



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

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A.M. Best Revises Outlook to Stable for Liberty Mutual Holding Company Inc. and Its Subsidiaries Rating Supplement

The FSR of A (Excellent) and ICR of “a” have been affirmed with a stable outlook for **Liberty Mutual**

Insurance Companies and its following members:

- **Bridgefield Casualty Insurance Company**
- **Bridgefield Employers Insurance Company**
- **Employers Insurance Company of Wausau**
- **The First Liberty Insurance Corporation**
- **Insurance Company of Illinois**
- **LM General Insurance Company**
- **LM Insurance Corporation**
- **Liberty Insurance Underwriters Inc.**
- **LM Property & Casualty Insurance Company**
- **Liberty County Mutual Insurance Company**
- **Liberty Insurance Corporation**
- **Liberty Lloyds of Texas Insurance Company**
- **Liberty Mutual Fire Insurance Company**
- **Liberty Mutual Insurance Company**
- **Liberty Mutual Mid-Atlantic Insurance Company**
- **Liberty Mutual Personal Insurance Company**
- **Liberty Personal Insurance Company**
- **Liberty Surplus Insurance Corporation**
- **Wausau Business Insurance Company**
- **Wausau General Insurance Company**
- **Wausau Underwriters Insurance Company**

The FSR of A (Excellent) and ICR of “a” have been affirmed with a stable outlook for **Peerless**

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Insurance Company Pool and its following members:

- **America First Insurance Company**
- **America First Lloyds Insurance Company**
- **American Economy Insurance Company**
- **American Fire and Casualty Company**
- **American States Insurance Company**
- **American States Insurance Company of Texas**
- **American States Lloyds Insurance Company**
- **American States Preferred Insurance Company**
- **Colorado Casualty Insurance Company**
- **Consolidated Insurance Company**
- **Excelsior Insurance Company**
- **First National Insurance Company of America**
- **General Insurance Company of America**
- **Golden Eagle Insurance Corporation**
- **Hawkeye-Security Insurance Company**
- **Indiana Insurance Company**
- **Liberty Northwest Insurance Corporation**
- **Mid-American Fire & Casualty Company**
- **The Midwestern Indemnity Company**
- **Montgomery Mutual Insurance Company**
- **National Insurance Association**
- **The Netherlands Insurance Company**
- **North Pacific Insurance Company**
- **The Ohio Casualty Insurance Company**
- **Ohio Security Insurance Company**
- **Oregon Automobile Insurance Company**
- **Peerless Indemnity Insurance Company**
- **Peerless Insurance Company**
- **Safeco Insurance Company of America**
- **Safeco Insurance Company of Illinois**
- **Safeco Insurance Company of Indiana**
- **Safeco Insurance Company of Oregon**
- **Safeco Lloyds Insurance Company**
- **Safeco National Insurance Company**
- **Safeco Surplus Lines Insurance Company**
- **West American Insurance Company**

The following debt ratings have been affirmed with a stable outlook:

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Liberty Mutual Group, Inc.—

- “bbb” on \$187 million 7.25% senior unsecured notes, due 2012
- “bbb” on \$260 million 8.00% Prudential notes - Series B, due 2013
- “bbb” on \$25 million 7.86% medium-term notes, due 2013
- “bbb” on \$500 million 5.75% senior unsecured notes, due 2014
- “bbb” on \$180 million 7.30% senior unsecured notes, due 2014
- “bbb” on \$249 million 6.70% senior unsecured notes, due 2016
- “bbb” on \$600 million 5.00% senior unsecured notes, due 2021
- “bbb” on \$3.0 million 7.625% senior unsecured notes, due 2028
- “bbb” on \$231 million 7.00% senior unsecured notes, due 2034
- “bbb” on \$471 million 6.50% senior unsecured notes, due 2035
- “bbb” on \$19 million 7.50% senior unsecured notes, due 2036
- “bb+” on \$300 million 7.0% junior subordinated notes, due 2067
- “bb+” on \$700 million 7.8% junior subordinated notes, due 2087
- “bb+” on \$1.25 billion 10.75% junior subordinated notes, due 2088

Liberty Mutual Insurance Company—

- “bbb+” on \$140 million 8.505% surplus notes, due 2025
- “bbb+” on \$227 million 7.875% surplus notes, due 2026
- “bbb+” on \$435 million 7.697% surplus notes, due 2097

The following debt rating has been upgraded:

Liberty Mutual Group, Inc.—

- to AMB-2 from AMB-3 on short-term commercial paper

The principal methodology used in determining these ratings is [Best’s Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilized include:

“Understanding BCAR for Property/Casualty Insurers”; “Understanding Universal BCAR”; “Rating Members of Insurance Groups”; “The Treatment of Terrorism Risk in the Rating Evaluation”; “Natural Catastrophe Stress Test Methodology”; “Risk Management and the Rating Process for Insurance Companies”; “Catastrophe Risk Management Incorporated Within the Rating Analysis”; “Catastrophe Analysis in A.M. Best Ratings”; “A.M. Best’s Ratings & the Treatment of Debt”; “Equity Credit for Hybrid Securities”; “Rating Commercial Paper”; and “Rating Surplus Note and Insurance Trust-Preferred CDOs.” Methodologies can be found at

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www.ambest.com/ratings/methodology.

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