OneBeacon
Pension Plan
Summary Plan Description

As of July 1, 2014

This Summary Plan Description summarizes the provisions of the OneBeacon Pension Plan (the "Plan"). Provisions of the Plan are governed by the terms of the Plan document. In case of any discrepancy between this summary and the Plan document, the Plan document will govern.

OneBeacon Pension Plan
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Foreword

Benefits under the OneBeacon Pension Plan (formerly known as the OneBeacon Insurance Pension Plan) were frozen as of December 31, 2002. Although you will no longer continue to earn benefits under the Plan after this date, you will not lose any benefits that you had earned through December 31, 2002. On April 17, 2014, you were notified that OneBeacon Services, LLC intends to terminate Plan as a "standard termination." The proposed date of termination is June 30, 2014, but the process for implementing the plan termination can take 12-24 months. In order for the Plan to terminate, plan assets must be sufficient to provide all plan benefits. If the proposed termination does not occur, the Plan Administrator will notify you in writing.

Although your accrued benefit is no longer increasing, your Years of Retirement Service (see page 5) will continue to count toward early retirement eligibility.

If you leave the Company (OneBeacon Services, LLC and its affiliated companies) your benefit will be paid to you as a lump sum or under one of the annuity options. You cannot receive a payment from the Pension Plan until you leave the Company.

On December 31, 2002 benefits under the Folksamerica Holding Company, Inc. Employees' Retirement Plan (the "Folksamerica Plan") were frozen and the Folksamerica Plan was merged into the Plan. Although you will no longer continue to earn benefits under the Folksamerica Plan or this Plan, you will not lose any benefits that you have earned under the Folksamerica Plan through December 31, 2002. This Summary Plan Description and Appendix E describe the Plan features applicable to the former members of the Folksamerica Plan.

A financially secure retirement is an important goal for all of us—and it's one you can achieve if you start planning for it today. For this reason, in addition to your frozen benefit under the Pension Plan, the Company offers the OneBeacon 401(k) Savings and Employee Stock Ownership Plan. In addition, the Company contributes to Social Security on your behalf. Together with personal savings, these plans are designed to provide you and your family with financial protection for your retirement.

This Summary Plan Description is intended to give you a basic understanding of how the Pension Plan works.

This Summary Plan Description (SPD) describes the benefits and options available to you under the OneBeacon Pension Plan (also referred to in this SPD as the "Pension Plan" or the "Plan"). The provisions described in this SPD apply to participants who are actively employed by the Company on July 1, 2014. The rights and benefits, if any, of an employee who terminated employment prior to July 1, 2014 shall be determined in accordance with the provisions of the Plan as in effect on the date employment terminated.

OneBeacon Pension Plan Highlights

The benefit you have accumulated under the **OneBeacon** Pension Plan will help you build financial security for your future. Here are some highlights of the Plan:

Plan Feature	Description
Automatic participation	If you were hired on or after January 1, 1999 and before January 1, 2002, you automatically became a member of the Plan on your date of hire. If you were a member of the Employees' Retirement Plan of General Accident Insurance Company of America (the "GA Retirement Plan") or the Commercial Union Insurance Company Pension Plan (the "CU Pension Plan") on December 31, 1998, you automatically became a member of this Plan on January 1, 1999. If you were a member of the Folksamerica Holding Company, Inc. Employees' Retirement Plan (the "Folksamerica Plan") and not already participating in the Plan on December 31, 2002, you automatically became a member of the Plan on January 1, 2003. Former Folksamerica retirees receiving pension plan benefits and terminated vested participants who had not yet commenced Folksamerica benefits also became members of this Plan. Those participants receiving Folksamerica benefits on December 31, 2002 are receiving their same benefits from this Plan. Former Folksamerica Plan participants who begin receiving benefits after December 31, 2002, will also receive their benefits from this Plan.
No cost to you	The Company pays the full cost of the Plan.
Normal Retirement	At age 65 or, if later, the earlier of the fifth anniversary of the date you became a member of the Plan or the date you completed five Years of Vesting Service (as defined on page 6). At age 65 or, if later, the fifth anniversary of the date you became a member of the Plan if you were a member of the Folksamerica Plan. At age 65 if you were a member of the GA Retirement Plan or the Silvey Plan.
Early Retirement	Anytime between age 55 and 65 (5 Years if you were a member of the Folksamerica Plan) of Retirement Service.
Non-forfeitable (vested) right to a benefit	All Members of the Plan who were actively employed by the Company on July 1, 2014 are fully vested in their Plan benefits.

Credit toward retirement income if you became totally disabled	If you qualified for benefits under the Company's Long Term Disability Plan and Social Security Disability benefits, you earned pension credit while disabled through December 31, 2002.
Income for your spouse if you die before retirement	This is payable as early as the **first day of the month after your death**.
Income for your spouse or beneficiary if you die after retirement	Following your death **after** retirement, provided you elect one of the Plan's survivor income payment methods before you retire.
Questions	Contact OneBeacon Pension Benefits at 1-866-333-7314 or onebeaconpension@ehr.com. Note: Third party call and email support will end soon after all plan assets have been distributed as a result of the plan termination. If you have any questions about your benefit after the plan termination is complete, please contact the annuity carrier or, if you have a question about a lump sum that was paid to you as part of the plan termination process, the Plan Administrator. If your benefit will be transferred to an annuity carrier, you will be provided with the annuity carrier's contact information before your benefit is transferred.

Plan Eligibility and Cost

When You Became a Member

If you were hired on or before December 31, 2001, you automatically became a Plan member on your hire date if you were an eligible employee. Employees hired after December 31, 2001 cannot become a member of the Plan.

Prior Plan Participation

If you were a member of the GA Retirement Plan or the CU Pension Plan on December 31, 1998, you automatically became a member of this Plan on January 1, 1999.

If you were a member of the Silvey Companies Retirement Plan (the "Silvey Plan") and not already participating in this Plan on December 31, 2001, you automatically became a member of this Plan on January 1, 2002.

If you were a member of the Folksamerica Plan and not already participating in the Plan on December 31, 2002, you automatically became a member of this Plan on January 1, 2003.

Employees Not Eligible

You are not eligible to participate in the Plan if:

- You were hired on or after January 1, 2002, or
- You were hired on or before December 31, 2001 and were classified as an independent contractor or leased employee.

Plan Cost

The Company pays the full cost of the Pension Plan. The amount of the Company's contribution is actuarially determined based on valuations completed by an enrolled actuary.

No employee contributions are required or permitted.

Your Service Under the Pension Plan

Your service is generally measured from the date you began to work for the Company to the date you cease working for the Company. Three types of service are used:

- **Years of Credited Service.** Credited Service is used to determine the amount of your pension benefit. As noted below in Years of Credited Service, you can not earn Credited Service after December 31, 2002.

- **Years of Retirement Service.** Years of Retirement Service are used to determine when you are eligible to receive an Early Retirement benefit under the Plan.

All service after 1998 is credited based on your Periods of Service (Different rules may apply for service before 1999, as described below.) A Period of Service is a period of employment with the Company that began on your first day of work. Your Period of Service ends on the date you quit, retire, are discharged or die, or on the first anniversary of your absence from service for any other reason. (However, you will receive credit for service while you are serving in the Military, provided you return to work with the Company within the time prescribed by law. In addition, see Page 20 regarding service credit during a period of disability.) All of your Periods of Service are aggregated.

Years of Credited Service

Credited Service is counted in years and months and is used to determine the amount of your pension benefit. You earned one Year of Credited Service for each 12-month Period of Service you completed *after 1998 up to December 31, 2002*. Any fractional month remaining after your Periods of Service were aggregated is treated as a whole month. Since the Pension Plan was frozen on December 31, 2002 you did not earn Credited Service after that date. Prior Plan Participants may have qualified for Special Credited Service as provided below. Your Credited Service under the Plan cannot exceed 40 years.

Special Credited Service Rules

Credited Service through December 31, 1998 will be the service you had earned as of that date for benefit accrual purposes under the Prior Plans. (If you participated in both Prior Plans, you received credit for your service under both, but did not receive double credit for any period of service.) Information about the Prior Plans is included in the Appendix.

- CU Pension Plan—see Appendix A

- GA Retirement Plan—see Appendix B

- If you had service with any of the following companies acquired by General Accident Insurance Company, special provisions apply to your GA Retirement Plan benefit:
  - Armco Insurance Group (Appendix B-2)
  - Camden Fire Insurance Association (Appendix B-3)
  - Alfred Paull & Son, Inc. (Appendix B-4)
  - Royal Indemnity Company (Appendix B-5)
  - Silvey Companies (Appendix B-6)

– A.L. Williams (Appendix B-7)
– USLICO Corporation (Appendix B-8)

If you had service with Folksamerica Company, Inc. special provisions apply to your benefit. (Appendix E)

If you were employed by White Mountains Insurance Group, Ltd. ("White Mountains") immediately before becoming a Member of this Plan, you will not earn Credited Service for your employment prior to becoming a Member of this Plan.

Years of Retirement Service

Retirement Service is counted from your employment date, including service before January 1, 1999. You earn one Year of Retirement Service for each 12-month Period of Service. Years of Retirement Service are counted in years and whole months and are used to determine when you are eligible for Early Retirement. Any fractional month remaining after your Periods of Service are aggregated is disregarded.

Although the Pension Plan was frozen on December 31, 2002, you continued to earn Years of Retirement Service to meet early retirement eligibility.

If you were employed by White Mountains immediately before becoming a Member of this Plan, your Years of Retirement Service are determined as if your first day of employment at White Mountains was your first day of employment with the (Company).

Special Retirement Service Rules

See Appendix A for an explanation of how service was credited under the CU Pension Plan.

Break in Service

A "break in service" is any period in which you are no longer employed by the Company or an affiliated company. Here is how a break in service is determined under the Plan:

- A break in service normally begins on the date you retire, resign or are discharged, or on the first anniversary of an absence from service for any other reason. If you return to work within 12 months of the first day of your absence, the break in service is treated as a Period of Service for Early Retirement eligibility purposes (but not for determining Credited Service used in calculating your benefit).

- Military service does not cause a break in service provided you return to work with the Company within the time prescribed by law.

- If your absence is related to the birth or adoption of your child, or childcare immediately following such birth or adoption, your break in service for Early Retirement eligibility purposes does not begin until two years after the first day of your absence. The period between the first anniversary of absence and the second anniversary of absence will not be counted as a Period of Service or a break in service for these purposes.

- If you are on leave under the Family and Medical Leave Act of 1993 (FMLA), you will not incur a break in service for Early Retirement eligibility purposes until your FMLA leave ends.

Breaks in service that began before January 1, 1999 will be measured under the provisions of the Prior Plan as then in effect and will continue to count as breaks in service under this Plan.

If you were a member of the Folksamerica Plan see Appendix E for an explanation of how Breaks in Service are determined and the effect of Breaks in Service.

Prior Service

Generally, service earned before January 1, 1999 will be credited in accordance with the provisions of the Prior Plan in which you participated. See the Appendix for more information.

- Appendix A: Commercial Union Insurance Company Pension Plan
- Appendix B: Employees' Retirement Plan of General Accident Insurance Company of America
- Appendix B-2: Former Employees of the Armco Insurance Group
- Appendix B-3: Former Employees of Camden Fire Insurance Association
- Appendix B-4: Former Employees of Alfred Paull and Son, Inc.
- Appendix B-5: Former Employees of Royal Indemnity Company
- Appendix B-6: Former Employees of Silvey Companies
- Appendix B-7: Former Employees of A.L. Williams
- Appendix B-8: Former Employees of USLICO (including Hawkeye-Security Insurance Company, Western States Insurance Company and United Security Insurance Company)
- Appendix E: Former Employees of Folksamerica Company, Inc.

When You Can Receive Your Benefits

Generally, you may begin receiving your benefits after you terminate employment.

Normal Retirement

Beginning January 1, 1999, Normal Retirement Age under the Plan is age 65 or, if later, the earlier of the date you completed five Years of Vesting Service or the fifth anniversary of the date you began participating in the Plan. If you were a GA Retirement Plan participant before January 1, 1999 or a Silvey Plan participant before January 1, 2002, your Normal Retirement Age is 65. If you were a Folksamerica Plan participant before January 1, 2003, your Normal Retirement Age is the later of your 65th birthday or the fifth anniversary of your participation in the Folksamerica Plan.

If you retire at your Normal Retirement Age, your benefit payments will begin on your Normal Retirement Date, which is the first of the month on or following your Normal Retirement Age.

Early Retirement

If you have reached age 55 and have completed at least 10 Years (5 Years if you were a member of the Folksamerica Plan) of Retirement Service, you may retire and elect to receive your benefits as of the first day of any month, but not later than your Normal Retirement Date. If you receive your benefit before your Normal Retirement Date, your benefit may be reduced to take into account the early commencement of payments. (See Page 17 for an explanation of early retirement benefits.)

If you participated in the CU Pension Plan, the GA Retirement Plan, the Silvey Plan, or the Folksamerica Plan special rules apply.

- CU Pension Plan—see Appendix A
- GA Retirement Plan—see Appendix B
- Silvey Plan—see Appendix D
- Folksamerica Plan-see Appendix E.

Deferred Retirement

If you continue to work for the Company past your Normal Retirement Date, you will begin to receive your benefit as of the first day of the month on or following your retirement date. Your benefit will be based on your pay through December 31, 2002, your Credited Service as of December 31, 2002 and your vesting and retirement service at your retirement date (but no more than 40 Years of Credited Service will be taken into account).

Disability Retirement

If you stopped working for the Company because you were disabled, you continued to earn pension benefits during your period of disability until you began benefit payments, reached your Normal Retirement Date, or December 31, 2002—whichever occurred first. You are considered disabled if you are eligible to receive benefits from the Company's Long Term Disability Plan *and* Social Security disability benefits (unless you are ineligible for Social Security benefits because of your age). For more information, see "If You Become Disabled."

If you were a member in the Folksamerica Plan special rules apply. See Appendix E.

Termination Before Retirement

If you terminate employment before you are eligible to retire, you will be entitled to receive your vested benefit as of your Normal Retirement Date. You may instead choose to receive a reduced benefit as of the first day of any month on or after the date you terminated employment but before your Normal Retirement Date. However, certain benefit options will not be available if you have fewer than 10 Years of Retirement Service (5 Years of Service if you were a member of the Folksamerica Plan) or if you begin receiving your benefit before age 55. (See Page 21 for more details.)

In-Service Distribution Upon Normal Retirement Age

On April 17, 2014, you were notified that OneBeacon Services, LLC intends to terminate the OneBeacon Pension Plan (the "Plan") as a "standard termination." The proposed date of termination is June 30, 2014, but the process for implementing the plan termination can take 12-24 months. If the proposed termination does not occur, the Plan Administrator will notify you in writing.

When the government agencies have approved the Plan termination, you will be eligible to commence payment as soon as you reach Normal Retirement Age, even if you haven't terminated employment with the Company.

Important Terms

This section defines terms that have a special meaning under the Plan. Other definitions appear in the appropriate sections.

Accrued Benefit

Accrued benefit refers to the amount of benefit payable at your Normal Retirement Date and determined at any date while you are actively employed, or as of the date you retire, die, or otherwise leave the Company. Your Accrued Benefit will not reflect your Pay, Credited Service, or changes in the Social Security law after December 31, 2002.

Adjusted CU Benefit

If you were a member of the CU Pension Plan before January 1, 1999, your Adjusted CU Pension is the portion of your pension benefit which is based on your service under the CU Pension Plan before January 1, 1999. Your Adjusted CU Benefit is determined under the CU Pension Plan formula as of December 31, 1998. If you were an active member of the CU Pension Plan on December 31, 1998, this benefit is adjusted for any compensation increases you received between December 31, 1998 and December 31, 2002, or your retirement date, if earlier (see Appendix A for a more detailed discussion).

For service after December 31, 1998 through December 31, 2002, you accrued benefits under the current OneBeacon Pension Plan formula.

Adjusted GA Benefit

If you were a member of the GA Retirement Plan before January 1, 1999, your Adjusted GA Pension is the portion of your pension benefit which is based on your service under the GA Retirement Plan before January 1, 1999. Your Adjusted GA Benefit is determined under the GA Retirement Plan formula as of December 31, 1998. If you were an active member of the GA Retirement Plan on December 31, 1998, this benefit is adjusted for any compensation increases you received between December 31, 1998 and December 31, 2002, or your retirement date, if earlier (see Appendix B for a more detailed discussion).

For service after December 31, 1998 through December 31, 2002, you accrued benefits under the current OneBeacon Pension Plan formula.

Adjusted Benefit Example

If your Final Average Pay under the terms of the OneBeacon Pension Plan at December 31, 2002 equals $25,000 and your Final Average Pay at December 31, 1998 under the terms of the Prior Plan equaled $20,000, your benefit from the Prior Plan would be increased by 25% ($25,000÷$20,000 = 1.25).

Social Security Covered Compensation

Covered Compensation is a 35-year average of the maximum amount of earnings subject to Social Security taxes (the "taxable wage base"). The average is based on the 35-year period that ends on the last day of the calendar year in which you reach Social Security Retirement Age. (If you have not yet reached your Social Security Retirement Age at the time your Accrued Benefit is determined, your Social Security Covered Compensation is determined by assuming that there will be no future changes in the taxable wage base.) The taxable wage base is set by the government and is subject to increases each year. However, as the Plan was frozen as of

December 31, 2002, increases in the taxable wage base after that date will not be reflected in your Social Security Covered Compensation.

Social Security Retirement Age

Your Social Security retirement age depends on your year of birth in the following chart:

Year of Birth	Social Security Retirement Age
1937 or earlier	65
1938 – 1954	66
1955 or later	67

Monthly Pay

Under the Plan, you are credited with "Monthly Pay" for each full calendar month of employment as an eligible employee prior to January 1, 2003 (see Page 3) (a "Credited Month"). Your Monthly Pay for each Credited Month within a calendar year is equal to the total pay credited to you for the year divided by the number of Credited Months in that year. For example, if you worked six full months during a calendar year and the total pay credited to you was $12,000, your Monthly Pay for each Credited Month is $2,000.

Monthly Pay for periods prior to January 1, 1999 are based on the Prior Plan definition, except that if you participated in the CU Pension Plan, pensionable bonuses under the definition are counted when earned.

"Pay" includes your rate of base pay, your overtime pay, your single-sum merit bonuses, and the bonuses you received under OneBeacon Insurance Group's Management Incentive Plan (bonus is included in the year earned, not when paid). Bonuses you receive under the A.W.G. Dewar Bonus Plan and the A.W.G. Dewar Incentive Plan are also included. Pay also includes compensation you deferred under the OneBeacon 401(k) Savings and Employee Stock Ownership Plan and any other pre-tax contributions you may make to any OneBeacon 401(k) plan (Health Care Plan contributions or Flexible Spending Account contributions). Pay *does not include* gain sharing, bonuses paid under a deferred compensation plan, other bonuses, moving expenses, or imputed income from life insurance. Pay also *does not include* any payments under the OneBeacon Discounted Stock Option Plan. If you are absent from service due to disability and are receiving short-term disability benefits (including workers' compensation) your pay will be deemed to continue for up to one year, at the rate in effect when your disability began. If you are eligible to receive long-term disability benefits and Social Security disability benefits (unless you are ineligible for Social Security benefits because of your age), your pay will be deemed to continue, at the rate in effect when your disability began, until your benefit payments begin (or until your Normal Retirement Date, if earlier).

Your total Monthly Pay for a calendar year is limited by the maximum amount of annual earnings allowed by law ($200,000).

As the Plan has been frozen, Monthly Pay earned after December 31, 2002 is not recognized for Pension Plan purposes.

Final Average Pay

Final Average Pay is the average of your Monthly Pay for your 60 highest consecutive out of the 120 most recent Credited Months prior to December 31, 2002 (or for all of your Credited Months prior to December 31, 2002, if less than 60). However, your Final Average Pay will not be less than your average Monthly Pay for each calendar year in any five-calendar-year period within the 10 calendar years immediately preceding the date as of which your Final Average Pay is determined.

If you were a member of the Folksamerica Plan See Appendix E for a description of how your Final Average Pay is determined.

Prior Silvey Benefit

Your Prior Silvey Benefit equals your accrued benefit as of September 30, 1997 under the Silvey Plan.

Calculating Your Benefit

Your benefit from the Plan depends on:

- how long you worked for the Company;
- your Final Average Pay (as defined on Page 12);
- your Social Security Covered Compensation, if applicable (as defined on Page 10);
- your age when payments begin; and
- whether you are married when payments begin.

The form of payment you select when you retire also affects the monthly income you receive.

Basic Formula

The basic formula used to calculate a Normal Retirement benefit provides a monthly income to you.

If you were a Plan member before January 1, 1999, the formula is made up of a "Prior Service Benefit" for your service before January 1, 1999 and a benefit for your service after December 31, 1998 through December 31, 2002. The Prior Service Benefit equals your Adjusted CU Benefit or your Adjusted GA Benefit (see Page 10). (If you participated in both Prior Plans, your Prior Service Benefit equals the sum of your Adjusted CU Benefit and your Adjusted GA Benefit.) The benefit formula is shown on the next page.

If you were a member of the Silvey Companies Retirement Plan on December 31, 2001, your Normal Retirement benefit is made up of your Prior Silvey Benefit for your service before October 1, 1997 and a benefit under this Plan's formula for your service after September 30, 1997 through December 31, 2002.

If you became an employee of the Liberty Group on January 1, 2002 as a result of the sale of a portion of the Company's property and casualty insurance business to Liberty Mutual, see Appendix C which describes how your benefit is determined after December 31, 2001.

If you were a member of the Folksamerica Plan, see Appendix E for a description of how your benefit is determined.

Prior Plan Offset

If you were a participant in the former Pension Plan of the Commercial Union Insurance Companies which was terminated on March 20, 1985, the amount of the annual annuity purchased for you when that plan was terminated is subtracted from your Prior Service Benefit or Grandfathered benefit, whichever applies. That annuity was purchased from Prudential Insurance Company. For further information about that annuity contact Prudential Insurance Company at 800-621-1089 (contract # 5229).

Prior Service Benefit

Adjusted CU or GA Benefit

Accrued benefit as of December 31, 1998
times
Final Average Pay at December 31, 2002 ÷ Final Average Pay as of December 31, 1998 **(if you were an active member of the Prior Plan on December 31, 1998)**

Adjusted Benefit Example

If your Final Average Pay at December 31, 2002 equalsed$25,000 and your Final Average Pay at December 31, 1998 equaled $20,000, your benefit from the Prior Plan earned through December 31, 1998 would be increased by 25% ($25,000 ÷ $20,000 = 1.25) **if you were an active member of the Prior Plan on** December 31, 1998

Plus

OneBeacon Benefit for Service After December 31, 1998

1.30% X Final Average Pay
times
Credited Service after December 31, 1998 through December 31, 2002
(maximum 40 years—including Credited Service before January 1, 1999)
plus
0.45% X Final Average Pay in excess of Social Security Covered Compensation
times
Credited Service after December 31, 1998 through December 31, 2002
(maximum 40 years – including Credited Service **before** January 1, 1999)

The provisions for Prior Service Benefits can be found in:

- Appendix A: Former Members in the Commercial Union Insurance Company Pension Plan
- Appendix B: Former Members in the Employees' Retirement Plan of General Accident Insurance Company of America

Certain service and/or benefit formula provisions for employees who worked for a company acquired by General Accident and who became participants in the GA Retirement Plan may also be found in the Appendix:

- Appendix B-2: Former Employees of the Armco Insurance Group
- Appendix B-3: Former Employees of Camden Fire Insurance Association
- Appendix B-4: Former Employees of Alfred Paull and Son, Inc.
- Appendix B-5: Former Employees of Royal Indemnity Company
- Appendix B-6: Former Employees of Silvey Companies
- Appendix B-7: Former Employees of A.L. Williams

- Appendix B-8: Former Employees of USLICO (including Hawkeye-Security Insurance Company, Western States Insurance Company and United Security Insurance Company)

Prior Plan Participants

The following special provisions apply to your pension benefit if:

- you were a member of the CU Pension Plan or the GA Retirement Plan; and
- you were an active employee on December 31, 1998.

Grandfathered Benefit

If your age (in years and completed months) plus your Years of Retirement Service equaled 60 or more as of December 31, 1998, you will be eligible for a special Grandfathered benefit. Your benefit under the Plan is the greater of the following two amounts:

- the benefit you earned under the OneBeacon Pension Plan basic formula outlined on Page 13 (including the Adjusted CU or GA benefit for service through December 31, 1998); or
- the benefit you would have earned under the CU Pension Plan or GA Retirement Plan formula (whichever is applicable) had that plan formula remained in effect, using your total Credited Service earned before and after January 1, 1999 through December 31, 2002.

If you participated in both Prior Plans and are entitled to this special Grandfathered benefit, the Grandfathered formula applies only to the Prior Plan in which you were an active member on December 31, 1998. Your benefit amount under the other Prior Plan, determined as of December 31, 1998, will be added to the amount determined under the Grandfathered formula.

Minimum Benefit

Effective July 1, 2000, your monthly Normal Retirement benefit cannot be less than $50 multiplied by your Credited Service up to five years. This provision does not apply if you were a member of the Folksamerica Plan.

Example of Normal Retirement Benefit

Here is how a Normal Retirement benefit would be calculated based on the following information:

- Retirement on January 1, 2019, at age 65
- 24 years of Credited Service (including 4 years after December 31, 1998)
- Final Average Pay as of December 31, 1998 of $67,000
- Final Average Pay at December 31, 2002 of $75,000
- Accrued Benefit as of December 31, 1998 of $17,200 (before adjustment for compensation increases)

- 2002 Social Security Covered Compensation of $71,760
- Grandfathered Benefit determined as of December 31, 2002 of $22,554 (eligible since the sum of the employee's age and service as of 12/31/1998 (44 + 20 = 64) equals 60 or more)

Your benefit is determined as follows:

Prior Service Benefit (Adjusted CU Benefit or Adjusted GA Benefit)	**$17,200 X ($75,000 ÷ $67,000) = $19,254**
	Plus
Benefit for service on or after January 1, 1999	**1.30% X $75,000 X 4 = $3,900**
	Plus
	0.45% X ($75,000 - $71,760) X 4 = $58
	The greater of the above sum ($23,212) or the Grandfathered Benefit ($22,554) =
Normal Retirement Benefit payable at Age 65 = $23,212	

Your Normal Retirement benefit payable at age 65 is $23,212 a year or $1,934 a month based on the standard annuity payment form. This amount will change if your benefit is paid under a different method. (See "Choosing a Form of Payment," on Page 24.)

Early Retirement Benefits

You are eligible for an Early Retirement benefit if you terminate at or after age 55 and have 10 Years (5 Years if you were a member of the Folksamerica Plan) of Retirement Service (see Page 6) when you terminate. Your Early Retirement benefit is calculated the same way as a Normal Retirement benefit, using Final Average Pay through December 31, 2002, your Years of Credited Service through December 31, 2002, and Social Security Covered Compensation as of December 31, 2002 (or your actual termination date, if earlier).

If you elect to receive your Early Retirement benefit before age 65, your benefit may be reduced because it will be paid over a longer period of time.

If you were a member of the Folksamerica Plan see Appendix E for a description of how your early retirement benefits are determined.

Unreduced Benefits

If you are eligible for Early Retirement, unreduced benefits are payable beginning at age 60. (If you were a member of the GA Plan, your Adjusted GA Benefit or your GA Grandfathered Benefit is reduced as described below.)

Reduced Benefits

If you are eligible for Early Retirement, you may begin receiving benefits immediately upon termination of employment, or you may defer payments until a later date, but not later than your Normal Retirement Date. If you begin receiving your benefit before age 60, your benefit is reduced by 5% for each year that your benefit begins before age 60. (If you were a member of the GA Plan, different rules apply to your Adjusted GA Benefit or your GA Grandfathered Benefit, as described below.)

If Benefits Start at Age	Your Benefit is Reduced by:
59	5%
58	10%
57	15%
56	20%
55	25%

The reduction factors will be prorated for partial years. To avoid the application of the reduction factor for early benefit commencement, you may delay the start of your benefit payments until age 60. This will allow you to receive your full unreduced payment (other than with respect to your Adjusted GA Benefit or GA Grandfathered Benefit, if any).

If You Were a Member of the CU Pension Plan

If you were a member of the CU Pension Plan, the portion of your benefit which is based on your service after 1998, and your Adjusted CU Benefit, are payable in accordance with the reduction provisions as described above. If you are entitled to a CU Grandfathered Benefit, special reduction rules apply. See Appendix A for more information.

If You Were a Member of the GA Retirement Plan

If you were a member of the GA Retirement Plan, the portion of your benefit which is based on your service after December 31, 1998 is reduced as described above. The portion of your benefit which is based on your service before January 1, 1999 (*i.e.*, your Adjusted GA Benefit or GA Grandfathered Benefit) is reduced according to the early retirement provisions of the GA Retirement Plan, as follows:

- If you have *less than 20* Years of Credited Service, the portion of your benefit based on service before 1999 is reduced if payments begin before your Normal Retirement Date.

- If you have *20 or more* Years of Credited Service, the portion of your benefit based on service before 1999 is reduced if payments begin before age 62.

The reduction factors are the same as those which applied under the GA Retirement Plan. A full description of how early retirement benefits were reduced under the GA Retirement Plan is contained in Appendix B.

Example of Early Retirement Benefit

Here is how an early retirement benefit is calculated based on the following information:

- Early Retirement on January 1, 2009 at age 55
- Accrued Benefit payable at age 65 of $23,212 a year

Your early retirement benefit, payable at age 65, is calculated as shown on Page 16 to be $23,212 a year or $1,934 a month based on the standard annuity payment form. This amount will change if your benefit is paid under a different method. If you chose to start receiving your benefit at age 55 (10 years early), your benefit would be reduced by 25% (see early payment reduction table above), as follows:

OneBeacon Pension Plan Benefit
Times 25% Reduction
$23,212 X 25% = $5,803
Benefit Minus Reduction
$23,212 - $5,803
Early Retirement Benefit payable at Age 55 = $17,409

Your early retirement benefit, payable at age 55, is $17,409 a year or $1,451 a month based on the standard annuity payment form. This amount will change if your benefit is paid under a different method.

If you were a member of the CU Pension Plan, you could choose to receive an unreduced benefit of $23,212 a year beginning at age 60 since you had completed at least 20 Years of Retirement Service. If you were a member of the GA Pension Plan, you would be eligible for unreduced benefits at age 62. See Appendix A or B, whichever applies, for information on the Early Retirement provisions that apply to Prior Plan members.

Deferred Retirement

If you continue to work past your Normal Retirement Date, your OneBeacon Pension Plan benefit is determined using the basic benefit formula, based on your Final Average Pay through December 31, 2002, your years of Credited Service through December 31, 2002, and Social Security Covered Compensation as of December 31, 2002. Your benefit payments will begin as of the first day of the month on or after the date you actually retire.

If you retire after age 70 ½, your benefit may be actuarially increased to the extent required by law to reflect the fact that payments will be made over a shorter period of time.

If you were a member of the Folksamerica Plan see Appendix E regarding deferred retirement.

If You Become Disabled or Leave the Company Before Retirement

If You Become Disabled

If you became disabled prior to January 1, 2003, you continued to earn service under the Plan through December 31, 2002 as long as you were eligible to receive benefits from the Company's Long Term Disability Plan *and* Social Security disability benefits (unless you are ineligible for Social Security benefits because of your age).

Your monthly pension benefit equals the benefit you would have received if you had continued working to your Normal Retirement Date or the date you recover from your disability (or the date benefits actually begin, if earlier). Remember, Credited Service is not earned after December 31, 2002. The same rate of compensation you were earning at the time of disability is assumed to continue during your period of disability, until December 31, 2002. Benefits become payable at your Normal Retirement Date unless you choose to receive earlier payment under the general Plan rules regarding Early Retirement or payment of vested benefits before retirement.

If you become disabled after December 31, 2002, you will continue to earn Retirement Service as long as you are eligible to receive benefits from the Company's Long Term Disability Plan *and* Social Security disability benefits (unless you are ineligible for Social Security benefits because of your age).

If you were a member of the Folksamerica Plan, see Appendix E for a description of how your disability benefits are determined.

If You Leave the Company Before Retirement

You will be entitled to a benefit from the Plan if you stop working for any reason after you become vested. "Vested" means you are entitled to the benefit you have earned as of the date you leave. All Members of the Plan who were actively employed by the Company on June 30, 2014 are fully vested in their Plan benefits.

Your benefit is determined using the basic formula based on:

- your years of Credited Service through December 31, 2002;
- your Final Average Pay as of December 31, 2002; and
- your Social Security Covered Compensation, if applicable, as of December 31, 2002.

Your benefit will begin at your Normal Retirement Date. However, if you terminate employment with at least 10 Years (5 Years if you were a member of the Folksamerica Plan) of Retirement Service, you may begin pension benefits as of the first day of any month after you reach age 55. If you begin benefits before your Normal Retirement Date, the portion of your benefit which is based on service after December 31, 1998 will be reduced actuarially.

If you were a member of a Prior Plan, see Appendix A or B, as applicable, for the early commencement reductions that apply to the portion of your benefit which is based on service before 1999.

If you were a member of the Folksamerica Plan, see Appendix E for early commencement reductions that apply if your benefit begins before your Normal Retirement Date.

Receiving Payment Before Early Retirement Date

You may request payment of the actuarial equivalent of the present value of your age 65 benefit in a lump sum at any time after your termination and before you have reached your Early or Normal Retirement Date. If you are married, your spouse must consent in writing to your election of a lump sum. As an alternative, you may elect a:

- single life annuity (single life annuity with 120 payments guaranteed if you were a member of the Folksamerica Plan) if you are single; or

- 50%, 75% & 100% joint and survivor annuity if you are married.

The single life annuity, single life annuity with 120 payments guaranteed or 50%, 75% & 100% joint and survivor annuity will be actuarially reduced for early commencement.

Please note, although the Plan is frozen, you are not eligible to begin receiving benefits while you are actively employed.

If You Are Rehired After Benefits Begin and Before the Distribution of Assets upon Plan Termination

If you begin receiving your pension benefit and later return to work with the Company, your benefit will be suspended if you complete 83 or more hours of service during any calendar month. If your benefit has been suspended and you subsequently work less than 83 hours of service in a calendar month, your benefit payments will resume.

When your benefit payments resume, your benefit will be adjusted to reflect the amounts you previously received. If you continue to work after your Normal Retirement Date, you are considered to have a suspended benefit.

The Plan Administrator will notify each employee whose benefit is suspended, including employees who have not retired and are still working after their Normal Retirement Dates. This notice, required by law, will provide more details about suspended benefits.

Enhanced Benefits for Certain Employees who were Involuntarily Terminated

Merger-Related Terminations

If you were a member of the CU Pension Plan or the GA Retirement Plan before January 1, 1999 and were involuntarily terminated between August 1, 1998 and June 30, 2001 as a result of the acquisition of General Accident plc by CGU plc, and provided you had reached age 50 and completed at least 10 years of Retirement Service at the time of your termination, your benefit is determined as if you are five years older than your actual age (but not greater than age 65). This age 'enhancement' is applied to increase your early retirement benefit by decreasing the reduction applied for early commencement. In addition, it potentially increases your lump sum amount and is applied in determining whether you are eligible for a Grandfathered Benefit (see Page 15).

In order for your involuntary termination to be considered merger-related, you must have been terminated on or before December 31, 1999, or you must have been notified before July 1, 2000 that your service was being terminated on or before June 30, 2001 as a direct result of the acquisition.

Sale-Related Terminations

If you were a member of this Plan or any plan which was merged into this Plan before January1, 2001 and were terminated within 24 months of the date that CGU was sold to White Mountains for one of the reasons listed below, and provided you had reached age 50 and completed at least 10 years of Retirement Service at the time of your termination, your benefit will be determined as if you are five years older than your actual age (but not greater than age 65). This age 'enhancement' is applied to increase your early retirement benefit by decreasing the reduction applied for early commencement. In addition, it potentially increases your lump sum amount and is applied in determining whether you are eligible for a Grandfathered Benefit (see Page 15).

In order for your termination to be considered sale-related, you must either have (1) been involuntarily terminated, (2) been required to be based at an office which was more than 50 miles further from your residence than the office at which you were based prior to the sale, or (3) had your base salary in effect on the day before the sale reduced.

Additional Benefits

Special Termination Benefit

Certain participants are eligible to receive an addition to their benefit amount which has been individually calculated. These additional benefits ('Special Termination Benefit' or 'STB') are listed in the plan document and will be communicated to you at the time of your termination of employment if they apply.

The Special Termination Benefit amount is expressed as a monthly single life annuity payable as of your Normal Retirement Date.

You may choose to receive your STB benefit immediately in a single lump sum payment separate from the form of payment and payment date for the remainder of your pension benefit. Or you may choose to defer receipt of your STB benefit with your regular plan benefit and receive a combined plan benefit at one time and in one form of payment. Just as with your regular pension benefit, your spouse must provide notarized, written consent if you choose to receive your STB benefit in any form of payment other than a joint and 50%, 66 2/3%, 75% or 100% survivor annuity.

The STB amount shown in the plan document will be reduced if payments commence early. The reduction applied to the Special Termination Benefit for early commencement is the same reduction that applies to your benefit if you terminate and begin receiving your benefit before you are eligible for Early Retirement. The portion of the STB benefit remaining after reduction for early commencement is shown below for sample commencement ages.

Age at Which Payments Commence	Portion of Special Termination Benefit Payable at Early Commencement Date
30	8.8%
40	14.5%
50	28.6%
60	63.1%

In addition to the reduction for early payment, your STB benefit is reduced if you elect to receive it in a form of payment other than a life annuity (including a reduction for a joint and 25% survivor annuity).

Additional Minimum Benefit

Certain participants' benefits are subject to an additional minimum benefit amount which is equal to the sum of (1) the benefit they would have been eligible to receive if the maximum compensation limit did not increase to $200,000, plus (2) an additional amount which has been individually calculated. These additional amounts are listed in the plan document. If your benefit is affected by this additional minimum benefit, you will be informed when your benefit is calculated.

Choosing a Form of Payment

You should apply for your pension benefits at least three months prior to the date on which you wish your benefits to commence to ensure timely commencement of benefits. You will be provided the necessary election forms which describe the different payment options available to you.

When choosing a form of payment, you should consider your family's living costs and any other sources of income besides your benefit. You will be advised of the monthly amount that you would receive under each of the options. You can choose which is the best payment method for you.

When You Make Your Election

You must make a payment election no more than 180 days before your payments start. Pension calculations are valid for 180 days. If an election is not made within 180 days, a new calculation must be done in order to elect your payment option. To commence payments you will be asked to provide personal data such as proof of age and/or marriage. Payment may be delayed until all the necessary information is received.

Your spouse's consent must be witnessed by a notary public. (However, your spouse's consent is not needed if you choose a 100%, 75%, 66 2/3% or 50% joint and survivor annuity with your spouse as your joint annuitant.) Carefully consider your payment options before making an election, as once elected, method of payment is irrevocable after your benefit is scheduled to begin.

Forms of Payment

If you are starting your benefit on or after your Early Retirement Date, you can choose from among the following options:

- normal form of payment;
- optional forms of payment:
  - 25%, 50%, 66 2/3%, 75% or 100% joint and survivor annuity;
  - life annuity with 10 years certain;
  - lump-sum single payment (the availability of this payment option may be subject to certain restrictions; if these restrictions apply you will be notified by the Plan Administrator).

If you do not make an election by the time you are required to receive your benefit (under the terms of the Plan or by law), you will receive the normal form of payment.

See page 21 for information on available forms of payment if you choose to receive payments before your Early or Normal Retirement Date.

If you were a member of the Folksamerica Plan, see Appendix E for the normal form of payment if you are single and additional optional forms of payment.

Normal Form of Payment

The Plan's normal form of payment is described below and depends on whether you are single or married when you begin receiving your benefit. However, you may choose any of the optional payment methods. All of the annuity options are equivalent in value, except as otherwise noted following.

If You Are Single

If you are single when you begin receiving your benefit and have made no other election, you will receive your benefit as a life annuity. This means you receive a monthly income until your death, at which time payments will stop.

If You Are Married

If you are married when you begin receiving your benefit and have made no other election, you will receive your benefit as a 50% joint and survivor annuity. This means you will receive a monthly income during your lifetime. If you die before your spouse, 50% of your benefit will continue to your spouse for the rest of his or her life. If your spouse dies before you but after you begin receiving your benefit, all payments will stop when you die.

Generally, your monthly benefit will be reduced from the amount determined under the Plan's benefit formula because payments are expected to be made over your *and* your spouse's lifetimes. However, the Company subsidizes a portion of your joint and survivor benefit. Your pension benefit will not be reduced to provide 25% of your benefit to your spouse after your death. (This means that if you choose a joint and 25% survivor annuity, as described below, with your spouse as your beneficiary, you will receive the monthly amount determined under the Plan's benefit formula, with no reduction. The joint and 50% survivor annuity will be a reduced amount which is equal in value to the unreduced joint and 25% survivor annuity.) Note that the Company subsidy does not apply to the portion of your benefit which is a Special Termination Benefit.

The Company subsidizes the entire 50% survivor benefit with respect to an Adjusted GA Benefit or GA Grandfathered Benefit. This means that if you have an Adjusted GA Benefit, or GA Grandfathered Benefit, no reduction will be made with respect to these GA benefits if you receive your benefit in the form of a joint and 50% survivor annuity with your spouse as beneficiary.

If you were a member of the Folksamerica Plan see Appendix E for a description of your normal form of payment.

Optional Forms of Payment

Whether you are single or married, you may choose a form of payment other than the normal forms of payment just described. If you are married, your spouse must consent to your choice (unless you choose a joint and 100% survivor annuity with your spouse as beneficiary). The optional methods of payment available are described below.

Joint and Survivor Annuity

Under the joint and survivor annuity, you will receive a monthly income during your lifetime. If you die before your beneficiary, a designated percentage (25%, 50%, 66 2/3%, 75% or 100%) of your benefit will continue to your beneficiary for the rest of his or her life. If your beneficiary dies before you but after you begin receiving your benefit, all payments will stop when you die.

If you are single, you will receive smaller monthly payments than under the normal form of annuity because payments continue after your death to your beneficiary (if your beneficiary survives you). If you are married, the amount of the joint and survivor annuity may be smaller or larger than under the normal form. (As noted above, if you are married, no reduction will be made if you receive a joint and 25% survivor annuity with your spouse as your beneficiary, or, in the case of an Adjusted GA Benefit or GA Grandfathered Benefit, a joint and 50% survivor annuity with your spouse as your beneficiary.) In any event, the amount of the survivor annuity depends primarily on the difference in age between you and your beneficiary and the percentage that you choose to have paid to your beneficiary after your death. If you are married and wish to name a beneficiary other than your spouse, your spouse must give written consent to this election as well.

Life Annuity with 10 Years Certain

This form of annuity provides a lifetime monthly income to you with 120 payments guaranteed. In the event of your death before all of the guaranteed payments are made, monthly payments will continue to your beneficiary until a total of 120 guaranteed payments have been made to you and your beneficiary. (If your beneficiary dies after you but before all 120 payments have been made, the present value of the remaining payments will be paid in a single sum to his or her estate.)

You may name anyone as your beneficiary, and you may change your beneficiary at any time while the 120 guaranteed payments are being made. If you are married, your spouse must give written consent to your election of this benefit form and your choice of any nonspouse beneficiary.

Lump-Sum Single Payment

Under the lump-sum single payment form, you receive the entire present value of your OneBeacon Pension Plan benefits in a single cash payment. Generally, your age-65 benefit, without any spousal subsidy, is converted to a single-sum amount. The conversion is based on IRS-prescribed interest and mortality assumptions. No additional benefits will be paid from the Plan after you receive a lump sum.

A mandatory 20% federal income tax will generally be withheld from the single-sum payment unless you roll the distribution over to an Individual Retirement Account or Annuity (IRA) or another qualified retirement plan. You will receive more information about rolling over your benefit and the mandatory withholding rules before you receive your payment.

A surviving spouse who receives a death benefit in a lump-sum single payment form may roll it over to an inherited IRA or to another qualified retirement plan.

Naming a Beneficiary

When a pension calculation is requested, you may generally name anyone you choose as your beneficiary. If you are married and want to name a beneficiary other than your spouse, your spouse must consent to your beneficiary election.

Your spouse’s written consent to your named beneficiary and the form of payment must be witnessed by a notary public. In addition, you may be restricted (by law) in your choice of beneficiary for the 66 2/3%, 75 % and 100% joint and survivor annuity option unless your beneficiary is your spouse.

If you choose a life annuity with 10 years certain and you and your beneficiary do not survive the 10 year period, the present value of the payments for the remainder of the 10 year period will be paid in a single sum to the estate of the last of you or your beneficiary to survive.

Benefits of $5,000 or Less

If the actuarial present value of your benefit (based on your age 65 benefit without any spousal subsidy) is $1,000 or less when you leave the Company, the Plan administrator will pay the value of your benefit in a single-sum cash payment. If the actuarial present value of your benefit (based on your age 65 benefit without any spousal subsidy exceeds $1,000 but not $5,000 when you leave the Company and you do not consent to a distribution, the Plan administrator will automatically roll the value of your benefit over to an IRA). These payments are automatic and do not require your or your spouse's consent. You will not be entitled to any other benefit from the Plan.

Generally, a mandatory 20% federal income tax will be withheld from the payment unless you roll the distribution over to an Individual Retirement Account or another qualified retirement plan. You will receive more information about rolling over your benefit and the mandatory withholding rules before you receive your payment.

Survivor Benefits

Survivor Benefits Before Your Benefit Payments Begin

If you die after you became vested but before you begin receiving your benefit, and you have been married at least 30 days before your death, the Plan pays a lifetime income to your surviving spouse. This survivor benefit is available regardless of whether you are still working for the Company.

When Survivor Benefits Are Paid

Your spouse's survivor payments may begin on your Normal Retirement Date. Your spouse may elect to receive reduced payments beginning on the first day of any month following your death. If your spouse dies before beginning to receive survivor payments, no survivor benefit will be paid from the Plan.

If you were a member of the Folksamerica Plan see Appendix E for a description of when survivor benefits are paid.

Amount of Survivor Benefit

Your surviving spouse will receive a life annuity equal to one-half of the benefit which you could have begun receiving in the form of a 50% joint and survivor benefit (or a 100% joint and survivor annuity, if you had elected that form of benefit with your spouse as beneficiary but died before you began receiving payments) if you had terminated employment on the day before your death (or on your actual date of termination, if earlier) and had begun receiving benefits on the date that the survivor benefit payments begin.

Optional Payment Method

If your surviving spouse is entitled to an annuity benefit as a result of your death, he or she may elect to receive a single-sum cash payment that is equivalent to the value of the annuity. This benefit will be paid as soon as practical after the date annuity payments would have begun.

Benefits of $5,000 or Less

If the actuarial present value of the survivor benefit is $1,000 or less, the Plan administrator will pay the value of the survivor benefit to your spouse in a single-sum cash payment. If the actuarial present value of the survivor benefit exceeds $1,000 but not $5,000, and your spouse does not consent to a distribution, the Plan administrator will automatically roll the value of the survivor benefit over to an IRA. These payments are automatic and do not require your spouse's consent. No other survivor benefit will be paid from the Plan.

Survivor Benefits After Your Benefit Payments Begin

If you die after your benefit starts, survivor benefits will be paid only if you elected a form of payment that provided benefits to someone else after your death (see "Choosing a Form of Payment," on Page 24).

Note: If you apply for benefits, and choose a method of payment, but die before the date as of which your benefit payments are to begin, your retirement election may be canceled. Survivor benefits will be paid ONLY if you had been married for at least 30 days at the time of your death. If you are unmarried, or if you and your spouse are married less than 30 days, no benefits will be paid to your estate or to anyone else.

Social Security Benefits

Any Social Security benefits you receive from the government are in addition to the benefits paid from this Plan. Your FICA taxes, plus matching employer FICA taxes, provide these benefits. In addition to retirement income, Social Security provides benefits:

- if you become disabled;
- when you die; and
- through Medicare (when you are eligible) for hospital, surgical and other medical expenses.

Remember, Social Security benefits are not paid automatically. You must apply for them. Contact your local Social Security office for details.

Loss of Benefits and Service

You may lose part or all of your pension benefits in these situations:

- If you begin receiving benefit payments, and later return to employment with the Company, your benefit payments will stop while you are working if you earn 83 or more hours of service per month.

- If the Plan is terminated without enough assets to provide all pension and death benefits, your benefit may be affected (however, there is government insurance that protects all or part your benefit; see "Plan Insurance").

- A special court order called a Qualified Domestic Relations Order (QDRO) may provide that all or part of your benefit must be paid to someone else—see the section called "Non-Assignment of Benefits."

If your claim for benefits is denied in whole or in part, you have the right to appeal. See the "Statement of ERISA Rights" section of this Summary Plan Description for more detail.

Finally, although the Pension Plan was frozen on December 31, 2002, you will not lose any of the benefits that you earned on or before that day except as otherwise provided above.

Maximum Retirement Benefits

Compensation Limits Under the Plan

The Internal Revenue Code (IRC) limits the amount of compensation that may be used to calculate your benefit under the Plan. This amount is $200,000.

Maximum Payment

Federal law limits the maximum annual income payable under this Plan at normal retirement to the lesser of $160,000 (for 2003) or 100% of the average pay for your highest three years of consecutive service (reduced limits apply for early retirement). This limit may change each year. If you are also a member in another Company defined benefit pension plan, this maximum applies to your aggregate benefit under the plans. If you are affected by this limit, you will be notified when you terminate employment.

General Plan Provisions

Plan Insurance

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people will receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates;
- some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates;
- benefits that are not vested because you have not worked long enough for the company;
- benefits for which you have not met all of the requirements at the time the plan terminates;
- certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and
- non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan administrator or contact:

PBGC Technical Assistance Division
1200 K Street N.W., Suite 930
Washington, D.C. 20005-4026
202-326-4000

TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

Non-assignment of Benefits

Your interest in this Plan may not be assigned, sold, transferred, garnished or pledged as collateral. A creditor may not attach your interest in the Plan as a means of collecting a debt owed by you. However, your benefits may be attached to satisfy a federal tax levy, or may be offset against amounts which you owe the Plan if you commit a criminal act or a breach of fiduciary duty involving the Plan. Also, state courts can rule that benefits be paid to someone other than you or your named beneficiary, according to a Qualified Domestic Relations Order (QDRO). The QDRO must relate to child support, alimony payment or marital property rights.

The Plan Administrator will comply with QDROs received by the Plan. You may receive a copy of the Plan's QDRO procedures from the Plan Administrator without charge. If more than one person is designated as your spouse as a result of a QDRO, the Plan will pay no more than it would have paid if there were only one spouse

Notification of Address

After you leave employment, notify the Plan Administrator of any address change so you can be kept informed of relevant Plan information.

You must notify the Plan Administrator of the address to which your benefit checks should be mailed. If any checks are returned because you moved, your future benefit checks will not be mailed until you provide the Plan Administrator with your current address.

Top-heavy Plan

Federal law provides that if the Plan is shown to favor certain key employees, the Plan may be declared top-heavy and become subject to special rules. The Plan is not currently top-heavy. If the Plan is found to be top-heavy, special rules apply.

If the Plan should become top heavy, you will receive complete information regarding these special rules.

Future of the Plan

The Company reserves the right to freeze, terminate, or amend the Plan or eliminate benefits under the Plan at any time for any reason.

For example, the Plan may be changed because of Federal regulations or ended due to business reasons. You will be notified of any changes that are made and told how the changes affect your benefits, if at all. However, a change or amendment may not decrease the benefit you have already earned up to the date of the change, except as may be required or approved by the IRS.

Should the Plan terminate, you will become 100% vested in the benefit you had earned up to the date the Plan ends, to the extent then funded, and all assets will be restricted exclusively for distribution to participants, retirees, and beneficiaries in accordance with Plan provisions.

The Plan's assets upon termination will be used to pay benefits in the following order:

- benefits being paid or entitled to be paid if the employee had retired three years before the Plan ended;
- benefits vested before the Plan ended which are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) as explained under the section called "Plan Insurance" on Page 32;
- all other benefits that were vested before the Plan ended; and
- all other benefits.

In the event any assets remain after all Plan benefits have been distributed, such excess assets will be returned to the Company, as permitted by law.

Statement of ERISA Rights

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

<u>Receive Information about Your Plan and Benefits</u>

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan including insurance contracts and collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies.

- Receive a notice which includes information about the funding status and financial condition of this defined benefit pension plan. The Plan Administrator is required by law to furnish each participant with a copy of this annual funding notice.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

This Summary Plan Description summarizes the provisions of the OneBeacon Pension Plan. Provisions of the Plan are governed by the terms of the Plan document. In case of any discrepancy between this SPD and the Plan document, the Plan document will govern.

The Company reserves the right to change, modify, freeze or terminate the Plan or benefits, at any time for any reason. The Company also reserves the right to transfer the liability for your benefit to an insurance company by the purchase of an annuity contract on your behalf. If the Company does this, your benefit will be paid by the insurance company and not the Plan.

Eligibility for, or participation in, the Plan is not a guarantee of employment.

For more information about how the OneBeacon Pension Plan is administered, see the "Statement of ERISA Rights" section of this Summary Plan Description.

The Pension Plan is subject to the legal requirements of the Employee Retirement Income Security Act (ERISA) of 1974. As a participant in this Plan, you have certain rights that are protected by ERISA. These rights are explained in more detail in the "Statement of ERISA Rights" section of this Summary Plan Description.

Miscellaneous Information

PLAN NAME:	OneBeacon Pension Plan
PLAN SPONSOR & PLAN ADMINISTRATOR:	OneBeacon Services, LLC
TYPE OF PLAN:	Defined Benefit Pension Plan
TYPE OF ADMINISTRATION:	Trusteed
PLAN NUMBER:	001
EMPLOYER IDENTIFICATION NUMBER:	26-3300555
PLAN YEAR:	January 1 – December 31
PLAN TRUSTEE:	The Bank of New York Mellon
LEGAL PROCESS:	Services of legal process may be made upon the Plan Administrator or the trustee(s)

Appendix A:
Former Members of the Commercial Union Insurance Company Pension Plan

If you were a member of the Commercial Union Insurance Company Pension Plan (the "CU Pension Plan") on or before December 31, 1998, special provisions apply, including:

- Prior Service Benefit—You are entitled to your accrued benefit, calculated under the CU Pension Plan formula as of December 31, 1998 as if you had terminated employment on that date (or on your actual date of termination, if earlier). If you were an active member of the CU Pension Plan on December 31, 1998, this Prior Service Benefit is adjusted for increases in Final Average Pay after that date and prior to January 1, 2003. This amount is called your "Adjusted CU Benefit."

- Grandfathered Provisions—If you were an active member of the CU Pension Plan on December 31, 1998, and your age (in years and completed months) plus your Years of Retirement Service equaled 60 or more as of December 31, 1998, special minimum benefits (called "CU Grandfathered Benefit") apply as described on Page 15.

Important Terms

Social Security Benefit

The Social Security Benefit used in calculating your Adjusted CU Benefit and your CU Grandfathered Benefit is your estimated Primary Social Security Benefit. For purposes of determining your Adjusted CU Benefit, your Social Security Benefit is determined as follows:

If you had not reached age 55 or earned at least 15 Years of Retirement Service as of December 31, 1998 (or the date you terminated employment, if earlier), your Social Security Benefit is the estimated Primary Social Security Benefit payable at age 65, assuming your compensation continues at the same rate until you reach age 65.

- If you had reached age 55 and completed at least 15 Years of Retirement Service as of December 31, 1998 (or the date you terminated employment, if earlier), your Social Security Benefit is the estimated Primary Social Security Benefit payable at age 62 (or the date you terminated, if later), assuming you receive no additional compensation after your termination.

- For purposes of determining your CU Grandfathered Benefit (if any), your Social Security Benefit is determined in the same way as described above, <u>except:</u>

  – changes in the Social Security law after 2002 (or the year in which you terminated, if earlier) will not be reflected, and

  – if you do not reach age 55 and complete at least 15 Years of Retirement Service before you terminate employment, your Primary Social Security Benefit is determined assuming your 2002 compensation continues at the same rate until you reach age 65, or

  – if you reach age 55 and complete at least 15 Years of Retirement Service before you terminate employment, your Primary Social Security Benefit is determined assuming your 2002 compensation continues at the same rate until you reach at least age 55 and complete 15 Years of Retirement Service, and assuming you receive no additional compensation thereafter.

While your Social Security benefit is taken into account in the formula, it has no effect on the actual benefit you will receive from Social Security. Any increase in your Social Security benefit after you retire will not decrease your Adjusted CU Benefit; instead it will simply increase your overall income.

Obtaining Actual Social Security Earnings

You may request your actual earnings history from the Social Security Administration and have those earnings used to recalculate your Social Security Benefit. This may result in either an increase or a decrease in your benefit. The Social Security Administration mails each worker age 25 and older a Social Security Statement. You will receive your mailing about three months before your birthday. Alternatively, you may file a request for a Social Security Statement by completing a Social Security Statement request form (SSA-7004) and submitting it to the address on the form, or you may file an online form from the Social Security Administration Internet website at www.ssa.gov. In either case, your Social Security Statement will be mailed to you.

If you do not provide a record of your actual earnings history, the Plan administrator will estimate your Social Security Benefit based on rules described in the Plan.

Final Average Pay

Before January 1, 1999—Final Average Pay as of any date before January 1, 1999, is the annual average of your pay during the consecutive 5-year period of your employment with CU *prior to January 1, 1999* that produces the highest average. If you had less than 5 years of employment before January 1, 1999, the average will be taken over the entire period.

Pay for this purpose is your regular base pay including contractual bonuses **(**other than bonuses based on underwriting profits**)** and amounts you received under CU's Management Incentive Plan. Pay also includes compensation you deferred under the CU Savings Plan and any other pre-tax contributions you made to any CU plan (health care contributions or spending accounts). Pay *does not include* discretionary bonuses, commissions on insurance written by you, overtime pay, or imputed income from life insurance.

Pay is limited by the maximum amount of annual earnings allowed by law. This maximum may have changed each year as determined by the Internal Revenue Service (IRS).

After December 31, 1998—Final Average Pay as of any date after December 31, 1998, is the average of your pay used for the OneBeacon Pension Plan (see Page 12). However, for purposes of calculating your Grandfathered Benefit, Final Average Pay is no less than your Final Average Pay computed by using bonus when paid for each year in the averaging period. Remember, your Final Average Pay is frozen as of December 31, 2002.

Credited Service

Under your prior CU Pension Plan, Credited Service was called "Creditable Service," and is equal to the number of years and months before January 1, 1999 you worked for the Company beginning with your date of employment or re-employment. In the case of fractional months, 30 days is considered one month.

CU Pension Plan Formula

Your Prior Service Benefit (Adjusted CU Benefit) under the OneBeacon Pension Plan and your CU Grandfathered Benefit are calculated using the prior CU Pension Plan formula. The formula produces a benefit amount payable to you as a life annuity if you are single, or as a joint and 25% survivor annuity with your spouse if you are married.

Your Prior Service Benefit

Your Prior Service Benefit is equal to your "Adjusted CU Benefit." Your Adjusted CU Benefit is the portion of your pension benefit based on your service before January 1, 1999. This accrued benefit will be determined under your CU Pension Plan formula as of December 31, 1998. If you were an active member of the CU Pension Plan on December 31, 1998, your Adjusted CU Benefit will be adjusted for any increases in Final Average Pay between December 31, 1998 and December 31, 2002 (or your termination of employment, if earlier).

If you were at least age 55 and had at least 15 Years of Retirement Service on December 31, 1998, your Adjusted CU Benefit is calculated under the following formula:

Basic Retirement Amount
1 2/3% X Final Average Pay **as of December 31, 1998**
times
Years of Credited Service before *January 1, 1999*
up to 40 years

Minus

Basic Social Security Offset
1 2/3% X Social Security Benefit as of **December 31, 1998**
times
Years of Credited Service *before January 1, 1999*
up to 30 years

Times

(if you were an active member of the CU Pension Plan on December 31, 1998)
Adjustment Factor
Final Average Pay at **December 31, 2002**
divided by
Final Average Pay at December 31, 1998

If you were less than age 55 or had less than 15 years of Retirement Service on December 31, 1998, your Adjusted CU Benefit is calculated under the following formula:

Basic Retirement Amount
1 2/3% X Final Average Pay as of December 31, 1998
times
Projected Years of Credited Service
at Normal Retirement Date (up to 40)
times
Years of Credited Service *before 1/1/99* divided by **Projected** Years of Credited Service at Normal Retirement Date

Minus

Basic Social Security Offset
1 2/3% X Accrued Social Security Benefit
times
Projected Years of Credited Service
at Normal Retirement Date (up to 30)
times
Years of Credited Service *before 1/1/99* divided by **Projected** Years of Credited Service at Normal Retirement Date

Times
(if you were an active member of the CU Pension Plan on December 31, 1998)
Adjustment Factor
Final Average Pay at **December 31, 2002**
divided by
Final Average Pay at December 31, 1998

For example, if your Final Average Pay at December 31, 2002 was $65,000 and your Final Average Pay at December 31, 1998 was $55,000, then your Adjusted CU Benefit would be multiplied by ($65,000 ÷ $55,000), assuming you were an active member of the CU Pension Plan on December 31, 1998.

Prior Plan Offset

If you were a participant in the former Pension Plan of the Commercial Union Insurance Companies which was terminated on March 20, 1985, the amount of the annual annuity purchased for you when that plan was terminated is subtracted from your Prior Service Benefit or Grandfathered benefit. That annuity was purchased from Prudential Insurance Company. For further information about that annuity contact Prudential Insurance Company at 800-621-1089 (contract # 5229).

Social Security Adjustment

If you begin early retirement benefits before age 62, your Adjusted CU Benefit is increased by the amount of your Basic Social Security Offset (based on service up to January 1, 1999 and multiplied by the ratio of Final Average Pay at December 31, 2002 to Final Average Pay at December 31, 1998) until you reach age 62.

Special Provisions

OneBeacon Pension Plan Minimum Benefit

Your benefit from the OneBeacon Pension Plan (your Prior Service Benefit *plus* your benefit for service on or after January 1, 1999) will never be less than the benefit you would have earned as of January 1, 1999 under the CU Pension Plan provisions, calculated as though that plan had continued through January 1, 1999.

CU Grandfathered Benefit

If you were an active member of the CU Pension Plan on December 31, 1998, and your age plus your Years of Retirement Service equaled 60 or more as of December 31, 1998, you are eligible for a special grandfather provision that enables you to receive the greater of these two benefits:

- the benefit you earned under the OneBeacon Pension Plan (including your Adjusted CU Benefit—the benefit you had earned under the CU Pension Plan as of December 31, 1998, adjusted for increases in Final Average Pay between December 31, 1998 and December 31, 2002 (or your retirement date, if earlier); or

- the benefit you would have earned under your prior CU Pension Plan formula, using your total Credited Service before and after January 1, 1999, through December 31, 2002, and the formula based on your age and Years of Retirement Service as of December 31, 2002.

If you begin Early Retirement benefits before age 62, your CU Grandfathered Benefit is increased by the amount of your Basic Social Security Offset until you reach age 62.

Early Retirement

If you receive an Early Retirement benefit under the Plan, your benefit is reduced by reducing your Basic Retirement Amount (but not your Basic Social Security Offset) by 5% for each year that your benefit begins before age 60 (prorated for partial years).

If You Leave the Company Before Retirement

If you leave the Company before you are eligible for Early Retirement your benefit is actuarially reduced to reflect payment before your Normal Retirement Date.

Appendix B:
Former Members of the Employees' Retirement Plan of General Accident Insurance Company of America

If you were a member of the Employees' Retirement Plan of General Accident Insurance Company of America (the "GA Retirement Plan") on or before December 31, 1998, special provisions apply, including:

- **Prior Service Benefit**—You are entitled to your accrued benefit, calculated under the GA Retirement Plan formula as of December 31, 1998, as if you had terminated employment on that date (or on your actual date of termination, if earlier). If you were an active member of the GA Retirement Plan on December 31, 1998, this Prior Service Benefit is adjusted for increases in Final Average Pay after that date and prior to January 1, 2003. This amount is also called your "Adjusted GA Benefit."

- **Grandfathered Provisions**—If you were an active member of the GA Retirement Plan on December 31, 1998, and your age (in years and completed months) plus your Years of Retirement Service equaled 60 or more as of December 31, 1998, special minimum benefits (called "GA Grandfathered Benefit") apply.

- If you were an employee of one of the following companies acquired by General Accident, special provisions apply:
  - Armco Insurance Group (Appendix B-2)
  - Camden Fire Association (Appendix B-3)
  - Alfred Paull & Son, Inc. (Appendix B-4)
  - Royal Indemnity Company (Appendix B-5)
  - Silvey Companies (Appendix B-6)
  - A.L. Williams (Appendix B-7)
  - USLICO Insurance Company including Hawkeye-Security Insurance Company and Western States Insurance Company (Appendix B-8)

Important Terms

Primary Social Security Benefit

For purposes of determining your Adjusted GA Benefit, your Primary Social Security Benefit is determined as follows:

- If you had not reached age 55 or earned at least 10 Years of Credited Service as of December 31, 1998 (or the date you terminated employment, if earlier), your Primary Social Security Benefit is the estimated Primary Social Security Benefit payable at age 65, assuming your compensation continues at the same rate until you reach age 65.

- If you had reached age 55 and completed at least 10 years of Credited Service as of December 31, 1998 (or the date you terminated employment, if earlier), your Primary Social Security Benefit is the estimated Primary Social Security Benefit payable at age 65, assuming you receive no additional compensation after your termination.

- If you had reached age 55 and completed at least 20 Years of Credited Service as of December 31, 1998 (or the date you terminated employment, if earlier), your Primary Social Security Benefit is the estimated Primary Social Security Benefit payable at age 62 (or the date you terminate, if later), assuming you receive no additional compensation after your termination.

If you have reached age 55 and have at least 20 years of Credited Service on your *actual termination date*, your Primary Social Security Benefit may be adjusted.

For purposes of determining your GA Grandfathered Benefit (if any), your Primary Social Security Benefit is determined in the same way as described above, except:

- changes in the Social Security law after 2002 (or the year in which you terminate, if earlier) will not be reflected, and

- if you do not reach age 55 and earn at least 10 Years of Credited Service before you terminate, your Primary Social Security Benefit will be determined assuming your 2002 compensation continues at the same rate until you reach age 65, or

- if you reach age 55 and complete at least 10 Years of Credited Service before you terminate employment, your Primary Social Security Benefit will be determined assuming your 2002 compensation continues at the same rate until you reach at least age 55 with 10 Years of Credited Service, and assuming you receive no additional compensation thereafter.

Depending on your Credited Service, up to 50% of your anticipated Primary Social Security Benefit is subtracted in the Adjusted GA Benefit formula. While your Primary Social Security Benefit is taken into account in the formula, it has no effect on the actual benefit you will receive from Social Security. Any increase in your Social Security benefit after you retire will not decrease your Adjusted GA Benefit; instead it will simply increase your overall income.

Obtaining Your Actual Earnings History

You may request your actual earnings history from the Social Security Administration and have those earnings used to recalculate your Primary Social Security Benefit. This may result in either an increase or a decrease in your benefit. The Social Security Administration mails each worker age 25 and older a Social Security Statement. You will receive your mailing about three months before your birthday. Alternatively, you may file a request for a Social Security Statement by completing a Social Security Statement request form (SSA-7004) and submitting it to the address on the form, or you may file an online form from the Social Security Administration Internet website at www.ssa.gov. In either case, your Social Security Statement will be mailed to you.

If you do not provide a record of your actual earnings history, the Plan administrator will estimate your Social Security Benefit based on rules described in the Plan.

Final Average Pay

Before January 1, 1999—Final Average Pay **as of any date before January 1, 1999, is the annual** average of your monthly pay during the consecutive 60-month period of your last 120 months of employment with GA *prior to January 1, 1999* that produces the highest average. If you had less than 60 months of employment before January 1, 1999, the average is taken over the entire period.

"Monthly pay" for this purpose is your total pay for a calendar year, divided by the number of calendar months in that year for which you received pay. "Pay" for this purpose is your regular base pay including overtime, commissions, and other cash compensation. Pay also includes compensation you deferred under the GA Savings Plan and any other pre-tax contributions you made to any GA plan (health care contributions or spending accounts). Pay *does not include* moving expenses, payment for accrued vacation, imputed income from life insurance or reimbursements for relocation, travel and entertainment expenses, or other deferred compensation (unless such compensation was deferred to a date or dates not later than the last day of the year in which it would otherwise have been received).

Pay is limited by the maximum amount of annual earnings allowed by law. This maximum may have changed each year as determined by the Internal Revenue Service (IRS).

After December 31, 1998—Final Average Pay **as of any date after December 31, 1998,** is the average of your pay used for the OneBeacon Pension Plan (see Page 12).

Credited Service

Under the GA Retirement Plan, you received one month of Credited Service for each month before January 1, 1999 during which you participated in the GA Retirement Plan and completed one hour of service, beginning on the date you became eligible to participate in the plan (age 21 with one year of eligibility service). However, if you did not participate in the GA Retirement Plan until age 25 because the plan (as in effect before 1985) did not permit participation before age 25, your Credited Service is calculated as if the age for participation before 1985 had been age 21.

Special Rule for 1999

If you were an active member of the GA Retirement Plan on December 31, 1998, you earned one Year of Service for 1999 if you completed at least one Hour of Service in each of six calendar months during 1999. An "Hour of Service" is an hour for which you are paid for working for the Company, and also includes certain non-duty hours for which you are paid, such as vacation. "Hour of Service" is a technical term which is more fully defined in the Plan.

GA Retirement Plan Formula

Your Prior Service Benefit ("Adjusted GA Benefit") under the OneBeacon Pension Plan and your GA Grandfathered Benefit are calculated using the formula under the prior GA Retirement Plan. The formula produces a benefit amount payable to you as a life annuity if you are single, or as a joint and 50% survivor annuity with your spouse if you are married.

Your Prior Service Benefit

Your Prior Service Benefit is equal to your Adjusted GA Benefit. Your Adjusted GA Benefit is the portion of your pension benefit you earned before January 1, 1999. This accrued benefit is determined under the GA Retirement Plan formula as of December 31, 1998. If you were an active member of the GA Retirement Plan on December 31, 1998, your Adjusted GA Benefit is adjusted for any increases in your Final Average Pay between December 31, 1998 and December 31, 2002 (or your termination date, if earlier).

Your Adjusted GA Benefit is calculated under the following formula:

Basic Retirement Amount
2% X Final Average Pay **as of December 31, 1998**
times
Years of Credited Service ***before January 1, 1999,*** up to 25 years
plus
.65% X Final Average Pay **as of December 31, 1998**
times
Years of Credited Service ***before January 1, 1999,*** in excess of 25 years

Minus
Primary Social Security Offset
1.4% X Primary Social Security **as of December 31, 1998**
times
Years of Credited Service ***before January 1, 1999,*** up to 25 years
plus
1% X Primary Social Security **as of December 31, 1998**
times
Years of Credited Service ***before January 1, 1999,*** in excess of 25 years (up to 40 years)

Times
(if you were an active member of the GA Retirement Plan on December 31, 1998)
Adjustment Factor
Final Average Pay at December 31, 2002
divided by
Final Average Pay at December 31, 1998

For example, if your Final Average Pay at December 31, 2002 was $65,000 and your Final Average Pay at December 31, 1998 was $55,000, then your Adjusted GA Benefit would be multiplied by ($65,000 ÷ $55,000), assuming you were an active member of the GA Retirement Plan on December 31, 1998.

Special Provisions

OneBeacon Pension Plan Minimum Benefit

Your benefit from the OneBeacon Pension Plan (your Prior Service Benefit *plus* your benefit for service on or after January 1, 1999) will never be less than the benefit you would have earned as of January 31, 1999 under the GA Retirement Plan provisions, calculated as though that Plan had continued through January 31, 1999.

GA Grandfathered Benefit

If you were an active member of the GA Retirement Plan on December 31, 1998, and your age plus your Years of Retirement Service equaled 60 or more as of December 31, 1998, you are eligible for a special grandfather provision that enables you to receive the greater of these two benefits:

- the benefit you earned under the OneBeacon Pension Plan (including your Adjusted GA Benefit—the benefit you had earned under the GA Retirement Plan as of December 31, 1998, adjusted for increases in your Final Average Pay between December 31, 1998 and December 31, 2002 (or your retirement date, if earlier)); or

- the benefit you would have earned under your prior GA Retirement Plan formula, using your total Credited Service before and after January 1, 1999, through December 31, 2002.

Early Retirement

If you receive an Early Retirement benefit under the Plan, your Adjusted GA Benefit and your GA Grandfathered Benefit are reduced in accordance with the reduction factors in effect under the GA Retirement Plan on December 31, 1998, as follows:

If You Have More Than 20 Years of Credited Service

If you have 20 or more Years of Credited Service when you retire, your Adjusted GA Benefit is reduced if you begin payments before age 62, as follows:

If Your Benefits Start at Age	Your Benefit Will Be Reduced By*
61	5%
60	10%
59	14%
58	18%
57	22%
56	26%
55	30%

**The reduction factors will be prorated for partial years.*

Note that no Early Retirement reductions apply after you attain age 62 if you have more than 20 Years of Credited Service when you retire.

If You Have Less Than 20 Years of Credited Service

If you have less than 20 Years of Credited Service, your Adjusted GA Benefit is reduced if payments begin before age 65, as follows:

If Your Benefits Start at Age	Your Benefit Will Be Reduced By*
64	5%
63	10%
62	15%
61	20%
60	25%
59	29%
58	33%
57	37%
56	41%
55	45%

** The reduction factors will be prorated for partial years.*

If You Leave the Company Before Retirement

If you leave the Company before you are eligible for Early Retirement your Adjusted GA Benefit and your GA Grandfathered Benefit will be actuarially reduced to reflect payment before your Normal Retirement Date. If you leave the Company after you have at least 10 Years of Retirement Service, you may begin to receive benefits at age 55 based on the reduction factors as shown in the above table in the case of Early Retirement with less than 20 Years of Credited Service.

Certain GA Retirees

If you are a Retiree who retired on or after either your Early Retirement Date or your Normal Retirement Date from the GA Retirement Plan prior to January 1, 1988, you (or your beneficiary) will receive an annual cost-of-living benefit increase based on the applicable percent below.

This annual benefit increase is effective on and after January 1, 2008:

If You Retired	Annual Increase
Prior to January 1, 1982	3%
January 1, 1982 to December 31, 1984, inclusive	2%
January 1, 1985 to December 31, 1987, inclusive	1%

Appendix B-2: Former Employees of Armco Insurance Group

Eligibility to Participate in the OneBeacon Pension Plan

If you were a participant in the Armco Insurance Group Retirement Plan ("Armco Plan") as of August 15, 1986, and you were an active employee of the Oregon Automobile Insurance Company ("OAIC") on that date, you became a participant in the GA Retirement Plan on August 15, 1986. You automatically became a member in the OneBeacon Pension Plan on January 1, 1999 if you were an active employee on that date.

Full Vesting in Armco Benefit

Your benefit under this Plan will never be less than the benefit you earned under the Armco Plan before August 15, 1986 (your "Armco Benefit"). You are always 100% vested in your Armco Benefit, even if you have not completed five Years of Vesting Service.

Vesting Service, Retirement Service, and Credited Service

All of your service credited under the Armco Plan is used in determining your benefit under the GA Retirement Plan and the benefits described in this Appendix.

Similarly, all vesting service earned under the Armco Plan counts as vesting service under the GA Retirement Plan.

All service with OAIC before August 15, 1986 counts toward your Years of Retirement Service.

Grandfathered Benefit

If you have an Armco Benefit and you are entitled to a GA Grandfathered Benefit (see Page 15), your GA Grandfathered Benefit at or after your Normal Retirement Date will not be less than the benefit under the formula shown below (your "Armco Grandfathered Benefit"):

Armco Grandfathered Benefit Formula

50% X Average Annual Compensation
minus
50% X Primary Social Security Benefit
Times
Years of Credited Service at Normal Retirement Date divided by 25 (maximum = 1)
Plus
.5% X Average Annual Compensation
times
Years of Credited Service over 25

Your Armco Grandfathered Benefit is determined in the form of a life annuity.

If you are married, the benefit from the OneBeacon Pension Plan is converted from that Plan's standard method of payment to an actuarially equivalent life annuity when comparing the Armco Grandfathered Benefit to the benefit payable under the OneBeacon Pension Plan.

Primary Social Security Benefit
Your Primary Social Security Benefit for purposes of the above formula is the estimated Primary Social Security Benefit payable at age 65, assuming your compensation continues at the same rate until you reach age 65.

Average Annual Compensation
Average Annual Compensation, solely for purposes of the Armco Plan benefit described in this section, is one-fifth of your compensation in the 60 highest paid consecutive months preceding your retirement or other separation from service. Compensation from OAIC is counted for this purpose.

Early Retirement Benefit
If you terminate employment after you have five Years of Retirement Service and have attained age 55, you may elect to receive your Armco Benefit or your Armco Grandfathered Benefit (if applicable) as an Early Retirement Benefit.

Your Armco Benefit or Armco Grandfathered Benefit at Early Retirement is determined as follows:

- If you begin receiving benefits *after* attaining age 62, your Armco Benefit or Armco Grandfathered Benefit is payable without any actuarial reduction.

- If you begin receiving benefits *before* age 62, your Armco Benefit or Armco Grandfathered Benefit is reduced by 6% for each of the first five years and 3% for each of the next five years by which benefits begin before age 65.

If you have completed ten Years of Retirement Service, your Armco Benefit at Early Retirement is compared to your OneBeacon Pension Plan benefit and you receive the greater of the two. If you have not completed ten Years of Retirement Service, only your Armco Benefit is payable as an Early Retirement benefit; the remainder of your OneBeacon Pension Plan benefit (if any) is payable under the general provisions of the OneBeacon Pension Plan (see "If You Leave the Company Before Retirement" on Page 20).

Optional Method of Payment
If you are married when your benefits begin, you may elect to have your Armco Benefit payable as a life annuity, with your spouse's notarized consent.

Appendix B-3: Former Employees of Camden Fire Insurance Association

Credited Service

If you were covered under the Equitable Life Assurance Society of the United States Group Annuity Contract No. 242 ("Camden Plan") as of October 31, 1973, and you were actively employed by Camden Fire Insurance Association on November 1, 1973, you became a participant in the GA Retirement Plan on November 1, 1973.

Vesting Service and Credited Service

All of your service credited under the Camden Plan will be used in determining your benefit under the GA Retirement Plan and the benefits described in this Appendix.

Similarly, all vesting service earned under the Camden Plan counts as vesting service under the GA Retirement Plan.

All service from your last date of hire with the Camden Fire Insurance Association ("Camden") counts toward your Years of Retirement Service.

Grandfathered Benefit

If you were employed by Camden on November 1, 1973, and you retire on or after your Normal Retirement Date and you are entitled to a GA Grandfathered Benefit, your GA Grandfathered Benefit will not be less than the benefit calculated under the Camden Plan, assuming the terms of that contract had remained in effect until your separation from service, taking into account any increases in your earnings which occur before the date as of which your GA Grandfathered Benefit is determined.

Benefits Payable Under the Equitable Contract

All money that was contributed to the Camden Plan is held by the Equitable Life Assurance Society of the United States, Pension Operation Administrative Services Group, 200 Plaza Drive, Secaucus, NJ 07094, under Group Annuity Contract No. AC-242. That contract was placed on a paid-up annuity basis. No additional contributions are being made to that contract.

Benefits payable under the contract will be paid directly to. Your total Plan benefit will be offset by the Equitable annuity amount, and you will receive your retirement benefit in two checks.

Appendix B-4: Former Employees of Alfred Paull & Son, Inc.

Credited Service

If you were a participant in the Alfred Paull & Son, Inc. Pension Plan ("A. Paull Plan"), and you became a participant in the GA Retirement Plan on January 1, 1981, your Credited Service began to accrue under the GA Retirement Plan on January 1, 1981.

Retirement Benefit

Your Prior Service Benefit will be the sum of your benefit calculated under the GA Retirement Plan formula (counting only years of Credited Service after 1980) plus the benefit you had accrued as of December 31, 1980 under the A. Paull Plan (your "A. Paull Benefit").

If you are entitled to a GA Grandfathered Benefit, your GA Grandfathered Benefit (determined based on Credited Service after 1980) is increased by your A. Paull Benefit.

Early Retirement

If you were a member of the A. Paull Plan on December 31, 1980, and you have at least 20 Years of Vesting Service, the Early Retirement reduction factors will be applied as if you had 20 Years of Retirement Service (even if you do not actually have 20 Years of Retirement Service).

Subsidized Benefit for Single Members

If you are not married when your benefit payments commence, the Company will subsidize the life annuity with 10 years certain with respect to the portion of your benefit which is attributable to your A. Paull Benefit. This means that no reduction will be made with respect to your A. Paull Benefit if you receive your benefit in the form of a life annuity with 10 years certain. Other annuity options will be equal in value to the subsidized annuity. (The subsidy does not affect the amount of the lump-sum option.)

(If you are married when your benefit payments commence, the Company subsidizes the joint and 50% survivor benefit with respect to your entire Adjusted GA Benefit or GA Grandfathered Benefit, as described in Appendix B.)

Appendix B-5: Former Employees of Royal Indemnity Company

Eligibility to Participate in the OneBeacon Pension Plan

If you were a participant in the Pension Plan of Royal Indemnity Company ("Royal Plan"), and you became an employee of General Accident, you became a participant in the GA Retirement Plan on November 1, 1990 and a member of the OneBeacon Pension Plan on January 1, 1999, if you were an active employee on that date.

Vesting Service and Credited Service

If you were a participant in the Royal Plan and you became a participant in the GA Retirement Plan on November 1, 1990, all of your service credited under the Royal Plan is used in determining your benefit under the GA Retirement Plan.

All vesting service earned under the Royal Plan counts as vesting service under the GA Retirement Plan.

All service with Royal Indemnity Company before November 1, 1990 counts toward your Years of Retirement Service.

Full Vesting in Royal Benefit

Your Prior Service Benefit will not be less than the benefit you had accrued under the Royal Plan as of October 31, 1990 (your "Royal Benefit"). You are always 100% vested in your Royal Benefit.

Appendix B-6: Former Employees of Silvey Companies

Service for Purposes of Determining Your Future Service Benefit

If you are a former member of the Silvey Companies Retirement Plan (the "Silvey Plan"), you will not receive Credited Service under the GA Retirement Plan or the OneBeacon Pension Plan before October 1, 1997. (If you were a member of the GA Retirement Plan and were transferred to the Silvey Companies before October 1, 1997, you did not become a member of the Silvey Plan, but continued to earn Credited Service under the GA Retirement Plan.)

All of your service with Silvey (before and after October 1, 1997) will be counted for determining your Years of Retirement Service.

Compensation

Your pay from Silvey (before and after October 1, 1997) is counted in determining the amount of your Future Service Benefit.

Appendix B-7: Former Employees of A.L. Williams

Credited Service

If you are a former employee of A.L. Williams, you may be given credit for some or all of your service with A.L. Williams prior to becoming a participant in the GA Retirement Plan. If you receive credit, your A.L. Williams service is used to calculate your benefit under both the GA Retirement Plan and the OneBeacon Pension Plan.

- If your Credited Service with OneBeacon Insurance Group and GA at Normal Retirement is equal to or exceeds 25 years, you will not receive credit for your A.L. Williams service.

- If your Credited Service with OneBeacon Insurance Group and GA at Normal Retirement is less than 25 years, you will be given credit for your A.L. Williams service up to the lesser of the following:

  – 25 years minus Credited Service with OneBeacon Insurance Group and GA at Normal Retirement; or

  – your total Credited Service with A.L. Williams.

Your Credited Service with A.L. Williams is calculated as if your date of hire with A.L. Williams had been your date of hire with GA.

Appendix B-8: Former Employees of USLICO

Eligibility

The provisions described in this Appendix apply to you if:

- you were an employee of Hawkeye-Security (including Hawkeye-Security Insurance Company, Western States Insurance Company and United Security Insurance Company);

- you were a participant in the Retirement Plan for Employees of USLICO Corporation and its Subsidiaries ("USLICO Plan") on July 30, 1991; and

- your accrued benefit under the USLICO Plan ("USLICO Benefit") was transferred to the GA Retirement Plan on July 31, 1991.

If eligible, you became a member of the GA Retirement Plan on July 31, 1991 and a member of the OneBeacon Pension Plan on January 1, 1999, if you were an active employee on those dates.

Credited Service and Retirement Service

If you were a participant in the USLICO Plan and you became a participant in the GA Retirement Plan on July 31, 1991, all of your service credited under the USLICO Plan is used in determining your benefit under the GA Retirement Plan.

All service with Hawkeye-Security before July 31, 1991 counts toward your Years of Retirement Service.

Grandfathered Benefit

If you have a USLICO Benefit, your benefit at or after your Normal Retirement Date will not be less than the benefit calculated under the USLICO Plan formulas, as described below. (Note that only the GA Retirement Plan formula is used in calculating your Adjusted GA Benefit shown in Appendix B.)

USLICO Plan Formulas

Your USLICO Benefit is calculated, and then compared to your OneBeacon Pension Plan benefit, based on all service credited under the USLICO Plan, GA Retirement Plan, and OneBeacon Pension Plan through the date as of which your USLICO Benefit is frozen.

Important: Your USLICO Benefit is, or will be, frozen on the date specified under "Date on Which Benefit Accrual and Credited Service Cease," on Page 58. In addition, the formulas shown below do not take into account the effect of the Hawkeye Regular and Thrift Accounts or of the Western States employee contributions on your benefit (see Pages 60 and 61).

If you were hired before January 1, 1991, your USLICO Benefit is calculated under three separate formulas:

- USLICO "Old formula"

- USLICO "New formula"

- Minimum formula

You receive the greatest benefit of the three.

If you were hired after December 31, 1990, your USLICO Benefit is calculated only under the "new formula."

As added protection, some benefits may be increased annually to compensate for increases in cost of living (see "Cost of Living Protection, Page **Error! Bookmark not defined.**).

Important Terms

Average Annual Compensation

Average Annual Compensation, solely for purposes of the USLICO Plan benefit described in this section, is one-third of your monthly pay in the 36 highest paid consecutive months in the last 120 months preceding your retirement or other separation from service. "Monthly pay" for this purpose has the same meaning as under the GA Retirement Plan (see Page 45).

Covered Compensation

Covered compensation is explained on Page 10. Your covered compensation amount is frozen in the year your benefit accrual ceases (see "Date on Which Benefit Accrual and Credited Service Cease," Page 58).

Primary Social Security Benefit

If you terminate employment after age 55, your Primary Social Security Benefit used in the USLICO Plan "Old Formula" is the estimated Social Security benefit payable at age 65 (or the date you terminate, if later), assuming you receive no additional compensation after your termination (regardless of your number of Years of Retirement Service).

USLICO Formulas

USLICO "Old Formula"	USLICO "New Formula"
2 2/3% X Average Annual Compensation *times* Years of Credited Service (maximum 15 years)	1.5% X Average Annual Compensation up to Covered Compensation *times* Years of Credited Service (maximum 30 years)
Plus 1% X Average Annual Compensation *times* Years of Credited Service in excess of 15 (maximum additional 20 years)	***Plus*** 2% X Average Annual Compensation in excess of Covered Compensation *times* Years of Credited Service (maximum 30 years)
Minus 1 3/7% X Primary Social Security Benefit *times* Years of Credited Service (maximum 35 years)	
Minimum Formula 2 % X Average Annual Compensation *times* Years of Credited Service (maximum 10 years)	

Date on Which Benefit Accrual and Credited Service Cease

	"Old Formula"	"New Formula"	Minimum
If You Were Born Before 1942	December 31, 1995	Retirement or other separation from service date, or December 31, 2002 if earlier	December 31, 1995
If You Were Born After 1941	July 30, 1991	July 30, 1991	July 30, 1991

Early Retirement

If you terminate employment and you are at least age 55, you may elect to receive your USLICO Benefit as an Early Retirement Benefit.

Your USLICO benefit at Early Retirement is determined as follows:

- If you begin receiving benefits *after* attaining age 62, your USLICO benefit will be payable without any actuarial reduction.

- If you begin receiving benefits *before* age 62, your USLICO Benefit will be reduced in accordance with the USLICO early retirement reduction factors as follows (interpolated to the nearest month):

Early Retirement Reduction Factors		
USLICO Old Formula	**USLICO New Formula**	**USLICO Minimum**
3% for each year you begin receiving benefits before **your normal retirement date under the USLICO Plan**	7.5% for each of the first two years and 7% for each additional year you begin receiving benefits before **age 62**	3% for each year you begin receiving benefits before **your normal retirement date under the USLICO Plan**

If you have completed ten Years of Retirement Service, your USLICO Benefit at Early Retirement is compared to your OneBeacon Pension Plan benefit and you receive the greater of the two. If you have not completed ten Years of Retirement Service, only your USLICO Benefit is payable as an Early Retirement benefit; the remainder of your OneBeacon Pension Plan benefit (if any) is payable under the general provisions of the OneBeacon Pension Plan (see "If You Leave the Company Before Retirement" on Page 20).

If your USLICO benefit is calculated under the "old formula," the old formula amount will be increased by a Social Security supplement until you reach age 62.

Additional Benefit Attributable to Your Hawkeye Regular Account
Your Hawkeye Regular Account balance (or Hawkeye "profit sharing account balance") as of January 1, 1979 was transferred to the GA Retirement Plan on July 31, 1991 if:

- you were a member of the Hawkeye-Security Insurance Company Profit-Sharing and Retirement Plan as of January 1, 1979**;** and
- you became a member of the GA Retirement Plan on July 31, 1991 as a result of the transfer of your accrued benefit from the USLICO Plan to the GA Retirement Plan.

Your annual pension benefit under the USLICO Plan attributable to service through December 31, 1979 can be no less than an amount equal to 10% of your Hawkeye Regular Account as of December 31, 1979 accumulated with 7% interest to age 65. If this amount is greater than the benefit amount calculated under the USLICO Plan formula (using service through December 31, 1979), the excess amount is added to your USLICO Plan benefit.

You may elect to receive your benefit attributable to your Hawkeye Regular Account within 60 days after you terminate employment in a lump sum or an actuarially equivalent life annuity (if you are single) or joint and 50% or 100% survivor annuity with your spouse (if you are married). You must obtain your spouse's notarized consent if you elect a lump sum.

Withdrawals (Payments of Your Account) Affect Your Pension Benefit
Your Hawkeye Regular Account balance equals your balance as of July 30, 1991, with interest accumulating at 7% per annum to the date you separate from service. If you withdraw your Regular Account—either as a lump sum or annuity payments—when you separate from service, your pension benefit will be affected, as follows:

- Your accrued benefit under the OneBeacon Pension Plan formula (or the GA Retirement Plan formula if you are Grandfathered) payable at age 65, expressed as a life annuity, will be reduced by the amount withdrawn (expressed as a life annuity).

- Your accrued benefit calculated under the USLICO Plan formula will be reduced by the lesser of:
  - the amount withdrawn, expressed as an actuarially equivalent life annuity; or
  - 10% of your Regular Account balance accumulated with 7% interest annually to age 65, expressed as a life annuity.

Additional Benefit Attributable to Your Hawkeye Thrift Account

Your Hawkeye Thrift Account balance as of July 31, 1991 under the USLICO Plan was also transferred to the GA Retirement Plan. When your benefit payments begin, your remaining Hawkeye Thrift Account, including interest, that has not been withdrawn (as described below) will be used to purchase additional retirement benefits on the basis of actuarial assumptions set forth in the Plan. This benefit is in addition to any other benefit under the Plan.

You may elect to receive all or part of your benefit attributable to your Hawkeye Thrift Account at any time before you terminate employment (but before you begin to receive benefit payments under the Plan) in a lump sum or an actuarially equivalent life annuity (if you are single) or joint and 50% or 100% survivor annuity with your spouse (if you are married). You must obtain your spouse’s notarized consent if you elect a lump.

Death Benefits Associated With Hawkeye Regular and Thrift Accounts

If you have a Hawkeye Regular or Thrift Account, as described above, your spouse or other beneficiary may receive a death benefit. The amount of the death benefit is equal to the following:

Your Thrift Account balance, less any distributions made from that account or any additional retirement benefit payments to you or a beneficiary purchased with the amount in your Thrift Account; *plus*

Your Regular Account, less any previous distributions made from that account to you, or retirement benefit payments (other than payments of additiona1 retirement benefits purchased with the amount in your Thrift Account) made to you or a beneficiary.

If you are married, you must make an election to have the Hawkeye Regular Account or Thrift Account paid in a lump sum upon your death, and you must designate a beneficiary. Your election may be made at any time after the first day of the year in which you reach age 35 (or after you terminate employment, if earlier). Your spouse must consent in writing to your election of the lump sum and to any nonspouse beneficiary, and your spouse’s consent must be notarized.

If you are married and do not elect a lump-sum payment, your surviving spouse will receive the death benefit associated with your Hawkeye Regular or Thrift Account:

- as pre-retirement survivor annuity if you die before your benefit payments begin; or
- in accordance with the form of payment you elect upon retirement if your death occurs after your benefit payments begin.

If you are not married, the death benefit will automatically be paid in a lump sum to your designated beneficiary. If you do not designate a beneficiary, payment will be made to your estate.

Additional Benefit Attributable to Your Western States Employee Contributions

Your Western States employee contributions (if any) were transferred to the GA Retirement Plan, and continue to accumulate interest at the rate of 7%, compounded annually, if:

- you participated in the Western States Insurance Company Retirement Income Plan **as of January 1, 1982;** and
- you became a member of the GA Retirement Plan on July 31, 1991 as a result of the transfer of your accrued benefit from the USLICO Plan to the GA Retirement Plan.

You may elect to receive your benefit attributable to your Western States employee contributions at any time after you terminate employment (but before your benefit payments begin under the Plan) in a lump sum or an actuarially equivalent life annuity (if you are single) or joint and 50% or 100% survivor annuity with your spouse (if you are married). You must obtain your spouse's notarized consent if you elect a lump sum.

Death Benefits Associated with Western States Employee Contributions

If you participated in the Western States Insurance Company Retirement Income Plan, as described above, your spouse or other beneficiary may receive a death benefit. The amount of the death benefit will be equal to the amount of your employee contributions, less any previous distributions made from your employee contributions or any retirement benefit payments under the Plan to you or a beneficiary.

If you are married, you must make an election to have your Western States employee contributions (with interest) paid in a lump sum upon your death, and you must designate a beneficiary. Your election may be made at any time after the first day of the year in which you reach age 35 (or after you terminate employment, if earlier). Your spouse must consent in writing to your election of the lump sum and to any nonspouse beneficiary, and your spouse's consent must be notarized.

If you are married and do not elect a lump-sum payment, your surviving spouse will receive the death benefit associated with your Western States employee contributions:

- as pre-retirement survivor annuity if you die before your benefit payments begin; or
- in accordance with the form of payment you elect upon retirement if your death occurs after your benefit payments begin.

If you are not married, the death benefit will automatically be paid in a lump sum to your designated beneficiary. If you do not designate a beneficiary, payment will be made to your estate.

Certain Hawkeye-Security or Western States Retirees

If you are a Retiree who:

1. was an active employee of Hawkeye-Security or Western States and a member of the USLICO Plan as of July 30, 1991 and

2. have retired and you (or your beneficiary) are receiving a retirement benefit from the Plan as of June 1, 2007

you will receive a 3% annual cost-of-living benefit increase beginning in January, 2009, or later, depending on when your retirement benefits began. The Plan Administrator can inform you when your benefit amount will increase and what the amount will be.

Previously your benefit was subject to an annual cost-of-living adjustment equal to the lesser of (i) the applicable Consumer Price Index or (ii) 3%.

If you have not begun to receive your benefits as of June 1, 2007 but were (i) an active employee of Hawkeye-Security or Western States and a member of the USLICO Plan as of July 30, 1991, you will receive a 3% annual cost-of-living benefit increase. The Plan Administrator can inform you when your benefit amount will increase and what the amount will be.

Appendix C: Transfers to Liberty Mutual

Eligibility

The provisions described in this Appendix C apply to you if you are a "Transferred Employee", meaning you were an employee of the Company and a member of the Plan on December 31, 2001, and you became an employee of Liberty Mutual on January 1, 2002 as a result of the sale of a portion of the Company's property and casualty insurance business to Liberty Mutual.

Vesting

You became 100% vested in your benefit on January 1, 2002.

Credited Service and Retirement Service

You stopped earning Credited Service on December 31, 2001, the day you ceased being employed by the Company. However, although the Pension Plan was frozen on December 31, 2002, while you continue to be employed by Liberty Mutual *and choose to defer receipt of your Plan Benefit*, you will continue to earn Years of Retirement Service.

Indexed Benefit

As your employment with the Company terminated on December 31, 2001 and you became 100% vested on January 1, 2002, you are eligible to begin receiving your benefit as of the first of any month on or after January 1, 2002. However, if you choose to defer commencement of your benefit, it will increase 3.5% per year until December 31, 2002 or until you are no longer employed by Liberty Mutual, if sooner.

Alternatively, if you are age 50 or older with at least ten Years of Retirement Service, your benefit is determined as if you are five years older than your actual age (but not greater than age 65). If you qualify for this age enhancement, you are eligible for *either* the 3.5% increase or the five year age increase, but not both. Your benefit will reflect whichever increase is greater.

Appendix D: Former Members in the Silvey Companies Retirement Plan

If you were a participant in the Silvey Companies Retirement Plan (the "Silvey Plan") on December 31, 2001, special provisions apply, including:

- Prior Silvey Benefit—you are entitled to your accrued benefit, calculated under the Silvey Plan formula as of September 30, 1997, or on your actual date of termination if earlier.

- Additional Forms of Payment—in addition to the optional forms of payment offered by the Plan, you may elect to receive either your employee contributions with or without interest in a single lump sum payment, and the remainder of your benefit in one of the Plan's optional forms of payment.

Your Prior Silvey Benefit

Your Prior Silvey Benefit is equal to the benefit you had earned under the Silvey Plan as of September 30, 1997.

Your Employee Contributions

You are no longer required or allowed to make employee contributions to the Plan. However, the balance of your employee contributions plus interest will continue to earn interest until you begin to receive benefits, even after December 31, 2002. The interest rate credited to your employee contributions is 120% of the federal mid-term rate at the beginning of the year. This rate is 4.12% in 2003.

Your pension benefit cannot be less than a benefit equal in value to the value of your employee contributions with interest. And, you are always 100% vested in your employee contributions with interest. If you die before you begin to receive benefits under the plan and no survivor benefits are payable, the value of your employee contributions with interest will be paid to your beneficiary in a single lump sum payment.

Withdrawal of Your Employee Contributions

You may elect (with your spouse's notarized written consent if you are married) to receive either the full value of your employee contributions with interest or your employee contributions without interest in a lump sum at any time after you terminate employment, even if you choose to defer the commencement of the remainder of your benefit. If you make such a withdrawal, when you are ready to begin receiving the remainder of your benefit, the amount payable to you will be equal to your regular formula benefit reduced by the actuarial equivalent value of the withdrawal you received.

Under IRS rules, even if you choose a withdrawal of your employee contributions without interest, a portion of your withdrawal will be taxable.

Early Retirement

The reduction applied to your Prior Silvey Benefit, if you choose to begin receiving benefits before your Normal Retirement Date, is not the same reduction which is applied to the benefit you earned based on your service after September 30, 1997 and before December 31, 2002.

Unreduced Benefits

If you terminate at or after age 62 and after completing 25 Years of Retirement Service, your Prior Service Benefit will not be reduced for early commencement.

Reduced Benefits

If you had not attained age 62 and completed at least 25 Years of Retirement Service, your Prior Service Benefit will be reduced by one-half (½) percent for each of the first sixty (60) months and by one-fourth (¼) percent for each additional month your benefit begins before your normal retirement date.

Forms of Payment

If you have not already received a withdrawal of your employee contributions with or without interest, when you are ready to commence benefits you may elect to split your benefit and receive either the balance of your employee contributions with or without interest in a single lump sum payment and the remainder of your benefit in an annuity form of payment. If you are married at the time benefits commence, your spouse's notarized, written consent is required regardless of the form of annuity you choose.

Appendix E: Former Members of the Folksamerica Holding Company, Inc. Employees' Retirement Plan

If you were a participant in the Folksamerica Holding Company, Inc. Employees' Retirement Plan (the "Folksamerica Plan") on December 31, 2002 the provisions described in this Appendix apply to you.

Important Terms

Benefit Service

This is your service used to calculate your retirement benefit under the Plan. You will receive a full year of Benefit Service for each Plan Year beginning before January 1, 2003 in which you have completed 1,000 or more Hours of Service. You usually will not earn any Benefit Service if you have less than 1,000 Hours of Service in a Plan Year. However, if your employment with the Company terminates during a Plan Year beginning before January 1, 2003, you will receive a partial year of Benefit Service determined by each month (1/12 of a year of Benefit Service) during the Plan Year in which you performed at least one Hour of Service for the Company. In no event will you earn more than one year of Benefit Service in any Plan Year, even if you have more than 1,000 Hours of Service that year. Since the Pension Plan was frozen on December 31, 2002, you cannot earn Benefit Service after this date.

Generally, no Benefit Service is granted for employment with a Related Company or a company which is acquired by the Company that has not adopted the Plan or for years in which you work in a job classification that is excluded from the Plan. Therefore, if you are transferred to a Related Company that has not adopted the Plan or to a job classification that is excluded from the Plan, you no longer will earn Benefit Service, although you will continue to earn Years of Service for vesting purposes. However, you will earn Benefit Service for all periods of employment with (i) Christiania General Insurance Corporation of New York prior to December 14, 1996 and, (ii) if you were actively employed by the Company on or after January 1, 2000 and were formerly a participant in the Group Pension Plan for Employees of MONY Reinsurance Corp., all periods of your employment with MONY Reinsurance Corp. prior to January 1, 1992 will be taken into account in determining your Benefit Service.

Break in Service

A Break in Service is a Plan Year in which you have 500 or less Hours of Service. If you have five consecutive one-year Breaks in Service, you may lose the service credited to you before the Break in Service.

Only for purposes of determining if a Break in Service has occurred, you will receive up to 501 Hours of Service credit for any absence from work for maternity or paternity reasons. If you need these special hours to prevent a Break in Service during the Plan Year in which your absence began, the hours will be credited to you in that initial Plan Year; but in all other cases, the hours will be credited to you in the immediately following Plan Year. An absence from work for maternity or paternity reasons includes pregnancy, birth of your child, adoption, or the need to care for your child for a period of time following a birth or adoption.

Company and Related Company

The term "Company" refers to Folksamerica Holding Company, Inc. The term "Related Company" generally refers to any organization, business or company under common control with Folksamerica Holding Company, Inc. that adopted the Folksamerica Plan.

Employee

Any person employed by the Company or a Related Company.

Final Average Compensation

The average of your Compensation which is used to calculate your benefit under the Plan. To determine this average, your Compensation earned prior to January 1, 2003 is averaged over the sixty-consecutive month period out of the 120 most recent months that you were paid the most. If you have not worked sixty months by January I, 2003, all your months of employment prior to January 1, 2003 will be averaged.

Generally, your Compensation is your total cash compensation from the Company including your salary or wages and overtime pay plus any "salary reduction contributions" made by you to the 401(k) plan and the cafeteria plan, but excluding bonuses and severance pay. No more than $200,000 of annual Compensation will be counted for any purpose under the Plan.

Hour of Service. Each hour for which:

Compensation is received from the Company for work performed on the job;

Compensation is received from the Company for non-work hours, such as vacation and sick time (up to 501 Hours of Service);

Back pay is received from the Company, provided these hours are credited only once; and

No compensation is received from the Company during an absence for military service provided you return to employment with the Company during the period your reemployment rights are protected by law.

Years of Service

This is the number of years of your employment which are used to determine when you will be eligible to participate in the Plan and your vested right to a benefit. For purposes of your eligibility to participate in the Plan, you must be credited with at least 1,000 Hours of Service during the first twelve months of your employment with the Company to earn one Year of Service. If you are not credited with at least 1,000 Hours of Service in the first twelve months of employment, you still can meet the one-year requirement if you are credited with 1,000 or more Hours of Service in any subsequent Plan Year.

Special Provisions

Normal Retirement

Your normal retirement date is the first day of the month following the later of your 65th birthday or the fifth anniversary of your participation in the Folksamerica Plan.

When you retire at your normal retirement date, your monthly pension will be based upon your Benefit Service and Final Average Compensation at December 31, 2002, and shall be equal to

1/12 of the greater of (1), (2), (3) or (4) below:

(1) 50% of your Final Average Compensation, multiplied by a fraction, the numerator of which is your total years of projected Benefit Service at your normal retirement date calculated as if you had earned Benefit Service to your normal retirement date (to a maximum of 15 years) and the denominator of which is 15, further multiplied by a second fraction (not to exceed one), the numerator of which is your actual years of Benefit Service at December 31, 2002 and the denominator of which is your total years of projected Benefit Service at your normal retirement date calculated as if you had earned Benefit Service to your normal retirement date.

(2) your annual benefit under the Group Pension Plan for Employees of MONY Reinsurance Corp. as of December 31, 1991, if any.

(3) 0.8% of your Final Average Compensation, multiplied by your Years of Service at December 31, 2002 (to a maximum of 10 years).

(4) your annual benefit under the Christiania General Insurance Corporation of New York Employees' Retirement Plan as of December 14, 1996, if any.

EXAMPLE: It may be helpful to actually calculate a normal retirement benefit. Assume a hypothetical employee, Bill, who has earned 13 years of Benefit Service at December 31, 2002 and will retire from the Company on January 1, 2011 at age 65.

The first step is to calculate Bill's Final Average Compensation. To do this, we must consider his earnings record over his last ten years (120 months) with the Company prior to December 31, 2002. Assume his Compensation as of the end of each year was as follows:

1993	$34,900	1998	$38,900
1994	$35,600	1999	$39,900
1995	$36,400	2000	$40,900
1996	$37,200	2001	$41,900
1997	$38,000	2002	$43,000

The five consecutive years prior to December 31, 2002 during which Bill's Compensation was highest are 1998 through 2002 inclusive. During this period, Bill's total Compensation was $204,600 resulting in Final Average Compensation of $40,920 ($204,600 divided by 5).

Assume also that Bill's number of Years of Service are 13 as of December 31, 2002 and that Bill does not have a benefit under either the Group Pension Plan for Employees of MONY Reinsurance Corp. or the Christiania General Insurance Corporation of New York Employees' Retirement Plan. Bill's Years of Benefit Service projected to his normal retirement date is 21. This amounts to an annual benefit equal to the greater of (1), (2), (3) or (4), where (1), (2), (3) and (4) are equal to:

(1) 50% x $40,920 x 15/15 x 13/21 = $12,666

(2) -0-

(3) .008 x $40,920 x 10 = $3,274

(4) -0-

Bill's monthly retirement benefit is $1,055 ($12,666 divided by 12 months). Of course, the amount is in addition to Bill's Social Security benefit.

Early Retirement

On your early retirement date you will be entitled to a monthly benefit calculated in the same way as for normal retirement. If your benefit starts before you reach normal retirement age, the amount will be reduced for each month you are under normal retirement age at the time payments start. This reduction is necessary because your life expectancy is greater than at normal retirement age and it is expected that benefit payments to you will extend over a greater length of time than if they started at your normal retirement age. The table below shows the reduction at whole ages:

If Benefits Start At Age	Your Benefit is Reduced by:
64	10.47%
63	19.70%
62	27.86%
61	35.10%
60	41.53%
59	47.26%
58	52.37%
57	56.94%
56	61.03%
55	64.69%

Example: Assume our hypothetical employee Bill will retire from the Company on January 1, 2008 at age 62. We previously determined that Bill's monthly accrued benefit as of December 31, 2002, the plan freeze date, is $1,055. If he retires early at age 62, his monthly benefit is reduced as shown below:

$1,055 X (1 — 29.39%) = $745

Bill's monthly retirement benefit is $745 starting on January 1, 2008. Bill can elect to delay the start of his benefit until January 1, 2011 and receive the full monthly amount of $1,055.

Deferred Retirement

You may continue to be employed after your normal retirement date, assuming you continue to be qualified to perform your job, in which case no pension will be payable to you until you actually retire. At your deferred retirement date, you will be entitled to the greater of (1) a benefit which takes into account your Benefit Service and Compensation earned after your normal retirement date and before December 31, 2002, or (2) a benefit calculated as of your normal retirement age or December 31, 2002 if earlier but increased actuarially from your normal retirement date to your deferred retirement date.

Disability Retirement

If you stop working for the Company because you are disabled you will become fully vested in your accrued benefit. You are considered disabled if you are eligible to receive benefits from the Company's Long Term Disability Plan or Social Security disability benefits. You may start receiving your benefit immediately, even if you are under age 55. Your benefit will be reduced under the Early Retirement Section of this Appendix E if you are under age 65 but not under age 55 when you start receiving your benefit.

Retirement Benefit Payment Options

The normal form of benefit if you are single is a 10 Year Certain Life Annuity. Under this payment form, you will receive a monthly payment for life; however, if you should die before receiving at least 120 monthly payments, the remaining payments will be made to your designated beneficiary.

If you are married or select an optional payment form, the joint and 50% survivor annuity or the optional form, will be the actuarial equivalent of the 10 Year Certain Life Annuity. In addition to the optional forms of payment specified in the basic Summary Plan Description, you may also choose from a life annuity, a 5 Year Certain Life Annuity and a 15 Year Certain Life Annuity.

Survivor Benefits

If you are married, the Plan provides a death benefit for your spouse if you meet all of the following conditions:

(a) You have a vested right in your pension benefit when you die, that is, you have completed at least five Years of Service at the time of your death, and

(b) You die before you retire or before your benefit payments have started.

This death benefit is referred to as the qualified pre-retirement survivor benefit. Your spouse will receive this valuable benefit even after you terminate employment, so long as you have a vested right to a pension and you have not started to receive it at the time of your death.

The amount of the pre-retirement survivor benefit is the 50% survivor benefit of the qualified joint and survivor benefit. The pre-retirement survivor benefit will start no later than the time you first would have been entitled to start receiving your benefit as if you had terminated employment on the day of your death. Thus, your spouse would be entitled to receive the pre-retirement survivor benefit at the time you would have reached age 55 or your date of death, if later. Your spouse may elect an actuarial equivalent lump sum in lieu of the pre-retirement survivor annuity.

Your spouse may also elect to defer payment of the pre-retirement survivor benefit until the first day of any month on or before your Normal Retirement Date. If the lump sum value of the pre-retirement survivor benefit is $1,000 or less, your spouse will receive a lump sum payment. This payment is automatic and does not require your spouse's consent. No other survivor benefit will be paid from the plan.

If you are not married, if your spouse does not survive you, or if you do not have any vested right to a benefit, no pre-retirement survivor benefit will be paid.

Rehire After Employment-Termination

If you are rehired after you have terminated employment, your rights under the Plan depend upon whether you had a Break in Service and, if so, how long it lasted.

If you leave employment and return to work there will be little impact on your Plan rights and interests. You will be able to participate in the Plan immediately upon your reemployment, and you will not lose credit for any Years of Service or Benefit Service earned before you left employment.

If you have your benefit paid in a single lump sum payment and you subsequently return to work your prior Benefit Service will not be reinstated since you received a distribution of your entire benefit attributable to all of that service. However, you will not lose credit for any Years of Service earned before your break.