Liberty Mutual®
INSURANCE

Third Quarter 2017 Results

November 2, 2017

Cautionary Statement Regarding Forward Looking Statements

This report contains forward looking statements that are intended to enhance the reader's ability to assess the future financial and business performance of Liberty Mutual Holding Company Inc., the parent corporation of the Liberty Mutual Insurance group of entities (the "Company" or "LMHC"). 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"), limited liability companies ("LLC"), commercial mortgages and natural resource working interests; 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; 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 cyclicality 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.libertymutualgroup.com/investors. The Company undertakes no obligation to update these forward looking statements.

Liberty Mutual Overview

Liberty Mutual.
INSURANCE

Helping people live safer, more secure lives

Strategic Business Units (SBUs)

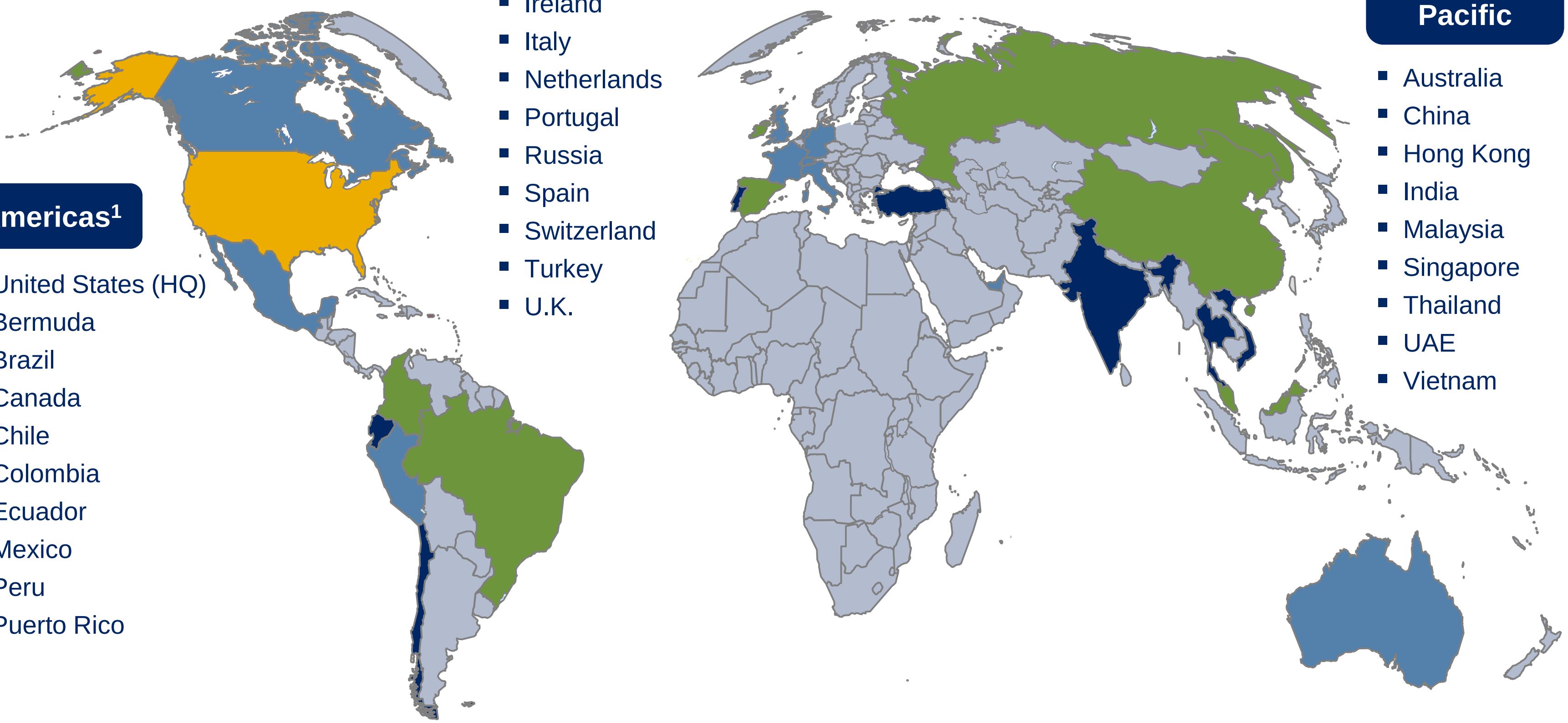
Global Consumer Markets	Commercial Insurance	Global Specialty
• U.S. Consumer Markets (USCM) • Global Consumer Markets (GCM) East | West	• Business Insurance • National Insurance • Liberty Mutual Benefits (LMB) • Other Commercial Insurance	• Liberty Specialty Markets (LSM) – Specialty, Commercial and Reinsurance • Liberty International Underwriters (LIU) • Liberty Mutual Surety (LM Surety) • Ironshore

- Mutual holding company structure
- $125.6B of assets and $38.3B of revenues in 2016
- The most diversified P&C insurer
- 75th among Fortune 500 companies[1]
- 4th largest P&C writer in the U.S.[2]
- 4th largest commercial lines writer in the U.S.[2]
- 6th largest personal lines writer in the U.S.[2]
- 6th largest global P&C insurer[3]
- 7th largest surplus lines carrier in the U.S.[4]

[1] Based on 2016 revenue – as reported.
[2] Based on 2016 DWP.
[3] Based on 2016 GWP, excludes state-owned companies.
[4] Based on 2016 DWP, including Ironshore full-year 2016 results.

Liberty Mutual's Global Presence

Liberty Mutual operates in 30 countries and economies around the globe



Europe

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

Asia/ Pacific

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

Americas[1]

- United States (HQ)
- Bermuda
- Brazil
- Canada
- Chile
- Colombia
- Ecuador
- Mexico
- Peru
- Puerto Rico

Headquarters

Global Specialty

GCM East | West (Local Operations)

GCM East | West & Global Specialty

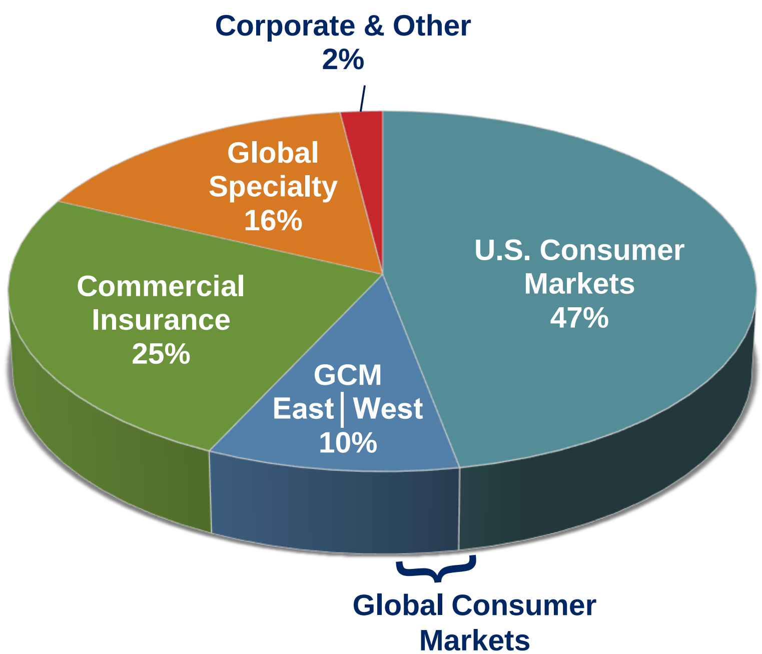
[1] Effective September 30, 2015, the Company deconsolidated its Venezuelan operations.

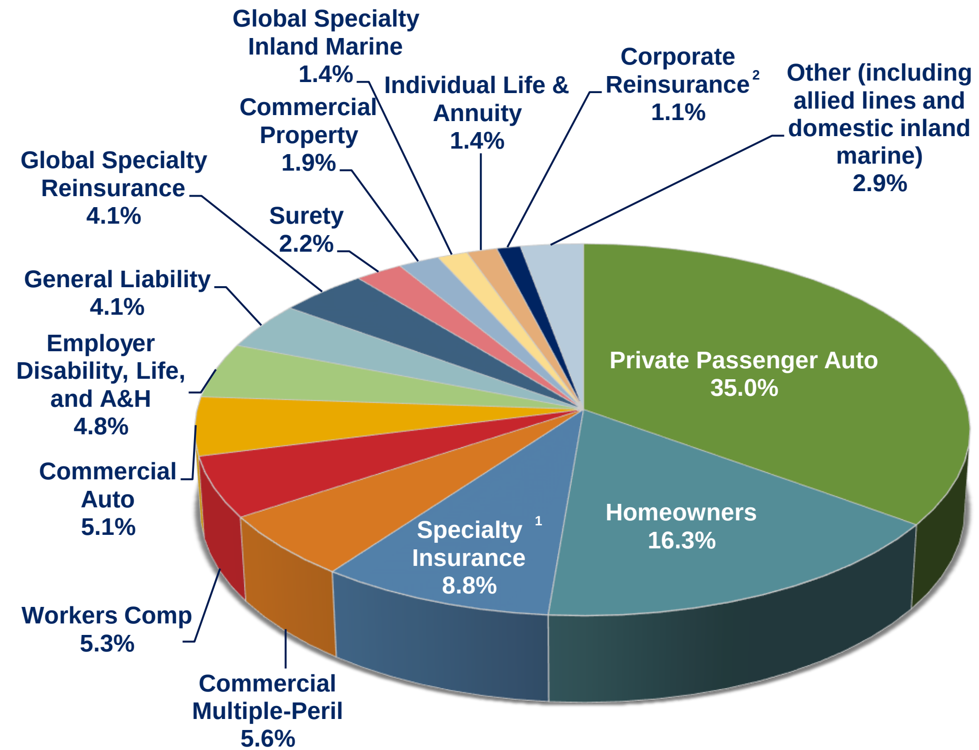
Analysis of Consolidated Net Written Premium "NWP"

NWP by SBU

NWP by line of business

September YTD 2017





NWP year-to-date in 2017 totaled **$29.5** billion, an increase of **8.9%** over the same period in 2016.

[1] Specialty insurance is reported within Global Specialty and includes marine, energy, construction, aviation, property, casualty, excess casualty, directors and officers, errors and omissions, environmental impairment liability, railroad, trade credit, excess and surplus property, crisis management, contingent lines and other.
[2] NWP associated with internal reinsurance, net of corporate external placements.

Consolidated Results

($ Millions)	Third Quarter			Year-to-Date		
	2017	2016	Change	2017	2016	Change
NWP	**$10,379**	**$9,309**	**11.5%**	**$29,523**	**$27,099**	**8.9%**
Pre-tax operating (loss) income before partnerships, LLC and other equity method income	(1,233)	417	NM	(979)	1,204	NM
Partnerships, LLC and other equity method income[1]	209	62	NM	479	26	NM
Net realized gains (losses)	196	84	133.3	395	(50)	NM
Consolidated net (loss) income	(664)	450	NM	(186)	863	NM
Less: Net income (loss) attributable to non-controlling interest	1	(5)	NM	2	-	NM
Net (loss) income attributable to LMHC	**($665)**	**$455**	**NM**	**($188)**	**$863**	**NM**
Cash flow provided by operations before Ironshore Reinsurance and pension contributions	$1,496	$1,272	17.6%	$3,012	$2,719	10.8%
Ironshore Reinsurance[2]	(550)	-	NM	(550)	-	NM
Pension contributions	(1)	(2)	(50.0)	(403)	(804)	(49.9)
Cash flow provided by operations	**$945**	**$1,270**	**(25.6%)**	**$2,059**	**$1,915**	**7.5%**

($ Millions)	As of		
	September 30, 2017	December 31, 2016	Change
Total equity	**$20,928**	**$20,387**	**2.7%**

[1] Partnerships, LLC and other equity method income includes LP, LLC and other equity method income within net investment income in the accompanying Consolidated Statements of Operations and revenue and expenses from the production and sale of oil and gas.
[2] Ironshore reinsurance agreement ("Ironshore Reinsurance").
NM = Not Meaningful

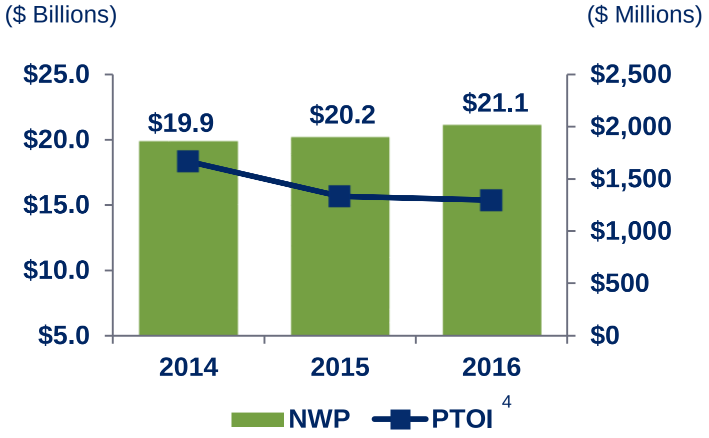
Consolidated Results

	Third Quarter			Year-to-Date		
	2017	2016	Change (Points)	2017	2016	Change (Points)
Claims and claim adjustment expense ratio	64.3%	63.8%	0.5	64.2%	62.5%	1.7
Underwriting expense ratio	28.2	30.3	(2.1)	29.2	30.7	(1.5)
Dividend ratio	-	0.1	(0.1)	-	-	-
Combined ratio before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation	**92.5**	**94.2**	**(1.7)**	**93.4**	**93.2**	**0.2**
Catastrophes[1]	19.2	3.1	16.1	11.9	5.7	6.2
Net incurred losses attributable to prior years:						
- Asbestos & environmental	1.7	0.6	1.1	0.7	-	0.7
- All other[2]	2.5	(0.2)	2.7	1.1	(0.4)	1.5
Current accident year re-estimation[3]	0.3	0.1	0.2	-	-	-
Total combined ratio[4]	**116.2%**	**97.8%**	**18.4**	**107.1%**	**98.5%**	**8.6**

[1] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. 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.
[3] Re-estimation of the current accident year loss reserves for the six months ended June 30, 2017 and 2016, respectively.
[4] 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 less managed care income to earned premium; the ratio of insurance operating costs plus amortization of deferred policy acquisition costs less third-party administration income and fee income (primarily related to the Company's involuntary market servicing carrier operations) and installment charges to earned premium; 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. Restructuring and Ironshore acquisition and integration costs are not included in the combined ratio.

Global Consumer Markets

NWP & PTOI



Segment Highlights

- Operates in 17 countries and economies
- 6th largest writer of personal lines in the U.S.[2]
- 3rd largest personal lines independent agency writer in the U.S.[3]
- A market leader in affinity marketing, with over 22,200 sponsored affinity relationships

Financial Performance

($ Millions)	Third Quarter			Year-to-Date		
	2017	2016	Change	2017	2016	Change
NWP	**$6,006**	**$5,643**	**6.4%**	**$16,932**	**$15,897**	**6.5%**
PTOI before catastrophes and net incurred losses attributable to prior years	$702	$526	33.5%	$1,861	$1,653	12.6%
Catastrophes[1]	(367)	(184)	99.5	(1,506)	(1,065)	41.4
Net incurred losses attributable to prior years	12	(28)	NM	37	13	184.6
Pre-tax operating income	**$347**	**$314**	**10.5%**	**$392**	**$601**	**(34.8%)**

	Third Quarter			Year-to-Date		
Combined ratio before catastrophes and net incurred losses attributable to prior years	**2017**	**2016**	**Change (Points)**	**2017**	**2016**	**Change (Points)**
Claims and claim adjustment expense ratio	63.1%	65.2%	(2.1)	64.0%	63.8%	0.2
Underwriting expense ratio	26.5	27.4	(0.9)	26.9	28.0	(1.1)
Subtotal	**89.6**	**92.6**	**(3.0)**	**90.9**	**91.8**	**(0.9)**
Catastrophes[1]	6.6	3.5	3.1	9.3	7.0	2.3
Net incurred losses attributable to prior years	(0.2)	0.5	(0.7)	(0.2)	(0.1)	(0.1)
Total combined ratio	**96.0%**	**96.6%**	**(0.6)**	**100.0%**	**98.7%**	**1.3**

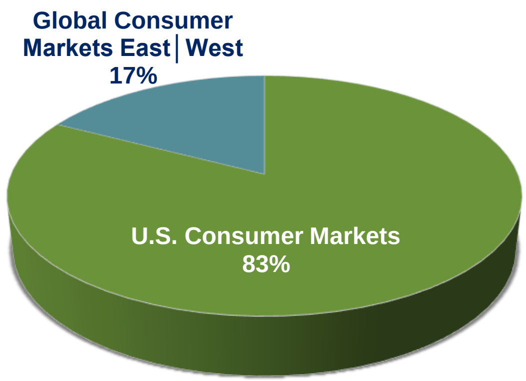
[1] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.
[2] Based on 2016 DWP.
[3] Based on Q2 2017 DWP (rolling 12-months).
[4] Pre-tax operating income ("PTOI") as reported.
On September 30, 2016, the Company completed the sale of substantially all the assets and liabilities of its Polish operation resulting in an immaterial gain. The results of the Polish operation are presented in the Corporate and Other section and are no longer reported in Global Consumer Markets East│West. All prior periods have been adjusted to reflect this change.
NM = Not Meaningful

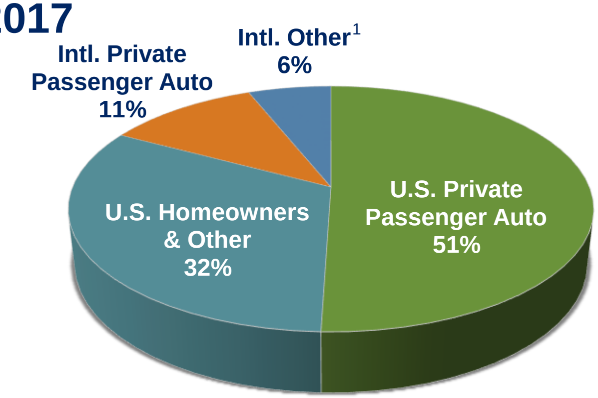
Global Consumer Markets NWP Distribution

NWP by market segment

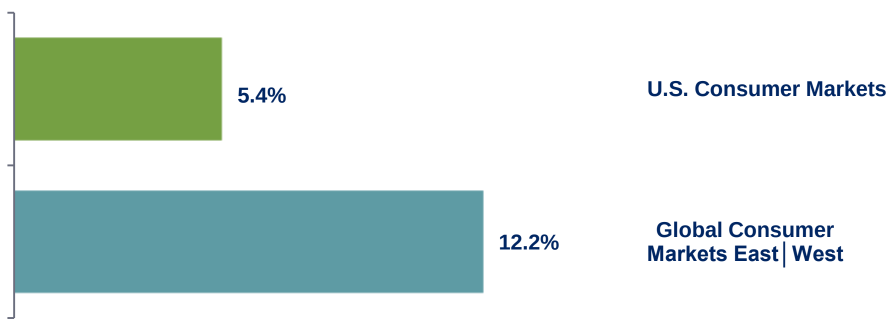
NWP by line of business

September YTD 2017

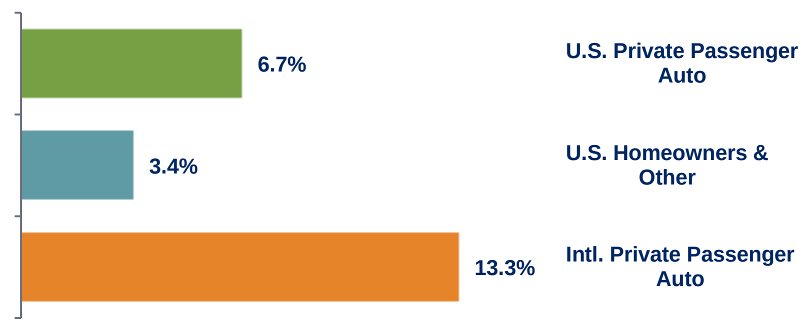




YOY Change in NWP



YOY Change in NWP



NWP year-to-date in 2017 totaled **$16.9** billion, an increase of **6.5%** over the same period in 2016.

[1] Premium related to life and health, commercial auto, homeowners, and other personal and commercial lines including personal accident, bonds, workers compensation, small and medium enterprise, marine and cargo, and commercial property lines of business.
YOY: year-over-year

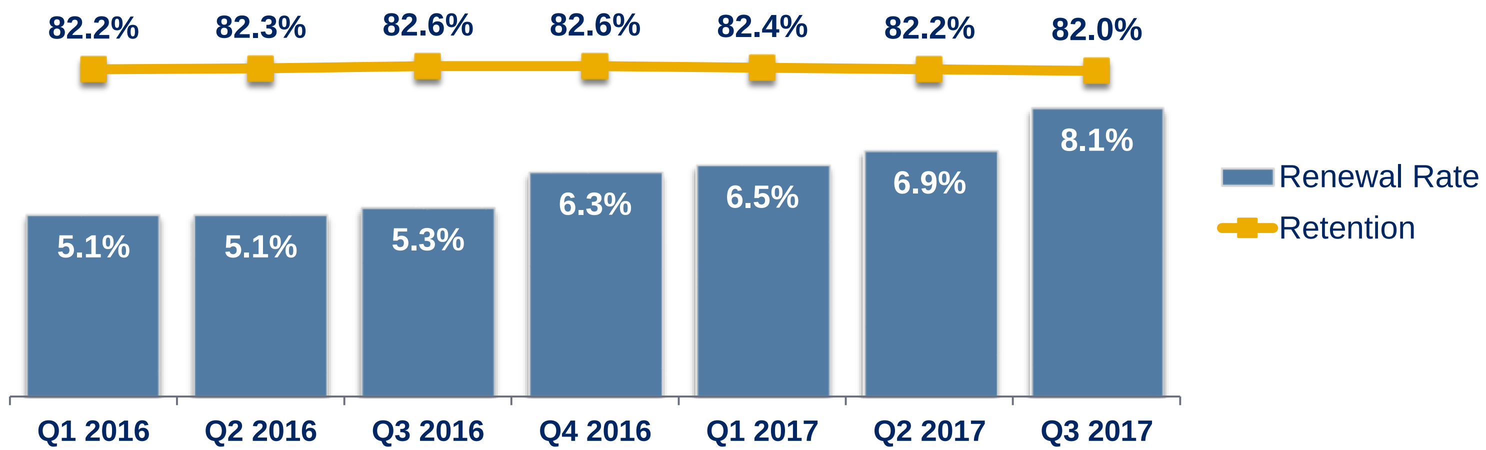
U.S. Consumer Markets: Financial Performance

($ Millions)	Third Quarter			Year-to-Date		
	2017	2016	Change	2017	2016	Change
NWP	**$4,967**	**$4,714**	**5.4%**	**$13,998**	**$13,282**	**5.4%**
PTOI before catastrophes and net incurred losses attributable to prior years	$703	$500	40.6%	$1,866	$1,652	13.0%
Catastrophes[1]	(367)	(183)	100.5	(1,506)	(1,059)	42.2
Net incurred losses attributable to prior years	(4)	(43)	(90.7)	(3)	(46)	(93.5)
Pre-tax operating income	**$332**	**$274**	**21.2%**	**$357**	**$547**	**(34.7%)**

	Third Quarter			Year-to-Date		
	2017	2016	Change (Points)	2017	2016	Change (Points)
Claims and claim adjustment expense ratio	62.4%	65.3%	(2.9)	63.5%	63.3%	0.2
Underwriting expense ratio	23.7	24.8	(1.1)	24.1	25.3	(1.2)
Combined ratio before catastrophes and net incurred losses attributable to prior years	**86.1**	**90.1**	**(4.0)**	**87.6**	**88.6**	**(1.0)**
Catastrophes[1]	8.0	4.2	3.8	11.3	8.3	3.0
Net incurred losses attributable to prior years	0.1	1.0	(0.9)	-	0.4	(0.4)
Total combined ratio	**94.2%**	**95.3%**	**(1.1)**	**98.9%**	**97.3%**	**1.6**

[1] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

U.S. Consumer Markets: Renewal Rate, Retention, & PIF[1]



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Private Passenger Auto							
Renewal Rate	5.8%	6.1%	6.5%	8.3%	8.6%	9.4%	10.4%
Retention	81.2%	81.3%	81.5%	81.5%	81.1%	80.6%	80.4%
PIF growth	1.2%	1.6%	1.8%	1.5%	1.2%	0.7%	0.3%
Homeowners							
Renewal Rate	4.4%	4.1%	3.6%	3.3%	3.4%	3.6%	4.4%
Retention	82.3%	82.3%	82.5%	82.7%	82.6%	82.5%	82.4%
PIF growth	1.0%	1.3%	1.5%	1.5%	1.6%	1.7%	1.9%

PIF: policies in-force. Retention is in-force. Renewal rate reported on a 12-month rolling basis.
[1] Prior periods' Retention and PIF growth have been restated.

Global Consumer Markets East | West: Financial Performance

($ Millions)	Third Quarter			Year-to-Date		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
NWP	**$1,039**	**$929**	**11.8%**	**$2,934**	**$2,615**	**12.2%**
Pre-tax operating (loss) income before catastrophes and net incurred losses attributable to prior years	($1)	$26	NM	($5)	$1	NM
Catastrophes[1]	-	(1)	(100.0)	-	(6)	(100.0)
Net incurred losses attributable to prior years	16	15	6.7	40	59	(32.2)
Pre-tax operating income	**$15**	**$40**	**(62.5%)**	**$35**	**$54**	**(35.2%)**

	Third Quarter			Year-to-Date		
	2017	**2016**	**Change (Points)**	**2017**	**2016**	**Change (Points)**
Claims and claim adjustment expense ratio	66.4%	64.5%	1.9	66.6%	66.0%	0.6
Underwriting expense ratio	39.8	40.3	(0.5)	40.3	41.6	(1.3)
Combined ratio before catastrophes and net incurred losses attributable to prior years	**106.2**	**104.8**	**1.4**	**106.9**	**107.6**	**(0.7)**
Catastrophes[1]	-	0.1	(0.1)	-	0.2	(0.2)
Net incurred losses attributable to prior years	(1.5)	(1.7)	0.2	(1.4)	(2.4)	1.0
Total combined ratio	**104.7%**	**103.2%**	**1.5**	**105.5%**	**105.4%**	**0.1**

[1] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.
NM = Not Meaningful

Global Consumer Markets East | West: Global Presence

($ Millions)

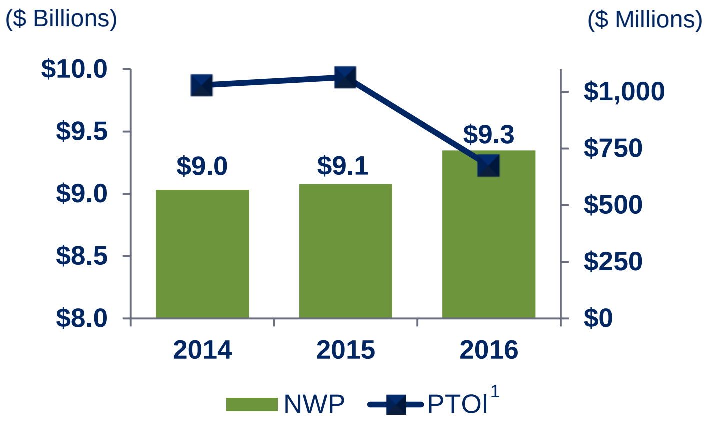
West	2016 NWP	P&C Rank	P&C Share
Brazil	$762	10th	3.6%
Spain	$707	15th	2.0%
Chile	$336	1st	17.1%
Colombia	$301	4th	7.1%
Portugal	$260	5th	6.8%
Ireland	$222	10th	1.6%
Ecuador	$56	7th	3.8%

East	2016 NWP	P&C Rank	P&C Share
China	$178	39th	0.1%
Thailand	$168	10th	2.7%
Malaysia	$120	14th	3.3%
Singapore	$105	6th	3.8%
Hong Kong	$98	18th	1.7%
India	$68	25th	0.4%
Russia	$51	31st	0.4%
Turkey	$47	23rd	0.6%
Vietnam	$23	11th	1.9%

Source: Axco Global Statistics

Commercial Insurance

NWP & PTOI



Segment Highlights

- As an SBU, 7th largest U.S. P&C commercial lines insurer measured by DWP - $8.2B[5]
- Equipped to underwrite and service a wide spectrum of exposures, from small proprietors to multi-nationals
- Approximately 5,600 active P&C independent agents and brokers in 13,300 locations

Financial Performance

($ Millions)	Third Quarter			Year-To-Date		
	2017	2016	Change	2017	2016	Change
NWP	**$2,457**	**$2,438**	**0.8%**	**$7,427**	**$7,071**	**5.0%**
PTOI before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation	$241	$153	57.5%	$640	$730	(12.3%)
Catastrophes[2]	(628)	(52)	NM	(851)	(257)	NM
Net incurred losses attributable to prior years[3]	(313)	(34)	NM	(348)	(28)	NM
Current accident year re-estimation[4]	(30)	(6)	NM	-	-	-
Pre-tax operating (loss) income	**($730)**	**$61**	**NM**	**($559)**	**$445**	**NM**

	Third Quarter			Year-To-Date		
Combined ratio before catastrophes, net incurred losses attributable to prior years and current accident year re-estimation	**2017**	**2016**	**Change (Points)**	**2017**	**2016**	**Change (Points)**
Claims and claim adjustment expense ratio	64.6%	63.7%	0.9	64.8%	60.7%	4.1
Underwriting expense ratio	32.1	35.1	(3.0)	33.6	35.5	(1.9)
Dividend ratio	0.1	0.2	(0.1)	0.1	-	0.1
Subtotal	**96.8**	**99.0**	**(2.2)**	**98.5**	**96.2**	**2.3**
Catastrophes[2]	32.1	2.8	29.3	14.9	4.7	10.2
Net incurred losses attributable to prior years[3]	16.0	1.7	14.3	6.1	0.5	5.6
Current accident year re-estimation[4]	1.5	0.3	1.2	-	-	-
Total combined ratio	**146.4%**	**103.8%**	**42.6**	**119.5%**	**101.4%**	**18.1**

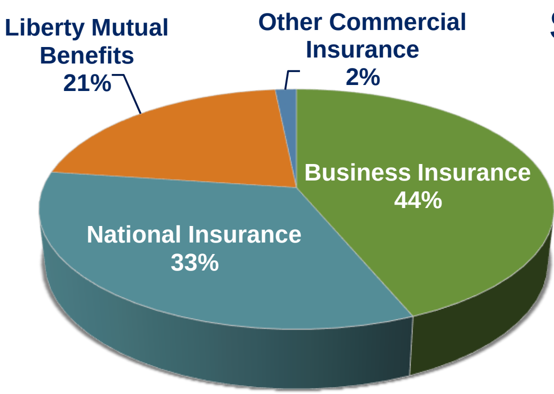
[1] PTOI as reported.
[2] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.
[3] Net of earned premium and reinstatement premium attributable to priors years of $1 million and $12 million for the three and nine months ended September 30, 2017 and ($3) million and ($9) million for the same periods in 2016.
[4] Re-estimation of the current accident year general liability loss and loss adjustment expense reserves for the six months ended June 30, 2017 and workers compensation loss and loss adjustment expense reserves for the six months ended June 30, 2016.
[5] Based on 2016 DWP (excludes LMB).
NM = Not Meaningful

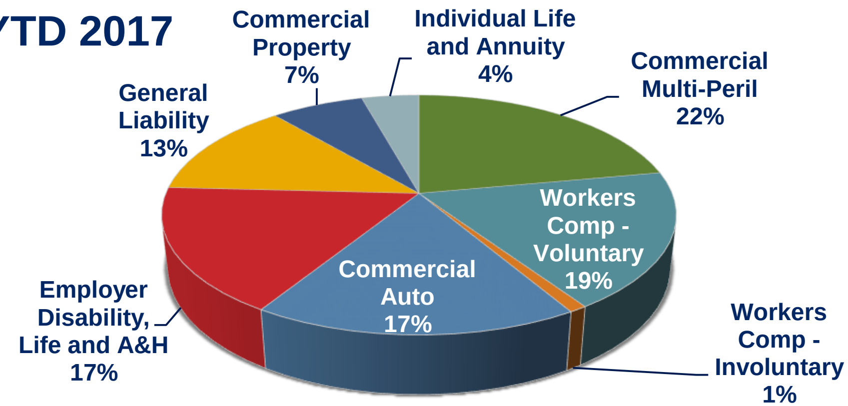
Commercial Insurance NWP Distribution

NWP by market segment

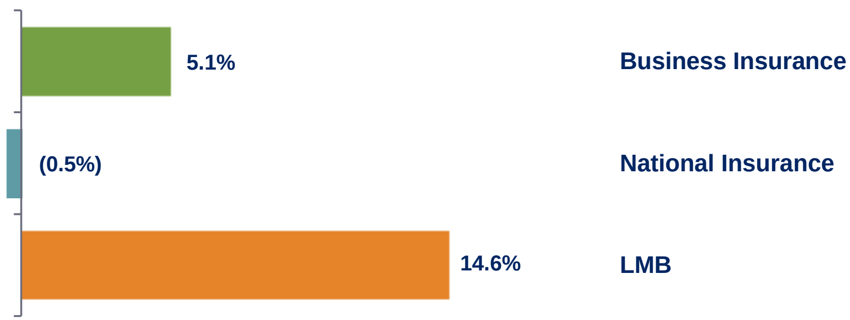
NWP by line of business

September YTD 2017

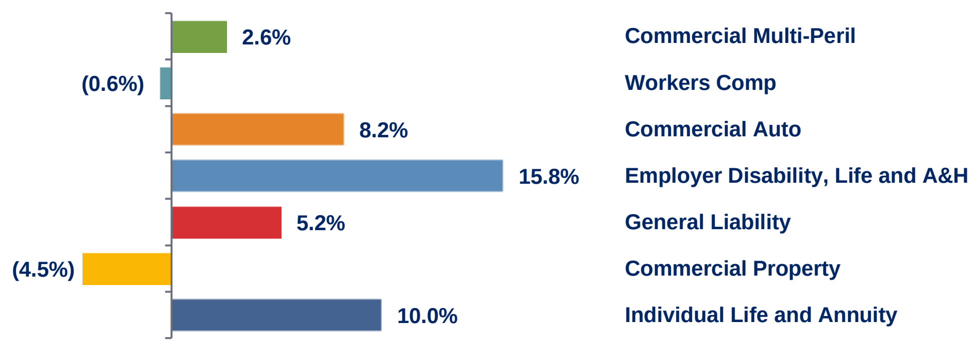




YOY Change in NWP



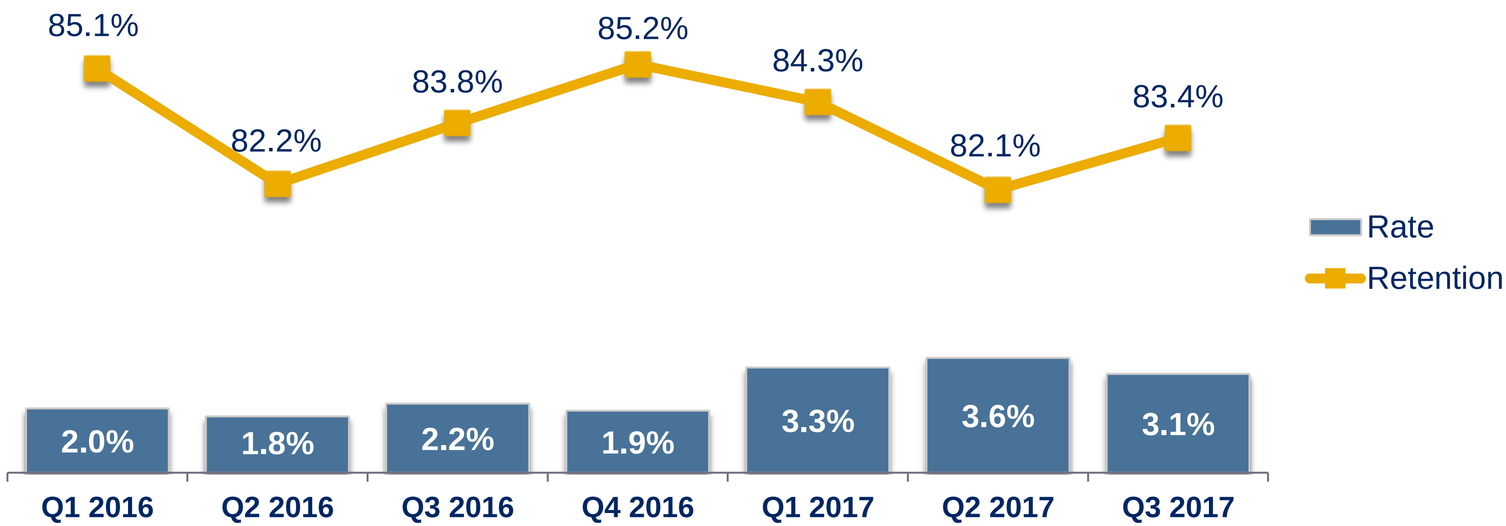
YOY Change in NWP



NWP year-to-date in 2017 totaled **$7.4** billion, an increase of **5.0%** over the same period in 2016.

YOY: Year-over-Year

Commercial Insurance: Rate & Retention

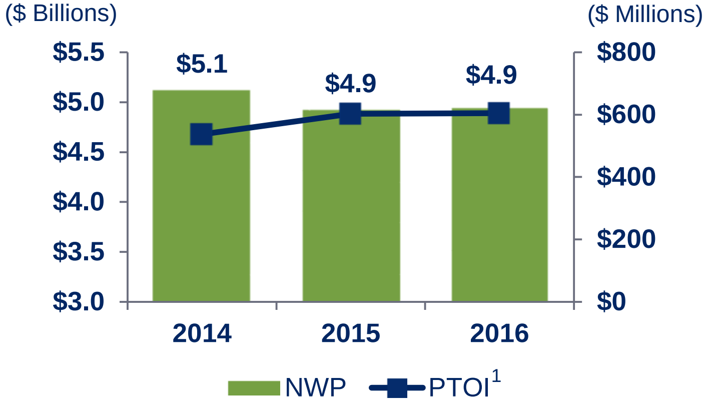


	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	YTD 2016	YTD 2017
Business Insurance									
Rate	3.6%	3.3%	3.5%	3.1%	4.6%	4.6%	4.7%	3.5%	4.6%
Retention	83.3%	83.4%	83.2%	84.4%	83.0%	82.4%	82.3%	83.3%	82.6%
National Insurance									
Rate	-	(0.5%)	0.6%	0.5%	1.5%	2.1%	1.3%	0.1%	1.6%
Retention	87.2%	80.8%	84.4%	86.2%	85.8%	81.6%	84.6%	84.2%	84.1%
Commercial Insurance P&C									
Rate	2.0%	1.8%	2.2%	1.9%	3.3%	3.6%	3.1%	2.0%	3.3%
Retention	85.1%	82.2%	83.8%	85.2%	84.3%	82.1%	83.4%	83.7%	83.3%

Note: Business Drivers are ex Liberty Mutual Benefits.

Global Specialty

NWP & PTOI



Segment Highlights

- A premier specialty casualty lines underwriter
- 4th largest Lloyd's Syndicate[4]
- 2nd largest surety writer in the U.S.[5]
- 7th largest Surplus lines carrier in U.S.[6]
- Business sold through broker and independent agent channels

Financial Performance

($ Millions)	Third Quarter			Full Year		
	2017*	2016	Change	2017*	2016	Change
NWP	**$1,860**	**$1,242**	**49.8%**	**$4,825**	**$3,858**	**25.1%**
PTOI before catastrophes and net incurred losses attributable to prior years	$156	$161	(3.1%)	$451	$413	9.2%
Catastrophes[2]	(853)	(16)	NM	(867)	(80)	NM
Net incurred losses attributable to prior years[3]	3	11	(72.7)	(14)	93	NM
Pre-tax operating (loss) income	**($694)**	**$156**	**NM**	**($430)**	**$426**	**NM**

	Third Quarter			Full Year		
Combined ratio before catastrophes and net incurred losses attributable to prior years	**2017***	**2016**	**Change (Points)**	**2017***	**2016**	**Change (Points)**
Claims and claim adjustment expense ratio	63.0%	57.4%	5.6	61.2%	58.9%	2.3
Underwriting expense ratio	32.8	34.8	(2.0)	33.8	34.6	(0.8)
Dividend Ratio	0.1	0.1	-	0.1	0.2	(0.1)
Subtotal	**95.9**	**92.3**	**3.6**	**95.1**	**93.7**	**1.4**
Catastrophes[2]	49.0	1.3	47.7	19.8	2.3	17.5
Net incurred losses attributable to prior years[3]	(0.2)	(0.8)	0.6	0.5	(2.6)	3.1
Total combined ratio	**144.7%**	**92.8%**	**51.9**	**115.4%**	**93.4%**	**22.0**

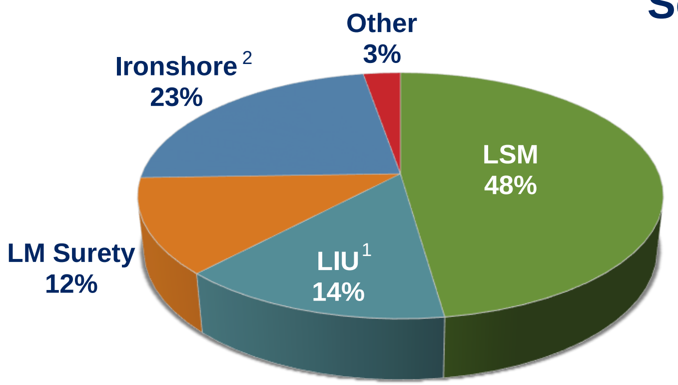
[1] PTOI as reported.
[2] Catastrophes are defined as a natural catastrophe or terror event exceeding $25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.
[3] Net of earned premium and reinstatement premium attributable to priors years of $10 million and ($10) million for the three and nine months ended September 30, 2017, and $3 million and $2 million for the same periods in 2016.
[4] Based on 2016 GWP, including Ironshore full-year 2016 results.
[5] Based on 2016 NWP, including Ironshore full-year 2016 results.
[6] Based on 2016 DWP, including Ironshore full-year 2016 results.
* 2017 amounts include post acquisition Ironshore results.
NM = Not Meaningful

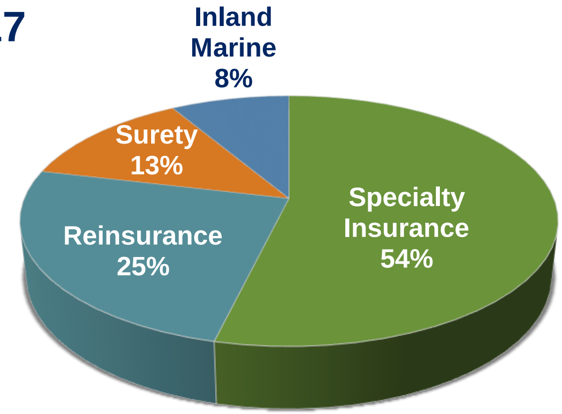
Global Specialty NWP Distribution

NWP by market segment

NWP by line of business

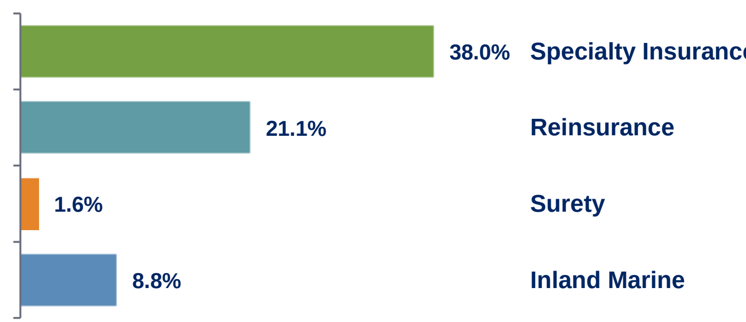
September YTD 2017





YOY Change in NWP

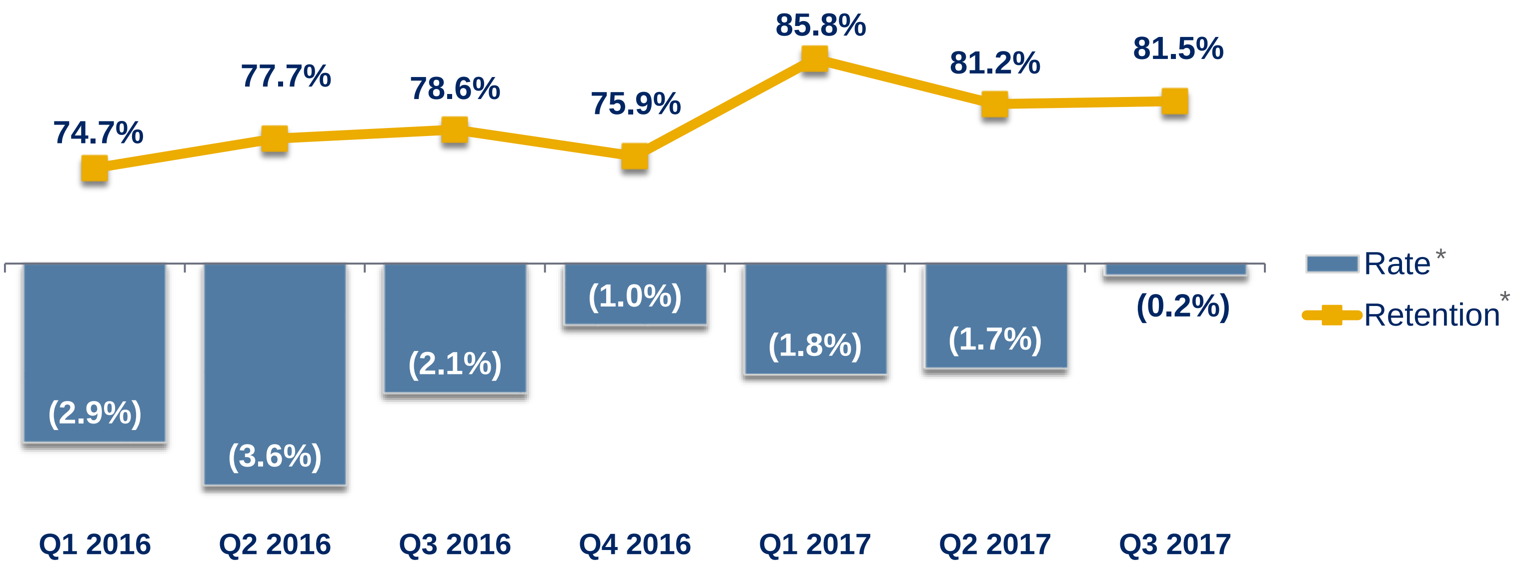
YOY Change in NWP



NWP year-to-date in 2017 totaled **$4.8 billion**, an increase of **25.1%** over the same period in 2016 (or an increase of **25.9%**[3] excluding FX over the same period in 2016).

[1] LIU excludes LIU U.S. figures.
[2] Ironshore includes LIU U.S. figures.
[3] Determined by assuming constant foreign exchange rates between periods.
YOY: year-over-year

Global Specialty: Rate & Retention



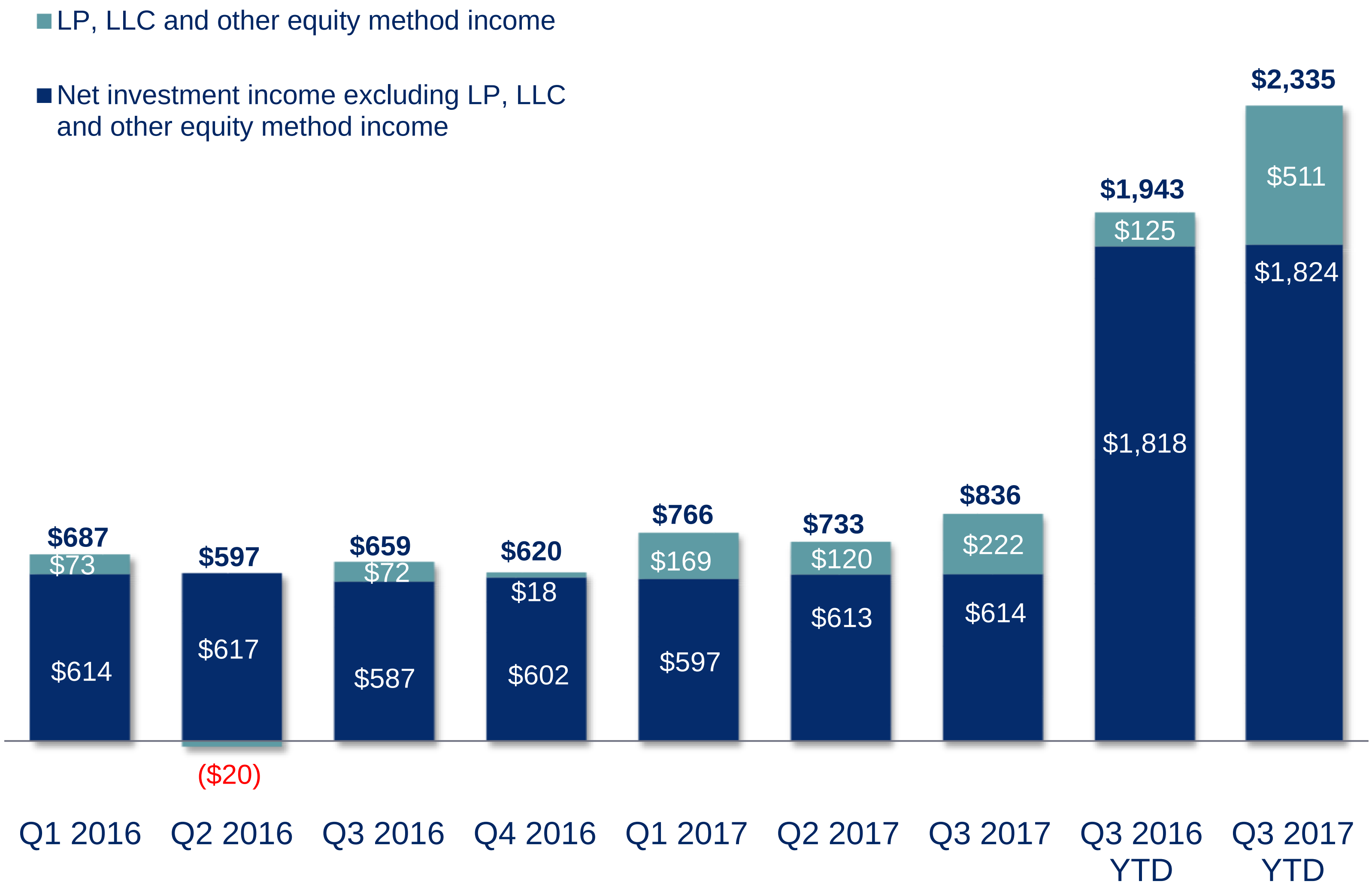
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017[1]	YTD 2016[2]	YTD 2017[2]
Specialty Insurance									
Rate*	(1.5%)	(3.4%)	(2.1%)	(0.9%)	(2.0%)	(1.9%)	(0.9%)	(2.6%)	(1.7%)
Retention*	68.7%	76.4%	75.4%	75.6%	82.6%	80.2%	80.0%	76.2%	81.9%
Reinsurance									
Rate*	(4.4%)	(4.3%)	(1.9%)	(2.3%)	(1.6%)	(1.2%)	1.5%	(3.8%)	(1.0%)
Retention*	82.3%	83.1%	89.8%	78.7%	89.8%	84.5%	85.7%	88.4%	88.0%

[1] Rate Change and Retention reported on a one month lag for Q3 2017.
[2] YTD includes timing adjustments that are not retro-actively applied in prior periods.
*Rate and Retention figures do not include Ironshore; includes LIU US.

Liberty Mutual. INSURANCE

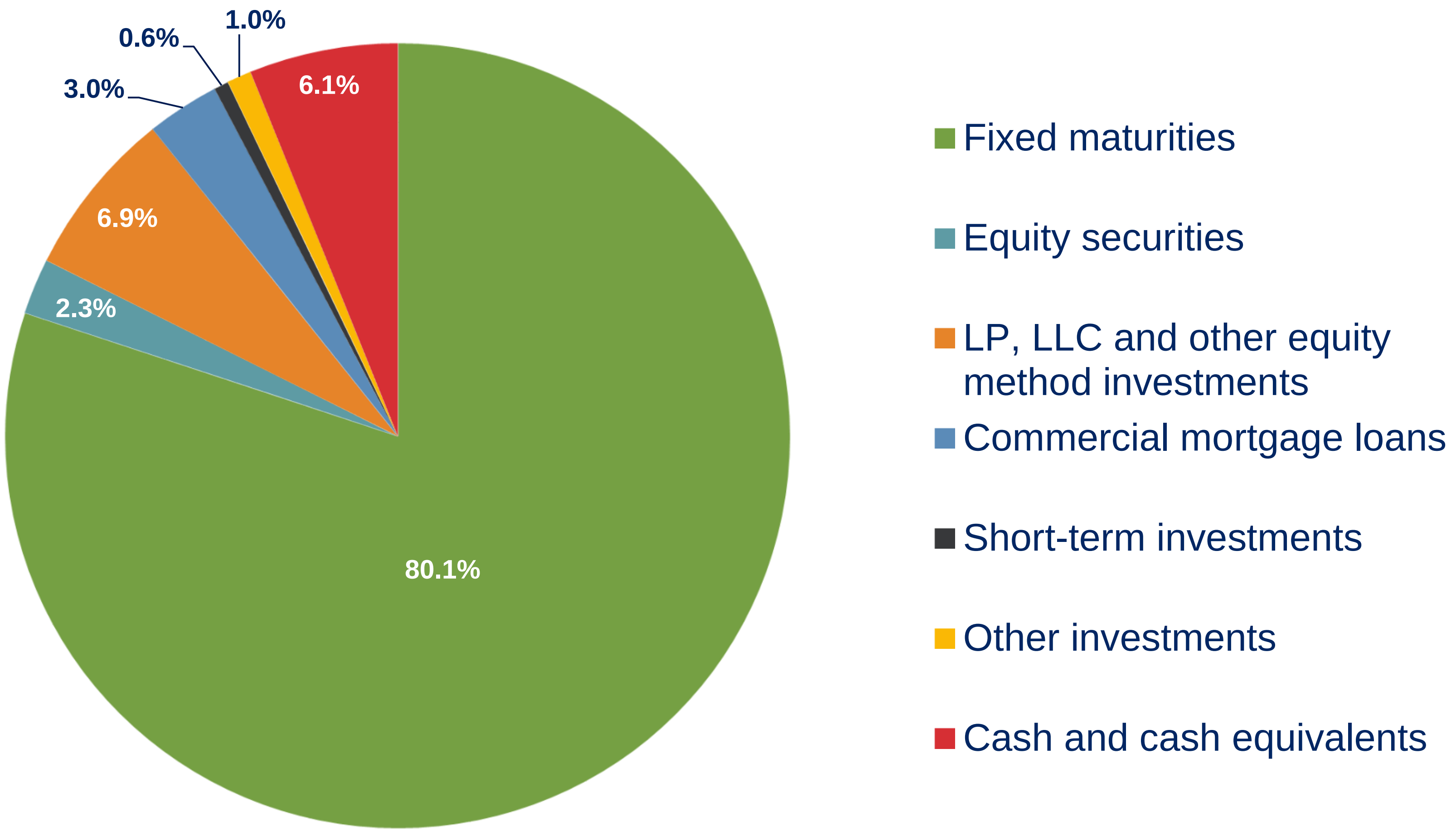
Net Investment Income

($ Millions)



Liberty Mutual. INSURANCE

Investment Mix



Total invested assets as of September 30, 2017: $88.9 Billion

Energy-Related Investments

($ Millions)	As of September 30, 2017			Change since December 31, 2016	
	Carrying Value	Unfunded Commitments	Average Credit Rating	Carrying Value	Unfunded Commitments
Investment grade bonds	$2,759	$ -	BBB+	$488	$ -
Below investment grade bonds	259	-	B+	(74)	-
Publicly traded equity securities	21	-		(178)	-
Private equities – energy focused	580	422		194	(141)
	$3,619	**$422**		**$430**	**($141)**
Percent of total invested assets	4.1%				
Direct investment in oil & gas wells	$1,135	$52		($53)	($37)
Total exposure	**$4,754**	**$474**		**$377**	**($178)**

Capitalization

($ Millions)	September 30, 2017	December 31, 2016
Total debt	**$8,290**	**$7,603**
Adjusted debt[1]	**$7,290**	**$6,603**
Total equity	**$20,928**	**$20,387**
Less: AOCI	**($580)**	**($1,304)**
Total equity ex. AOCI	**$21,508**	**$21,691**
Total capital ex. AOCI	**$29,798**	**$29,294**
Adjusted debt-to-capital capitalization (ex. AOCI)	**24.5%**	**22.5%**
Statutory surplus	**$17,939**	**$19,582**

[1] Assumes that the Series A and B Junior Subordinated Notes receive 100% equity credit, as per Standard and Poor's.

Holding Company Interest Coverage

($ Millions)	
Preferred dividends	$80
Remaining dividend capacity	$1,837
2017 dividend capacity[1]	$1,917
Estimated PTI from LMG service companies/fees	$294
Total available funding	$2,211
Interest expense[2]	$383
Holding company interest coverage	5.8x

[1] Represents the estimated maximum allowable dividend without prior regulatory approval in the state of domicile. Dividends paid October 1, 2016 through September 30, 2017 were $83 million. Remaining/available dividend capacity is calculated as 2017 dividend capacity less dividends paid for the preceding twelve months.
[2] Represents the 2017 Plan for debt expense at Liberty Mutual Group Inc.

Reconciliation of Statement of Income to Combined Ratio

For the three months ended September 30, 2017					($ 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	$9,858	$ -	($536)	$ -	$9,322
Benefits, claims and claim adjustment expenses	8,772	-	(570)	(2)	8,200
Operating costs and expenses	1,741	(5)	(136)	(273)	1,327
Amortization of deferred policy acquisition costs	1,326	-	(24)	(2)	1,300
Dividends to policyholders	N/A	5	(1)	-	4
				Total combined ratio	116.2%

For the three months ended September 30. 2016					($ 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	$8,888	$ -	($485)	($1)	$8,402
Benefits, claims and claim adjustment expenses	6,230	-	(564)	(1)	5,665
Operating costs and expenses	1,734	(7)	(120)	(218)	1,389
Amortization of deferred policy acquisition costs	1,178	-	(21)	-	1,157
Dividends to policyholders	N/A	7	(2)	-	5
				Total combined ratio	97.8%

[1] Dividends to policyholders.
[2] Life and annuity business excluded from P&C combined ratio.
[3] Includes adjustments for non-underwriting expenses primarily related to the Company’s energy production and service operations, fee income, and installment charges.

Reconciliation of Statement of Income to Combined Ratio

For the nine months ended September 30, 2017					($ 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	$28,066	$ -	($1,635)	$ -	$26,431
Benefits, claims and claim adjustment expenses	22,269	-	(1,708)	(4)	20,557
Operating costs and expenses	5,120	(15)	(410)	(727)	3,968
Amortization of deferred policy acquisition costs	3,837	-	(71)	(1)	3,765
Dividends to policyholders	N/A	15	(4)	(1)	10
				Total combined ratio	**107.1%**

For the nine months ended September 30, 2016					($ 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	$25,970	$ -	($1,413)	$ -	$24,557
Benefits, claims and claim adjustment expenses	18,169	-	(1,525)	(6)	16,638
Operating costs and expenses	5,086	(14)	(354)	(769)	3,949
Amortization of deferred policy acquisition costs	3,661	-	(63)	(1)	3,597
Dividends to policyholders	N/A	14	(5)	-	9
				Total combined ratio	**98.5%**

[1] Dividends to policyholders.
[2] Life and annuity business excluded from P&C combined ratio.
[3] Includes adjustments for non-underwriting expenses primarily related to the Company’s energy production and service operations, fee income, and installment charges.

Reconciliation of Changes in Statutory Surplus to GAAP Equity

($ Millions)	Year-to-Date 2017
Change in statutory surplus	**($1,643)**
Change in GAAP adjustments	
Fixed maturities mark to market	684
Statutory goodwill amortization	567
Pension expense	347
Change in non-admitted assets	366
Change in deferred acquisition costs	269
Ironshore Purchase Accounting and Reinsurance	444
Other changes	(493)
Total change in GAAP adjustments	$2,184
Change in GAAP equity	**$541**

About Liberty Mutual Insurance

Boston-based LMHC, the parent corporation of the Liberty Mutual Insurance group of entities, is a diversified global insurer and fourth largest property and casualty insurer in the U.S. based on 2016 direct written premium. The Company also ranks 75th on the Fortune 100 list of largest corporations in the U.S. based on 2016 revenue. As of December 31, 2016, LMHC had $125.592 billion in consolidated assets, $105.205 billion in consolidated liabilities, and $38.308 billion in annual consolidated revenue.

LMHC, through its subsidiaries and affiliated companies, offers a wide range of property and 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, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company and Employers Insurance Company of Wausau, each became separate stock insurance companies under the ownership of LMHC.

Functionally, the Company conducts substantially all of its business through the SBUs, 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 over 800 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.libertymutualgroup.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 and nine months ended September 30, 2017 are available on the Company's Investor Relations website at http://www.libertymutualgroup.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 http://www.libertymutualgroup.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 http://www.libertymutualgroup.com/investors.

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