



Liberty Mutual Group Inc.
175 Berkeley Street
Boston, MA 02116

**Notice to Holders of
10.75% Series C Junior Subordinated Notes due 2088
(CUSIP No. 53079EAR5, ISIN No. USU52932AL10)**

January 5, 2017

Ladies and Gentlemen:

Reference is made to (i) the indenture dated as of May 29, 2008 (the “Indenture”), among Liberty Mutual Group Inc., as issuer (the “Issuer”), Liberty Mutual Holding Company Inc. and LMHC Massachusetts Holdings Inc., as guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee for the Issuer’s 10.75% Series C Junior Subordinated Notes due 2088 (the “Notes”); and (ii) the replacement capital covenant dated March 7, 2007 (the “Covenant”), by the Issuer, in favor of and for the benefit of the Covered Debtholders (as defined in the Covenant). This notice is given pursuant to Section 3(c) of the Covenant and Section 1.06 of the Indenture. You are hereby notified that a Redesignation Date (as defined in the Covenant) occurred under the Covenant, and the Notes ceased to be the Covered Debt (as defined in the Covenant) for purposes of the Covenant. As a holder of Notes, you have certain rights under the Covenant. A copy of the Covenant will be made available on the Investor Screen (as defined in the Covenant) pursuant to the terms and conditions of the Covenant.

Very truly yours,

Liberty Mutual Group Inc.