



**Liberty
Mutual[®]**

INSURANCE

Third Quarter 2013 Results

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.

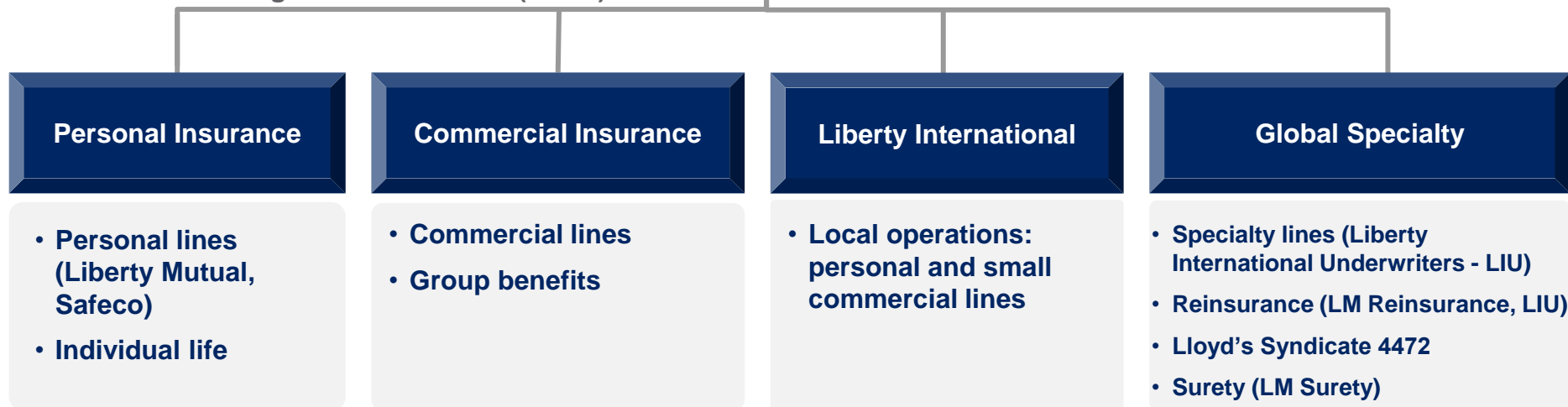
Some of the factors that could cause actual results to differ include, but are not limited to the following: the occurrence of catastrophic events (including terrorist acts, hurricanes, hail, tornados, tsunamis, earthquakes, floods, snowfall and winter conditions); inadequacy of loss reserves; adverse 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
- \$120.1B of assets and \$36.9B of revenues in 2012
- The most diversified P&C insurer
- 81st among Fortune 500 companies¹
- 3rd largest P&C writer in the U.S.²
- 3rd largest commercial lines writer in the U.S.²
- 6th largest personal lines writer in the U.S.²
- 5th largest global P&C insurer³

¹ Based on 2012 Revenue.

² Based on 2012 DWP.

³ Based on 2012 GWP.

Liberty Mutual's Global Presence

LMIG operates in 30 countries and key markets around the globe

Americas

- United States (HQ)
- Argentina
- Brazil
- Canada
- Chile
- Colombia
- Ecuador
- Puerto Rico
- Venezuela

Europe

- France
- Germany
- Ireland
- Italy
- Netherlands
- Poland
- Portugal
- Russia
- Spain
- Switzerland
- Turkey
- U.K.

Asia Pacific

- Australia
- China
- Dubai
- Hong Kong
- India
- Malaysia
- Singapore
- Thailand
- Vietnam

■ Liberty International (Local Operations) ■ Liberty International Underwriters (Specialty Insurance)

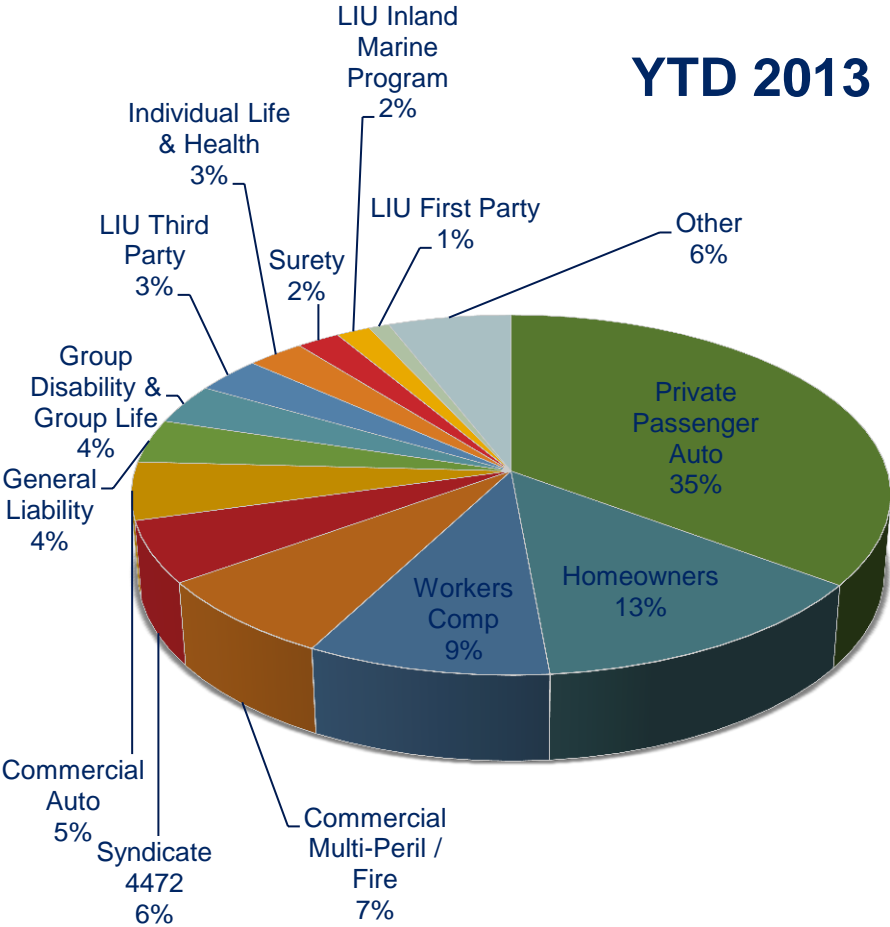
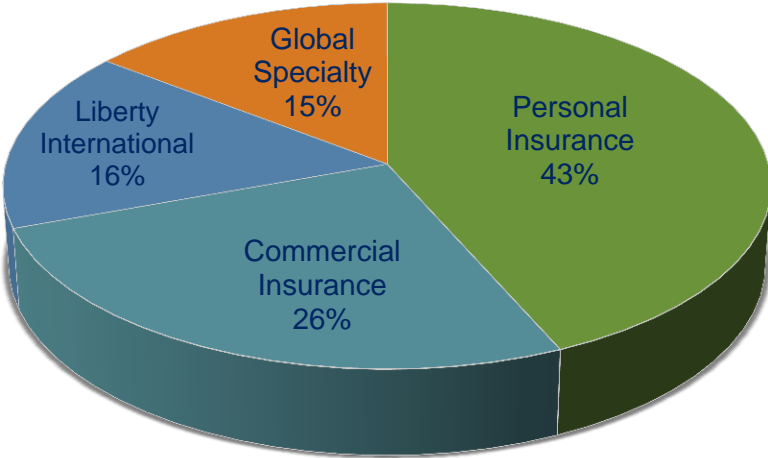
Analysis of Consolidated Net Written Premium “NWP”

NWP by SBU

NWP by line of business

YTD 2013

YTD 2013



NWP of \$26.844 billion increased 7.1% over 2012.

2013 Highlights

Third quarter

- ❖ Revenues increased by 8.0% over the same period in 2012.
- ❖ NWP increased by 8.2% over the same period in 2012.
- ❖ Pre-tax operating income (“PTOI”) before LP and LLC income increased by 13.9% over the same period in 2012.
- ❖ PTOI increased by 21.7% over the same period in 2012.
- ❖ Loss on extinguishment of debt was \$96 million, versus zero in the same period in 2012.
 - \$164 million of debt at an interest rate of 10.75% was repurchased.
- ❖ Net income attributable to LMHC increased by 3.4% over the same period in 2012.
- ❖ Cash flow from operations increased by 54.9% over the same period in 2012.
- ❖ The consolidated combined ratio before catastrophes¹, net incurred losses attributable to prior years² and current accident year re-estimation³ was 95.3%, a decrease of 1.6 points from the same period in 2012.
- ❖ Including the impact of catastrophes, net incurred losses attributable to prior years and current accident year re-estimation, the Company’s combined ratio decreased 0.2 points to 99.2%.

¹Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., Cyclone Oswald, Central Europe floods, Alberta floods and Germany hail storms. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

²Net incurred losses attributable to prior years is defined as incurred losses attributable to prior years (including prior year losses related to natural catastrophes and prior year catastrophe reinstatement premium) including both earned premium attributable to prior years and amortization of retroactive reinsurance gains.

³Re-estimation of current accident year loss reserves for the six months ended June 30, 2013 and June 30, 2012.

Year-to-date

- ❖ Revenues increased by 6.1% over the same period in 2012.
- ❖ NWP increased by 7.1% over the same period in 2012.
- ❖ PTOI before LP and LLC income increased by 55.8% over the same period in 2012.
- ❖ PTOI increased by 52.6% over the same period in 2012.
- ❖ Loss on extinguishment of debt decreased by 4.3% from the same period in 2012.
 - \$268 million of debt at an interest rate of 10.75% was repurchased year-to-date.
 - \$600 million of senior debt was issued with an interest rate of 4.25%.
 - \$25 million of 7.860% Medium Term Notes matured on May 31, 2013.
- ❖ Net income attributable to LMHC increased by 17.3% over the same period in 2012.
- ❖ Cash flow from operations increased by 40.3% over the same period in 2012.
- ❖ The consolidated combined ratio before catastrophes and net incurred losses attributable to prior years was 94.9%, a decrease of 2.2 points from the same period in 2012.
- ❖ Including the impact of catastrophes and net incurred losses attributable to prior years, the Company’s combined ratio decreased 2.3 points to 99.7%.

Consolidated Results

| (\$ millions) | Third quarter | | | Year-to-date | | |
|---|-------------------|--------------|-------------|-------------------|----------------|--------------|
| | 2013 ¹ | 2012 | Change | 2013 ¹ | 2012 | Change |
| Revenues | \$10,020 | \$9,278 | 8.0% | \$28,989 | \$27,316 | 6.1% |
| PTOI before LP and LLC income | 534 | 469 | 13.9 | 1,516 | 973 | 55.8 |
| LP and LLC income ² | 88 | 42 | 109.5 | 356 | 254 | 40.2 |
| PTOI | 622 | 511 | 21.7 | 1,872 | 1,227 | 52.6 |
| Consolidated net income | 479 | 465 | 3.0 | 1,236 | 1,056 | 17.0 |
| Less: Net loss attributable to non-controlling interest | (2) | - | NM | (11) | (7) | 57.1 |
| Net income attributable to LMHC | \$481 | \$465 | 3.4% | \$1,247 | \$1,063 | 17.3% |

Combined ratio before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation

| | | | | | | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|
| Claims and claim adjustment expense ratio | 65.6% | 67.7% | (2.1) | 64.7% | 67.6% | (2.9) |
| Underwriting expense ratio | 29.6 | 29.1 | 0.5 | 30.1 | 29.3 | 0.8 |
| Dividend ratio | 0.1 | 0.1 | - | 0.1 | 0.2 | (0.1) |
| Subtotal | 95.3 | 96.9 | (1.6) | 94.9 | 97.1 | (2.2) |
| Catastrophes ³ | 3.3 | 2.0 | 1.3 | 4.7 | 5.3 | (0.6) |
| Net incurred losses attributable to prior years: | | | | | | |
| - Asbestos & environmental | 3.4 | 0.9 | 2.5 | 1.2 | 0.5 | 0.7 |
| - All other ⁴ | (2.9) | (1.1) | (1.8) | (1.1) | (0.9) | (0.2) |
| Current accident year re-estimation ⁵ | 0.1 | 0.7 | (0.6) | - | - | - |
| Total combined ratio⁶ | 99.2% | 99.4% | (0.2) | 99.7% | 102.0% | (2.3) |

¹2013 combined ratio has been adjusted to exclude the impact of the Venezuela devaluation for comparative purposes.

²LP and LLC income is included in net investment income in the accompanying consolidated statements of income.

³Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., Cyclone Oswald, Central Europe floods, Alberta floods and Germany hail storms. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

⁴Net of earned premium attributable to prior years.

⁵Re-estimation of the current accident year loss reserves for the six months ended June 30, 2013 and June 30, 2012.

⁶The 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.

NM = Not Meaningful

Personal Insurance

NWP & PTOI



Segment Highlights

- Distributes through independent agent channel under Safeco brand and through other channels under the Liberty Mutual brand
- 6th largest writer of personal lines in the U.S.¹
- Fastest growth among top 10 personal lines writers through Q2 2013¹
- Market leader in affinity marketing, with over 15,000 affinity relationships

Financial Performance

| \$ millions | Third quarter | | | Year-to-date | | |
|--|---------------|--------------|----------------|----------------|----------------|-------------|
| | 2013 | 2012 | Change | 2013 | 2012 | Change |
| NWP | \$4,205 | \$3,764 | 11.7% | \$11,644 | \$10,392 | 12.0% |
| PTOI before catastrophes and net incurred losses attributable to prior years | \$689 | \$544 | 26.7% | \$1,911 | \$1,663 | 14.9% |
| Catastrophes ² | (95) | (85) | 11.8 | (806) | (924) | (12.8) |
| Net incurred losses attributable to prior years | (41) | 233 | NM | (51) | 279 | NM |
| Pre-tax operating income | \$553 | \$692 | (20.1%) | \$1,054 | \$1,018 | 3.5% |

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

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Claims and claim adjustment expense ratio | 59.7% | 62.1% | (2.4) | 59.9% | 61.3% | (1.4) |
| Underwriting expense ratio | 25.5 | 25.9 | (0.4) | 25.8 | 25.9 | (0.1) |
| Subtotal | 85.2 | 88.0 | (2.8) | 85.7 | 87.2 | (1.5) |
| Catastrophes ² | 2.7 | 2.7 | - | 7.7 | 9.8 | (2.1) |
| Net incurred losses attributable to prior years | 1.1 | (7.2) | 8.3 | 0.5 | (3.0) | 3.5 |
| Total combined ratio | 89.0% | 83.5% | 5.5 | 93.9% | 94.0% | (0.1) |

¹ Based on 2012 DWP for auto and home.

² Catastrophes include all current accident year catastrophe losses. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

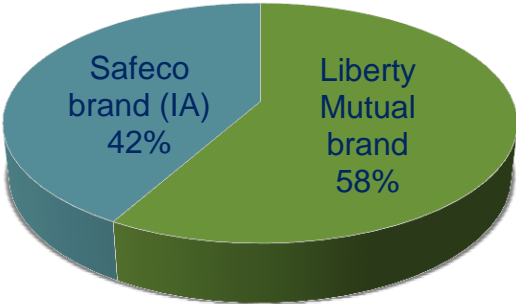
NM=Not Meaningful

Personal Insurance NWP Distribution

NWP by market segment

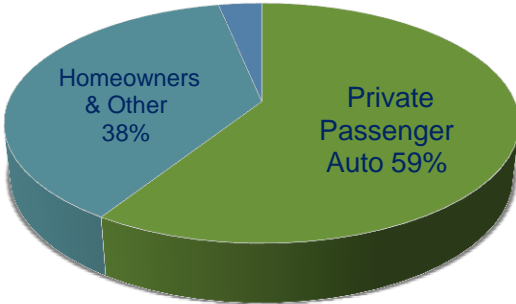
NWP by line of business

YTD 2013

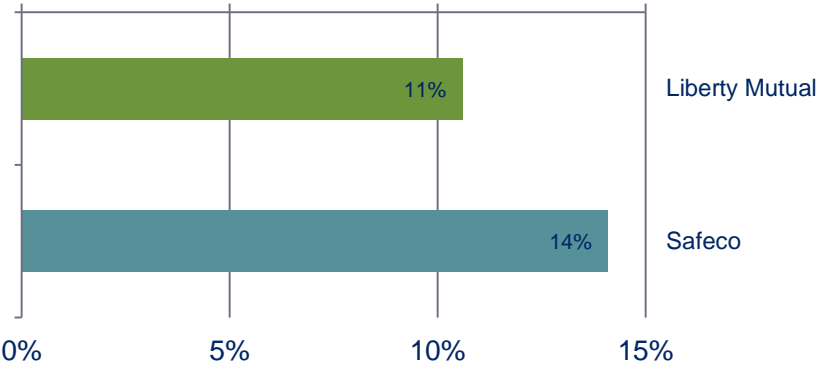


Individual Life 3%

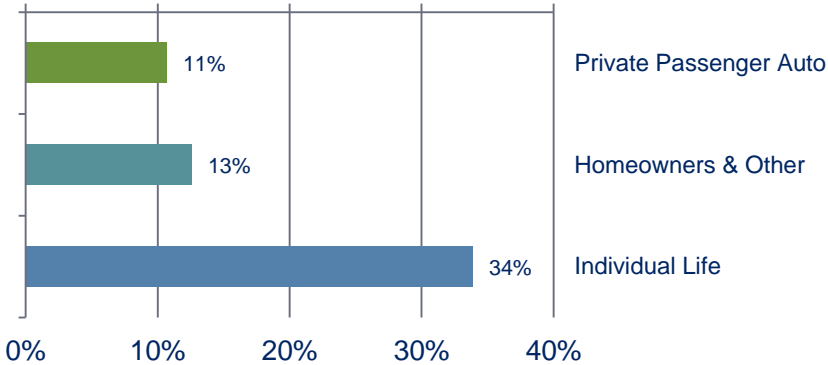
YTD 2013



YOY Change in NWP

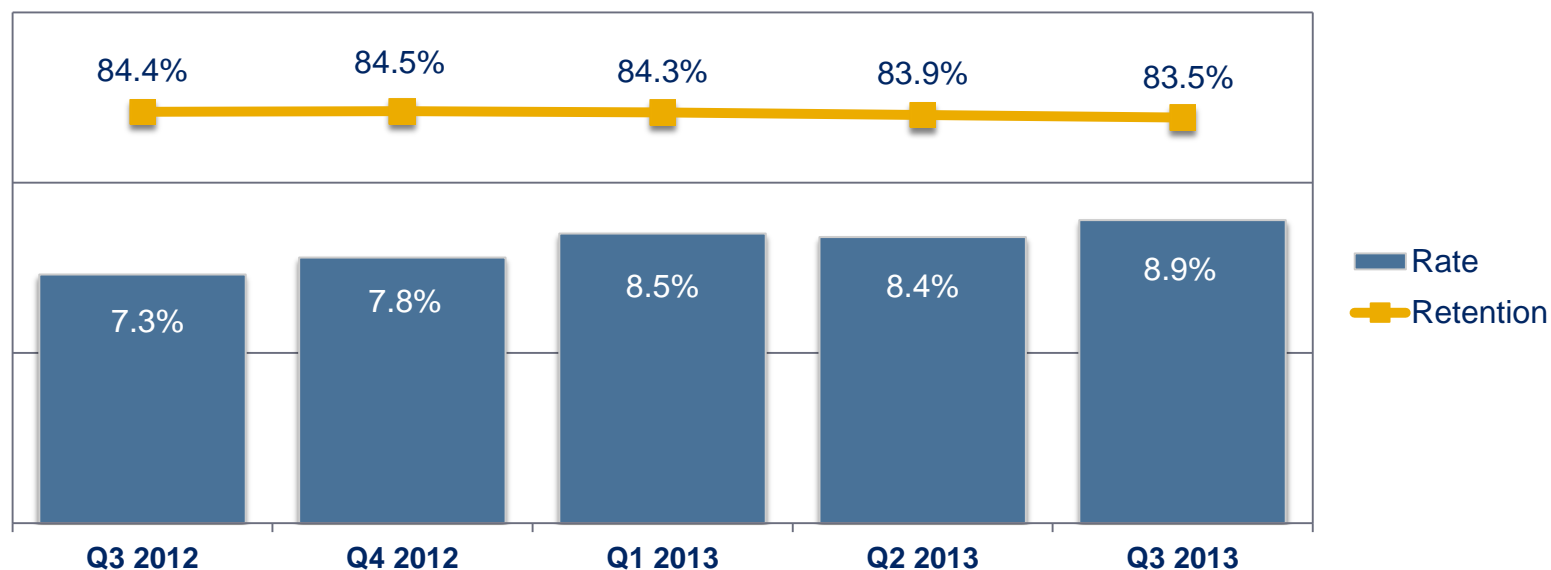


YOY Change in NWP



NWP year-to-date in 2013 totaled \$11.644 billion, an increase of 12.0% over the same period in 2012. NWP through the third quarter of 2012 was \$10.392 billion.

Personal Insurance P&C: Rate & Retention



| | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 |
|-------------------------------|---------|---------|---------|---------|---------|
| Private Passenger Auto | | | | | |
| Rate | 5.8% | 6.3% | 6.6% | 6.3% | 6.7% |
| Retention | 83.5% | 83.6% | 83.5% | 83.2% | 82.9% |
| Homeowners | | | | | |
| Rate | 9.1% | 9.4% | 10.5% | 10.8% | 11.3% |
| Retention | 85.5% | 85.4% | 85.1% | 84.7% | 84.2% |

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

Commercial Insurance

NWP & PTOI



Segment Highlights

- As an SBU, 4th largest U.S. commercial lines insurer measured by DWP - \$10.4B
- Equipped to underwrite and service a wide spectrum of exposures, from small proprietors to multi-nationals
- Approximately 6,000 active agencies in 12,500 locations
- WC exposures have declined by 26% YTD

Financial Performance

| \$ millions | Third quarter | | | Year-to-date | | |
|---|---------------|--------------|--------------|--------------|--------------|---------------|
| | 2013 | 2012 | Change | 2013 | 2012 | Change |
| NWP | \$2,464 | \$2,544 | (3.1%) | \$6,996 | \$7,511 | (6.9%) |
| PTOI before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation | \$201 | \$156 | 28.8% | \$645 | \$478 | 34.9% |
| Catastrophes ¹ | (42) | (38) | 10.5 | (184) | (359) | (48.7) |
| Net incurred losses attributable to prior years ² | 32 | 35 | (8.6) | 126 | 148 | (14.9) |
| Current accident year re-estimation ³ | (8) | (53) | (84.9) | - | - | - |
| Pre-tax operating income | \$183 | \$100 | 83.0% | \$587 | \$267 | 119.9% |

Combined ratio before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation

| | | | | | | |
|--|---------------|---------------|--------------|---------------|---------------|--------------|
| Claims and claim adjustment expense ratio | 72.6% | 77.9% | (5.3) | 71.8% | 77.9% | (6.1) |
| Underwriting expense ratio | 29.8 | 28.3 | 1.5 | 30.1 | 28.7 | 1.4 |
| Dividend ratio | 0.4 | 0.4 | - | 0.4 | 0.4 | - |
| Subtotal | 102.8 | 106.6 | (3.8) | 102.3 | 107.0 | (4.7) |
| Catastrophes ¹ | 2.0 | 1.6 | 0.4 | 2.9 | 5.4 | (2.5) |
| Net incurred losses attributable to prior years ² | (1.6) | (1.6) | - | (1.9) | (2.3) | 0.4 |
| Current accident year re-estimation ³ | 0.4 | 2.3 | (1.9) | - | - | - |
| Total combined ratio | 103.6% | 108.9% | (5.3) | 103.3% | 110.1% | (6.8) |

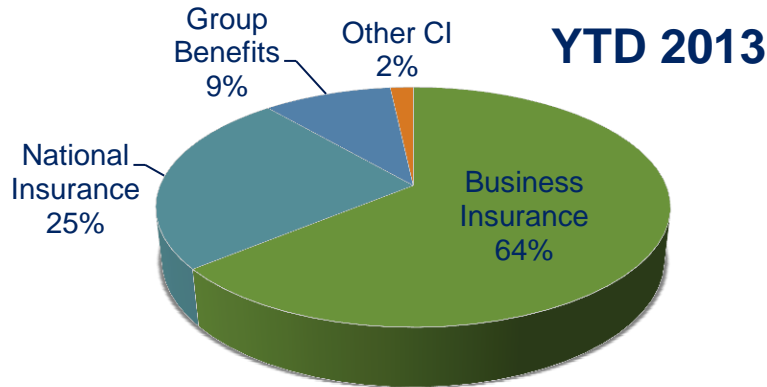
¹Catastrophes include all current accident year catastrophe losses. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

²Net of earned premium and reinstatement premium attributable to prior years of (\$2) million and (\$10) million for the three and nine months ended September 30, 2013 and \$18 million and \$40 million for the same periods in 2012. Net of amortization of deferred gains on assumed retroactive reinsurance of \$1 million and \$2 million for the three and nine months ended September 30, 2013 and for the same periods in 2012.

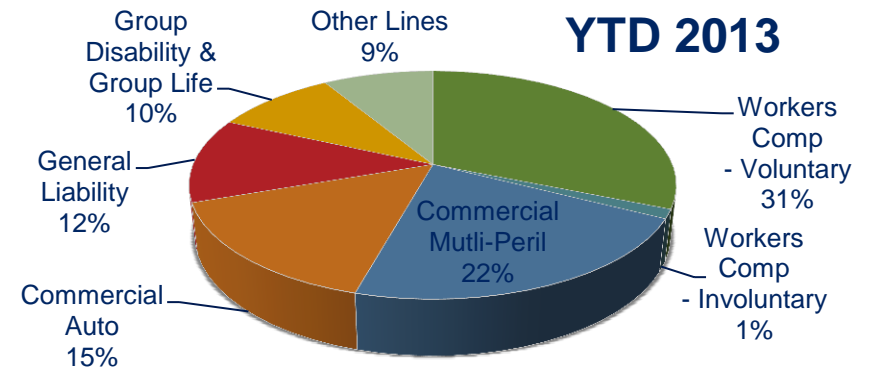
³Re-estimation of the current accident year loss reserves for the six months ended June 30, 2013 and June 30, 2012.

Commercial Insurance NWP Distribution

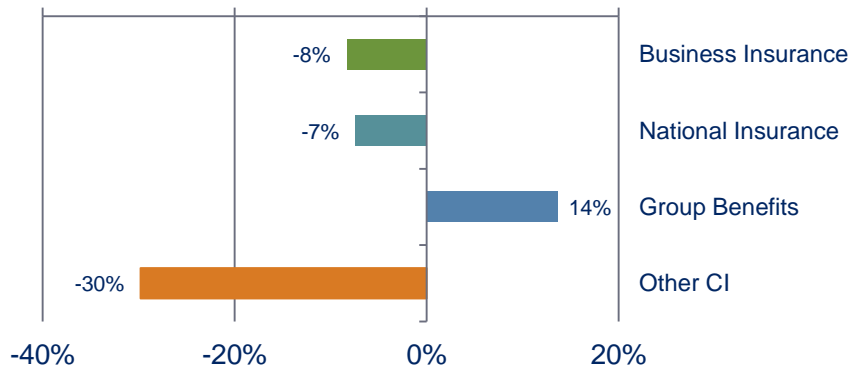
NWP by market segment



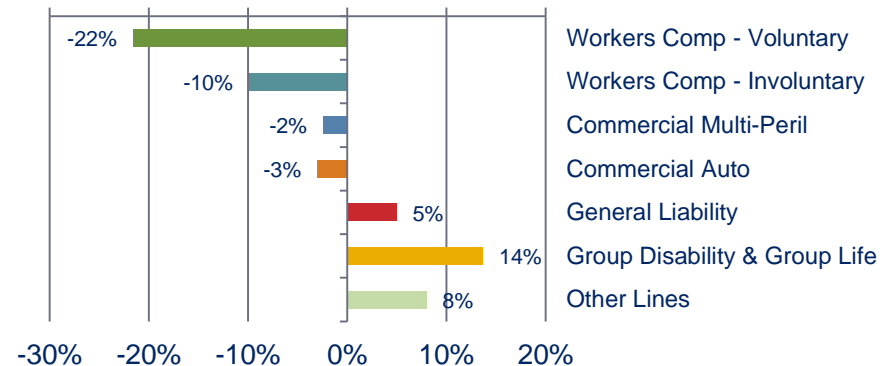
NWP by line of business



YOY Change in NWP

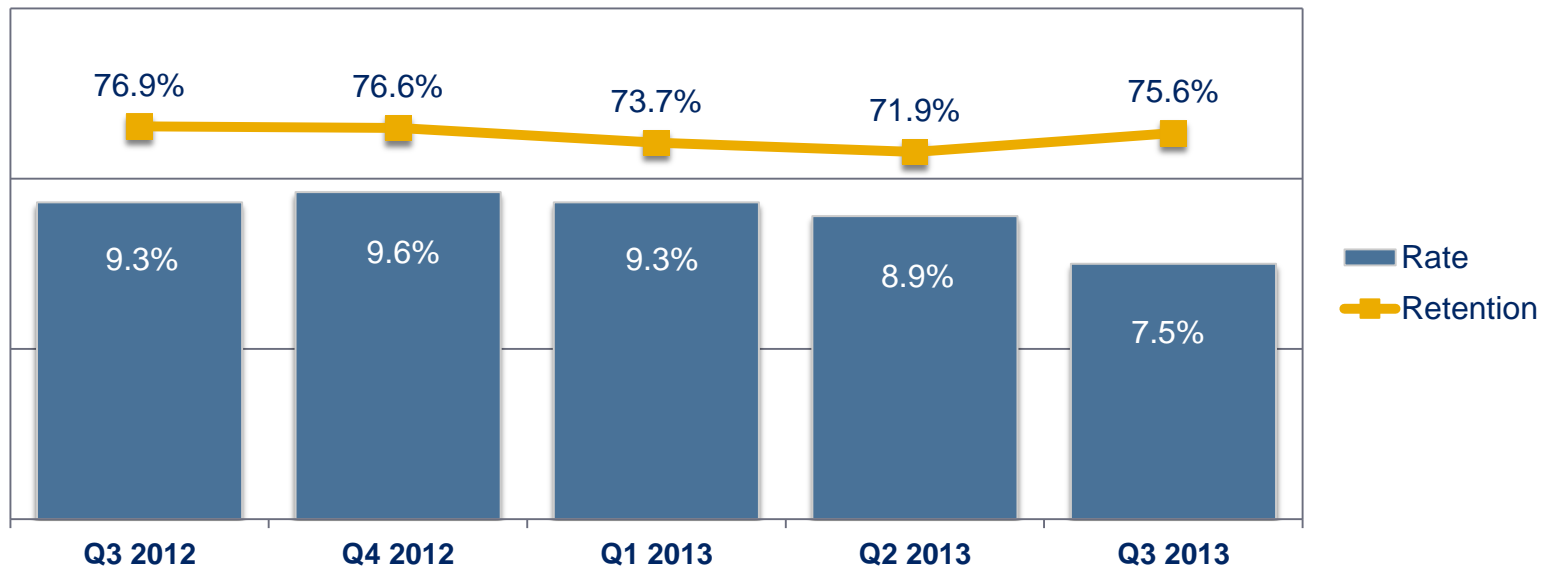


YOY Change in NWP



NWP year-to-date in 2013 totaled \$6.996 billion, a decrease of 6.9% from the same period in 2012. NWP through the third quarter of 2012 was \$7.511 billion.

Commercial Insurance: Rate & Retention

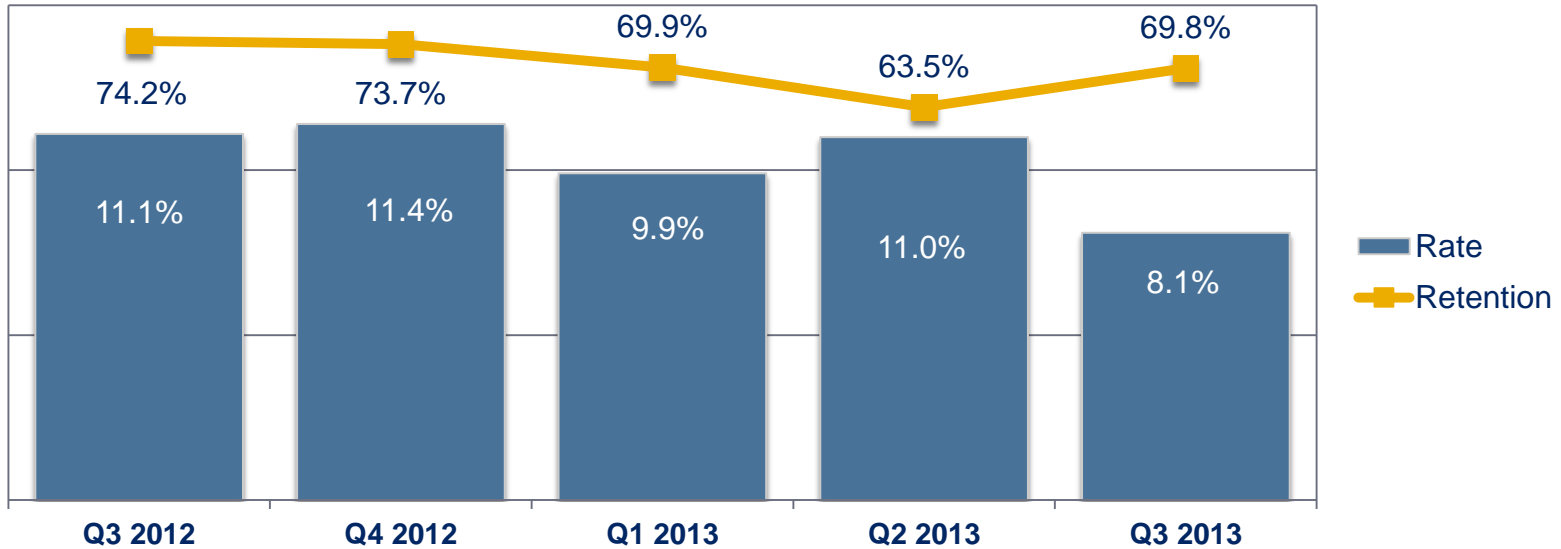


| | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | YTD 2012 | YTD 2013 |
|---------------------------|---------|---------|---------|---------|---------|----------|----------|
| Business Insurance | | | | | | | |
| Rate | 9.7% | 9.9% | 9.7% | 9.2% | 7.8% | 8.4% | 9.0% |
| Retention | 75.2% | 73.8% | 71.4% | 71.0% | 75.3% | 76.7% | 72.5% |
| National Insurance | | | | | | | |
| Rate | 8.0% | 8.9% | 8.1% | 8.2% | 6.7% | 6.5% | 7.8% |
| Retention | 82.2% | 83.6% | 78.4% | 74.0% | 76.5% | 85.7% | 76.6% |

* Note: Business Drivers are ex Group Benefits.

Commercial Insurance: WC Rate & Retention

NWP of \$2.181 billion is down 21.6% from 2012; 26% reduction in exposures.



| | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | YTD 2012 | YTD 2013 |
|---------------------------|---------|---------|---------|---------|---------|----------|----------|
| Business Insurance | | | | | | | |
| Rate | 11.8% | 12.0% | 10.5% | 10.9% | 8.0% | 10.6% | 9.9% |
| Retention | 70.7% | 68.1% | 63.6% | 62.1% | 68.7% | 73.8% | 64.7% |
| National Insurance | | | | | | | |
| Rate | 9.4% | 10.1% | 8.7% | 11.1% | 8.2% | 6.7% | 9.5% |
| Retention | 83.0% | 84.4% | 78.8% | 66.4% | 72.0% | 88.1% | 73.8% |

Liberty International

NWP & PTOI¹



Segment Highlights

- Added Shandong branch in China (5th)
- Entered U.K. private passenger auto market
- Continued sponsorship of Confederations Cup and World Cup in Brazil

Financial Performance

| \$ millions | Third quarter | | | Year-to-date | | |
|---|-------------------|-------------|---------------|-------------------|--------------|--------------|
| | 2013 ² | 2012 | Change | 2013 ² | 2012 | Change |
| NWP | \$1,533 | \$1,421 | 7.9% | \$4,311 | \$4,122 | 4.6% |
| PTOI before catastrophes, net incurred losses attributable to prior years and Venezuela devaluation | \$67 | \$63 | 6.3% | \$147 | \$188 | (21.8%) |
| Catastrophes ³ | - | - | - | - | - | - |
| Net incurred losses attributable to prior years ⁴ | 6 | (6) | NM | 25 | (15) | NM |
| Venezuela devaluation | 43 | - | NM | 164 | - | NM |
| Pre-tax operating income | \$116 | \$57 | 103.5% | \$336 | \$173 | 94.2% |

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

| | | | | | | |
|--|---------------|---------------|------------|---------------|---------------|------------|
| Claims and claim adjustment expense ratio | 66.0% | 65.8% | 0.2 | 66.0% | 66.8% | (0.8) |
| Underwriting expense ratio | 37.7 | 37.1 | 0.6 | 38.7 | 36.4 | 2.3 |
| Subtotal | 103.7 | 102.9 | 0.8 | 104.7 | 103.2 | 1.5 |
| Catastrophes ³ | - | - | - | - | - | - |
| Net incurred losses attributable to prior years ⁴ | (0.4) | 0.4 | (0.8) | (0.7) | 0.4 | (1.1) |
| Total combined ratio | 103.3% | 103.3% | - | 104.0% | 103.6% | 0.4 |

¹ PTOI excludes impact of VZ devaluation in 2010.

² 2013 combined ratio has been adjusted to exclude the impact of the Venezuela devaluation for comparative purposes.

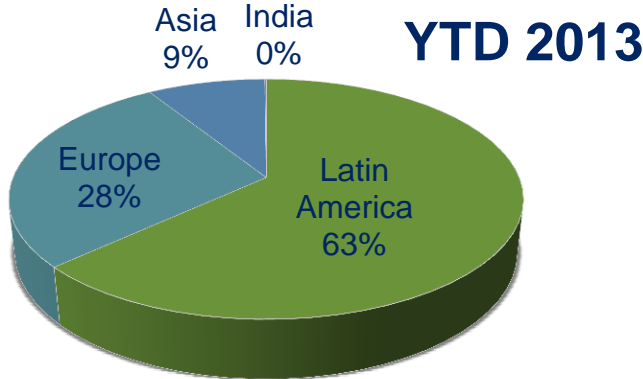
³ Catastrophes include all current accident year catastrophe losses. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

⁴ Net of earned premium attributable to prior years of zero for the three months and nine months ended September 30, 2013, respectively, and zero and (\$1) million for the same periods in 2012.

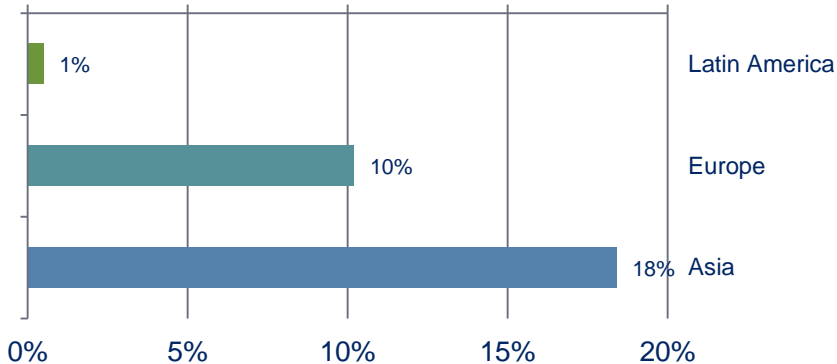
NM = Not Meaningful

Liberty International NWP Distribution

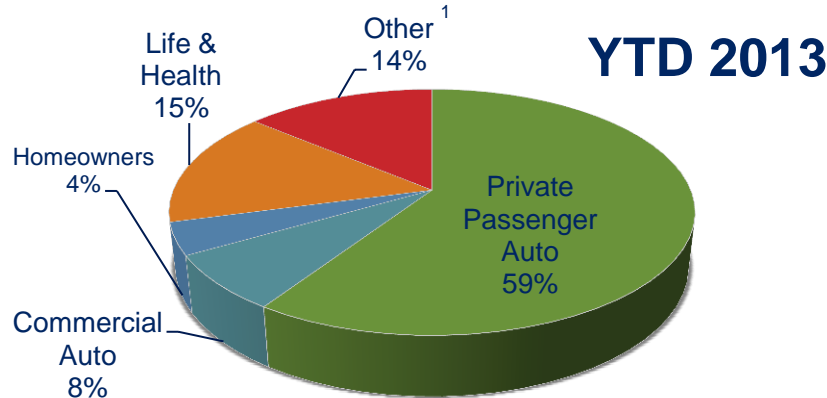
NWP by market segment



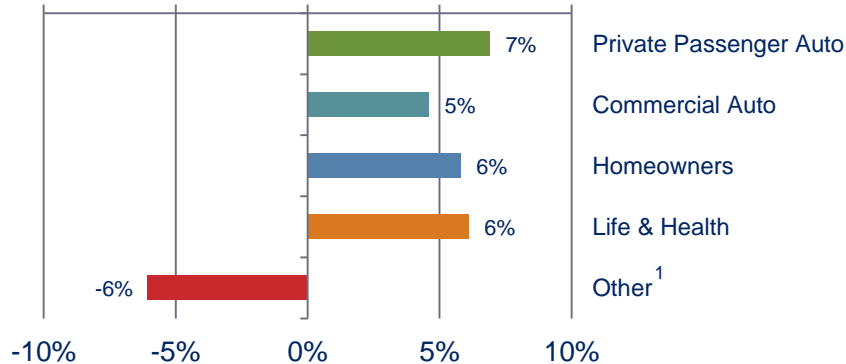
YOY Change in NWP



NWP by line of business



YOY Change in NWP



NWP year-to-date in 2013 totaled \$4.311 billion, an increase of 4.6% over the same period in 2012. NWP through the third quarter of 2012 was \$4.122 billion.

¹Premium 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.

Global Specialty

NWP & PTOI



Segment Highlights

- 5th 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 | Third quarter | | | Year-to-date | | |
|--|---------------|--------------|----------------|--------------|--------------|----------------|
| | 2013 | 2012 | Change | 2013 | 2012 | Change |
| NWP | \$1,227 | \$1,077 | 13.9% | \$3,890 | \$3,338 | 16.5% |
| PTOI before catastrophes and net incurred losses attributable to prior years | \$177 | \$187 | (5.3%) | \$526 | \$525 | 0.2% |
| Catastrophes ¹ | (33) | (25) | 32.0 | (92) | (28) | NM |
| Net incurred losses attributable to prior years ² | 22 | 85 | (74.1) | (27) | 44 | NM |
| Pre-tax operating income | \$166 | \$247 | (32.8%) | \$407 | \$541 | (24.8%) |

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

| | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|------------|
| Claims and claim adjustment expense ratio | 63.0% | 61.3% | 1.7 | 61.7% | 61.3% | 0.4 |
| Underwriting expense ratio | 28.4 | 28.5 | (0.1) | 29.1 | 28.9 | 0.2 |
| Dividend ratio | 0.2 | 0.2 | - | 0.2 | 0.2 | - |
| Subtotal | 91.6 | 90.0 | 1.6 | 91.0 | 90.4 | 0.6 |
| Catastrophes ¹ | 2.7 | 2.3 | 0.4 | 2.6 | 0.9 | 1.7 |
| Net incurred losses attributable to prior years ² | (1.8) | (7.8) | 6.0 | 0.8 | (1.4) | 2.2 |
| Total combined ratio | 92.5% | 84.5% | 8.0 | 94.4% | 89.9% | 4.5 |

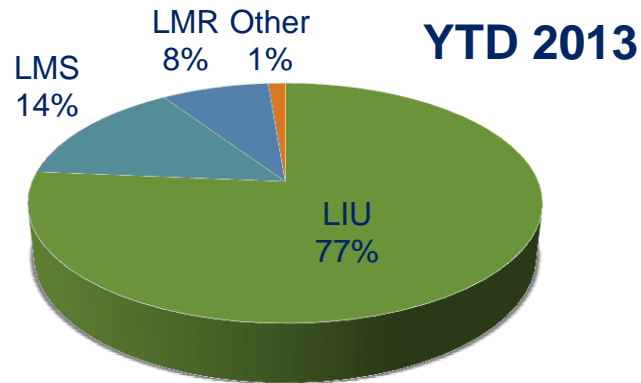
¹ Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., Cyclone Oswald, Central Europe floods, Alberta floods and Germany hail storms. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

² Net of earned premium and reinstatement premium attributable to prior years of (\$5) million and \$21 million for the three and nine months ended September 30, 2013 and \$2 million and \$15 million for the same periods in 2012.

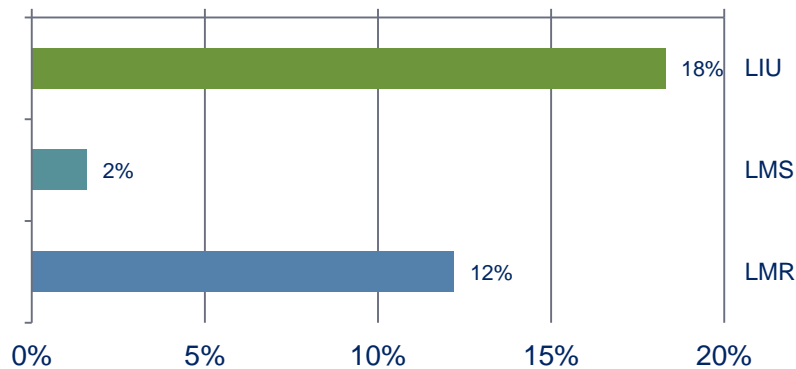
NM = Not Meaningful

Global Specialty NWP Distribution

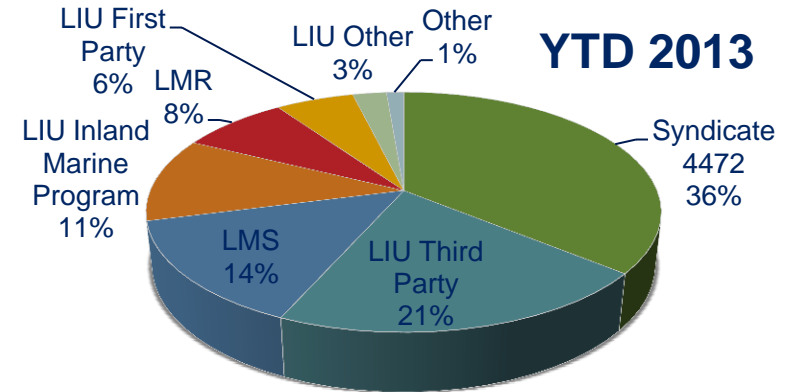
NWP by market segment



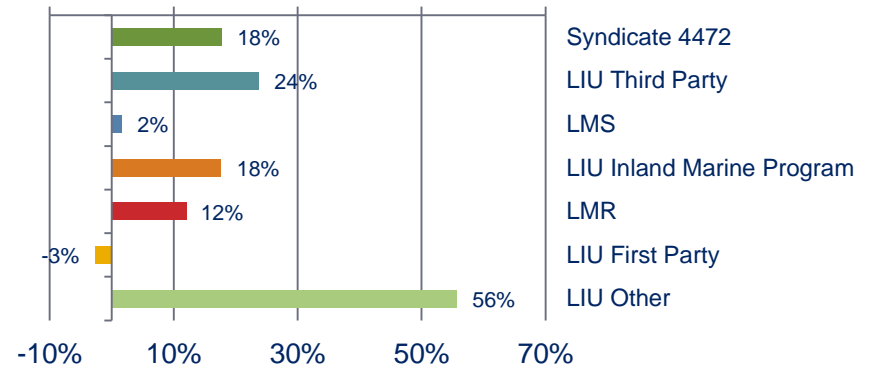
YOY Change in NWP



NWP by line of business

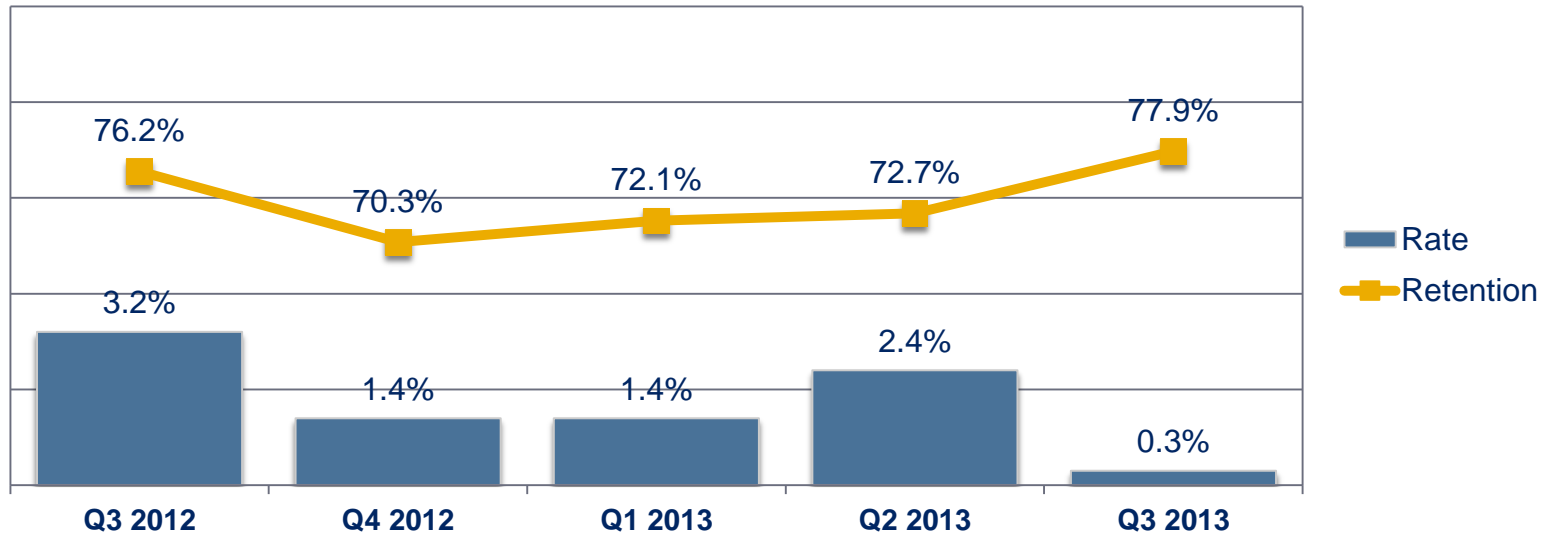


YOY Change in NWP



NWP year-to-date in 2013 totaled \$3.890 billion, an increase of 16.5% over the same period in 2012. NWP through the third quarter of 2012 was \$3.338 billion.

Global Specialty: Rate & Retention

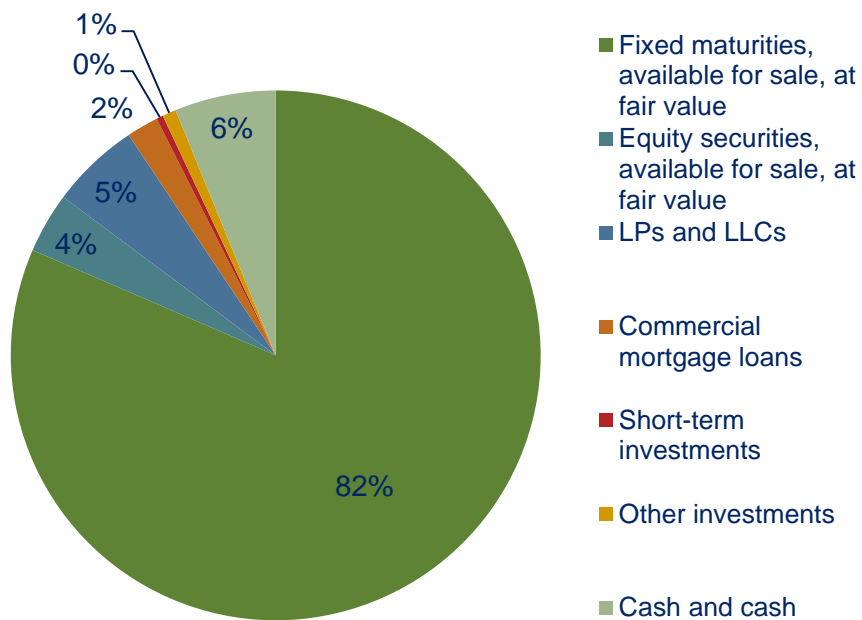


| | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | YTD 2012 | YTD 2013 |
|------------------------|---------|---------|---------|---------|---------|----------|----------|
| LIU¹ | | | | | | | |
| Rate | 1.8% | 2.4% | 2.7% | 2.4% | 0.7% | 1.2% | 1.9% |
| Retention | 77.5% | 71.1% | 64.3% | 69.0% | 79.1% | 74.3% | 70.5% |
| Syndicate 4472 | | | | | | | |
| Rate | 7.7% | (1.3%) | 0.6% | 2.3% | (0.7%) | 4.7% | 0.8% |
| Retention | 72.5% | 82.3% | 73.3% | 75.4% | 70.5% | 79.7% | 73.3% |
| LMR | | | | | | | |
| Rate | 3.0% | 1.3% | 1.2% | 2.6% | 1.8% | 6.0% | 1.6% |
| Retention | 75.8% | 45.3% | 93.6% | 86.7% | 91.9% | 89.2% | 91.4% |

¹Excludes Asurion

Financial Strength

Invested Assets



Total invested assets as of September 30, 2013: \$78.64 billion

| (\$ millions) | September 30, 2013 | December 31, 2012 |
|--|--------------------|-------------------|
| Total debt | \$6,585 | \$6,276 |
| Adjusted debt ¹ | \$5,585 | \$5,276 |
| Total equity ex. AOCI | \$18,049 | \$16,818 |
| AOCI | <u>\$291</u> | <u>\$1,707</u> |
| Total equity | \$18,340 | \$18,525 |
| Total capital | \$24,925 | \$24,801 |
| Adjusted debt-to-total capitalization (ex. AOCI) | 22.7% | 22.8% |
| Statutory surplus | \$16,990 | \$16,521 |

❖ Leverage

On October 2, 2013, LMGI repurchased an additional \$56 million of the 10.75% Junior Subordinated Notes due 2088, resulting in an outstanding balance of \$296 million. The Company continues to evaluate market conditions and may periodically effect transactions in its debt, subject to applicable limitations.

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

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 2012 direct written premium. The Company also ranks 81st on the Fortune 100 list of largest corporations in the U.S. based on 2012 revenue. As of December 31, 2012, LMHC had \$120.060 billion in consolidated assets, \$101.535 billion in consolidated liabilities, and \$36.944 billion in annual consolidated revenue.

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 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 and nine months ended September 30, 2013 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 available on the Company's Investor Relations website at www.libertymutual.com/investors.



Liberty Mutual[®]

INSURANCE