Liberty Mutual

Financial Supplement

Quarter Ended March 31, 2005

LIBERTY MUTUAL HOLDING COMPANY INC.
Financial Supplement

LIBERTY MUTUAL HOLDING COMPANY INC.

Consolidating Statements of Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2005						Three Months Ended March 31, 2004					
	Personal Market	Commercial Markets	Regional Agency Markets	International	Corporate and Other	Consolidated	Personal Market	Commercial Markets	Regional Agency Markets	International	Corporate and Other	Consolidated
Revenues												
Premiums earned	$ 1,257	$ 1,122	$ 959	$ 806	$ 61	$ 4,205	$ 1,234	$ 1,050	$ 833	$ 804	$ 46	$ 3,967
Net investment income	69	169	70	81	166	555	71	172	64	77	118	502
Net Realized investment gains	-	-	-	1	20	21	-	-	(2)	-	59	57
Fee and other revenues	15	108	16	11	40	190	14	105	13	8	38	178
Total revenues	**1,341**	**1,399**	**1,045**	**899**	**287**	**4,971**	**1,319**	**1,327**	**908**	**889**	**261**	**4,704**
Claims, Benefits and Expenses												
Benefits, claims and claim adjustment expenses	877	915	617	526	155	3,090	963	909	548	569	128	3,117
Insurance operating costs and expenses	295	390	315	276	105	1,381	268	354	283	231	74	1,210
Dividends to policyholders	-	(1)	8	-	2	9	-	5	5	-	4	14
Other expenses	-	-	-	18	68	86	-	-	-	18	63	81
Total claims, benefits and expenses	**1,172**	**1,304**	**940**	**820**	**330**	**4,566**	**1,231**	**1,268**	**836**	**818**	**269**	**4,422**
Pre-tax operating income (loss) (excluding net realized investment gains)	169	95	105	78	(63)	384	88	59	74	71	(67)	225
Pre-tax income (loss) before discontinued operations and minority interest	**169**	**95**	**105**	**79**	**(43)**	**405**	**88**	**59**	**72**	**71**	**(8)**	**282**
Federal and foreign income tax expense (benefit)	59	33	37	26	(155)	-	31	21	25	21	(98)	-
Income before discontinued operations and minority interest	110	62	68	53	112	405	57	38	47	50	90	282
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax	-	-	-	(9)	-	(9)	1	-	-	-	1	2
Net income [1]	**$ 110**	**$ 62**	**$ 68**	**$ 44**	**$ 112**	**$ 396**	**$ 58**	**$ 38**	**$ 47**	**$ 50**	**$ 91**	**$ 284**

[1] In the first quarter of 2005, the Company changed its methodology for allocating pension expenses. Historically, pension expenses were recorded in the Corporate and Other segment but hereinafter will be allocated to each of the Company's business units. Results for 2004 reflect this reclassification.

LIBERTY MUTUAL HOLDING COMPANY INC.

Reconciliation of PTOI to Net Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2005						Three Months Ended March 31, 2004					
	Personal Market	Commercial Markets	Regional Agency Markets	International	Corporate and Other	Consolidated	Personal Market	Commercial Markets	Regional Agency Markets	International	Corporate and Other	Consolidated
Revenues	$ 1,341	$ 1,399	$ 1,045	$ 899	$ 287	$ 4,971	$ 1,319	$ 1,327	$ 908	$ 889	$ 261	$ 4,704
Pre-tax operating income (loss) before catastrophes and incurred attributable to prior years	$ 189	$ 114	$ 111	$ 78	$ (16)	$ 476	$ 118	$ 94	$ 83	$ 109	$ (12)	$ 392
Catastrophes: [1]							-					
- Four Hurricanes 2004	-	(5)	-	-	-	(5)	-	-	-	-	-	-
- September 11, 2001	-	-	-	-	-	-	-	-	-	-	-	-
- All other	(27)	-	(7)	-	-	(34)	(30)	(2)	(9)	-	-	(41)
Net incurred attributable to prior years:												
-Asbestos	-	-	-	-	-	-	-	-	-	-	-	-
-Pollution	-	-	-	-	-	-	-	-	-	-	-	-
-All other	7	7	1	-	(44)	(29)	-	(12)	-	(38)	(52)	(102)
Discount accretion [2]	-	(21)	-	-	(3)	(24)	-	(21)	-	-	(3)	(24)
Pre-tax operating income (loss) [3]	169	95	105	78	(63)	384	88	59	74	71	(67)	225
Realized investment gains (losses), net	-	-	-	1	20	21	-	-	(2)	-	59	57
Federal and foreign income tax (expense) benefit	(59)	(33)	(37)	(26)	155	-	(31)	(21)	(25)	(21)	98	-
Discontinued operations, net of tax	-	-	-	(9)	-	(9)	1	-	-	-	1	2
Extraordinary items, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Net income	**$ 110**	**$ 62**	**$ 68**	**$ 44**	**$ 112**	**$ 396**	**$ 58**	**$ 38**	**$ 47**	**$ 50**	**$ 91**	**$ 284**

[1] The Company does not typically identify catastrophe losses from assumed reinsurance lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) in the tables above given the expected volatility associated with property-reinsurance coverage. However, due to the significant impact that the four hurricanes and the events of September 11, 2001 had on the Company's results, these losses have been separately identified in the tables above. Catastrophe losses include the impact of reinstatement premiums.

[2] The Company discounts the long-term indemnity portion of its workers compensation claims as permitted by insurance regulations. The discount accretion on these claims flows through underwriting results as the loss reserves accrete to nominal value. Asbestos structured settlements are discounted at 4.5%.

[3] In the first quarter of 2005, the Company changed its methodology for allocating pension expenses. Historically, pension expenses were recorded in the Corporate and Other segment but hereinafter will be allocated to each of the Company's business units. Results for 2004 reflect this reclassification.

LIBERTY MUTUAL HOLDING COMPANY INC.

Reconciliation of Statutory to GAAP Net Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2005
Domestic insurance Statutory net income	**$ 232**
Domestic insurance companies pre-tax GAAP adjustments, net	18
Subsidiaries and affiliates GAAP pre-tax income	77
GAAP tax adjustment	69
GAAP Group net income	**$ 396**

Note: Subsidiaries and affiliates consist of Liberty International Holdings LLC, Liberty Life Assurance Company of Boston, and non-insurance entities.

LIBERTY MUTUAL HOLDING COMPANY INC.

Combined Ratio by Strategic Business Unit

(Unaudited)

Combined ratio, before catastrophes and incurred attributable to prior years	**Three Months Ended March 31, 2005** Personal Market	Commercial Markets	Regional Agency Markets	International	Consolidated	**Three Months Ended March 31, 2004** Personal Market	Commercial Markets	Regional Agency Markets	International	Consolidated
Claims and claims adjustment ratio	68.3%	78.1%	63.6%	66.5%	69.5%	75.6%	80.7%	64.8%	65.8%	72.6%
Underwriting expense ratio	21.9%	22.6%	31.3%	30.2%	27.3%	20.4%	22.6%	32.4%	29.5%	26.0%
Dividend ratio	0.0%	(0.1%)	0.8%	0.0%	0.1%	0.0%	0.5%	0.6%	0.0%	0.3%
Subtotal	**90.2%**	**100.6%**	**95.7%**	**96.7%**	**96.9%**	**96.0%**	**103.8%**	**97.8%**	**95.3%**	**98.9%**
Catastrophes[1]:										
- Four Hurricanes 2004	0.0%	0.4%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
- September 11, 2001	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
- All other	2.1%	0.1%	0.8%	0.0%	0.9%	2.4%	0.2%	1.1%	0.0%	1.1%
Net incurred attributable to prior years:										
- Asbestos	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
- Pollution	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
- All other	(0.6%)	(0.7%)	(0.1%)	0.0%	0.6%	0.0%	1.1%	0.0%	4.9%	2.7%
Discount accretion	0.0%	2.0%	0.0%	0.0%	0.6%	0.0%	2.2%	0.0%	0.0%	0.6%
Total Combined Ratio [2, 3]	**91.7%**	**102.4%**	**96.4%**	**96.7%**	**99.1%**	**98.4%**	**107.3%**	**98.9%**	**100.2%**	**103.3%**

[1] The Company does not typically identify catastrophe losses from assumed reinsurance lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) in the tables above given the expected volatility associated with property-reinsurance coverage. However, due to the significant impact that the four hurricanes and the events of September 11, 2001 had on the Company's results, these losses have been separately identified in the tables above. Catastrophe losses include the impact of reinstatement premiums.

[2] The combined claim and expense 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 claim and expense 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 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. Beginning in the second quarter of 2004, results of the Company's Group Market operations have been excluded from the above table and related discussion of the combined ratio. Prior periods have been restated to conform to the current presentation.

[3] In the first quarter of 2005, the Company changed its methodology for allocating pension expenses. Historically, pension expenses were recorded in the Corporate and Other segment but hereinafter will be allocated to each o the Company's business units. Results for 2004 reflect this reclassification.

LIBERTY MUTUAL HOLDING COMPANY INC.

Allocation of Invested Assets

(dollars in millions)

(Unaudited)

	As of March 31, 2005		As of December 31, 2004	
	Amount	% of Total	Amount	% of Total
Fixed Maturities by Security Type				
Fixed maturities, available for sale, at fair value	$ 36,627	91.0%	$ 35,601	90.0%
Equity securities, available for sale, at fair value	1,797	4.5	1,802	4.6
Trading securities, at fair value	262	0.6	457	1.2
Limited partnerships	928	2.3	881	2.2
Other investments	111	0.3	109	0.3
Short-term investments	515	1.3	687	1.7
Total investments	**$ 40,240**	**100.0%**	**$ 39,537**	**100.0%**

	Amount	% of Total	Amount	% of Total
Fixed Maturities by Asset Sector				
U.S. Treasury securities	$ 3,284	9.0%	$ 2,703	7.6%
Mortgage and asset-backed securities of government and corporate agencies	13,037	35.6	12,933	36.3
State and municipal	1,235	3.4	1,141	3.2
Corporate and other	15,343	41.8	15,033	42.2
Foreign	3,728	10.2	3,791	10.7
Total fixed maturities	**$ 36,627**	**100.0%**	**$ 35,601**	**100.0%**

	Amount	% of Total	Amount	% of Total
Fixed Maturities by Credit Quality				
S&P Rating				
AAA	$ 19,981	54.6%	$ 19,265	54.1%
AA+, AA, AA-	2,903	7.9	2,889	8.1
A+, A, A-	7,169	19.5	6,977	19.6
BBB+, BBB, BBB-	4,319	11.8	4,124	11.6
BB+, BB, BB-	1,220	3.3	1,235	3.5
B+, B, B-	976	2.7	1,058	3.0
CCC or lower	59	0.2	53	0.1
Total fixed maturities	**$ 36,627**	**100.0%**	**$ 35,601**	**100.0%**

LIBERTY MUTUAL HOLDING COMPANY INC.

Realized Investment Gains and Losses

(dollars in millions)

(Unaudited)

	Sales & Dispositions	Impairments	Change in Trading Security Unrealized	Total
Net Realized Investment Gains				
Three Months Ended March 31, 2005				
Fixed maturities	$ 22	$ -	$ -	$ 22
Common and preferred stock	12	(1)	(14)	(3)
Other	2	-	-	2
Total	**$ 36**	**$ (1)**	**$ (14)**	**$ 21**
Three Months Ended March 31, 2004				
Fixed maturities	$ 56	$ (5)	$ -	$ 51
Common and preferred stock	26	(9)	(8)	9
Other	(3)	-	-	(3)
Total	**$ 79**	**$ (14)**	**$ (8)**	**$ 57**

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Components of Net Realized Investment Gains		
Fixed maturities		
Gross realized gains	$ 34	$ 66
Gross realized losses	(12)	(15)
Equities		
Gross realized gains	18	33
Gross realized losses	(21)	(24)
Other		
Gross realized gains	2	-
Gross realized losses	-	(3)
Total investments	**$ 21**	**$ 57**

LIBERTY MUTUAL HOLDING COMPANY INC.

Net Investment Income and Net Unrealized Investment Gains and Losses

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Components of Net Investment Income		
Interest income	$ 507	$ 468
Dividends	24	22
Limited partnerships	51	28
Other investment income	3	2
Gross investment income	585	520
Investment expenses	(30)	(18)
Net investment income	**$ 555**	**$ 502**

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Components of Change in Net Unrealized Investment Gains		
Fixed maturities	$ (581)	$ 610
Equities	(8)	24
Adjustments to deferred policy acquisition costs	32	(58)
Net change in unrealized investment (losses) gains	(557)	576
Deferred income taxes	195	(202)
Net change in unrealized investment (losses) gains, net of tax	**$ (362)**	**$ 374**

	Less Than 12 Months		Greater Than 12 Months	
Unrealized Losses & Fair Value by Security Type	Unrealized Losses	Fair Value of Investments with Unrealized Losses	Unrealized Losses	Fair Value of Investments with Unrealized Losses
U.S. Treasury securities	$ (38)	$ 2,170	$ (7)	$ 130
Mortgage and asset-backed securities	(94)	6,303	(36)	677
State and municipal	(5)	411	(2)	48
Corporate and other	(148)	6,166	(50)	851
Foreign	(18)	639	(2)	66
Equities	(20)	175	(5)	26
Total	**$ (323)**	**$ 15,864**	**$ (102)**	**$ 1,798**

LIBERTY MUTUAL HOLDING COMPANY INC.

Issuer and Sector Exposure as of March 31, 2005

(dollars in millions)

(Unaudited)

	Issuer	**Fixed Income**	**Equity**	**Total Exposure**	**Percent of Invested Assets**
1	Bank of America	$ 419	$ 27	$ 446	1.11%
2	JP Morgan Chase	395	16	411	1.02%
3	Government of Canada	390	-	390	0.97%
4	Citigroup	341	36	377	0.94%
5	General Electric	341	34	375	0.93%
7	Government of Spain	356	-	356	0.88%
6	Wachovia Corp	319	9	328	0.82%
8	American International Group	307	12	319	0.79%
9	Wells Fargo Financial	302	9	311	0.77%
10	Royal Bank of Scotland	251	6	257	0.64%
11	SBC Communications Inc.	247	7	254	0.63%
12	Goldman Sachs Group Inc	247	5	252	0.63%
13	US Bancorp	241	5	246	0.61%
14	Bellsouth Telecommunications	235	4	239	0.59%
15	Government of Venezuela	236	-	236	0.59%
16	HSBC	227	5	232	0.58%
17	Verizon Communications	215	8	223	0.55%
18	Merrill Lynch & Co.	199	5	204	0.51%
19	Morgan Stanley	194	5	199	0.49%
20	News America Holdings	199	-	199	0.49%
	Total	**$ 5,661**	**$ 193**	**$ 5,854**	**14.54%**

	Sector	**Fixed Income**	**Equity**	**Total Exposure**	**Percent of Invested Assets**
1	Banks	$ 3,416	$ 168	$ 3,584	8.91%
2	Diversified Finan Serv	2,709	127	2,836	7.05%
3	Sovereign	1,646	-	1,646	4.09%
4	Telecommunications	1,323	110	1,433	3.56%
5	Municipal	1,255	-	1,255	3.12%
6	Oil & Gas	745	322	1,067	2.65%
7	Electric	921	79	1,000	2.49%
8	Retail	839	71	910	2.26%
9	Transportation	721	17	738	1.83%
10	Insurance	539	65	604	1.50%
11	Food	571	32	603	1.50%
12	Media	448	52	500	1.24%
13	Home Builders	467	4	471	1.17%
14	Miscellaneous Manufacturing	257	65	322	0.80%
15	Auto Manufacturers	235	15	250	0.62%
16	Chemicals	165	20	185	0.46%
17	Regional(state/province)	172	-	172	0.43%
18	Cosmetics/Personal Care	144	21	165	0.41%
19	Building Materials	152	10	162	0.40%
20	REITS	75	66	141	0.35%
	Total	**$ 16,800**	**$ 1,244**	**$ 18,044**	**44.84%**

LIBERTY MUTUAL HOLDING COMPANY INC.
Reinsurance Overview

CORPORATE REINSURANCE GUIDELINES AND POLICIES

Scope

The term "reinsurance" refers to all assumed and ceded reinsurance (and coinsurance) arrangements that typically transfer risk in the property-casualty and life insurance industries.

Strategy

Liberty uses reinsurance as a risk management tool to accomplish the following objectives:

- Limit the organization's potential loss to catastrophic events such as hurricane, earthquake and terrorism.
- Limit the organization's potential loss to non-catastrophic trends such as rising medical inflation.
- Improve the organization's spread of risk.

Liberty is a servicing carrier for a number of voluntary and involuntary pools and associations in a number of states and classes of business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool.

Reinsurance Security Oversight

As part of its reinsurance security oversight, Liberty Mutual has established a Standing Reinsurance Credit Committee (SRC) that meets quarterly to monitor and review the credit quality of the existing reinsurance portfolio, discuss emerging trends in the reinsurance market place and ensure that the current portfolio of reinsurance is in compliance with the Committee's security standards. The SRC is directly responsible for establishing the minimum rating, collateral and diversification requirements governing Liberty's purchase and use of reinsurance.

LIBERTY MUTUAL HOLDING COMPANY INC.

Footnotes to Reinsurance Recoverable Exhibits

[1] AM Best Co. and Standard & Poor's ratings are as of March 31, 2005 with the exception of ratings related to GE Global Insurance Group which uses the S&P rating of 'A' updated on April 4, 2005.

[2] Gross recoverables are defined as paid and unpaid claims and claim adjustment expense including IBNR and before both bad debt reserves set aside for potential uncollectible reinsurance and consideration of collateral.

[3] Collateral refers to letters of credit, trust accounts and funds held against outstanding claims and claim adjustment expenses related to reinsurance recoverable balances.

[4] Net recoverables are defined as the difference between the amount of gross recoverables and collateral held for specific reinsurance contracts.

[5] Recoverables from state mandated involuntary market pools and associations represent servicing carrier business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool. Payment of losses is shared among the pool participants in proportion to their pool participation. Credit risk with respect to any given pool or association is the composite of the cumulative creditworthiness of all participants.

[6] Reinsurers not rated by A.M. Best Co. and/or Standard & Poor's.

[7] Reinsurance Groups are defined as all reinsurance subsidiaries owned by a common parent.

[8] The rating of Nationwide Indemnity Co. (NIC) is determined for the purposes of this exhibit to equal the rating of its parent, Nationwide Mutual Insurance Co. Nationwide Mutual has guaranteed the timely payment and performance of the obligations of Nationwide Indemnity Company under the reinsurance agreements, dated Dec. 31, 1998, between NIC and Employers Insurance Company of Wausau and certain of its affiliated property and casualty companies.

[9] The rating of these recoverables is determined for the purposes of this exhibit to equal the rating of Lloyd's of London.

[10] The rating of Vantage Casualty Insurance Company is determined for the purposes of this exhibit to equal the rating of Prudential Insurance Company of America, the principal operating insurance company of the parent, Prudential Financial Inc. Pursuant to a guaranty agreement dated October 31, 2003, Prudential Financial Inc. has guaranteed the complete and timely payment and performance of the obligations of Vantage Casualty Insurance Company pursuant to four reinsurance agreements between Vantage Casualty Insurance Company and certain companies acquired by Liberty Mutual Group Inc. from subsidiaries of Prudential Financial, Inc.

[11] The S&P rating of OneBeacon Insurance Co. is determined for the purposes of this exhibit to equal the rating of Folksamerica Reinsurance Co, the lead insurance company of the White Mountains Group.

LIBERTY MUTUAL HOLDING COMPANY INC.

Distribution of Reinsurance Recoverables by A.M. Best Rating

As of March 31, 2005 [1]

(Unaudited)

	(a) Gross Recoverables [2]	(b) Collateral Held [3]	(c) Net Recoverables [4]	(d) % of Total Net Recov.
Rated Entities				
A++	$ 2,026	$ 1,027	$ 999	9%
A+	4,971	728	4,269	37%
A	2,143	237	1,927	17%
A-	271	98	180	2%
B++	124	42	93	1%
B+	27	1	27	0%
B or Below	159	12	149	1%
Subtotal	**$ 9,721**	**$ 2,145**	**$ 7,644**	**67%**
Pools & Associations				
State mandated involuntary pools and associations [5]	$ 3,069	$ 3	$ 3,066	27%
Voluntary	357	74	284	2%
Subtotal	**$ 3,426**	**$ 77**	**$ 3,350**	**29%**
Non-Rated Entities [6]				
Captives & fronting companies	$ 975	$ 1,102	$ 49	0%
Other	651	348	431	4%
Subtotal	**$ 1,626**	**$ 1,450**	**$ 480**	**4%**
Grand Total	**$ 14,773**	**$ 3,672**	**$ 11,474**	**100%**

See explanation of footnoted items on page 10 of financial supplement.

LIBERTY MUTUAL HOLDING COMPANY INC.

Distribution of Reinsurance Recoverables by Standard & Poor's Rating

As of March 31, 2005 [1]

(Unaudited)

	(a) Gross Recoverables [2]	(b) Collateral Held [3]	(c) Net Recoverables [4]	(d) % of Total Net Recov.
Rated Entities				
AAA	$ 1,275	$ 624	$ 654	6%
AA+, AA , AA-	4,060	1,252	2,871	25%
A+, A , A-	3,804	145	3,668	32%
BBB+, BBB , BBB -	295	214	106	1%
BB+ or Below	148	11	137	1%
Subtotal	**$ 9,582**	**$ 2,246**	**$ 7,436**	**65%**
Pools & Associations				
State mandated involuntary pools and associations [5]	$ 3,069	$ 3	$ 3,066	27%
Voluntary	357	74	284	2%
Subtotal	**$ 3,426**	**$ 77**	**$ 3,350**	**29%**
Non-Rated Entities [6]				
Captives & program business	$ 975	$ 1,102	$ 49	0%
Other	790	247	639	6%
Subtotal	**$ 1,765**	**$ 1,349**	**$ 688**	**6%**
Grand Total	**$ 14,773**	**$ 3,672**	**$ 11,474**	**100%**

See explanation of footnoted items on page 10 of financial supplement.

LIBERTY MUTUAL HOLDING COMPANY INC.

Top 15 Reinsurance Recoverables by Group

As of March 31, 2005 [1]

(Unaudited)

	Reinsurance Groups [7] (Data in Millions)	Gross Recoverables [2]	Collateral [3]	Net Recoverables [4]
1	Nationwide Group 8	$ 1,796	$ -	$ 1,796
2	Swiss Re Group	1,712	366	1,349
3	Berkshire Hathaway Group	1,280	624	659
4	Chubb Group	710	403	307
5	Munich Re	462	2	459
6	UPINSCO (Captive)	421	447	-
7	GE Global Insurance Group	405	6	400
8	Everest Re Group	389	-	389
9	PartnerRe Group	386	287	108
10	Equitas / Lloyds of London 9	371	2	369
11	ACE	218	208	23
12	Converium Group	217	54	176
13	AIG	191	7	184
14	White Mountains Insurance Group 11	184	1	183
15	Associated Electric & Gas	130	154	-
	State Mandated Involuntary pools and associations 5	3,069	3	3,066
	Voluntary pools and associations	357	74	284
	All other 10	2,475	1,034	1,722
	Total Reinsurance Recoverables	$ 14,773	$ 3,672	$ 11,474

See explanation of footnoted items on page 10 of financial supplement.

LIBERTY MUTUAL HOLDING COMPANY INC.

Capitalization

(dollars in millions)

(Unaudited)

	As of March 31, 2005	As of December 31, 2004
DEBT		
Short-term debt		
Commercial paper	-	$147
Revolving credit facilities	28	29
Medium Term Notes, maturing within one year	-	77
Total short-term debt	$28	$253
Long-term debt		
8.20%, Surplus Notes, due 2007	$121	$121
6.75%, Notes, due 2008	15	15
5.00%, Prudential Notes, due 2008	14	14
8.00%, Prudential Notes - Series B, due 2013	260	260
5.75%, Senior Notes, due 2014	500	500
8.50%, Surplus Notes, due 2025	150	150
7.87%, Surplus Notes, due 2026	250	250
7.63%, Notes, due 2028	3	3
7.00%, Senior Notes, due 2034	250	250
6.50%, Senior Notes, due 2035	500	-
7.70%, Surplus Notes, due 2097	500	500
6.76% - 8.10%, Medium Term Notes, various	27	27
Subtotal	2,590	2,090
Unamortized discount	(26)	(16)
Total long-term debt	$2,564	$2,074
Total debt	$2,592	$2,327
POLICYHOLDERS' EQUITY		
Unassigned surplus	$7,835	$7,439
Accumulated other comprehensive income (AOCI)	884	1,258
Total policyholders' equity	$8,719	$8,697
CAPITALIZATION		
Capitalization including AOCI, net of tax	$11,311	$11,024
Capitalization excluding AOCI, net of tax	$10,427	$9,766
FINANCIAL LEVERAGE RATIOS		
Debt to capitalization including AOCI	22.9%	21.1%
Debt to capitalization excluding AOCI	24.9%	23.8%