





Attachment to Form 8937

Date of Organizational Action: March 1, 2022

**Part II, Question 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On March 1, 2022, State Automobile Mutual Insurance Company ("SAM") (EIN: 31-4316080) merged with Andover, Inc. ("Merger Sub II") (EIN: 87-1851967), an Ohio corporation and direct, wholly-owned subsidiary of Liberty Mutual Holding Company Inc. ("LMHC") (EIN: 04-3583681), a Massachusetts mutual holding company, with SAM surviving as an Ohio domiciled reorganized stock insurance subsidiary of LMHC (the "Merger"). As a result of the Merger, LMHC granted equity rights in LMHC to each SAM member upon the extinguishment of such SAM member's equity rights in SAM at the effective time of the Merger, and thus, the former mutual members of SAM became mutual members of LMHC. It is expected that the Merger qualifies as a "reorganization" (a "Reorganization") within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

**Part II, Question 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

For purposes of this attachment, the term "Equity Rights" means uncertificated rights in a mutual insurance company or mutual holding company, as applicable, conferred by applicable law, including (a) the right to vote for the election of directors at annual meetings of such mutual insurance company or mutual holding company, as applicable, (b) the right to share in any distribution of, or to receive consideration based upon, the value of such mutual insurance company or mutual holding company, as applicable, in liquidation, dissolution or otherwise under the organizational documents (e.g., articles of incorporation or code of regulations/bylaws) of such mutual insurance company or mutual holding company, as applicable, or otherwise as provided by law, (c) the right to dividends as, if and when determined by the board of directors of such mutual insurance company or mutual holding company, as applicable and (d) the right to participate in a demutualization of such mutual insurance company or mutual holding company, as applicable. The parties to the Merger intend to take the position, and the remainder of this attachment assumes, that Equity Rights in SAM and Equity Rights in LMHC constitute stock or securities for U.S. federal income tax purposes. Neither LMHC nor SAM has requested, and neither intends to request, any ruling from the Internal Revenue Service as to the U.S. federal income tax consequences of the Merger.

In general, a member's aggregate tax basis of Equity Rights in LMHC received pursuant to the Merger should be the same as the member's aggregate tax basis of Equity Rights in SAM exchanged therefor. The Internal Revenue Service has historically taken the position that taxpayers do not have any tax basis in their Equity Rights in a mutual insurance company or mutual holding company.

Former SAM members should consult their tax advisors to determine the tax basis of the Equity Rights in LMHC received in the Merger and to determine whether they are subject to additional or different tax consequences than those discussed herein because of special situations that may be applicable to them.

**Part II, Question 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

Per Question 15, there is no change in basis.

**Part II, Question 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

It is expected that the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code.

Effect on former SAM members:

- A. Code Section 354(a)(1) – Exchange of stock and securities in certain reorganizations
- B. Code Section 358 – Basis to distributees
- C. Code Section 1223 – Holding period of property

**Part II, Question 18: Can any resulting loss be recognized?**

If the Merger qualifies as a Reorganization, a former SAM member should not recognize any loss as a result of the receipt of Equity Rights in LMHC.

**Part II, Question 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Merger occurred on March 1, 2022. The U.S. federal income tax consequences of the Merger to a former SAM member should be reported by the member in the taxable year of the member that includes March 1, 2022.

Pursuant to Section 1.368-3(d) of the Treasury Regulations, you are required to retain information in your permanent records regarding the amount, basis, and fair market value of the Equity Rights in LMHC received in the Merger, and to make such records available to any authorized Internal Revenue Service officers and employees upon request.

LMHC’s employer identification number is 04-3583681. SAM’s employer identification number prior to the Merger was 31-4316080. For further information, please contact Investor Relations at (857) 224-6655 or [Investor\\_relations@libertymutual.com](mailto:Investor_relations@libertymutual.com).

**THE INFORMATION ABOVE IS NOT TAX ADVICE, AND IT IS NOT A COMPLETE ANALYSIS OR DESCRIPTION OF EVERY POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCE OR ANY OTHER TAX CONSEQUENCE OF THE MERGER. IN ADDITION, THE SUMMARY DOES NOT ADDRESS U.S. FEDERAL INCOME TAX CONSEQUENCES THAT MAY VARY WITH, OR ARE CONTINGENT ON, INDIVIDUAL CIRCUMSTANCES, NOR DOES IT ADDRESS ANY U.S. NON-INCOME, STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES. ACCORDINGLY, EACH MEMBER IS URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR TO DETERMINE THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO HIM, HER OR IT OF THE MERGER.**