

Financial strength

that gives you the confidence we'll be here tomorrow

Liberty Mutual Group

- As of December 31, 2010, consolidated assets of \$112.4 billion and consolidated liabilities of \$95.4 billion
- For the 12 months ended December 31, 2010, consolidated revenue was \$33.2 billion
- Financial Strength Ratings assigned to Liberty Mutual Group of companies: 'Excellent' (A) from the A.M. Best Company, 'Good' (A2) from Moody's Investors Service and 'Strong' (A-) from Standard & Poor's¹
- Ranked 82nd on the Fortune 500 list of largest corporations in the United States based on 2010 revenue
- Fifth largest property and casualty insurer in the U.S. based on 2009 direct written premium
- More than 45,000 employees in 900 offices worldwide
- Named by *Business Week* magazine as one of the 50 best places to launch a career²

“With our policyholders we are engaged in a great mutual enterprise. It is great because it deals in the relief of pain and sorrow and fear and loss. It is great because it works to preserve and protect the things people earn and build and own and cherish. Its true greatness will be measured by our power to help people live safer, more secure lives.”

– Excerpts from the Liberty Mutual creed, drafted in 1937

Boston-based Liberty Mutual Group is a diversified global insurer founded in 1912. Over its long history, Liberty Mutual has remained strong and stable, committed to its creed of 'helping people live safer, more secure lives' by offering a wide range of insurance products and services.

Liberty Mutual Group operates under a mutual holding company structure. As a mutual company, it is managed for the benefit of its policyholders without pressure from shareholders seeking short-term financial results. The enterprise has four strategic business units – Personal Markets, Commercial Markets, Agency Markets and Liberty International – with no single unit contributing more than 36 percent of net premium written.

¹ Financial Strength Ratings for Liberty Mutual Group are current as of the publication date. For latest ratings, or additional information, please visit www.LibertyMutual.com or access the ratings agencies' websites provided. An 'A' ('Excellent') rating from A.M. Best (www.ambest.com) is its third-highest Financial Strength Rating. An 'A2' rating from Moody's (www.moody.com) falls within the third of its nine major rating categories ('Good') for Insurance Financial Strength Ratings. An 'A-' rating from Standard & Poor's (www.standardandpoors.com) falls within the third of its ten major rating categories ('Strong') for Long-Term Insurer Financial Strength Ratings.

² *Business Week* website: http://bwnet.businessweek.com/interactive_reports/career_launch_2008/index.asp

Born from strength

A member of the Liberty Mutual Group, Liberty Life Assurance Company of Boston offers a wide portfolio of life insurance and annuity products. Established in 1964, its original mission was to enable Liberty Mutual's national network of sales representatives to fully service the personal insurance needs of families across the country.

Liberty Life is a vibrant organization today, leveraging strong products, marketing and service capabilities to support multiple distribution channels. In addition to Liberty Mutual's national sales force, it markets its life insurance and annuity portfolio through banks and independent insurance agents. It markets structured settlement annuities through a network of independent structured settlement brokers.

The claims-paying ability of Liberty Life Assurance Company of Boston is backed by a written guarantee from Liberty Mutual Insurance Company.³

Liberty Life today

- Over \$119.8 billion of insurance in force as of December 31, 2010
- \$637.7 million of statutory capital and surplus as of December 31, 2010
- Financial Strength Ratings of 'Excellent' (A) from the A.M. Best Company and 'Strong' (A-) from Standard & Poor's⁴
- Set industry standards by pioneering ten-minute in-bank issue of single payment whole life insurance in 1995 and remains a leading provider of life insurance in banks
- A leading writer of structured settlement annuities with more than 30,100 in force
- Renowned back office support for multiple distribution channels

An investment philosophy built on quality and commitment

Liberty Life Assurance Company of Boston provides security by maintaining a strong and stable financial position. A high quality investment portfolio and disciplined investment strategy help ensure its ability to keep its promises to policyholders, claimants and their families.

More than 94% of its general account portfolio is invested in bonds, cash and short-term investments. Such investments are heavily concentrated in fixed-income, investment grade securities. The general account has made no investments in sub-prime mortgage-backed securities.

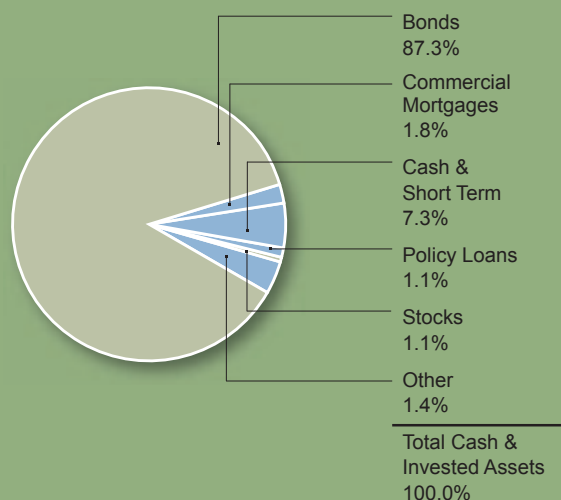
³ Claims-paying obligations are the sole responsibility of the policy issuing insurer. Obligations under a guarantee are the sole responsibility of the entity issuing the guarantee.

⁴ Financial Strength Ratings for Liberty Life Assurance Company of Boston are current as of the publication date. For latest ratings, or additional information, please visit www.Libertymutual.com or access the ratings agencies' websites provided. An 'A' ('Excellent') rating from A.M. Best (www.ambest.com) is its third-highest Financial Strength Rating. An 'A-' rating from Standard & Poor's (www.standardandpoors.com) falls within the third of its ten major rating categories ('Strong') for Long-Term Insurer Financial Strength Ratings.

Liberty Life Assurance Company of Boston is a member of the Liberty Mutual Group.
Home Office: Boston, Mass. Service Center: Dover, N.H.



Distribution of cash and invested assets as of December 31, 2010



Quality distribution of bonds as of December 31, 2010

Credit Rating* (or equivalent)	Book Value (\$ Millions)	Percent of Bonds
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AAA		
AA		
A	\$6,990	79.84%
BBB	\$1,332	15.22%
BB	\$344	3.92%
B	\$80	0.92%
CCC	\$7	0.08%
CC & below	\$2	0.02%
Total	\$8,755	100.0%

* Credit Rating Book Value numbers and Percent of Bonds distribution are aggregated by NAIC category (i.e., 1 through 6), but translated to analogous S&P rating structure (i.e., AAA through D)