{2,4}	(5.0)	(1.2)	(3.8)
Total combined ratio	96.1%	104.2%	(8.1)

Commercial Insurance NWP Distribution

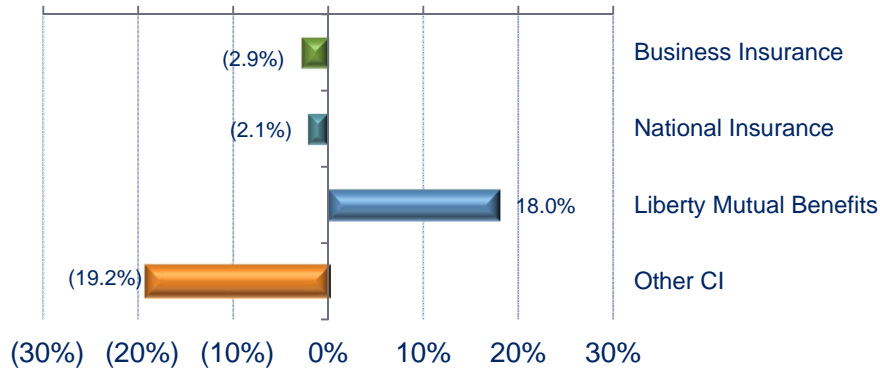
NWP by market segment



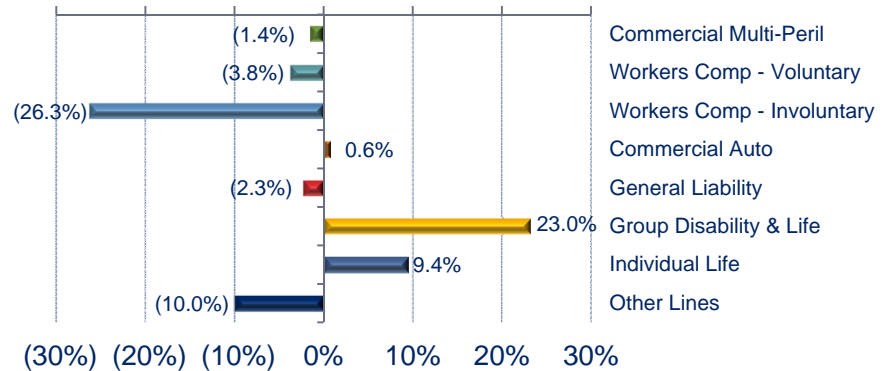
NWP by line of business



YOY Change in NWP



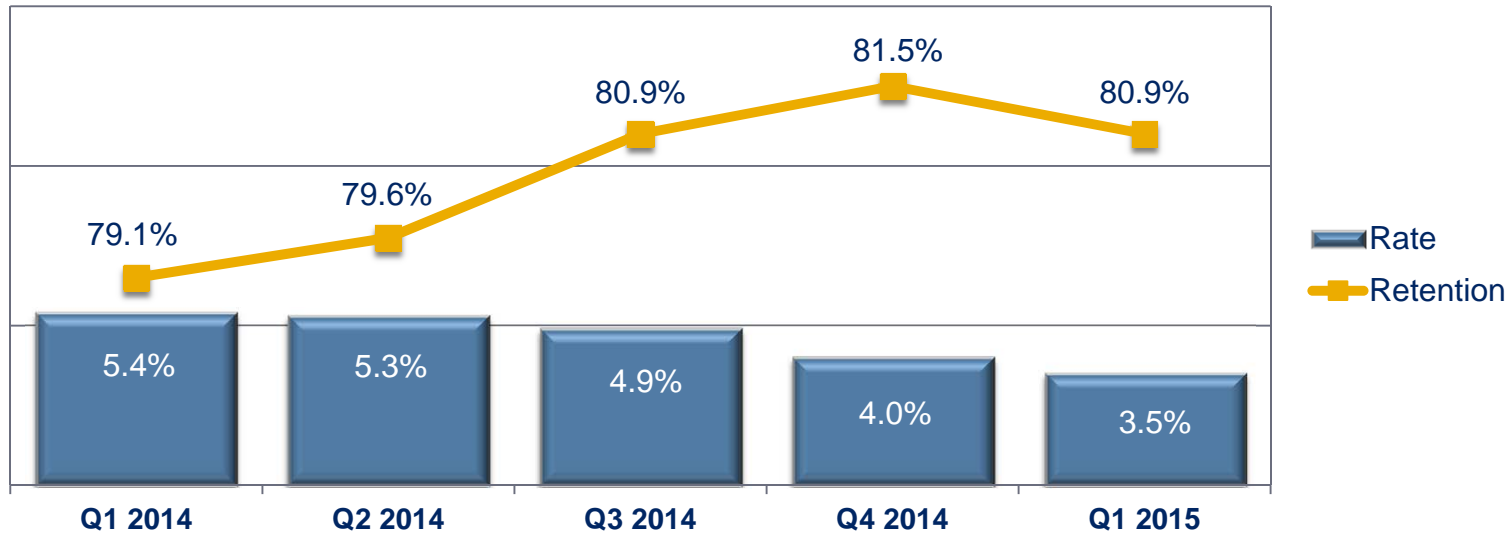
YOY Change in NWP



NWP for the first quarter 2015 totaled \$2.2 billion, a increase of 0.3% from the same period in 2014.

YOY: Year-over-Year

Commercial Insurance: Rate & Retention

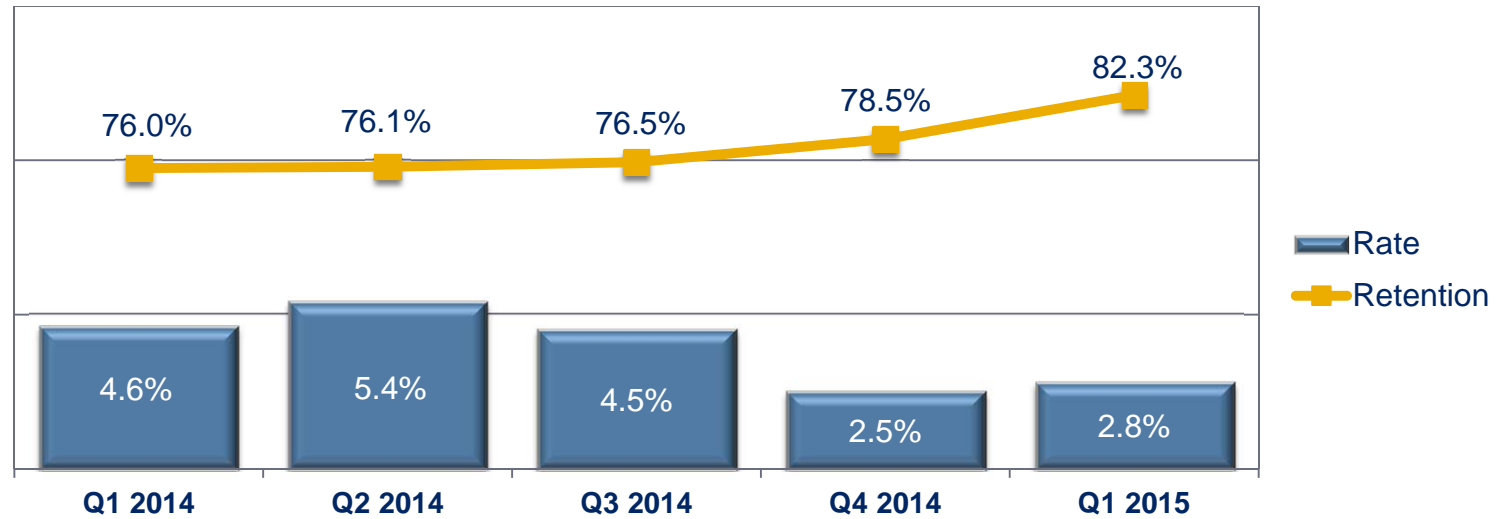


	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Business Insurance					
Rate	6.0%	6.0%	5.4%	4.8%	3.9%
Retention	78.5%	77.7%	79.6%	78.8%	78.5%
National Insurance					
Rate	4.1%	3.6%	3.4%	2.1%	2.6%
Retention	80.0%	83.5%	84.1%	87.4%	85.4%
Commercial Insurance P&C					
Rate	5.4%	5.3%	4.9%	4.0%	3.5%
Retention	79.1%	79.6%	80.9%	81.5%	80.9%

Note: Business Drivers are ex Liberty Mutual Benefits.

Commercial Insurance: WC Rate & Retention

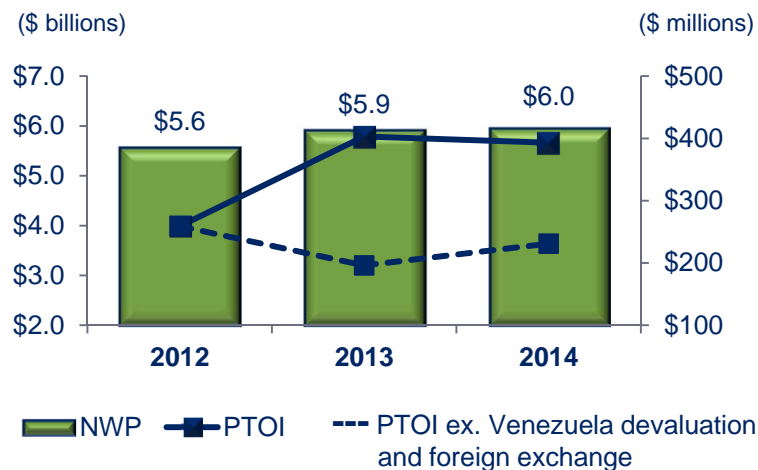
Voluntary NWP of \$459 million is down 3.8% from the first quarter of 2014.



	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Business Insurance					
Rate	5.0%	5.8%	4.7%	4.2%	2.7%
Retention	71.2%	69.3%	72.2%	71.4%	72.2%
National Insurance					
Rate	4.2%	5.0%	4.3%	0.5%	2.9%
Retention	79.8%	85.5%	82.6%	87.4%	90.5%
Commercial Insurance P&C					
Rate	4.6%	5.4%	4.5%	2.5%	2.8%
Retention	76.0%	76.1%	76.5%	78.5%	82.3%

Liberty International

NWP & PTOI



Segment Highlights

- Operating in 19 countries
- Top ten market position in 10 countries
- Malaysia acquisition closed on July 16, 2014
- Announced acquisition of Hughes Insurance, an independent insurance broker in Northern Ireland, in a transaction expected to close around July 1, 2015.

¹ The combined ratios have been adjusted to exclude the impact of the Venezuela devaluation and foreign exchange.

² Mature operations include Latin America and Iberia and Asia. Other includes internal reinsurance and home office expenses.

³ Emerging operations include Emerging Europe and Large Emerging Markets.

⁴ Catastrophes include all current accident year catastrophe losses for the U.K. and Ireland floods. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

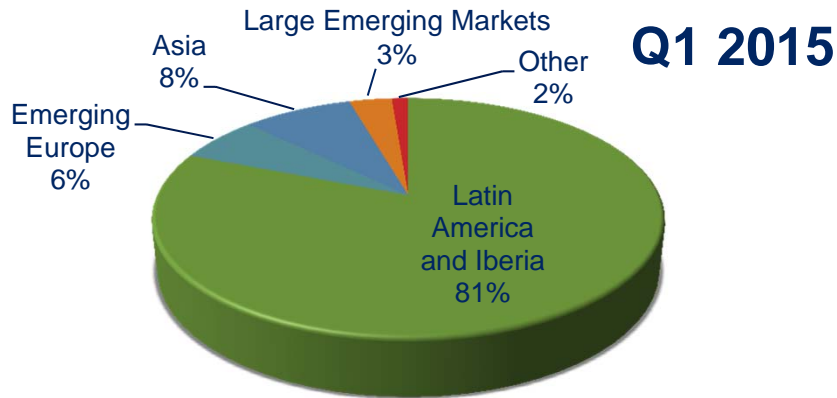
Note: The results of Argentina operations are presented as Discontinued Operations on the Consolidated Statements of Income and are no longer included with Liberty International. All prior periods have been restated to reflect the sale. NM = Not meaningful

Financial Performance

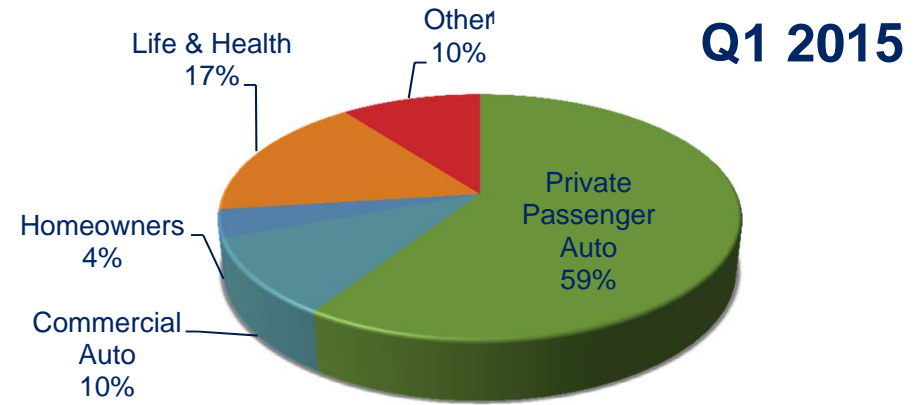
\$ millions	First Quarter		
	2015 ¹	2014 ¹	Change
NWP	\$1,515	\$1,284	18.0%
Mature operations ² and other PTOI before catastrophes, net incurred losses attributable to prior years and Venezuela devaluation and foreign exchange	\$34	\$60	(43.3%)
Emerging operations ³ pre-tax operating loss before catastrophes, net incurred losses attributable to prior years and Venezuela devaluation and foreign exchange	(31)	(22)	(40.9)
Catastrophes ⁴	-	(9)	(100.0)
Net incurred losses attributable to prior years	25	5	NM
Venezuela devaluation and foreign exchange	12	(19)	NM
Pre-tax operating income	\$40	\$15	166.7%
Combined ratio before catastrophes and net incurred losses attributable to prior years			
Claims and claim adjustment expense ratio	68.4%	64.5%	3.9
Underwriting expense ratio	38.1	39.3	(1.2)
Subtotal	106.5%	103.8%	2.7
Catastrophes ⁴	-	0.7	(0.7)
Net incurred losses attributable to prior years	(1.8)	(0.4)	(1.4)
Total combined ratio	104.7%	104.1%	0.6

Liberty International NWP Distribution

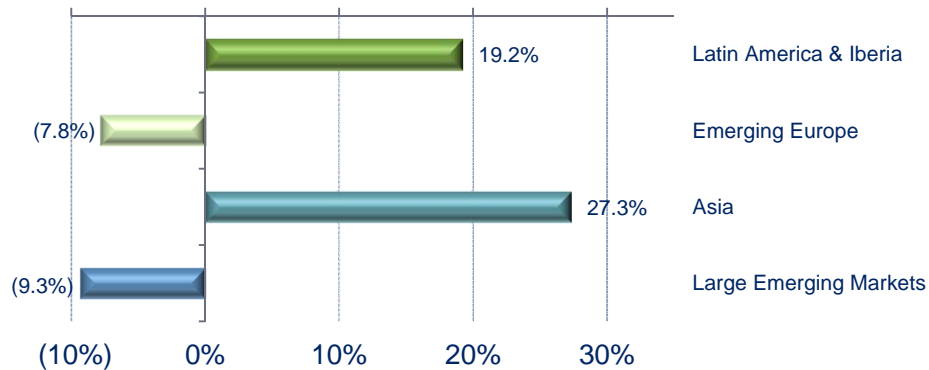
NWP by market segment



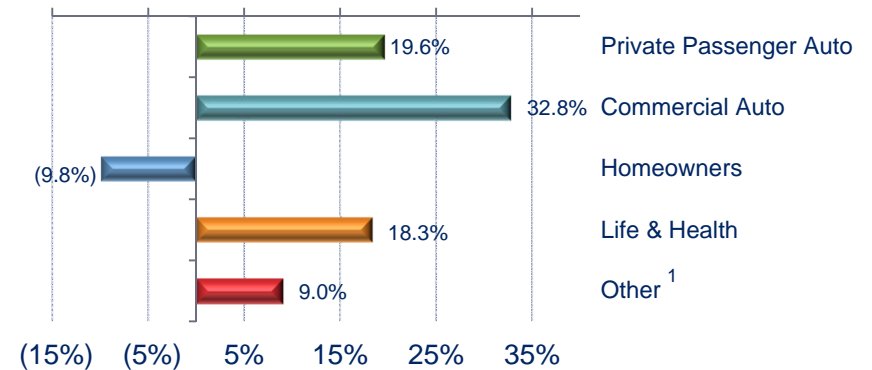
NWP by line of business



YOY Change in NWP



YOY Change in NWP



NWP for the first quarter 2015 totaled \$1.5 billion, an increase of 18.0% (or 44.4%² excluding FX) over the same period in 2014.

¹ Premium related to other personal and commercial lines including personal accident, bonds, workers compensation, property and fire, small and medium enterprise and marine and cargo lines of business.

² Determined by assuming constant foreign exchange rates between periods.

YOY: Year-over-Year

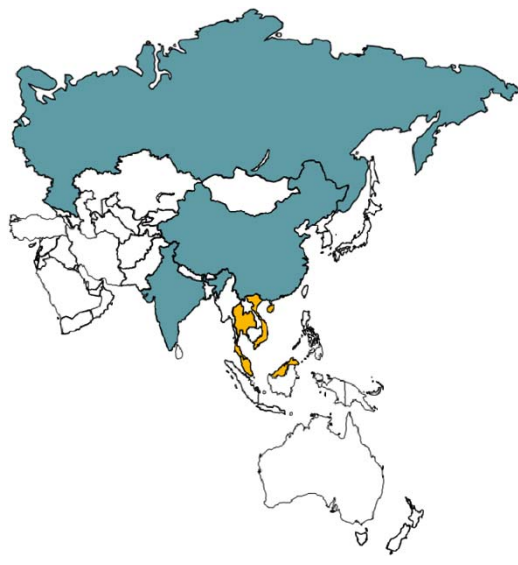
Liberty International: Global Presence

(\$ millions)

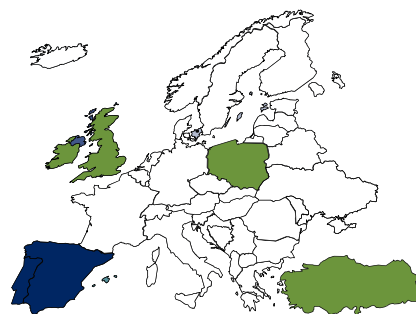
Large Emerging Markets	NWP	P&C Rank	P&C Share
China ^{1,8}	\$28	6 th	0.1%
India ³	\$12	24 th	0.2%
Russia ²	\$9	34 th	0.3%

Asia	NWP	P&C Rank	P&C Share
Singapore ¹	\$25	7 th	4.5%
Thailand ¹	\$42	9 th	2.8%
Vietnam	\$5	9 th	2.6%
Malaysia ¹	\$29	14 th	3.2%
Hong Kong	\$25	12 th	2.0%

Latin America and Iberia	NWP	P&C Rank	P&C Share
Venezuela ^{1,6,7}	\$673	1 st	15.4%
Colombia	\$72	3 rd	10.1%
Chile	\$26	5 th	9.2%
Ecuador ²	\$10	7 th	4.6%
Portugal ²	\$61	7 th	6.6%
Brazil ⁷	\$235	9 th	3.1%
Spain ¹	\$150	16 th	2.0%



Emerging Europe	NWP	P&C Rank	P&C Share
Ireland ^{4,5}	\$57	7 th	7.1%
Poland ¹	\$18	13 th	1.2%
Turkey	\$10	23 rd	0.6%
Great Britain	\$9	N/A	N/A



Rankings Base – 2014 Net Written Premium (NWP) except where noted:

¹ 2014 Gross Written Premium

² 2014 Direct Written Premium

³ 2013 Net Written Premium

⁴ 2013 Gross Written Premium

⁵ Ireland rank is based on 2013, share is based on 2014

⁶ Excludes government owned companies

⁷ Reflects combined P&C and life markets

⁸ Ranking based on non-domestic companies including Mandatory Third Party Liability

Rankings are based on the most recent financial data available, which varies by country.

Global Specialty

NWP & PTOI



Segment Highlights

- 3rd largest Lloyd's Syndicate
- 2nd largest surety writer in the U.S.
- Business sold through broker and independent agent channels
- A premier specialty casualty lines underwriter

Financial Performance

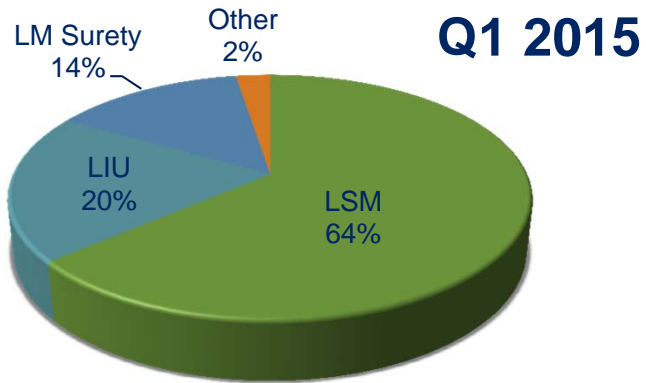
\$ millions	First Quarter		
	2015	2014	Change
NWP	\$1,486	\$1,481	0.3%
PTOI before catastrophes and net incurred losses attributable to prior years	\$182	\$177	2.8%
Catastrophes ¹	(4)	(23)	(82.6)
Net incurred losses attributable to prior years ²	15	(9)	NM
Pre-tax operating income	\$193	\$145	33.1%
Combined ratio before catastrophes and net incurred losses attributable to prior years			
Claims and claim adjustment expense ratio	57.5%	58.4%	(0.9)
Underwriting expense ratio	33.5	32.6	0.9
Dividend ratio	0.2	0.2	-
Subtotal	91.2%	91.2%	-
Catastrophes ¹	0.3	1.9	(1.6)
Net incurred losses attributable to prior years ²	(1.2)	0.6	(1.8)
Total combined ratio	90.3%	93.7%	(3.4)

¹ Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., as well as U.K. flooding. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

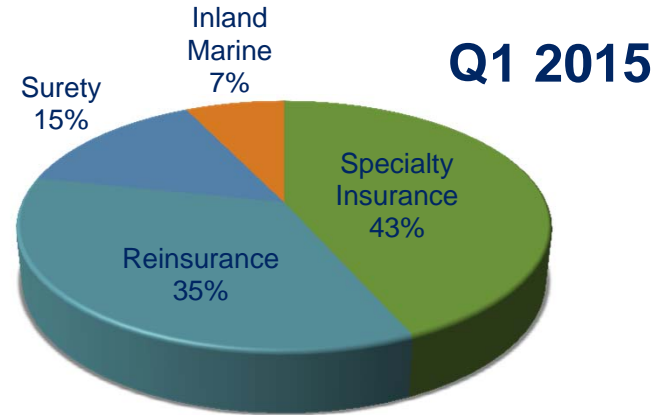
² Net of earned premium and reinstatement premium attributable to prior years of \$2 million for the three months ended March 31, 2015 and \$9 million for the same period in 2014.

Global Specialty NWP Distribution

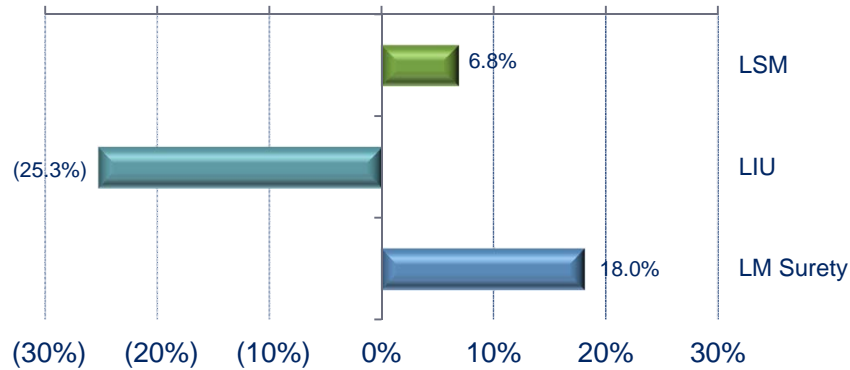
NWP by market segment



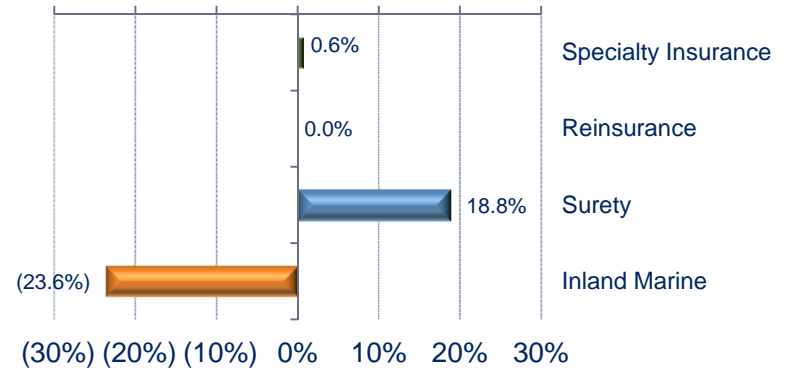
NWP by line of business



YOY Change in NWP



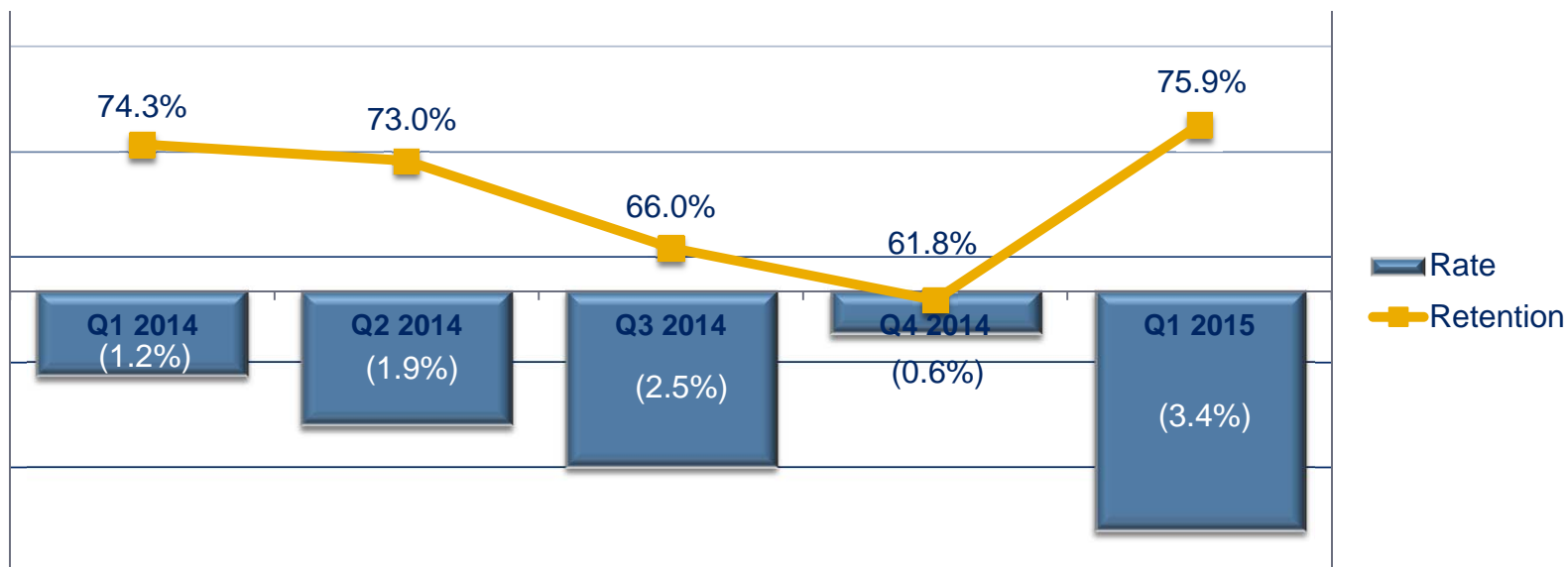
YOY Change in NWP



NWP for the first quarter 2015 totaled \$1.5 billion, an increase of 0.3% over the same period in 2014.

YOY: year-over-year

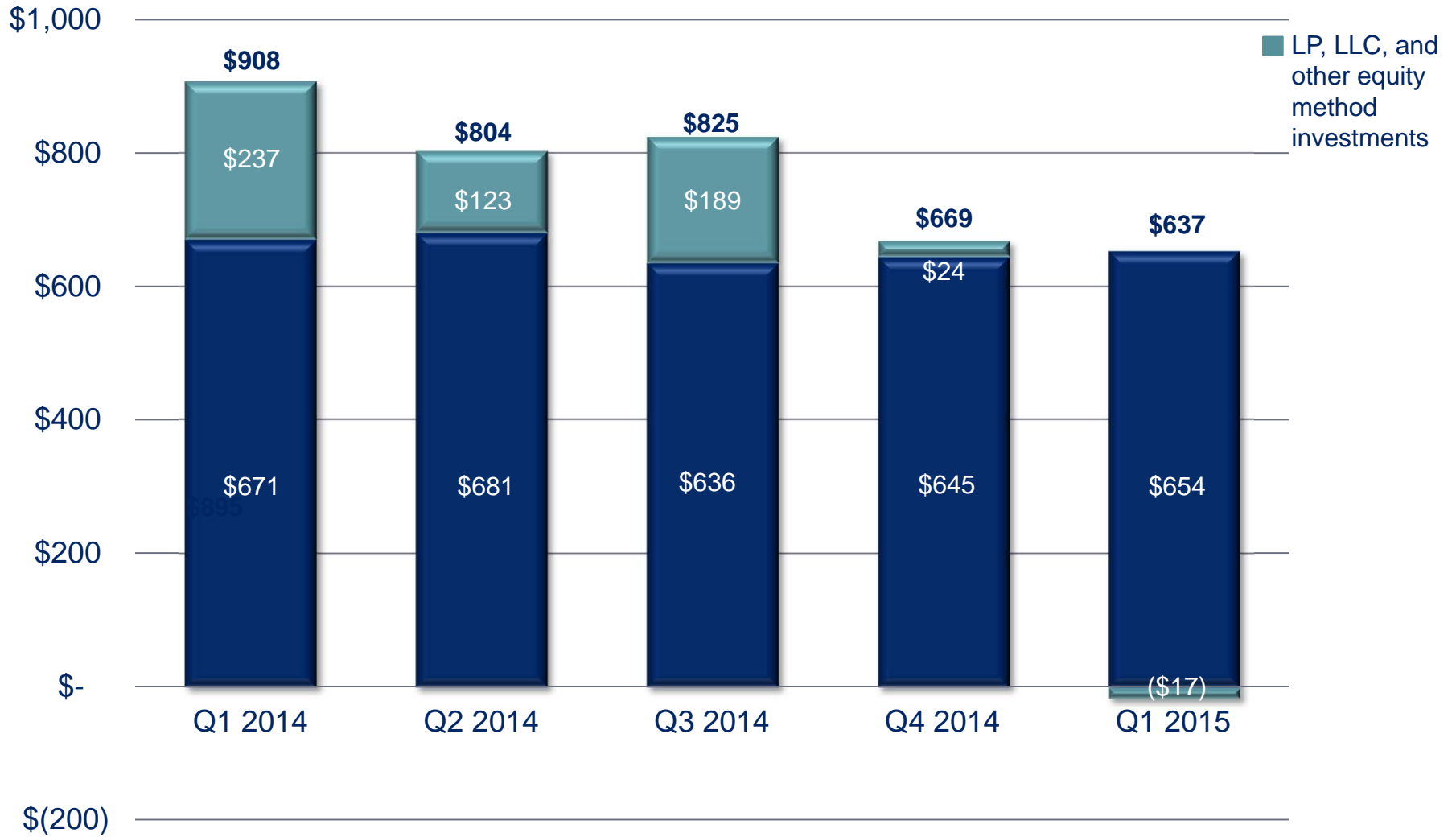
Global Specialty: Rate & Retention



	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Specialty Insurance					
Rate	0.8%	(1.2%)	(1.5%)	(0.4%)	(1.4%)
Retention	70.2%	70.5%	63.2%	59.5%	69.5%
Reinsurance					
Rate	(4.4%)	(5.1%)	(6.3%)	(3.3%)	(4.9%)
Retention	80.9%	85.6%	77.1%	84.5%	82.3%

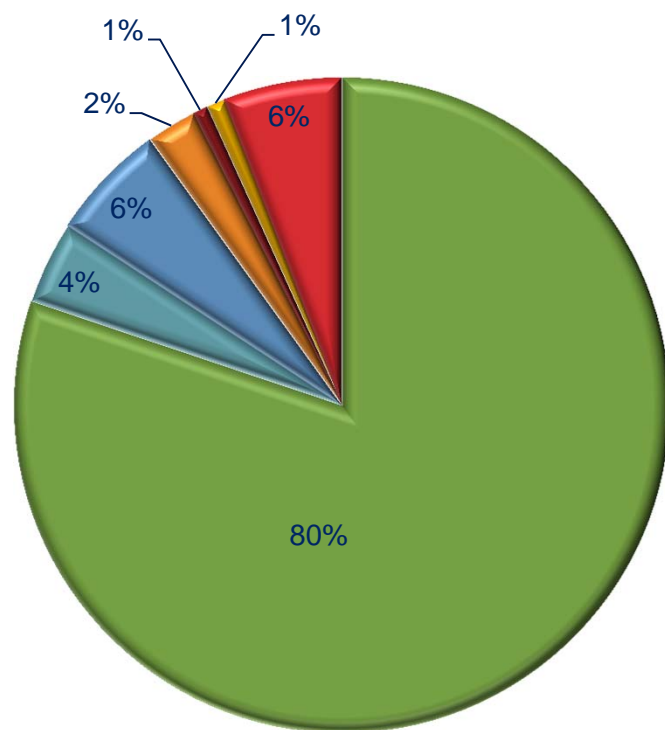
Net Investment Income

(\$ millions)



The above chart contains net investment income attributable to discontinued operations.

Investment Mix



- Fixed maturities
- Equity securities
- LPs, LLCs, and other equity method investments
- Commercial mortgage loans
- Short-term investments
- Other investments
- Cash and cash equivalents

Total invested assets as of
March 31, 2015: \$79.810 billion

Capitalization

(\$ millions)	March 31, 2015	December 31, 2014
Long-term debt	\$7,232	\$7,232
Adjusted debt ¹	\$6,232	\$6,232
Total equity	\$20,550	\$20,291
Less: AOCI	<u>\$42</u>	<u>\$57</u>
Total equity ex. AOCI	\$20,508	\$20,234
Total capital ex. AOCI	\$27,740	\$27,466
<i>Adjusted debt-to-total capitalization (ex. AOCI)</i>	22.5%	22.7%
Statutory surplus	\$18,914	\$19,180

¹ Assumes that the Series A and B Junior Subordinated Notes receive 100% equity credit, as per S&P.

Energy-Related Investments

(\$ Millions)

As of March 31, 2015

	Carrying Value	Unfunded Commitments	Average Credit Rating
Investment grade bonds	\$2,088	\$ -	A-
Below investment grade bonds	287	-	B+
Publicly traded equity securities	175	-	
Private equities – energy focused ¹	614	767	
	\$3,164	\$767	
<i>Percent of total invested assets</i>	<i>4.0%</i>		
Direct investment in oil & gas wells ²	\$1,713	\$1,926	
Total exposure	\$4,877	\$2,693	

1: Includes \$540 million of natural resources partnerships and \$74 million of other investments

2: Included in 'Other assets' on Consolidated Balance Sheets

Holding Company Interest Coverage

(\$ millions)	
Preferred dividends	\$80
Remaining dividend capacity	<u>\$1,761</u>
2015 dividend capacity ¹	\$1,841
Estimated PTI from LMG service companies/fees	<u>\$382</u>
Total available funding	\$2,223
Interest expense ²	\$376
Holding company interest coverage	5.9x

¹ Represents the estimated maximum allowable dividend without prior regulatory approval in the state of domicile. Dividends paid April 1, 2014 through March 31, 2015 were \$80 million. Available dividend capacity is calculated as 2015 dividend capacity less dividends paid for the preceding twelve months.

² Represents the expected run-rate for interest expense at Liberty Mutual Group Inc.

Reconciliation of Statement of Income to Combined Ratio

For the three months ended March 31, 2015					\$ millions
Combined ratio components:	Statement of income	Presentation reclass ¹	Less: Life insurance ²	Less: Non underwriting expenses and other adjustments ³	Combined Ratio
Premiums earned	\$8,870		(\$438)	(\$26)	\$8,406
Benefits, claims and claim adjustment expenses	6,128		(485)	(2)	5,641
Operating costs and expenses	1,725	(6)	(112)	(306)	1,301
Amortization of deferred policy acquisition costs	1,238		(14)	(5)	1,219
Dividends to policyholders	N/A	6	(2)	-	4
Total combined ratio					97.1%

For the three months ended March 31, 2014					\$ millions
Combined ratio components:	Statement of income	Presentation reclass ¹	Less: Life insurance ²	Less: Non underwriting expenses and other adjustments ³	Combined Ratio
Premiums earned	\$8,629		(\$379)	(\$129)	\$8,121
Benefits, claims and claim adjustment expenses	5,988		(421)	(6)	5,561
Operating costs and expenses	1,815	(8)	(90)	(395)	1,322
Amortization of deferred policy acquisition costs	1,227		(18)	(19)	1,190
Dividends to policyholders	N/A	8	(2)	-	6
Total combined ratio					99.5%

¹ Dividends to policyholders

² Life and annuity business excluded from P&C combined ratio

³ Includes adjustments for Venezuela devaluation, non-underwriting expenses primarily related to the Company's energy production and service operations, fee income, and installment charges.

About Liberty Mutual Insurance

Boston-based LMHC, the parent corporation of the Liberty Mutual Insurance group of entities, is a diversified global insurer and third largest property and casualty insurer in the U.S. based on 2014 direct written premium. The Company also ranks 76th on the Fortune 100 list of largest corporations in the U.S. based on 2013 revenue. As of December 31, 2014, LMHC had \$124.293 billion in consolidated assets, \$104.002 billion in consolidated liabilities, and \$39.658 billion in annual consolidated revenue.

LMHC, through its subsidiaries and affiliated companies, offers a wide range of property-casualty insurance products and services to individuals and businesses alike. In 2001 and 2002, the Company formed a mutual holding company structure, whereby the three principal mutual insurance companies, LMIC, LMFIC and EICOW, each became separate stock insurance companies under the ownership of LMHC.

Functionally, the Company conducts substantially all of its business through strategic business units, with each operating independently of the others with dedicated sales, underwriting, claims, actuarial, financial and certain information technology resources. Management believes this structure allows each business unit to execute its business strategy and/or to make acquisitions without impacting or disrupting the operations of the Company's other business units.

LMHC employs more than 50,000 people in approximately 900 offices throughout the world. For a full description of the Company's business operations, products and distribution channels, please visit Liberty Mutual's Investor Relations web site at www.libertymutual.com/investors.

Additional Notes

The Company's financial results, management's discussion and analysis of operating results and financial condition, accompanying financial statements and other supplemental financial information for the three months ended March 31, 2015 are available on the Company's Investor Relations website at www.libertymutual.com/investors.

The Company's discussions related to net income are presented in conformity with U.S. generally accepted accounting principles ("GAAP") on an after-tax basis. All other discussions are presented on a pre-tax GAAP basis, unless otherwise noted. Further, the Company notes that it may make material information regarding the Company available to the public, from time to time, via the Company's Investor Relations website at www.libertymutual.com/investors (or any successor site).

The Company's annual audited financial statements and the Report of Independent Registered Public Accounting Firm on the Effectiveness of Internal Control Over Financial Reporting are also published on the Company's Investor Relations website at www.libertymutual.com/investors.



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