

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

NOVEMBER 1, 2001
Date of Report (Date of earliest event reported)

WHITE MOUNTAINS INSURANCE GROUP, LTD.
(Exact name of registrant as specified in its charter)

BERMUDA (State or other jurisdiction of incorporation or organization)	1-8993 (Commission file number)	94-2708455 (I.R.S. Employer Identification No.)
--	---------------------------------------	---

80 SOUTH MAIN STREET, HANOVER, NEW HAMPSHIRE 03755
(Address of principal executive offices)

(603) 643-1567
(Registrant's telephone number, including area code)

ITEM 2. DISPOSITION OF ASSETS (OR BUSINESS)

White Mountains' wholly owned subsidiary, OneBeacon Insurance Group (consisting of OneBeacon Corporation and its subsidiaries, "OneBeacon"), previously announced that it has executed a definitive agreement with Liberty Mutual Insurance Group ("Liberty Mutual"). The agreement calls for Liberty Mutual, beginning November 1, 2001 (the "Effective Date"), to assume new and renewal commercial and personal lines business produced by OneBeacon agents in 42 states and the District of Columbia. Additionally, OneBeacon will reinsure 66 2/3% of the net premiums written and the net liability for loss and loss adjustment expense of all policies subject to the agreement during the first twelve months after the Effective Date of the transaction and 33 1/3% of such net premiums written and net liability for loss and loss adjustment expenses during the following twelve months.

The press release issued by OneBeacon dated September 5, 2001 and a summary of significant terms of non-binding agreement in principle between OneBeacon and Liberty Mutual were previously filed as Exhibits 99 (a) and 99 (b), respectively, to the Form 8-K dated September 5, 2001 (filed September 7, 2001). The press release issued by OneBeacon dated October 30, 2001 was previously filed as Exhibit 99 (c) to the Form 8-K amendment dated September 5, 2001 (filed October 31, 2001).

Included as Exhibits 99(d), 99(e), 99(f), 99(g) and 99(h) to this Current Report on Form 8-K are the Master Agreement by and among the Registrant, OneBeacon and Liberty Mutual, a Glossary of Terms to the Master Agreement, the Renewal Rights Agreement by and among OneBeacon and Liberty Mutual, the Peerless Post-Closing Indemnity Reinsurance Agreement by and between OneBeacon and Peerless Insurance Company and the Rewritten Indemnity Reinsurance Agreement by and between Peerless Insurance Company and OneBeacon, respectively, which are incorporated by reference herein in their entirety.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(b) PRO FORMA FINANCIAL INFORMATION.

Pro Forma Financial Information. The pro forma financial information required by part (b) of Item 7 relating to the Renewal Rights Agreement with Liberty Mutual (which became effective November 1, 2001) is not currently available. The

Company will provide the requisite financial information, prepared in accordance with Regulation S-X, in an amendment to this report within 60 days of the date of this report.

(c) Exhibits. The following exhibits are filed herewith:

EXHIBIT NO.	DESCRIPTION
99 (d)	Master Agreement by and among the Registrant, OneBeacon and Liberty Mutual.
99 (e)	A Glossary of Terms to the Master Agreement.
99 (f)	Renewal Rights Agreement by and among OneBeacon and Liberty Mutual.
99 (g)	Peerless Post-Closing Indemnity Reinsurance Agreement by and between OneBeacon and Peerless Insurance Company
99 (h)	Rewritten Indemnity Reinsurance Agreement by and between Peerless Insurance Company and OneBeacon.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

Dated: November 5, 2001

By: /s/ J. BRIAN PALMER

Chief Accounting Officer

MASTER AGREEMENT

by and among

WHITE MOUNTAINS INSURANCE GROUP LTD.,

ONEBEACON CORPORATION,

and

LIBERTY MUTUAL INSURANCE COMPANY

Dated as of October 30, 2001

TABLE OF CONTENTS
PAGE ARTICLE I.

DEFINITIONS.....	3
Section 1.01	
DEFINITIONS.....	3
ARTICLE II. TRANSFER AND ACQUISITION OF	
ASSETS.....	3
ACQUISITION.....	3
Section 2.01 TRANSFER AND	
Section 2.02	
PAYMENTS ON CLOSING.....	4
Section 2.03 PLACE AND DATE OF	
CLOSING.....	4
Section 2.04	
ADDITIONAL TRANSACTIONS TO BE EFFECTED AT THE CLOSING.....	4
Section 2.05 EXCLUDED ASSETS AND EXCLUDED	
LIABILITIES.....	4
ARTICLE III. A.	
REPRESENTATIONS AND WARRANTIES OF ONEBEACON.....	5
Section 3.01 ORGANIZATION, STANDING AND	
AUTHORITY.....	5
Section 3.02	
AUTHORIZATION.....	5
Section 3.03 NO CONFLICT OR VIOLATION,	
ETC.....	5
Section 3.04 ACCURACY OF	
INFORMATION.....	6
Section 3.05	
CONTRACTS.....	6
Section 3.06 TITLE TO	
ASSETS.....	7
Section	
3.07	
SUFFICIENCY.....	7
Section 3.08 LITIGATION;	
ORDERS.....	8
Section 3.09	
COMPLIANCE WITH LAWS.....	8
Section 3.10 EMPLOYEES AND EMPLOYEE BENEFIT	
PLANS.....	9
Section 3.11	
BROKERS.....	9
Section 3.12 ONEBEACON INSURERS; PERMITS AND	
FRANCHISES.....	9
Section 3.13 COMPUTER SOFTWARE	
AND HARDWARE.....	10
Section 3.14	
INTELLECTUAL PROPERTY.....	12
Section 3.15 INSURANCE	
BUSINESS.....	14
Section	
3.16 INDEPENDENT PRODUCERS; OUTSTANDING	
BALANCES.....	15
Section 3.17 OWNED PROPERTY; LEASED	
PROPERTY LEASES.....	16
Section 3.18 LABOR	
RELATIONS AND EMPLOYMENT.....	16
Section	

3.19 ENVIRONMENTAL

MATTERS.....17 Section 3.20
REINSURANCE AND RETROCESSIONS.....17
ARTICLE III.B. REPRESENTATIONS AND WARRANTIES OF
PARENT.....18 Section 3.B.1 ORGANIZATION, STANDING
AND AUTHORITY.....18 Section 3.B.2
AUTHORIZATION.....18
Section 3.B.3 NO CONFLICT OR VIOLATION,
ETC.....18 ARTICLE IV. REPRESENTATIONS
AND WARRANTIES OF LIBERTY.....19 Section 4.01
ORGANIZATION, STANDING AND AUTHORITY.....19
Section 4.02
AUTHORIZATION.....19
Section 4.03 NO CONFLICT OR VIOLATION,
ETC.....19 Section 4.04 LITIGATION;
ORDERS.....20 i Section
4.05 COMPLIANCE WITH
LAWS.....20 Section 4.06
BROKERS.....21
Section 4.07 PERMITS AND
FRANCHISES.....21 Section 4.08
INSURANCE BUSINESS.....21
ARTICLE V.
COVENANTS.....22
Section 5.01 CONDUCT OF
BUSINESS.....22 Section 5.02
NO SOLICITATION.....23
Section 5.03 ACCESS TO INFORMATION;
CONFIDENTIALITY.....24 Section 5.04
COMMERCIALLY REASONABLE BEST EFFORTS.....24
Section 5.05 CONSENTS, APPROVALS AND
FILINGS.....25 Section 5.06
NOTIFICATION.....28
Section 5.07 FURTHER
ASSURANCES.....29 Section
5.08
EXPENSES.....29
Section 5.09 EMPLOYEES AND EMPLOYEE
BENEFITS.....29 Section 5.10
INTELLECTUAL PROPERTY AND COMPUTER SOFTWARE.....34
Section 5.11 INTERNAL REINSURANCE
ARRANGEMENTS.....36 Section 5.12 CHANGE OF
NAME.....36 Section
5.13 INDEPENDENT
PRODUCERS.....37 Section 5.14
ANCILLARY AGREEMENTS.....38
Section 5.15 AGREEMENTS REGARDING TRANSFER AND USE OF OWNED
PROPERTY AND LEASED
PROPERTY.....38 Section 5.16
PARENT GUARANTY.....38
Section 5.17 INDEPENDENT PRODUCER DELINQUENT
BALANCES.....39 ARTICLE VI. CONDITIONS PRECEDENT
TO THE OBLIGATIONS OF LIBERTY.....39 Section 6.01
REPRESENTATIONS AND COVENANTS.....39
Section 6.02 SECRETARY'S
CERTIFICATE.....39 Section 6.03
GOVERNMENTAL AND REGULATORY CONSENTS AND APPROVALS.....40
Section 6.04 NO INJUNCTION OR
ILLEGALITY.....40 Section 6.05 NO
MATERIAL IMPAIRMENT OF SYSTEMS.....40
ARTICLE VII. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PARENT AND
ONEBEACON.....40
Section 7.01 REPRESENTATIONS AND
COVENANTS.....41 Section 7.02
SECRETARY'S CERTIFICATE.....41
Section 7.03 GOVERNMENTAL AND REGULATORY CONSENTS AND
APPROVALS.....41 Section 7.04 NO INJUNCTION OR
ILLEGALITY.....41 ARTICLE VIII.
FURTHER AGREEMENTS.....42
Section 8.01 ACCESS TO
INFORMATION.....42 Section
8.02 USE OF
INFORMATION.....42 Section
8.03 NON-COMPETITION, NON-
SOLICITATION.....43 Section 8.04
COOPERATION.....46
Section 8.05
TAXES.....47
ii Section 8.06 INTERNET
USAGE.....53 Section
8.07 ASSIGNMENT OF

RIGHTS.....	53	Section 8.08
TRANSITION PLAN.....	53	
		Section 8.09
CONFIDENTIALITY.....	53	
		Section 8.10 SECURITY OF COMPETITIVE
DATA.....	54	ARTICLE IX. SURVIVAL OF
REPRESENTATIONS AND WARRANTIES AND AGREEMENTS.....	54	Section
9.01 SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND		
AGREEMENTS.....	54	ARTICLE X.
INDEMNIFICATION.....	55	
		Section 10.01 INDEMNIFICATION BY
ONEBEACON.....	55	Section 10.02
INDEMNIFICATION BY LIBERTY.....	56	
		Section 10.03 INDEMNIFICATION
PROCEDURES.....	56	Section 10.04 TAX
MATTERS.....	58	
		Section 10.05 CALCULATION OF
LOSSES.....	58	Section 10.06
WAIVER.....	58	
		Section 10.07 INTERPRETATION OF REPRESENTATIONS AND
WARRANTIES.....	59	ARTICLE XI. TERMINATION PRIOR TO
CLOSING.....	59	Section 11.01
TERMINATION OF AGREEMENT.....	59	
		Section 11.02 TERMINATION
PROCEDURE.....	60	Section 11.03
SURVIVAL.....	60	
		ARTICLE XII. GENERAL
PROVISIONS.....	60	Section
		12.01
PUBLICITY.....	60	
		Section 12.02 DOLLAR
REFERENCES.....	61	Section
		12.03
NOTICES.....	61	
		Section 12.04 ENTIRE
AGREEMENT.....	62	Section
		12.05 WAIVERS AND AMENDMENTS; NON-CONTRACTUAL REMEDIES;
PRESERVATION OF REMEDIES.....	62	
		Section 12.06 GOVERNING
LAW.....	62	Section
		12.07 BINDING EFFECT;
ASSIGNMENT.....	62	Section 12.08
INTERPRETATION.....	63	
		Section 12.09 NO THIRD PARTY
BENEFICIARIES.....	63	Section 12.10
EXECUTION IN COUNTERPARTS.....	63	
		Section 12.11 EXHIBITS AND
SCHEDULES.....	63	Section 12.12
HEADINGS.....	63	
		Section 12.13
SEVERABILITY.....	64	
		Section 12.14 EQUITABLE
REMEDIES.....	64	

iii

APPENDIX

Appendix A Glossary of Terms

EXHIBITS

Exhibit A-1 OneBeacon Subsidiaries

Exhibit A-2 RAM Group Companies

Exhibit B-1 Form of Pre-Closing Serviced Policies Administrative Services Agreement

Exhibit B-2 Form of Post-Closing Serviced Policies Administrative Services Agreement

Exhibit C Form of Assumption Agreement

Exhibit D Form of Bill of Sale and General Assignment

Exhibit E-1	Form of Peerless Post-Closing Indemnity Reinsurance Agreement
Exhibit E-2	Form of Liberty Northwest Post-Closing Indemnity Reinsurance Agreement
Exhibit E-3	Form of Liberty Northwest Indemnity Reinsurance Agreement
Exhibit F-1	Form of Rewritten Indemnity Reinsurance Agreement
Exhibit F-2	Form of OBIC Indemnity Reinsurance Agreement
Exhibit G	Form of RAM Reinsurance Option Agreement
Exhibit H	Form of Renewal Rights Agreement
Exhibit I	Form of Stock Purchase Agreement for Oregon Auto
Exhibit J	Form of Transition Services Agreement
Exhibit K	Transition Plan
Exhibit L	Form of Employee Leasing Agreement
Exhibit M-1	Form of License Agreement-Owned Generally Used Software
Exhibit M-2	Form of License Agreement-Owned Generally Used Intellectual Property Rights
Exhibit M-3	Form of License Agreement-Hawkeye-Security Name and Marks Licensing Agreement
Exhibit N	Form of Lease Agreement

iv

Exhibit O-1	Form of Sublease Agreement
Exhibit O-2	Form of Assignment and Assumption Agreement
Exhibit P-1	Form of Offset Agreement
Exhibit P-2	Form of Liberty Northwest Offset Agreement
Exhibit Q	Form of Imaging Transition Services Agreement

v

SCHEDULES

Schedule 1.01(a)	- Assigned and Assumed Contracts
Schedule 1.01(b)(i)(A)	- OneBeacon's Knowledge
Schedule 1.01(b)(i)(B)	- OneBeacon's Reasonable Inquiry
Schedule 1.01(b)(ii)(A)	- Liberty's Knowledge
Schedule 1.01(b)(ii)(B)	- Liberty's Reasonable Inquiry
Schedule 1.01(c)	- Tangible Assets
Schedule 1.01(d)	- Specialty and National Accounts Lines of Business
Schedule 3.03	- Necessary Consents, etc.
Schedule 3.04	- Accuracy of Information
Schedule 3.05(a)	- Contracts
Schedule 3.05(b)	- Third Party Consents
Schedule 3.05(c)	- Breaches and Violations

Schedule 3.06	- Liens
Schedule 3.07	- Sufficiency
Schedule 3.08	- Litigation; Orders
Schedule 3.09(a)	- Compliance with Laws
Schedule 3.09(b)	- Deficiencies or Violations
Schedule 3.09(c)	- Practices and Policies
Schedule 3.09(d)	- Registrations, Filings and Submissions
Schedule 3.12(a)	- OneBeacon Insurers; Permits and Franchises; Necessary Permits
Schedule 3.13(a)(i)	- Computer Software: Owned or Licensed Exclusively Used Software
Schedule 3.13(a)(ii)	- Computer Software: Owned or Licensed Generally Used Software

Schedule 3.13(c)	- Hardware
Schedule 3.13(d)	- Computer Software and Hardware: Licensing and Maintenance Fees
Schedule 3.14(a)	- Technology and Intellectual Property
Schedule 3.14(d)	- Intellectual Property: Licensing and Maintenance Fees
Schedule 3.15	- Insurance Business
Schedule 3.17(a)	- Owned Properties
Schedule 3.17(b)	- Leased Properties
Schedule 3.18	- Labor Relations and Employment
Schedule 3.20	- Outward Reinsurance Agreements
Schedule 3.B.3	- Necessary Consents, etc.
Schedule 4.03	- Necessary Consents, etc.
Schedule 4.04	- Litigation; Orders
Schedule 4.05(a)	- Compliance with Laws
Schedule 4.05(b)	- Deficiencies or Violations
Schedule 4.05(c)	- Practices and Policies
Schedule 4.05(d)	- Registrations, Filings and Submissions
Schedule 4.07(a)	- Permits and Franchises
Schedule 4.07(b)	- Necessary Permits
Schedule 4.08	- Insurance Business
Schedule 5.02	- Third Party Confidentiality Agreements
Schedule 5.09(c)	- Reimbursed Severance Payments
Schedule 5.09(d)(i)	OneBeacon Retention Program
Schedule 5.09(d)(ii)	Liberty Retention Program
Schedule 5.09(e)(iii)	- Post-Retiree Benefits
Schedule 5.09(e)(v)(A)	- Officer Contractual Severance Obligations

Schedule 5.09(e)(v)(B) - Employee Contractual Severance Obligations

Schedule 10.06 - Waiver

MASTER AGREEMENT

This MASTER AGREEMENT (this "Agreement"), dated as of October 30, 2001, is entered into by and among White Mountains Insurance Group, Ltd., a limited liability company continued and organized under the laws of Bermuda ("Parent"), OneBeacon Corporation, a Delaware corporation ("OneBeacon"), and Liberty Mutual Insurance Company, a mutual insurance company organized under the laws of the Commonwealth of Massachusetts ("Liberty").

W I T N E S S E T H:

WHEREAS, the OneBeacon Subsidiaries conduct property and casualty insurance businesses throughout the United States through the use of Independent Producers (all capitalized terms used in these recitals and not otherwise defined have the respective meanings assigned to them in the Glossary of Terms attached as Appendix A hereto (the "Glossary of Terms"));

WHEREAS, upon the terms and subject to the conditions of this Agreement, (i) (A) OneBeacon and each OneBeacon Subsidiary desires to sell, and Liberty and the RAM Group Companies desire to acquire, certain of the assets and rights associated with the Business, and (B) OneBeacon and each OneBeacon Subsidiary desires to assign, and Liberty and the RAM Group Companies desire to assume, certain liabilities associated with the Business, (ii) Liberty and OneBeacon desire that Peerless and OBIC and Liberty Northwest and OBIC enter into indemnity reinsurance agreements pursuant to which Peerless and Liberty Northwest will each reinsure certain property and casualty business written by the OneBeacon Insurers that has policy periods that become effective on or after the Effective Date, (iii) Liberty and OneBeacon desire that the OneBeacon Subsidiaries assist the RAM Group Companies in offering insurance policies to certain insureds included in the Business upon expiration of their policies with the OneBeacon Insurers, (iv) Liberty and OneBeacon desire that Peerless and OBIC and Liberty Northwest and OBIC enter into indemnity reinsurance agreements pursuant to which OBIC will reinsure a portion of such business written by the RAM Group Companies on or after the Effective Date as well as a portion of the property and casualty business renewed by the OneBeacon Insurers that has policy periods that become effective on or after the Effective Date and are reinsured by Peerless or Liberty Northwest as described in (ii) above, (v) OneBeacon and Liberty desire that OneBeacon, the OneBeacon Insurers and Liberty enter into administrative services agreements, pursuant to which Liberty will provide certain administrative services (including underwriting services) on behalf of the OneBeacon Insurers with respect to such property and casualty insurance businesses of the OneBeacon Insurers, (vi) Liberty desires that OneBeacon and the OneBeacon Subsidiaries provide to Liberty and the RAM Group Companies certain administrative and data processing services for a transition period following the Closing Date, (vii) OneBeacon desires to obtain and Liberty desires to grant an option to OneBeacon or its affiliated designees to enter into a 10% quota share reinsurance agreement with respect to insurance business written in a certain period after the Closing by those companies which on the effective date of the RAM Indemnity Reinsurance Agreement shall constitute the regional agency markets business unit of Liberty and (viii) Liberty Northwest desires to acquire all of the issued and outstanding capital stock of Oregon Auto; and

WHEREAS, in order to effectuate the foregoing, it is contemplated that, in accordance with the terms and subject to the conditions of this Agreement, (i) OBIC and Peerless will enter into the Peerless Post-Closing Indemnity Reinsurance Agreement and OBIC and Liberty Northwest will enter into the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement providing for the indemnity reinsurance by Peerless and Liberty Northwest, respectively, of certain property and casualty insurance policies written by the OneBeacon Insurers that have policy periods that become effective on or after the Effective Date, (ii) the OneBeacon Subsidiaries and Liberty will enter into the Renewal Rights Agreement pursuant to which the OneBeacon Subsidiaries will assist the RAM Group Companies in offering insurance policies to certain insureds included in the Business upon expiration of their insurance policies with the OneBeacon Insurers, (iii) OBIC and Peerless will enter into the

Rewritten Indemnity Reinsurance Agreement and OBIC and Liberty Northwest will enter into the OBIC Indemnity Reinsurance Agreement providing for the indemnity reinsurance by OBIC of a portion of such business written by the RAM Group Companies on or after the Effective Date as well as a portion of the business reinsured by Peerless and Liberty Northwest pursuant to the Peerless Post-Closing Indemnity Reinsurance Agreement and the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement, respectively, (iv) OneBeacon, the OneBeacon Insurers and Liberty will enter into the Administrative Services Agreements, providing for Liberty's provision of certain administrative services (including underwriting services) on behalf of the OneBeacon Insurers with respect to certain property and casualty business written by the OneBeacon Insurers, (v) OneBeacon, the OneBeacon Subsidiaries, Liberty and the RAM Group Companies will enter into the Transition Services Agreement, providing, among other things, for OneBeacon's and the OneBeacon Subsidiaries' provision to Liberty and the RAM Group Companies of certain administrative and data processing services for a transition period following the Closing Date, (vi) the OneBeacon Subsidiaries, Liberty and the RAM Group Companies will enter into the License Agreements, providing licenses or sub-licenses (as applicable) to (A) Liberty and the RAM Group Companies to use certain hardware, software, and intellectual property of the OneBeacon Subsidiaries in connection with Liberty's and the RAM Group Companies' operation of the Business, and (B) Hawkeye-Security to use the Hawkeye-Security name for a period of time following the Closing, (vii) subject to obtaining third party consents, Liberty or one or more of its designated Affiliates and specified OneBeacon Subsidiaries will enter into Sublease Agreements or Assignment and Assumption Agreements pursuant to which Liberty or such designated Affiliates will sublease or accept an assignment of the underlying leases of the Leased Properties, (viii) Liberty or one or more of its designated Affiliates and specified OneBeacon Subsidiaries will enter into Lease Agreements, pursuant to which, for a specified period of time following the Closing, Liberty or such designated Affiliates will lease the Owned Properties, (ix) Liberty and OneBeacon will enter into the RAM Reinsurance Option Agreement pursuant to which Liberty will grant an option to OneBeacon or its affiliated designees to enter into a 10% quota share reinsurance agreement with respect to insurance business written in a certain period after the Closing by those companies which on the effective date of the RAM Indemnity Reinsurance Agreement shall constitute the regional agency markets business unit of Liberty, (x) Liberty Northwest and OBIC will enter into the Stock Purchase Agreement pursuant to which Liberty Northwest will agree to acquire all of the issued and outstanding capital stock of Oregon Auto, (xi) OneBeacon, certain OneBeacon Subsidiaries, Liberty and the RAM Group Companies will enter into the Employee Leasing Agreement pursuant to which Liberty and the RAM Group Companies will lease for a specified

2

period of time following the Closing the services of those employees of the OneBeacon Group who are principally employed in connection with the Business, (xii) Liberty will execute and deliver to OneBeacon and the OneBeacon Subsidiaries the Assumption Agreement, providing for the assumption by Liberty of certain liabilities and obligations relating to the Business, (xiii) OneBeacon and the OneBeacon Subsidiaries will execute and deliver to Liberty the Bill of Sale and General Assignment, providing for the transfer to Liberty of certain of the assets and rights relating to the Business, (xiv) OneBeacon, the OneBeacon Subsidiaries, Liberty and the RAM Group Companies (as applicable) will enter into the Offset Agreements, providing, among other things, for the netting and setoff of debts and credits in favor of or against OneBeacon and the OneBeacon Subsidiaries, on the one hand, and Liberty and the RAM Group Companies, on the other hand, arising under certain Ancillary Agreements following the Closing Date, and (xv) OneBeacon, the OneBeacon Subsidiaries, Liberty and the RAM Group Companies will execute and deliver such other agreements, instruments and documents as are described herein.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 DEFINITIONS. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Glossary of Terms, which is attached hereto as Appendix A and incorporated herein.

ARTICLE II.

TRANSFER AND ACQUISITION OF ASSETS

Section 2.01 TRANSFER AND ACQUISITION. (a) Upon the terms and

subject to the conditions of this Agreement, at the Closing (or, with respect to Transferred Assets which are assigned, subleased or transferred after the Closing Date, on the date of such assignment, sublease or transfer), OneBeacon shall, and OneBeacon shall cause the OneBeacon Subsidiaries to, sell, assign and transfer to Liberty, and Liberty shall purchase from the OneBeacon Subsidiaries or OneBeacon, as applicable, the Transferred Assets free and clear of all Liens other than Permitted Liens; PROVIDED, HOWEVER, that with respect to the Books and Records included in the Transferred Assets, on the Closing Date, OneBeacon and the OneBeacon Subsidiaries need only deliver to Liberty such Books and Records that are not physically located on the Owned Properties or the Leased Properties to the extent that Liberty shall have the right to occupy as of the Closing such Owned Properties and Leased Properties and PROVIDED FURTHER, that to the extent such Books and Records have already been provided to Liberty, OneBeacon and the OneBeacon Subsidiaries need only deliver such previously provided Books and Records within five (5) days following the Closing Date. All sales, assignments and transfers of the Transferred Assets shall be effected by the Transfer Documents.

(b) Upon the terms and subject to the conditions of this Agreement, effective as of the Closing (or, with respect to Assumed Liabilities which are assumed after the Closing Date,

3

on the date of such assumption), Liberty shall assume, and from and after the Closing (or such later date, as applicable), Liberty shall pay, perform and discharge when due, all the Assumed Liabilities.

Section 2.02 PAYMENTS ON CLOSING. At the Closing, in consideration for the OneBeacon Subsidiaries' and OneBeacon's transfer to Liberty of the Transferred Assets, Liberty shall pay the Purchase Price by wire transfer of immediately available funds in U.S. dollars to such account or accounts of OneBeacon as OneBeacon shall designate in writing at least two (2) Business Days prior to the Closing Date.

Section 2.03 PLACE AND DATE OF CLOSING. Unless this Agreement shall have been terminated and the transactions contemplated hereby abandoned pursuant to Article XI, and subject to satisfaction or waiver of all the conditions set forth in Articles VI and VII hereof, the Closing shall take place at the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 125 West 55th Street, New York, New York, at 10:00 a.m., Eastern time, on the Closing Date or at such other time or place as the parties may mutually agree upon.

Section 2.04 ADDITIONAL TRANSACTIONS TO BE EFFECTED AT THE CLOSING. (a) At the Closing, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, execute (where appropriate) and deliver to Liberty and/or the RAM Group Companies, as applicable: (i) the Indemnity Reinsurance Agreements (other than the Liberty Northwest Indemnity Reinsurance Agreement), (ii) the Administrative Services Agreements, (iii) the Transition Services Agreement, (iv) the License Agreements, (v) the Renewal Rights Agreement; (vi) the Bill of Sale and General Assignment and the other Transfer Documents, (vii) the Assumption Agreement, (viii) the RAM Reinsurance Option Agreement, (ix) the Employee Leasing Agreement, (x) the Stock Purchase Agreement, (xi) the Lease Agreements, (xii) the Sublease Agreements, (xiii) the Assignment and Assumption Agreements, (xiv) the Offset Agreements, (xv) the Imaging Transition Services Agreement, and (xvi) such other agreements, instruments and documents as are required by this Agreement to be delivered by OneBeacon and/or the OneBeacon Subsidiaries at the Closing.

(b) At the Closing, Liberty shall, and shall cause the RAM Group Companies to, execute (where appropriate) and deliver to OneBeacon and/or the OneBeacon Subsidiaries, as applicable: (i) the Indemnity Reinsurance Agreements (other than the Liberty Northwest Indemnity Reinsurance Agreement), (ii) the Administrative Services Agreements, (iii) the Transition Services Agreement, (iv) the License Agreements, (v) the Renewal Rights Agreement, (vi) the Bill of Sale and General Assignment and the other Transfer Documents, (vii) the Assumption Agreement, (viii) the RAM Reinsurance Option Agreement, (ix) the Employee Leasing Agreement, (x) the Stock Purchase Agreement, (xi) the Lease Agreements, (xii) the Sublease Agreements, (xiii) the Assignment and Assumption Agreements, (xiv) the Offset Agreements, (xv) the Imaging Transition Services Agreement, and (xvi) such other agreements, instruments and documents as are required by this Agreement to be delivered by Liberty and/or the RAM Group Companies at the Closing.

Section 2.05 EXCLUDED ASSETS AND EXCLUDED LIABILITIES. It is expressly understood and agreed that neither Liberty nor any of its Affiliates is (i) purchasing any

Excluded Assets or (ii) assuming, and none of them shall be liable to pay, any Excluded Liabilities.

ARTICLE III.A.

REPRESENTATIONS AND WARRANTIES OF ONEBEACON

OneBeacon hereby makes the following representations and warranties to Liberty, in each case, other than with respect to the representations and warranties included in Sections 3.01, 3.02, 3.03, 3.06 and 3.11, to the Knowledge of OneBeacon as of the date hereof:

Section 3.01 ORGANIZATION, STANDING AND AUTHORITY. Each OneBeacon Subsidiary and OneBeacon is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Each OneBeacon Subsidiary and OneBeacon has the requisite corporate power and authority to carry on the operations of the Business as they are now being conducted by it.

Section 3.02 AUTHORIZATION. OneBeacon has the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and each OneBeacon Subsidiary and OneBeacon has the requisite corporate power and authority to execute, deliver and perform its obligations under each of the Ancillary Agreements to be executed by it. The execution and delivery by OneBeacon of this Agreement and the execution and delivery by each OneBeacon Subsidiary and OneBeacon of the Ancillary Agreements to be executed by it, and the performance by each OneBeacon Subsidiary and OneBeacon of its obligations hereunder and thereunder, have been duly authorized by all necessary corporate action on the part of each OneBeacon Subsidiary and OneBeacon. This Agreement has been duly executed and delivered by OneBeacon and, subject to the due execution and delivery hereof by Liberty and Parent, this Agreement is a valid and binding obligation of OneBeacon, enforceable against OneBeacon in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). As of the Closing Date, each Ancillary Agreement executed and delivered by a OneBeacon Subsidiary and/or OneBeacon (as applicable) will have been duly executed and delivered by such OneBeacon Subsidiary and/or OneBeacon and, subject to the due execution and delivery of such agreements by the other parties thereto, each Ancillary Agreement executed by such OneBeacon Subsidiary and/or OneBeacon will be a valid and binding obligation of such OneBeacon Subsidiary and/or OneBeacon, as the case may be, enforceable against such OneBeacon Subsidiary and/or OneBeacon in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.03 NO CONFLICT OR VIOLATION, ETC. Except as disclosed in SCHEDULE 3.03 hereto, the execution and delivery by OneBeacon of this Agreement do not, the execution and delivery by each OneBeacon Subsidiary and OneBeacon of the Ancillary Agreements to

which each of them is a party will not, and the consummation by each OneBeacon Subsidiary and OneBeacon of the transactions contemplated by this Agreement and by such Ancillary Agreements and compliance with the provisions hereof and thereof will not, (i) conflict with any of the provisions of their respective Articles of Incorporation or By-laws, (ii) subject to the matters referred to in the next sentence, conflict with, result in a breach of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, modification, cancellation or acceleration of any obligation or loss of a benefit under, require the consent of any person under, or result in the creation of any Lien on any property or asset of any OneBeacon Subsidiary or OneBeacon (including the Transferred Assets), under, any indenture or other written agreement, permit, franchise, license or other legally binding instrument or undertaking to which such OneBeacon Subsidiary or OneBeacon is a party or by which any of them or any of their assets is bound or affected, or (iii) subject to the matters referred to in the next sentence, contravene any statute, law, ordinance, rule, regulation, order, judgment, injunction, decree, determination or award applicable to such OneBeacon Subsidiary or OneBeacon or any of their respective Subsidiaries or any of their respective properties or

assets, except in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, terminations, modifications, cancellations, accelerations, losses, consents and Liens which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect. No consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity is required to be obtained or made by or with respect to any OneBeacon Subsidiary or OneBeacon in connection with the execution and delivery of this Agreement or any Ancillary Agreement by such OneBeacon Subsidiary or OneBeacon, as applicable, or the consummation by such OneBeacon Subsidiary or OneBeacon of the transactions contemplated hereby or thereby, except for (i) the approvals, filings or notices required under the insurance laws of the jurisdictions set forth in SCHEDULE 3.03 hereto, (ii) such other consents, approvals, authorizations, declarations, filings or notices as are set forth in SCHEDULE 3.03 hereto and (iii) such consents, approvals, authorizations, declarations, filings or notices the absence of which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect.

Section 3.04 ACCURACY OF INFORMATION. Each of the OneBeacon Subsidiaries and OneBeacon, as applicable (i) was not aware at the time it responded to any inquiries by Liberty, any RAM Group Company or their respective representatives in connection with their due diligence investigation of the Business that the information used in such response was materially inaccurate or incorrect and (ii) utilized the best information known by it at such time to be available to it in making such response. The parties hereto acknowledge that with respect to the types of information set forth on SCHEDULE 3.04, the accuracy and correctness of such information as of a certain date may be affected by information which may become available through discovery or otherwise after such date.

Section 3.05 CONTRACTS. (a) SCHEDULE 3.05(a) hereto contains a complete and correct list, specifying each by type, of (i) all written contracts of OneBeacon or any of its Affiliates for the deferred payment of the purchase price in respect of any Transferred Assets, to the extent such contract is material to the Business, (ii) all written agreements of OneBeacon or any of its Affiliates, including all amendments and addenda hereto, in connection with the Business with or for the benefit of any Business Employee, (iii) all written agreements of OneBeacon or any of the OneBeacon Subsidiaries, including all amendments and addenda

6

thereto, in connection with the Business with any Affiliate of OneBeacon or any OneBeacon Subsidiary (except tax sharing or investment management agreements), to the extent any such contract involves the payment of an amount in excess of \$100,000 per year or has a remaining term of more than one year, and (iv) any written contract or agreement of OneBeacon or any of its Affiliates, including all amendments and addenda thereto, limiting the ability of any Person (including any OneBeacon Subsidiary or any assignee) to compete in respect of the Business following the Closing.

(b) Except as set forth on SCHEDULE 3.05(b) hereto, no Assigned and Assumed Contract which is set forth on SCHEDULE 1.01(a) as of the date hereof requires any consent, approval, waiver or authorization by any third party for the consummation of the transactions contemplated by this Agreement or any Ancillary Agreement.

(c) Notwithstanding the introductory paragraph to Article III.A., true and complete copies of each contract, agreement or commitment listed on SCHEDULES 1.01(a) AND 3.05(a), have been made available to Liberty for its review. Each of the contracts, agreements and commitments, including all amendments and addenda thereto, listed on SCHEDULES 1.01(a) AND 3.05(a) hereto is in full force and effect and is the valid and binding obligation of each party thereto, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally, and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). Except as set forth in SCHEDULE 3.05(c) hereto, no OneBeacon Subsidiary, OneBeacon or any other Person that is a party thereto is (or, with the giving of notice or the lapse of time or both, will be), in any material respect, in violation or breach of or default under any of the contracts, agreements and commitments listed on SCHEDULES 1.01(a) OR 3.05(a) hereto; PROVIDED, HOWEVER, that OneBeacon's Knowledge with respect to whether any Person other than OneBeacon or the OneBeacon Subsidiaries is in material respects, in violation or breach of or default under any such contracts shall be to the actual knowledge only of the persons listed on SCHEDULE 1.01(b)(i)(a).

Section 3.06 TITLE TO ASSETS. The OneBeacon Subsidiaries and OneBeacon, as applicable, have good title to all of the Transferred Assets free

and clear of all Liens, except for Permitted Liens. At the Closing (or, with respect to Transferred Assets which are assigned, subleased or transferred after the Closing Date, on the date of such assignment, sublease or transfer), Liberty will acquire (unless it is unable to do so as a result of its own actions or circumstances) the Transferred Assets, free and clear of all Liens, except for Permitted Liens.

Section 3.07 SUFFICIENCY. Other than insurance licenses and qualifications necessary to conduct the Business and other than the rights, assets and properties set forth on SCHEDULE 3.07 hereto, the Transferred Assets together with the rights of Liberty and its Affiliates under this Agreement and the Ancillary Agreements are sufficient to permit Liberty and its Affiliates to conduct, immediately following the Closing, the Business as of the Closing substantially in the manner the Business was being conducted immediately prior to the Closing. All of the Tangible Assets, taken as a whole, are in all material respects in reasonable and usable operating condition.

7

Section 3.08 LITIGATION; ORDERS. Except as disclosed in SCHEDULE 3.08 hereto, and except for (i) Actions arising from or related to the obligations of a OneBeacon Insurer under an insurance policy or similar instrument written, assumed or reinsured by a OneBeacon Insurer, (ii) Actions or Orders that would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect, and (iii) Orders applicable to insurers generally, there is no Action pending or threatened against OneBeacon or any OneBeacon Subsidiary affecting the Business, or with respect to the employment and/or termination of any individual employed currently or at any time during the last two years by OneBeacon or any OneBeacon Subsidiary or any of their Affiliates in connection with the Business, nor is there any Order outstanding against OneBeacon or any OneBeacon Subsidiary affecting the Business. OneBeacon has delivered or made available to Liberty copies of all pleadings and correspondence relating to each Action and Order listed in SCHEDULE 3.08 hereto.

Section 3.09 COMPLIANCE WITH LAWS. (a) Except as disclosed in SCHEDULE 3.09(a) hereto, and except for (i) matters pertaining to or arising under Environmental Laws, which are dealt with exclusively in Section 3.19 hereof, and (ii) matters pertaining to or arising under statutes, laws, ordinances, rules, regulations and orders concerning privacy, which are dealt with exclusively in Section 3.14(c) hereof, each OneBeacon Subsidiary and OneBeacon has conducted the Business in compliance with all applicable statutes, laws, ordinances, rules, regulations and orders of any Governmental Entity, except for such instances of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect, and neither the OneBeacon Subsidiaries nor OneBeacon has received any currently effective written notice or other written communication from any Governmental Entity, arbitrator or any other person regarding any such non-compliance.

(b) Except as set forth in SCHEDULE 3.09(b) hereto, all material deficiencies or violations with respect to the Business in all reports (including, but not limited to, draft reports) of examinations of the affairs of any OneBeacon Subsidiary or OneBeacon with respect to the Business (including, but not limited to, market conduct examinations) issued by any insurance regulatory authority to OneBeacon or a OneBeacon Subsidiary for any period ending on or after January 1, 1996, have been resolved.

(c) Except as set forth in SCHEDULE 3.09(c) hereto, neither OneBeacon nor any OneBeacon Subsidiary is a party to any material contract with or other undertaking to, or subject to any Order by, or the recipient of any supervisory letter or other written communication of any kind that has subjected the Business to a consent order, fine or penalty from, any Governmental Entity which relates to its reserve adequacy or its claims, marketing, sales, trade, or underwriting practices or policies in respect of the Business, other than Orders, letters or other written communications to insurers generally, and other than such contracts, undertakings, Orders, letters or other written communications which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect, nor has any OneBeacon Subsidiary or OneBeacon been notified in writing by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such Order, contract, undertaking, letter or other written communication.

(d) Except as set forth in SCHEDULE 3.09(d) hereto, each OneBeacon Subsidiary and OneBeacon has filed all reports, statements, documents, registrations, filings or submissions

required to be filed by such OneBeacon Subsidiary or OneBeacon with any Governmental Entity to the extent they relate to the Business and are acting in compliance in all material respects with all such reports, statements, documents, registrations, filings and submissions. All such registrations, filings and submissions were in compliance in all material respects with applicable law when filed or as amended or supplemented, and no material deficiencies have been asserted by any Governmental Entity with respect to such registrations, filings or submissions that have not been satisfied.

Section 3.10 EMPLOYEES AND EMPLOYEE BENEFIT PLANS (a)

Notwithstanding the introductory paragraph to Article III.A., OneBeacon has delivered to Liberty prior to the execution of this Agreement a true and complete list of the Business Employees, including each such Business Employee's title, hire date, office location and current annual salary. OneBeacon has caused the OneBeacon Group to make available to Liberty data and records regarding the Business Employees that the parties mutually agree are appropriate for Liberty and the Liberty Group to possess, except for any such data or records the provision of which could have resulted in a violation of any applicable law or could have resulted in liability to the OneBeacon Group. With the exception of two (2) Business Employees (the "SHARED BUSINESS EMPLOYEES"), no Business Employees perform services for any trade or business of the OneBeacon Group other than the Business.

(b) No OneBeacon Subsidiary, OneBeacon or any entity required to be aggregated therewith pursuant to the requirements of Section 414(b) or (c) of the Code and/or Section 4001(b) of ERISA has (i) incurred or could reasonably be expected to incur any material liability under Title IV of ERISA (in each case, other than for the payment of Pension Benefit Guaranty Corporation premiums payable in the ordinary course) or (ii) incurred an "accumulated funding deficiency" under Section 412 of the Code which has not been eliminated as of the date hereof.

(c) Notwithstanding the introductory paragraph to Article III.A., none of the Transferred Assets are, or could reasonably be expected to become, subject to a Lien under any provision of ERISA.

Section 3.11 BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of OneBeacon, the OneBeacon Subsidiaries or any of their Affiliates.

Section 3.12 ONEBEACON INSURERS; PERMITS AND FRANCHISES.

Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.12(a) hereto lists the OneBeacon Insurers. SCHEDULE 3.12(a) hereto also lists (i) all jurisdictions in which each OneBeacon Insurer has the necessary Permits to issue the Insurance Policies, including any restrictions on such Permits and (ii) the lines of business which each OneBeacon Insurer is authorized to transact in each such jurisdiction. Except as set forth on SCHEDULE 3.12(a) hereto, (i) the applicable OneBeacon Insurer has been duly authorized by the relevant state insurance regulatory authorities to issue each Insurance Policy in the respective jurisdictions in which it is issued, and (ii) except for any Permits required under Environmental Laws, which are dealt with exclusively in Section 3.19 hereof, each OneBeacon Insurer has all other material Permits and authorizations necessary to

conduct the Business in the manner and in the areas in which the Business is being conducted by such OneBeacon Insurer on the date hereof and all such Permits and authorizations are valid and in full force and effect.

Section 3.13 COMPUTER SOFTWARE AND HARDWARE

(a) Notwithstanding the introductory paragraph to Article III.A., OneBeacon has set forth on SCHEDULE 3.13(a)(i) hereto a true and complete listing of all Owned Exclusively Used Software. SCHEDULE 3.13(a)(i) hereto also sets forth a true and complete list of Licensed Exclusively Used Software, except for such software the failure of which to have the use of would otherwise not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect. OneBeacon has set forth on SCHEDULE 3.13(a)(ii) hereto a true and complete listing of all Licensed Generally Used Software, except for such software the failure of which to have the use of would otherwise not, individually or in the aggregate, reasonably be expected to have

a OneBeacon Material Adverse Effect. Other than those set forth on SCHEDULE 3.13(a)(i), SCHEDULE 3.13(a)(ii) or Exhibit C to the Software License Agreement, there are no material computer software programs or databases used in the conduct of the Business or the operation of the Data Centers. Notwithstanding the introductory paragraph to Article III.A., subject to consummation of the Closing, Liberty and its designated Affiliates will have exclusive ownership of all rights, including all copyright and other rights whatsoever, in the Owned Exclusively Used Software, free and clear of any royalty or other payment obligations or Liens (except for Permitted Liens). Subject to consummation of the Closing, Liberty and its designated Affiliates will have (A) pursuant to an assignment or sublicense of all of the OneBeacon Subsidiaries' and OneBeacon's rights to the Licensed Exclusively Used Software (except with respect to any Licensed Exclusively Used Software as to which the underlying licensor has not consented to such assignment or sublicense or has consented on altered terms other than those terms that allow the software to continue to reside and operate on systems owned by OneBeacon or the OneBeacon Subsidiaries and, if applicable, to permit Liberty or its designated Affiliates to have its data processed by the software) in accordance with Section 5.05(c) or 5.05(d), subject to the same terms, rates and conditions of the existing license to the OneBeacon Subsidiaries or OneBeacon for the Licensed Exclusively Used Software, the right to use the Licensed Exclusively Used Software in the same manner as used by the OneBeacon Subsidiaries and OneBeacon prior to the Closing Date and, as of the Closing Date, free and clear of any Liens (except for Permitted Liens) and (B) pursuant to a sublicense granted by one or more of the OneBeacon Subsidiaries or OneBeacon (as applicable) to Liberty or its designated Affiliates (except with respect to any Licensed Generally Used Software as to which the underlying licensor has not consented to such sublicense or has consented on altered terms other than those terms that allow the software to continue to reside and operate on systems owned by OneBeacon or the OneBeacon Subsidiaries and, if applicable, to permit Liberty or its designated Affiliates to have its data processed by the software) in accordance with Section 5.05(c) or 5.05(d), subject to the same terms and conditions of the existing license to the OneBeacon Subsidiaries or OneBeacon for the Licensed Generally Used Software, the right to use the Licensed Generally Used Software in the same manner as used by the OneBeacon Subsidiaries and OneBeacon prior to the Closing Date, solely in connection with the conduct of the Business and the operation of the Data Centers, free and clear, as of the Closing Date, of any Liens (except for Permitted Liens). As of the date hereof, the use by OneBeacon and the OneBeacon Subsidiaries of the Owned Exclusively Used Software, Licensed Exclusively Used Software or

10

Licensed Generally Used Software is not, nor will use by Liberty or any of its designated Affiliates of the Owned Exclusively Used Software, Licensed Exclusively Used Software to the extent assigned or sublicensed to Liberty or its designated Affiliates, or Licensed Generally Used Software to the extent sublicensed to Liberty or its designated Affiliate, in each case, substantially in the same manner used by OneBeacon or any OneBeacon Subsidiary, for the conduct of the Business, the operation of the Data Centers, and the provision of any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement be, in conflict with or violation or infringement of any patent, copyright, trade secret, trademark, service mark, trade name, right of privacy, or any contractual or proprietary rights of any other person, except where such conflict, violation or infringement would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect, as applicable. Neither OneBeacon nor any OneBeacon Subsidiary has received any written notice of any conflict, violation or infringement of any patent, copyright, trade secret, trademark, service mark, trade name, right of privacy or any contractual or proprietary rights of any other person with respect to the Owned Exclusively Used Software, Licensed Exclusively Used Software or Licensed Generally Used Software.

(b) As of the date hereof, the OneBeacon Subsidiaries and OneBeacon have the rights to grant the information and data licenses set forth in Section 8.02 to Liberty or its designated Affiliates, free and clear of all Liens (except for Permitted Liens) and Liberty's use of such information, data and hardware, substantially in the same manner used by OneBeacon or any OneBeacon Subsidiary, for the conduct of the Business, the operation of the Data Centers and the provision of any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement shall not infringe the rights of other Persons, including, without limitation, any patent, copyright, trade secret, trademark, service mark, trade name, right of privacy, or any contractual or proprietary rights therein, except where any such infringement would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect.

(c) Notwithstanding the introductory paragraph to Article III.A.,

SCHEDULE 3.13(c) sets forth all hardware systems owned by OneBeacon or the OneBeacon Subsidiaries and used in the Data Centers and all hardware systems owned by North Pacific or Oregon Auto. In addition, SCHEDULE 3.13(c) sets forth all hardware systems leased by OneBeacon or the OneBeacon Subsidiaries and used in the Data Centers and all hardware systems leased by North Pacific or Oregon Auto, except such systems the failure of which to have the use of would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect. As of the Closing Date, all hardware systems listed in SCHEDULE 3.13(c) are in all material respects in reasonable and usable operating condition.

(d) Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.13(d) hereto sets forth a true and correct list of all maintenance fees and third party licensing fees that exceed \$10,000 per year associated with the Licensed Exclusively Used Software, Licensed Generally Used Software, Owned Exclusively Used Software, and any hardware listed on SCHEDULE 3.13(c).

Section 3.14 INTELLECTUAL PROPERTY.

(a) Notwithstanding the introductory paragraph to Article III.A., except as set forth on SCHEDULE 3.14(a), a OneBeacon Subsidiary or OneBeacon is the sole and exclusive owner, free and clear of all Liens (except for Permitted Liens) or licenses to third parties, of the Intellectual Property Rights which are included in the Transferred Assets. Except as set forth on SCHEDULE 3.14(a), a OneBeacon Subsidiary or OneBeacon is the sole and exclusive owner, free and clear of all Liens (except for Permitted Liens) or licenses to third parties, or have valid and enforceable rights or licenses to use, the Intellectual Property Rights which are necessary to carry on the Business as presently conducted, and all such Intellectual Property Rights either are (i) included in the Transferred Assets, (ii) licensed to Liberty pursuant to Section 5.10(a)(ii), or (iii) originally licensed to OneBeacon or a OneBeacon Subsidiary and transferred to Liberty under an Assigned and Assumed Contract, such that Liberty and its designated Affiliates will have, upon such transfer (assuming the underlying licensor has consented to such transfer), all rights or licenses to use such Intellectual Property Rights which are necessary to carry on the Business as presently conducted or to operate the Data Centers. Subject to the consummation of Closing, Liberty and its designated Affiliates will have, (A) pursuant to the License Agreements as stated in Section 5.10(a)(ii), below, the right to use the Owned Generally Used Intellectual Property Rights in the same manner as used by the OneBeacon Subsidiaries or OneBeacon as of the Closing Date, solely in connection with the conduct of the Business and the operation of the Data Centers, free and clear of any royalty or other payment obligations or, as of the Closing Date, any Liens (except for Permitted Liens) and (B) pursuant to an assignment or sub-license of all of the OneBeacon Subsidiaries' and OneBeacon's rights to the Intellectual Property Rights not included in the Transferred Assets and licensed by a third party to the OneBeacon Subsidiaries and OneBeacon (except with respect to any such Intellectual Property Rights as to which the underlying licensor has not consented to such assignment or sub-license or has consented on altered terms) in accordance with 5.05(c), subject to the same terms, rates and conditions of the existing license to OneBeacon or the OneBeacon Subsidiaries for such Intellectual Property Rights, the right to use such Intellectual Property Rights in the same manner as used by the OneBeacon Subsidiaries and OneBeacon prior to the Closing Date and, as of the Closing Date, free and clear of any Liens (except Permitted Liens). As of the date hereof, no OneBeacon Subsidiary or OneBeacon has received any written notice of any infringement or violation of the rights of others with respect to any such Intellectual Property Rights. As of the date hereof, except as set forth in SCHEDULE 3.14(a), the execution and delivery of this Agreement by OneBeacon, and the consummation of the transactions and the provision of services contemplated hereby or by the Ancillary Agreements, will neither cause any OneBeacon Subsidiary or OneBeacon to be in material violation or default under any licenses, sub-licenses or other agreements to which such OneBeacon Subsidiary or OneBeacon is a party and pursuant to which such OneBeacon Subsidiary or OneBeacon is authorized, or has granted rights, to use any Intellectual Property Right, nor entitle any other party to any such license, sub-license or agreement to terminate or modify such license, sub-license or agreement. SCHEDULE 3.14(a) also sets forth a complete and correct list, as of the date hereof (including whether such is licensed or owned and, if owned, whether it constitutes Owned Generally Used Intellectual Property Rights) of all Intellectual Property Rights that are material to any OneBeacon Subsidiary and OneBeacon with respect to the conduct of the Business, except for any unregistered copyrights or know-how, and all registrations and applications for registration of any Intellectual Property Rights. Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.14(a) also sets forth a

complete and correct list of all Intellectual Property Rights which are used exclusively in the conduct of the Business and which are owned by a OneBeacon Subsidiary or OneBeacon, except for unregistered copyrights and know-how. As of the date hereof, SCHEDULE 3.14(a) also sets forth a complete and correct list of (A) all material licenses and other agreements to which OneBeacon or any of the OneBeacon Subsidiaries is a party and pursuant to which OneBeacon or any of the OneBeacon Subsidiaries has granted to any other person or entity the right to use any Intellectual Property Rights and (B) all material licenses and other agreements for Intellectual Property Rights to which OneBeacon or any of the OneBeacon Subsidiaries is a party and pursuant to which OneBeacon or a OneBeacon Subsidiary has been granted the right to use such Intellectual Property Rights. As of the date hereof, all registered trademarks, service marks, copyrights and patents, if any, included in the Intellectual Property Rights are valid and subsisting and, except as set forth in SCHEDULE 3.14(a), there are no actions that must be taken within 30 days following the Closing Date that, if not taken, will result in the loss of rights of registration or applications to register any of the trademarks, domain names, copyrights or patents, if any, included in the Intellectual Property Rights being assigned to Liberty hereunder.

(b) As of the date hereof, the OneBeacon Subsidiaries and OneBeacon have the rights to grant the Intellectual Property Rights licenses set forth in Section 5.10(a)(ii), free and clear of all Liens (except for Permitted Liens). As of the date hereof, the use of the Intellectual Property Rights by any OneBeacon Subsidiary or OneBeacon does not and the use by Liberty or any of its designated Affiliates of the Intellectual Property Rights, substantially in the same manner used by OneBeacon or any OneBeacon Subsidiary, in the conduct of the Business, in the operation of the Data Centers and the provision of any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement will not breach, violate or infringe any rights of any third party, except where any such breach, violation or infringement would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or Liberty Material Adverse Effect, as applicable.

(c) As of the date hereof, OneBeacon and the OneBeacon Subsidiaries have been and are in compliance with (i) any and all applicable statutes, laws, ordinances, rules, regulations and orders of any Governmental Entity concerning privacy and (ii) OneBeacon Privacy Policies except for any non-compliance with OneBeacon Privacy Policies which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect. As of the date hereof, OneBeacon and the OneBeacon Subsidiaries are not prohibited by any applicable statutes, laws, ordinances rules, regulations or orders of any Governmental Entity concerning privacy or the OneBeacon Privacy Policies from providing Liberty or its Affiliates with any information (other than where the provision of any such information would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect), including without limitation, customer and policyholder information, that has been, or will be, provided to Liberty or its Affiliates prior to, on or after the date hereof, in connection with the transactions and provision of services contemplated hereby or by the Ancillary Agreements.

(d) Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.14(d) hereto sets forth a true and correct list of all maintenance fees and third party licensing fees which exceed \$10,000 per year associated with any Intellectual Property Rights listed on SCHEDULE 3.14(a).

Section 3.15 INSURANCE BUSINESS. Except as set forth on SCHEDULE 3.15 hereto:

(a) Any application form, form of insurance policy, written advertising material (including such material placed on OneBeacon's or any OneBeacon Subsidiary's website) and rate or rule currently utilized by the OneBeacon Subsidiaries and OneBeacon in the Business, the use or issuance of which requires filing or approval, have been appropriately filed, and if required, approved by the insurance regulatory authorities of any state in which such application forms, forms of insurance policies, advertising materials and rates or rules are required to be filed and not objected to by such authorities within the period provided for objection, except for failures to effect such filings or secure such approvals, which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect.

All such application forms, forms of insurance policies, advertising materials and rates or rules are utilized in compliance in all material respects with all applicable laws and regulations and within the scope of the approvals received therefor;

(b) OneBeacon has provided or made available to Liberty the forms of property and casualty insurance coverage used by the OneBeacon Insurers in connection with the Business since October 1, 2000;

(c) There is no Action pending or threatened between any OneBeacon Insurer or OneBeacon and any reinsurer under any Outward Reinsurance Agreement involving claims or losses relating to the Business;

(d) Except in the ordinary course of business, (i) other than as provided in the Renewal Rights Agreement, the OneBeacon Insurers are not liable to pay commissions upon the renewal of any Insurance Policy and (ii) the OneBeacon Insurers are not a party to any agreement providing for the collection of insurance premiums payable to the OneBeacon Insurers by any other person in connection with the Insurance Policies;

(e) The underwriting guidelines and rules utilized and ratings applied by each OneBeacon Insurer with respect to its Insurance Policies as of the date hereof have been provided or made available to Liberty and conform in all material respects, with respect to any such Insurance Policy reinsured in whole or in part, to the standards and ratings required pursuant to the terms of the related reinsurance or other similar contracts. Since October 1, 2000, the OneBeacon Insurers have not issued or renewed any property and casualty coverages included in the Business other than in the ordinary course of business consistent with past practice and, taken as a whole, have issued or renewed all such property and casualty coverages in accordance in all material respects with the underwriting, pricing and risk retention practices and policies in effect on the date hereof and as have been provided or made available to Liberty;

(f) Since October 1, 2000 (i) each insurance producer and managing general agent with a contractual relationship with a OneBeacon Insurer, at the time such insurance producer or managing general agent solicited, negotiated, wrote, sold or produced any Insurance Policy, was duly licensed as an insurance producer or managing general agent, as appropriate, and appointed by the appropriate OneBeacon Insurer (for the type of business solicited, negotiated, written, sold or produced by such insurance producer or managing general agent and placed with such OneBeacon Insurer) in the particular jurisdiction in which such insurance

14

producer or managing general agent solicited, negotiated, wrote, sold or produced such Insurance Policy, (ii) no such insurance producer or managing general agent has violated (or with notice or lapse of time or both would have violated) any material term or provision of any law or order in connection with the placement of any Insurance Policy and (iii) no such insurance producer or managing general agent has materially breached the terms of its agency or managing general agency agreement, including all attachments, amendments and addenda thereto, with any OneBeacon Insurer;

(g) OneBeacon, the OneBeacon Insurers and employees, agents (including producers and sub-producers who have contractual relations with, or are appointed by, a OneBeacon Insurer that are acting through general agents and/or managing general agents), regional directors, representatives or persons acting on their respective behalf are not subject to any market conduct claim or any other related investigative action relating to the Insurance Policies. OneBeacon and the OneBeacon Insurers have not received written notice of a market conduct claim relating to the Insurance Policies. The sales practices of OneBeacon and the OneBeacon Insurers and their respective agents (including producers and sub-producers who have contractual relations with, or are appointed by, a OneBeacon Insurer that are acting through general agents and/or managing general agents), regional directors, representatives or persons acting on their behalf in connection with the Insurance Policies are and have been in material compliance with all applicable laws and regulations; and

(h) Since October 1, 2000, none of the OneBeacon Insurers has taken any action by communication with Persons other than OneBeacon and its Affiliates and their respective advisors in any state or jurisdiction within the United States, other than the Excluded States, with respect to withdrawal (or deemed or constructive withdrawal, including due to the termination of producers or notices of nonrenewal of a line or class of business) from one or more lines or classes of business. Any item set forth on SCHEDULE 3.15 with respect to the matters contained in this Section 3.15(h) sets forth (i) a description of any such actions taken to date with respect to such withdrawal and the dates and lines or classes of business affected, (ii) whether approval from any

Governmental Entity for such withdrawal has been sought and the status thereof, (iii) a list of each filing, submission, letter, correspondence or other document of any kind that has been filed with or otherwise submitted to any Governmental Entity, or that has been received by any OneBeacon Subsidiary or OneBeacon from any Governmental Entity, that relates in substantial part to any actions taken to date with respect to such withdrawal, and (iv) whether any complaints with respect to such withdrawal from any Governmental Entities, insureds or producers have been received by OneBeacon or any of the OneBeacon Subsidiaries. OneBeacon has provided to Liberty true and complete copies of each item described on SCHEDULE 3.15 relating to the representations and warranties contained in Section 3.15(h)(iii) above.

Section 3.16 INDEPENDENT PRODUCERS; OUTSTANDING BALANCES. (a) Notwithstanding the introductory paragraph to Article III.A., OneBeacon has provided to Liberty a true and correct list of all Independent Producers that are associated with the Business as of the date hereof and are parties to a contract with a OneBeacon Insurer.

(b) Notwithstanding the introductory paragraph to Article III.A., OneBeacon will provide on or prior to the Closing to Liberty a true and correct list of all Independent Producers that, as of October 1, 2001, had Independent Producer Delinquent Balances, including balances

15

under agent loans and for insurance premiums, due any OneBeacon Subsidiary or OneBeacon, the amounts of such balances and the number of days such balances were outstanding as of such date.

Section 3.17 OWNED PROPERTY; LEASED PROPERTY LEASES. (a) Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.17(a) hereto sets forth a complete list of all Owned Property.

(b) Notwithstanding the introductory paragraph to Article III.A., SCHEDULE 3.17(b) hereto sets forth a true and complete list of all Leased Property Leases (which list sets forth the date of the lease and any amendments or supplements thereto, the address and rentable square feet of the premises demised and the name of lessor, name of lessee, and expiration date). Notwithstanding the introductory paragraph to Article III.A., true and complete copies of each of the Leased Property Leases (which Leased Property Leases set forth all of the options OneBeacon or any OneBeacon Subsidiary has with respect to the premises demised under the lease and whether any consent of the lessor or other third party is required to maintain the effectiveness of the lease in connection with the transactions contemplated hereby) have been provided to Liberty or its Affiliates, there is no outstanding extant exercise of any options under the Leased Property Leases (i.e., no exercise of an option that has not yet been effectuated), and there are no options under the Leased Property Leases, the exercise of which is not clearly shown in the copies of the Leased Property Leases provided to Liberty or its Affiliates. All of the Leased Property Leases are valid and in full force and effect, all rents and additional rents due to date on each of the Leased Property Leases have been paid or will be timely paid in accordance with the customary practice permitted by the Leased Property Leases. No notice of default which is extant (I.E., not cured within the applicable grace period) has been given by the lessor to the lessee, or by the lessee to the lessor, under any of the Leased Property Leases, and neither OneBeacon nor any OneBeacon Subsidiary is in material default under any of the Leased Property Leases and, no lessor is in material default under any of the Leased Property Leases. No event has occurred which, with the passage of time or the giving of notice, or both, would constitute a material default thereunder by any OneBeacon Subsidiary or OneBeacon.

(c) OneBeacon Subsidiaries or OneBeacon enjoy peaceful and undisturbed possession under all Leased Property Leases. No extant notice of violation, except for any which, in the case of a Leased Property Lease, is the obligation of the lessor (or underlying lessor in the case of a sublease) to cure (and except, in the instances where the lessee is responsible for the curing thereof, for such violations which are in the process of being cured), of any material ordinance or administrative regulation (including any zoning or building law) has been received by any OneBeacon Subsidiary or OneBeacon which is the lessee or sublessee under any of the Leased Property Leases or the owner of an Owned Property. Neither OneBeacon nor any OneBeacon Subsidiary has received any notice of any capital expenditure obligations under the Leased Property Leases. Each Leased Property is in a state of reasonable maintenance and repair and is adequate and suitable for the purposes for which it is presently being used. Neither the whole nor any portion of any Leased Property is being condemned or otherwise taken by any public authority, nor has any notice been received of any such condemnation or taking.

Section 3.18 LABOR RELATIONS AND EMPLOYMENT. Except to the extent set forth in SCHEDULE 3.18 hereto, (i) there is no labor strike, dispute, slowdown, stoppage or lockout actually

16

pending or threatened against or affecting any OneBeacon Subsidiary or OneBeacon in connection with the Business, and, since January 1, 2001, there has not been any such action, (ii) there are no union claims to represent the employees of any OneBeacon Subsidiary or OneBeacon in connection with the Business and there are no current union organizing activities among such employees and (iii) neither OneBeacon nor any OneBeacon Subsidiary is a party to or bound by any collective bargaining or similar agreement with any labor organization applicable to any OneBeacon Subsidiary's or any OneBeacon Subsidiary's Affiliates' employees in connection with the Business.

Section 3.19 ENVIRONMENTAL MATTERS

Except as would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect:

(a) The Leased Properties, the Owned Properties, the Business and the Transferred Assets are each in compliance with all Environmental Laws and OneBeacon and the OneBeacon Subsidiaries have obtained and complied with all Permits required by any Governmental Entities pursuant to Environmental Laws in connection with the operation of the Business, the Owned Properties or the Leased Properties;

(b) No Hazardous Materials have been Released on, at, under, onto, or from any of the Leased Properties, the Owned Properties or the Transferred Assets nor were any Hazardous Materials generated, used, stored, treated, or disposed of on the Leased Properties or Owned Properties by OneBeacon or any of the OneBeacon Subsidiaries; and

(c) There are no Environmental Claims pending or threatened against OneBeacon Subsidiaries or OneBeacon arising out of OneBeacon Subsidiaries' or OneBeacon's investment in or ownership or operation of the Owned Properties or use or occupation of the Leased Properties.

Section 3.20 REINSURANCE AND RETROCESSIONS. SCHEDULE 3.20 sets forth a true and complete list of all Outward Reinsurance Agreements, the effective date of each Outward Reinsurance Agreement, and the termination date of each Outward Reinsurance Agreement which has a definite termination date. All Outward Reinsurance Agreements are in full force and effect, no OneBeacon Subsidiary is in default in any respect as to any provision of any Outward Reinsurance Agreements, and, since December 31, 2000, no reinsurer under any Outward Reinsurance Agreement has failed to pay amounts due or has threatened or indicated that it will not pay amounts due thereunder in accordance with the terms and conditions thereof. Except as indicated on SCHEDULE 3.20, no Outward Reinsurance Agreements contain any cut-through provisions or endorsements, or any other provision providing that such Outward Reinsurance Agreement may terminate or may be commuted by reason of the transactions contemplated by this Agreement.

17

ARTICLE III.B.

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent hereby makes the following representations and warranties to Liberty:

Section 3.B.1 ORGANIZATION, STANDING AND AUTHORITY. Parent is duly incorporated and existing under the laws of Bermuda and in good standing (meaning solely that it has not failed to make any filing with any Bermuda governmental authority or to pay any Bermuda government fee or tax which would make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda). Parent has the requisite corporate power and authority to carry on its operations as they are now being conducted by it.

Section 3.B.2 AUTHORIZATION. Parent has the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. The execution and delivery by Parent of this Agreement, and the performance by Parent of its obligations hereunder, have been duly authorized by all necessary corporate action on the part of Parent. This Agreement has been duly executed and delivered by Parent and, subject to the due execution and

delivery hereof by Liberty and OneBeacon, this Agreement is a valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.B.3 NO CONFLICT OR VIOLATION, ETC. Except as disclosed in SCHEDULE 3.B.3 hereto, the execution and delivery by Parent of this Agreement do not, and the performance by Parent of its obligations under this Agreement and compliance with the provisions hereof will not, (i) conflict with any of the provisions of its organizational documents, (ii) subject to the matters referred to in the next sentence, conflict with, result in a breach of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, modification, cancellation or acceleration of any obligation or loss of a benefit under, require the consent of any Person under, or result in the creation of any Lien on any property or asset of Parent under, any indenture or other written agreement, permit, franchise, license or other legally binding instrument or undertaking to which Parent is a party or by which Parent or any of its assets is bound or affected, or (iii) subject to the matters referred to in the next sentence, contravene any statute, law, ordinance, rule, regulation, order, judgment, injunction, decree, determination or award applicable to Parent or any of its Subsidiaries or any of their respective properties or assets, except in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, terminations, modifications, cancellations, accelerations, losses, consents and Liens which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect. No consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity is required to be obtained or made by or with respect to Parent in connection with the execution and delivery of this Agreement by Parent or the consummation by Parent of the transactions contemplated hereby, except for (i) the approvals, filings or notices required under the insurance laws of the jurisdictions set forth in SCHEDULE 3.B.3 hereto, (ii) such other consents, approvals, authorizations, declarations, filings or

18

notices as are set forth in SCHEDULE 3.B.3 hereto and (iii) such consents, approvals, authorizations, declarations, filings or notices the absence of which would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF LIBERTY

Liberty hereby makes the following representations and warranties to OneBeacon, in each case, other than with respect to the representations and warranties included in Sections 4.01, 4.02, 4.03 and 4.06, to the Knowledge of Liberty as of the date hereof:

Section 4.01 ORGANIZATION, STANDING AND AUTHORITY. Each RAM Group Company and Liberty is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, as applicable, and has the requisite corporate power and authority to carry on the operations of its business as they are now being conducted by it.

Section 4.02 AUTHORIZATION. Liberty has the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and each RAM Group Company and Liberty has the requisite corporate power and authority to execute, deliver and perform its obligations under each of the Ancillary Agreements to be executed by it. The execution and delivery by Liberty of this Agreement and the execution and delivery by each RAM Group Company and Liberty of the Ancillary Agreements to be executed by it, and the performance by each RAM Group Company and Liberty of its obligations hereunder and thereunder, have been duly authorized by all necessary corporate action on the part of each RAM Group Company and Liberty. This Agreement has been duly executed and delivered by Liberty and, subject to the due execution and delivery hereof by OneBeacon and Parent, this Agreement is a valid and binding obligation of Liberty, enforceable against Liberty in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). As of the Closing Date, each Ancillary Agreement executed and delivered by any RAM Group Company and/or Liberty (as applicable) will have been duly executed and delivered by such RAM Group Company and/or Liberty, and, subject to the due execution and delivery of such agreements by the other parties thereto,

each Ancillary Agreement executed by such RAM Group Company and/or Liberty will be a valid and binding obligation of such RAM Group Company and/or Liberty, as the case may be, enforceable against such RAM Group Company and/or Liberty, in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, rehabilitation, reorganization, moratorium and other similar laws relating to or affecting creditors' or policyholders' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.03 NO CONFLICT OR VIOLATION, ETC. Except as disclosed in SCHEDULE 4.03 hereto, the execution and delivery by Liberty of this Agreement do not, the execution and delivery by each RAM Group Company and Liberty of the Ancillary Agreements

19

to which each of them is a party will not, and the consummation by each RAM Group Company and Liberty of the transactions contemplated by this Agreement and by such Ancillary Agreements and compliance with the provisions hereof and thereof will not, (i) conflict with any of the provisions of their respective Articles of Incorporation or By-laws or other organizational documents, (ii) subject to the matters referred to in the next sentence, conflict with, result in a breach of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, modification, cancellation or acceleration of any obligation or loss of a benefit under, require the consent of any Person under, or result in the creation of any Lien on any property or asset of any RAM Group Company or Liberty under, any indenture or other written agreement, permit, franchise, license or other legally binding instrument or undertaking to which such RAM Group Company or Liberty is a party or by which any of them or any of their assets is bound or affected, or (iii) subject to the matters referred to in the next sentence, contravene any statute, law, ordinance, rule, regulation, order, judgment, injunction, decree, determination or award applicable to such RAM Group Company or Liberty or any of their respective Subsidiaries or any of their respective properties or assets, except in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, terminations, modifications, cancellations, accelerations, losses, consents and Liens which would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect. No consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity is required to be obtained or made by or with respect to any RAM Group Company or Liberty in connection with the execution and delivery of this Agreement or any Ancillary Agreement by such RAM Group Company or Liberty, as applicable, or the consummation by such RAM Group Company or Liberty of the transactions contemplated hereby or thereby, except for (i) the approvals, filings or notices required under the insurance laws of the jurisdictions set forth in SCHEDULE 4.03 hereto, (ii) such other consents, approvals, authorizations, declarations, filings or notices as are set forth in SCHEDULE 4.03 hereto and (iii) such consents, approvals, authorizations, declarations, filings or notices the absence of which would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect.

Section 4.04 LITIGATION; ORDERS. Except as disclosed in SCHEDULE 4.04 hereto, and except for Actions or Orders that would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect, there is no Action pending or threatened against any RAM Group Company or Liberty nor is there any Order outstanding against any RAM Group Company or Liberty. A RAM Group Company or Liberty has delivered or made available to OneBeacon copies of all pleadings and correspondence relating to each Action and Order listed in SCHEDULE 4.04 hereto.

Section 4.05 COMPLIANCE WITH LAWS. (a) Except as disclosed in SCHEDULE 4.05(a) hereto, and except for matters pertaining to or arising under Environmental Laws, each RAM Group Company is in compliance with all applicable statutes, laws, ordinances, rules, regulations and orders of any Governmental Entity except for such instances of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect, and no RAM Group Company has received any currently effective notice or other written communication from any Governmental Entity, arbitrator or any other person regarding any such non-compliance.

20

(b) Except as set forth in SCHEDULE 4.05(b) hereto, all material deficiencies or violations with respect to the respective insurance businesses of the RAM Group Companies in all reports (including, but not limited to, draft reports) of examinations of the affairs of any RAM Group Company with respect to such businesses (including, but not limited to, market conduct examinations)

issued by any insurance regulatory authority for any period ending on a date on or after January 1, 1996, have been resolved.

(c) Except as set forth in Schedule 4.05(c) hereto, no RAM Group Company is a party to any material contract with or other undertaking to, or subject to any Order by, or the recipient of any supervisory letter or other written communication of any kind that has subjected its insurance business to a consent order, fine or penalty from, any Governmental Entity which relates to its reserve adequacy or its claims, marketing, sales, trade, or underwriting practices or policies in respect of its insurance business, other than Orders, letters or other written communications to insurers generally, and other than such contracts, undertakings, Orders, letters or other written communications which would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect, nor has any RAM Group Company been notified in writing by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such order, contract, undertaking, letter or other written communication.

(d) Except as set forth on SCHEDULE 4.05(d) hereto, each RAM Group Company has filed all reports, statements, documents, registrations, filings or submissions required to be filed by such RAM Group Company with any Governmental Entity to the extent they relate to their respective insurance businesses and are acting in compliance in all material respects with all such reports, statements, documents, registrations, filings and submissions. All such registrations, filings and submissions were in compliance in all material respects with applicable law when filed or as amended or supplemented, and no material deficiencies have been asserted by any Governmental Entity with respect to such registrations, filings or submissions that have not been satisfied.

Section 4.06 BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Liberty, the RAM Group Companies or any of their Affiliates.

Section 4.07 PERMITS AND FRANCHISES. SCHEDULE 4.07(a) hereto lists (i) all jurisdictions in which each RAM Group Company has the necessary Permits to transact the business of insurance, including any restrictions on such Permits and (ii) the lines of business which each RAM Group Company is authorized to transact in each such jurisdiction. Except as set forth on SCHEDULE 4.07(b) hereto, the RAM Group Companies have all material Permits and authorizations necessary to conduct their respective insurance businesses in the manner and in the areas in which such businesses are being conducted on the date hereof and all such Permits and authorizations are valid and in full force and effect.

Section 4.08 INSURANCE BUSINESS. Except as set forth on SCHEDULE 4.08 hereto, any application form, form of insurance policy, written advertising material (including such material placed on any RAM Group Company's website) and rate or rule currently utilized by the

RAM Group Companies in connection with their respective insurance businesses, the use or issuance of which requires filing or approval, have been appropriately filed, and if required, approved by the insurance regulatory authorities of any state in which such insurance policies, application forms, advertising materials and rates or rules are required to be filed and not objected to by such authorities within the period provided for objection, except for failures to effect such filings or secure such approvals, which would not, individually or in the aggregate, reasonably be expected to have a Liberty Material Adverse Effect. All such insurance policies, application forms, advertising materials and rates or rules are utilized in compliance with all applicable laws and regulations and within the scope of the approvals received therefor.

ARTICLE V.

COVENANTS

Section 5.01 CONDUCT OF BUSINESS. Except as contemplated by this Agreement or as otherwise consented to by Liberty, during the period from the date hereof to the Closing Date, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, carry on the Business only in the ordinary course of business consistent with past practice and, to the extent consistent therewith, use their commercially reasonable best efforts to preserve intact the current business organization of the Business, preserve the rights, franchises, and relations of their customers and policyholders, preserve the Permits issued to any OneBeacon Subsidiary in full force and effect consistent with past practice, keep

available the services of the Business Employees and preserve their relationships with producers, agents, brokers, intermediaries, insureds, reinsureds, Governmental Entities and others having business dealings with, or jurisdiction over, the Business. Without limiting the generality of the foregoing, during the period from the date hereof to, except as otherwise provided in clauses (f), (g) and (h) of this Section 5.01, the Closing Date, except as expressly permitted by this Agreement, OneBeacon shall not, and OneBeacon shall cause the OneBeacon Subsidiaries not to, without the prior written consent of Liberty:

(a) other than in the ordinary course of business consistent with past practice, sell, terminate, transfer or otherwise dispose of any assets which would otherwise be Transferred Assets; PROVIDED that the proceeds resulting from any such sale, transfer or disposition of a Transferred Asset shall constitute a Transferred Asset hereunder which Liberty shall be entitled to receive; PROVIDED, FURTHER, that notwithstanding anything herein to the contrary, the OneBeacon Subsidiaries and OneBeacon shall not sell, transfer or otherwise dispose of any material Tangible Assets;

(b) (i) permit or allow any of the Transferred Assets to become subject to any Liens, except Permitted Liens, (ii) waive any claims or rights relating to the Business, except in the ordinary course of business consistent with past practice, or (iii) grant any increase in the compensation or benefits of, or increase or promise to increase, or establish any new, or amend any existing, employee benefit plan, severance plan or other plan of compensation for, any of the Business Employees (including any such increase pursuant to any wage, salary, incentive, bonus, pension, profit-sharing or other plan or commitment) for which Liberty or any of its Affiliates shall become liable or otherwise responsible;

22

(c) enter into, renew or amend in any material respect any Assigned and Assumed Contract or other contract that is or would be material to the operation of the Business (other than the Outward Reinsurance Agreements), including contracts relating to the implementation of new systems applications affecting the Business or the Transferred Assets, fail to maintain in effect any contract or agreement for the maintenance or support of any software or equipment used in connection with the Business, or exercise any option under any of the Leased Property Leases;

(d) make any change, in a manner which is materially adverse to the Business, in the underwriting, pricing, claims, risk retention, marketing, agency actions and management (except for such agency actions and management described in Section 5.01(f)) and reinsurance practices or policies used by any OneBeacon Subsidiary or OneBeacon in connection with the Business on the date thereof, except as required under applicable law or regulatory requirements;

(e) issue, amend or renew any property and casualty insurance coverage which does not conform to any OneBeacon Insurer's underwriting, pricing and risk retention standards, practices and policies in effect on the date hereof and as provided to Liberty, except as required under applicable regulatory requirements or by any Governmental Entity;

(f) (i) except as contemplated by the Post-Closing Serviced Policies Administrative Services Agreement, at any time from the date hereof through the date of the termination of the Transition Services Agreement in accordance with its terms, implement with respect to the Business any action in any states or jurisdictions within the United States, other than the Excluded States, with respect to withdrawal (or deemed or constructive withdrawal, including due to the termination of insurance producers or notices of nonrenewal of a line or class of business) from a class, line or lines of business in any such state or jurisdiction or with respect to any agency management actions related to such withdrawal other than as listed in SCHEDULE 3.15, and (ii) with respect to those withdrawal actions set forth on SCHEDULE 3.15, respond to any Governmental Entity, insurance producers' or insureds' inquiries or complaints;

(g) permit any Business Employee's employment to be transferred to or (other than with respect to the Shared Business Employees) shared with any trade or business of any OneBeacon Subsidiary or any OneBeacon Subsidiary's Affiliate other than the Business at any time from the date hereof to January 1, 2002;

(h) at any time from the date hereof to January 1, 2002, enter into any employment agreement with any Business Employee;

(i) enter into, terminate or commute any Outward Reinsurance Agreement or other reinsurance or retrocession agreement relating to the Business or fail to maintain in effect any Outward Reinsurance Agreement

relating to the Business; or

(j) except as may be required by a Governmental Entity, commit or agree to take any of the foregoing actions.

Section 5.02 NO SOLICITATION. (a) From the date hereof to the Closing, OneBeacon shall not, and shall cause each OneBeacon Subsidiary not to, nor shall OneBeacon permit any of its Affiliates or any of their respective Representatives to (i) solicit, initiate or

23

knowingly encourage the submission of any Acquisition Proposal, (ii) enter into any agreement with respect to any Acquisition Proposal, or (iii) participate in any discussions or negotiations regarding, or furnish to any person any non-public information with respect to, or take any other action to knowingly facilitate the making of any proposal that constitutes or would reasonably be expected to lead to, an Acquisition Proposal. Promptly after the execution of this Agreement, OneBeacon will, and OneBeacon shall cause each OneBeacon Subsidiary to, use its commercially reasonable best efforts to pursue, pursuant to the terms of any Third Party Confidentiality Agreements, the return from all third parties and their representatives of all confidential information provided to them in connection with or concerning the Business. OneBeacon shall, and shall cause each OneBeacon Subsidiary to, provide to Liberty the benefits of OneBeacon's and/or OneBeacon Subsidiaries' rights under any Third Party Confidentiality Agreements, including exercising such rights for the benefit of Liberty. SCHEDULE 5.02 hereto is a true and complete list of all Third Party Confidentiality Agreements.

(b) From the date hereof to the Closing, OneBeacon shall, and OneBeacon shall cause the OneBeacon Subsidiaries to, promptly notify Liberty of any Acquisition Proposal, the person making such Acquisition Proposal and all material terms and conditions of such Acquisition Proposal.

Section 5.03 ACCESS TO INFORMATION; CONFIDENTIALITY. OneBeacon shall, and shall cause each OneBeacon Subsidiary to (a) afford to Liberty and its Representatives reasonable access during normal business hours and upon reasonable prior notice during the period from the date hereof to the Closing Date to all of the (i) Insurance Policies, Books and Records and Transferred Assets, including all Independent Producer, underwriting and claims data and information and (ii) personnel involved in the Business, including all key managers, PROVIDED, that such access shall not unreasonably interfere with the operation of the Business, and (b) during such period, furnish as promptly as practicable to Liberty such information concerning the Business as Liberty may from time to time reasonably request. From the date hereof to the Closing Date, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, make reasonable accommodation to permit such Representatives to effectively monitor the Business Employees. Liberty agrees that it will hold, and will cause its Affiliates and each of their respective Representatives to hold, any information so obtained in confidence to the extent required by, and in accordance with, the provisions of the Confidentiality Agreement. No investigation or review by Liberty or any of its Representatives shall affect or be deemed to modify any of the representations, warranties, covenants or agreements of Parent or OneBeacon under this Agreement or otherwise; it being understood that, notwithstanding any right of Liberty to have access to information concerning the Business pursuant to this Section 5.03 and notwithstanding any knowledge of facts determined or determinable by Liberty in connection therewith, subject only to Section 10.06, Liberty has the right to rely fully upon the representations, warranties, covenants and agreements of Parent and OneBeacon contained in this Agreement, any Ancillary Agreement or any Schedule, Exhibit or certificate in respect thereof.

Section 5.04 COMMERCIALY REASONABLE BEST EFFORTS. Upon the terms and subject to the conditions and other agreements set forth in this Agreement, each of the parties agrees to use its commercially reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all

24

things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

Section 5.05 CONSENTS, APPROVALS AND FILINGS

(a) OneBeacon and Liberty will make and cause their respective

Subsidiaries to make all necessary filings with Governmental Entities, as soon as practicable, including, without limitation, any filing required under state insurance laws in order to facilitate prompt consummation of the transactions contemplated by this Agreement. In addition, OneBeacon and Liberty shall, and shall cause their respective Subsidiaries to, use their commercially reasonable best efforts in cooperation with each other to (i) comply as promptly as practicable with all governmental requirements applicable to the transactions contemplated by this Agreement and (ii) obtain as promptly as practicable all necessary consents, approvals, permits or authorizations of Governmental Entities necessary or advisable for the consummation of the transactions contemplated by this Agreement or any Ancillary Agreement. OneBeacon and Liberty shall use their commercially reasonable best efforts to provide such information and communications to Governmental Entities as such Governmental Entities may reasonably request. OneBeacon and Liberty shall, and shall cause their respective Subsidiaries to, furnish to the other such necessary information and reasonable assistance as the other may request in connection with its preparation of (i) necessary filings or submissions to any Governmental Entity in connection with the transactions contemplated by this Agreement and (ii) responses to any inquiries by any Governmental Entity regarding the transactions contemplated by this Agreement.

(b) Each of the parties shall notify the other parties and keep them advised as to the status of all applications to, and proceedings before, Governmental Entities in connection with the transactions contemplated by this Agreement. Each of the parties shall provide to the other parties copies of all applications or other correspondence or materials in advance of filing or submission thereof by such parties or their Affiliates to Governmental Entities in connection with the transactions contemplated by this Agreement. Each party shall be responsible for the payment of all costs and expenses incurred by such party in connection with obtaining any such consents, approvals, permits or authorizations; PROVIDED, HOWEVER, that the parties shall share equally any filing or other similar processing fees payable to a Governmental Entity in connection with obtaining such consents, approvals, permits or authorizations.

(c) (i) OneBeacon and Liberty shall each use their commercially reasonable best efforts in cooperation with each other, to obtain at the lowest cost practicable and as promptly as practicable following the date hereof all consents, approvals, waivers or authorizations of all third parties (other than Governmental Entities) necessary to permit the consummation of the transactions and the provision of services contemplated by this Agreement or any Ancillary Agreement, including any required consents, approvals, waivers or authorizations with respect to (A) an assignment or sublicense of the Licensed Generally Used Software and the Licensed Exclusively Used Software (which assignments or sublicenses shall contain provisions to permit the relevant Licensed Exclusively Used Software to continue to reside and operate on systems owned by OneBeacon or the OneBeacon Subsidiaries and, if applicable, to permit Liberty or its designated Affiliates to have its data processed by the software) for use by or on behalf of Liberty and its designated Affiliates solely in connection with the conduct of the Business, the operation of the Data Centers, and the provision of any services by Liberty or its designated

25

Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement, (B) a sublease of a lease or an assignment of a lease relating to any of the Leased Properties and (C) the assignment or transfer of rights under any other Assigned and Assumed Contract.

(ii) All amounts payable to the third parties described in Section 5.05(c)(i) above in connection with obtaining consents, approvals, waivers and authorizations from such third parties will be shared equally by Liberty and OneBeacon; PROVIDED that Liberty's liability for such amounts shall be limited to an aggregate of \$4,000,000, and OneBeacon shall be solely responsible for all amounts in excess thereof; PROVIDED FURTHER, OneBeacon shall be solely responsible for, and Liberty shall have no obligation with respect to, payment of any penalties, charges or fees incurred by OneBeacon or any of its Affiliates in connection with obtaining such consents, approvals, waivers and authorizations to the extent that such penalties, charges or fees result from (A) the acceleration of deferred costs and expenses, the reinstatement of previously waived fees and expenses, the increase in per-unit costs and other similar costs and expenses or (B) any costs and expenses payable as a result of the termination, diminishment or other modification of services or equipment required under any telecommunications services or equipment agreement. Liberty shall be entitled to participate in any negotiation with any Person whose consent is required in connection with the assignment or sublicensing or other transfer of an Assigned and Assumed Contract or Licensed Generally Used Software and the rights and obligations thereunder.

(iii) Pending obtaining any consent, approval, waiver or

authorization with respect to an Assigned and Assumed Contract, the parties shall cooperate with each other to effect mutually agreeable, reasonable and lawful arrangements designed to provide Liberty or its designated Affiliates with (A) the economic and operational equivalents that would have been realized by Liberty or its designated Affiliates had the applicable Assigned and Assumed Contract (such term to exclude for purposes of this Section 5.05(c)(iii) contracts and agreements relating to Licensed Exclusively Used Software) been assigned, subleased or transferred to Liberty or its designated Affiliates at Closing or (B) to the extent that such economic and operational equivalent cannot be provided through OneBeacon or one of its Affiliates, alternative third party contractual arrangements which arrangements shall be determined by Liberty in its reasonable discretion to be acceptable. Once consent, approval, waiver or authorization for the assignment, sublease or transfer of any such Assigned and Assumed Contract not assigned, subleased or transferred at the Closing is obtained, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, assign, sublease or transfer promptly such Assigned and Assumed Contract to Liberty or its designated Affiliate. In the event that any such Assigned and Assumed Contract cannot be so assigned, subleased or transferred or the full benefits of use of any such Assigned and Assumed Contract cannot be provided to Liberty or its designated Affiliates within a reasonable period of time following the Closing pursuant to this Section 5.05, then Liberty, or its designated Affiliates on the one hand, and the OneBeacon Subsidiaries or OneBeacon, on the other hand, shall enter into such arrangements (including servicing, subleasing, subcontracting or occupancy) that will provide Liberty or its designated Affiliates with (A) the economic and operational equivalents that would have been realized by Liberty or its designated Affiliates had the applicable Assigned and Assumed Contract been assigned, subleased or transferred to Liberty or its designated Affiliates at Closing or (B) to the extent that such economic and operational equivalent cannot be provided through OneBeacon or one of its Affiliates, alternative

26

third party contractual arrangements which arrangements shall be determined by Liberty in its reasonable discretion to be acceptable.

(iv) With respect to the Licensed Exclusively Used Software which is used pursuant to a license that is assigned to Liberty or its designated Affiliates pursuant to this Section 5.05 and is an Assigned and Assumed Contract, Liberty or its designated Affiliates shall assume responsibility for complying with the terms and conditions of the licenses governing such software, including responsibility for the payment of the costs and expenses of all ongoing contractual responsibilities, including licensing, and maintenance fees incurred after the Closing Date unless such sums are included or otherwise provided for in the Transition Services Agreement. OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, comply with the applicable terms and conditions of such licenses.

(v) OneBeacon shall, and shall cause the OneBeacon Subsidiaries, to provide Liberty (A) at Closing or as promptly as practicable thereafter, a copy of all license agreements regarding the Licensed Generally Used Software and the Licensed Exclusively Used Software, and (B) as soon as practicable after the execution of sublicenses and assignments pursuant to which Liberty or its designated Affiliates acquire rights to the Licensed Generally Used Software or the Licensed Exclusively Used Software, a copy of all such sublicenses and assignments. With respect to the Licensed Generally Used Software and Licensed Exclusively Used Software which is sublicensed to Liberty pursuant to this Section 5.05(c) or 5.05(d) (under a corresponding license to OneBeacon or a OneBeacon Subsidiary), OneBeacon and Liberty or its designated Affiliates shall be responsible for complying with the terms and conditions of the applicable licenses and sublicenses governing such software, provided that the obligation of Liberty and its designated Affiliates to so comply shall apply only to the extent that such licenses or sublicenses have been provided to Liberty. In no event shall OneBeacon or any OneBeacon Subsidiary terminate any license existing as of the Closing Date for any Licensed Generally Used Software or Licensed Exclusively Used Software that is sublicensed to Liberty or its designated Affiliates pursuant to this Section 5.05(c) or 5.05(d), except that OneBeacon or any OneBeacon Subsidiary may terminate any such license so long as such termination (A) has been consented to by Liberty (such consent not to be unreasonably withheld or delayed), or (B) (x) does not cause Liberty to incur any additional costs or impose any additional obligations or restrictions on Liberty and (y) does not impair Liberty's ability to conduct the Business, operate the Data Centers or provide any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement. With respect to Licensed Generally Used Software, OneBeacon and Liberty shall share the costs and expenses in a fair and equitable manner (based on use and benefit) of ongoing contractual responsibilities, including licensing and maintenance fees incurred after the Closing Date (but excluding amortization of development expenses other than

development expenses incurred at the request of Liberty), unless such sums are included or otherwise provided for in the Transition Services Agreement; provided, that (A) Liberty's obligations for payment under this section apply only to the extent that such licenses or sublicenses have been provided to Liberty, (B) OneBeacon and OneBeacon Subsidiaries shall be responsible for the payment of all costs and expenses of all ongoing contractual responsibilities, including licensing, upgrade and maintenance fees, to the extent associated with the use by OneBeacon and OneBeacon Subsidiaries of the Licensed Generally Used Software other than in connection with the conduct of the Business, and (C) OneBeacon and OneBeacon Subsidiaries, on the one hand, and Liberty,

27

on the other hand, shall allocate responsibility for the payment of the costs and expenses of all ongoing contractual responsibilities for system upgrades and developments on a fair and equitable basis if Liberty requests such upgrades or developments.

(d) Once any necessary consents, approvals, waivers or authorizations for the sublicense or assignment, as applicable, of the Licensed Generally Used Software and the Licensed Exclusively Used Software have been obtained, OneBeacon shall and shall cause the OneBeacon Subsidiaries to sublicense or assign, as applicable, such Licensed Generally Used Software and Licensed Exclusively Used Software to Liberty or its designated Affiliate. Pending obtaining any consent, approval, waiver or authorization, the parties shall cooperate with each other to effect mutually agreeable, reasonable and lawful arrangements designed to provide Liberty and its designated Affiliates with (i) the economic and operational equivalents that would have been realized by Liberty or its designated Affiliates had the applicable Licensed Generally Used Software and Licensed Exclusively Used Software been sublicensed or assigned, as applicable, to Liberty or its designated Affiliates at Closing or (ii) to the extent that such economic and operational equivalent cannot be provided through OneBeacon or one of its Affiliates, alternative third party contractual arrangements which arrangements shall be determined by Liberty in its reasonable discretion to be acceptable. In the event that OneBeacon is unable, notwithstanding the use of commercially reasonable best efforts, to obtain such consents, approvals, waivers or authorizations with respect to the sublicense or assignment of the Licensed Generally Used Software and the Licensed Exclusively Used Software by the Closing, OneBeacon will promptly identify and provide to Liberty or its designated Affiliates licenses for software determined by Liberty in its reasonable discretion to be suitable substitutes therefor. To the extent that the fees paid or payable to a licensor of such substitute software exceed the license fees which would otherwise have been paid or payable for the software being substituted during the balance of the term of the license for the software being substituted (which for purposes of this sentence shall be deemed to not exceed a period of five (5) years from the Closing Date), such excess fees shall be shared equally by the parties, it being understood that Liberty's share of such excess fees shall be deemed to be "amounts " for which Liberty is liable for the purposes of the first sentence of Section 5.05(c)(ii) and, accordingly, the present value of such excess fees (using a discount rate of 3.5%) shall be taken into account for purposes of determining whether the \$4,000,000 limitation set forth in the first sentence of Section 5.05(c)(ii) has been satisfied, it being further understood that OneBeacon shall be responsible for reimbursing Liberty for all such excess fees to the extent that the aggregate amounts for which Liberty is liable pursuant to the first sentence of Section 5.05(c)(ii), taking into account all amounts incurred by Liberty pursuant to this sentence, exceed \$4,000,000.

Section 5.06 NOTIFICATION. From the date hereof to the Closing Date, each of OneBeacon and Liberty shall promptly notify the other, keep it advised as to, and furnish any information reasonably requested with respect to (i) any Action pending and known to it or, to its knowledge, threatened which challenges or seeks to restrain or enjoin the consummation of any of the transactions contemplated hereby, (ii) the occurrence of any OneBeacon Material Adverse Effect or Liberty Material Adverse Effect, as applicable, and (iii) the occurrence of any material breach by any of the other parties hereto of such party's representations, warranties or covenants (or, with respect to such representation or warranty qualified as to materiality, the occurrence of any breach) under this Agreement.

28

Section 5.07 FURTHER ASSURANCES. On and after the Closing Date, Parent, OneBeacon and Liberty shall, and shall cause their respective Subsidiaries to, take all reasonably appropriate action and execute any additional documents, instruments or conveyances of any kind which may reasonably be necessary to carry out any of the provisions of this Agreement or

any Ancillary Agreement or consummate any of the transactions contemplated by this Agreement or any Ancillary Agreement, it being expressly understood, however, that, except as otherwise provided herein, such as by way of example, in Section 5.05 hereof, or in any Ancillary Agreement, the foregoing shall not be construed to obligate OneBeacon, any of the OneBeacon Subsidiaries or Liberty or any of the RAM Group Companies to (i) take any action following the Closing not expressly required under this Agreement or any Ancillary Agreement which would be materially burdensome to such Person or (ii) incur any additional expense in furtherance of any action not expressly required in this Agreement or in any Ancillary Agreement. Following the Closing, if OneBeacon, Parent and Liberty mutually agree that any asset, employee or liability of OneBeacon, any of the OneBeacon Subsidiaries or any OneBeacon Subsidiary's Affiliate should have been a Transferred Asset, a Business Employee or an Assumed Liability, as applicable, (A) OneBeacon shall, and shall cause such OneBeacon Subsidiaries to, (i) in the case of an asset (including an Assigned and Assumed Contract), transfer such asset to Liberty at no cost, and in such case, such asset shall be deemed to be a Transferred Asset for all purposes of this Agreement and (ii) in the case of an employee, permit Liberty to offer to employ such employee and (B) in the case of a liability (including any liability relating to a Transferred Asset transferred in accordance with clause (A)(i) above to the extent that such liability would constitute an Assumed Liability), Liberty shall, or shall cause any of the RAM Group Companies or any of their Affiliates to, assume such liability for no additional consideration and in such case, such liability shall be deemed to be an Assumed Liability for all purposes of this Agreement.

Section 5.08 EXPENSES. Except as otherwise specifically provided in this Agreement or any Ancillary Agreement, the parties to this Agreement shall bear their respective expenses incurred in connection with the preparation, execution and performance of this Agreement or any Ancillary Agreement and consummation of the transactions contemplated hereby and thereby, including all fees and expenses of agents and Representatives.

Section 5.09 EMPLOYEES AND EMPLOYEE BENEFITS. (a) For the Leasing Period, OneBeacon shall, and shall cause the OneBeacon Group to, lease, pursuant to the Employee Leasing Agreement, the services of the Business Employees to Liberty.

(b) On or before November 5, 2001, Liberty shall cause the Liberty Group to make Offers of Employment, either individually and/or as a group, to commence as of January 1, 2002, to approximately 2,400 (but in any event at least 2,300) of the full time Business Employees. The Liberty Group shall use its sole discretion in determining Business Employees to whom they make such Offers of Employment. For this purpose "Offer of Employment" means a written offer to a full time Business Employee on the active payroll for full time employment beginning January 1, 2002 at a location within fifty miles (or greater than 50 miles if agreed to by the Business Employee) of such Business Employee's work location with the OneBeacon Group, at a base salary no less than that in effect at the OneBeacon Group on December 31, 2001 and with incentive opportunity and employee benefits, including medical, disability and life insurance and retirement benefits, that are no less favorable than those

provided by the RAM Group Companies to their other similarly-situated employees except as otherwise noted herein. OneBeacon shall, and shall cause the OneBeacon Group to, terminate the employment of all Business Employees who will become Transferred Employees effective as of December 31, 2001 and Liberty shall cause the applicable Liberty Group member to hire such Transferred Employees as of January 1, 2002 on the terms set forth in the Offer of Employment. Liberty shall credit, or shall cause the Liberty Group to credit, each Transferred Employee with the amount (in full days only) of his/her accrued but unused vacation on December 31, 2001 (but in no event to exceed 10 vacation days) under the plans or programs of the OneBeacon Group, provided that such accrued vacation time shall become subject to all the limitations and provisions of the related Liberty plans, including, but not limited to, requiring a maximum of five (5) such days to be used for purposes of satisfying any applicable waiting period under Liberty's short-term disability plan. As soon as reasonably practicable after January 1, 2002, but in no event later than January 30, 2002, in consideration for Liberty crediting such accrued vacation, OneBeacon shall pay Liberty an amount equal to the value of the number of vacation days credited on behalf of the Transferred Employees by wire transfer of immediately available funds in U.S. dollars to such account or accounts of Liberty as Liberty shall designate in writing at least three Business Days prior to the payment date; PROVIDED, that prior to forwarding such payment OneBeacon shall provide Liberty with a true and complete statement detailing the calculation of such payment. Nothing in this Agreement shall be construed as limiting in any way the right of the Liberty Group (or an Affiliate thereof) on and after January 1, 2002, to terminate the employment of any Transferred Employee, to change his or her salary or wages or to modify benefits or other terms and conditions of

employment of Transferred Employees to the extent that any changes to salary or wages are done in accordance with the RAM Group Companies' normal compensation and benefit plan practices and apply generally to employees or former employees of the RAM Group Companies' business; provided, (i) the Liberty Group shall not reduce a Transferred Employee's base salary or benefits (as determined above) prior to June 1, 2002, it being understood by all parties hereto that termination of any Transferred Employee's employment shall not be deemed a reduction of base salary or benefits, and (ii) from and after June 1, 2003, Liberty shall cause the Liberty Group to be responsible for all severance and outplacement payments of the Transferred Employees pursuant to the terms of the severance plans, policies and/or arrangements in effect for employees of the Liberty Group on the date of the applicable Transferred Employee's date of termination. Liberty shall cause the Liberty Group to indemnify and hold the OneBeacon Subsidiaries harmless from any damages, expenses and costs related to claims related to the Liberty Group offers of employment to Business Employees or the Liberty Group's failure to give Offers of Employment to any Business Employees which claims in each case are held to arise solely from a violation of the federal, state or local law prohibiting discrimination.

(c) Liberty shall cause the Liberty Group to reimburse the OneBeacon Subsidiaries for the severance payments of weekly base salary based on length of employment through December 31, 2001 in accordance with the criteria set forth on SCHEDULE 5.09(c) paid by the OneBeacon Group to the Business Employees not given Offers of Employment by the Liberty Group and terminated by the OneBeacon Subsidiaries prior to January 1, 2002, to the extent the Business Employee is otherwise entitled to severance payments in accordance with the OneBeacon Plans (as defined below). Liberty shall cause the Liberty Group and OneBeacon shall cause the OneBeacon Subsidiaries to cooperate in good faith in the management of the severance process relating to Business Employees who are not given Offers of Employment so

30

that such Business Employees may be terminated prior to January 1, 2002. Such severance payments shall be reimbursed by the Liberty Group after receiving a written request therefor from the OneBeacon Subsidiaries (no more frequently than monthly) setting forth the details and providing reasonable documentation thereof. Neither the Liberty Group nor any of its Affiliates shall have any responsibility or liability for any other severance amounts or benefits, including but not limited to, COBRA subsidies, pension benefits based on factors other than actual service and age to which a Business Employee or Transferred Employee becomes entitled as a result of severance ("Enhanced Pension Benefits"), and all severance benefits and payments provided to (i) employees of the OneBeacon Subsidiaries who are not Business Employees, (ii) Transferred Employees with respect to their employment and termination thereof with the OneBeacon Subsidiaries, or (iii) Business Employees who do not accept an Offer of Employment from the Liberty Group that meets the requirements of Section 5.09(b). In lieu of providing benefits under the Liberty Group severance plans, Liberty shall cause the Liberty Group to provide the following severance pay and benefits to Transferred Employees terminated by Liberty prior to June 1, 2003: (x) severance pay in accordance with the criteria set forth on Schedule 5.09(c); (y) COBRA subsidies or COBRA enhancements in accordance with the terms of the OneBeacon severance plan or policy applicable to the Business Employees as in effect on the date of Closing (the "OneBeacon Plan"); and, (z) outplacement benefits in accordance with the applicable Liberty Group plan ("Outplacement Benefits"); PROVIDED THAT (i) OneBeacon shall provide (and Liberty shall have no responsibility to provide) any Enhanced Pension Benefits to which any such Transferred Employee is entitled under the OneBeacon Plan and (ii) OneBeacon shall reimburse Liberty on a monthly basis for the value of benefits provided by Liberty in accordance with the terms of the OneBeacon Plan (including COBRA subsidies or COBRA enhancements) in excess of the severance pay calculated in accordance with the criteria set forth on Schedule 5.09(c) (it being understood that Liberty shall be responsible for paying the severance pay calculated in accordance with the criteria set forth on Schedule 5.09(c) and the Outplacement Benefits without reimbursement by OneBeacon) and that OneBeacon shall not be required to reimburse Liberty or the Liberty Group for benefits or payments that are not required under the terms of the OneBeacon Plan. Except as set forth herein, the OneBeacon Group shall have no liability to the Liberty Group for severance obligations relating to the termination of Transferred Employees by the Liberty Group on or after January 1, 2002.

(d) Liberty shall cause the Liberty Group to pay 50% of the value of the benefits (whether such benefits are paid in cash or stock) provided under the retention program listed on Schedule 5.09(d)(i) (the "OneBeacon Program") and OneBeacon shall cause the OneBeacon Subsidiaries to pay 50% of the value of the benefits provided under the retention program described in Schedule 5.09(d)(ii) (the "Liberty Program"); PROVIDED THAT the Liberty Group's share of the costs associated with the OneBeacon Program and the OneBeacon Subsidiaries' share of the costs associated with the Liberty Program shall each be limited to

\$3 million. OneBeacon shall invoice Liberty for 50% of the value of the benefits provided under the OneBeacon Program promptly after each date on which the applicable equity awards vest. Liberty shall invoice OneBeacon for 50% of the value of the benefits provided under the Liberty Program promptly after each date on which payments are made thereunder. Each party shall pay its share of the benefits provided under the OneBeacon Program or the Liberty Program, as applicable, in immediately available funds promptly after receipt of the invoice.

31

(e) With respect to each Transferred Employee:

(i) Liberty shall waive, or cause the Liberty Group to waive, pre-existing condition exclusions and waiting period requirements under any medical or dental plans maintained or sponsored by or contributed to by the Liberty Group for such Transferred Employees on or after January 1, 2002 and evidence of insurability provisions (with the exception of dependent life insurance coverage) under the group employee life insurance program maintained or sponsored by or contributed to by the Liberty Group for such Transferred Employees on or after January 1, 2002; PROVIDED that such conditions, waiting periods, or exclusions did not preclude coverage for such Transferred Employee as of December 31, 2001 under the comparable plans of the OneBeacon Subsidiaries.

(ii) The OneBeacon Subsidiaries' plans shall be responsible for all welfare benefits relating to the Transferred Employees and which are accrued prior to January 1, 2002 (including without limitation retiree welfare benefits subject to the obligations set forth in Schedule 5.09(e)(iii)), and the welfare benefit plans in effect for the Liberty Group's employees shall assume responsibility for the Liberty Group's portion of the welfare plan benefits relating to Transferred Employees and which are accrued on and after January 1, 2002 (except as otherwise provided in Section 5.09(c)). For this purpose, a benefit shall be deemed to accrue when the medical or other service giving rise thereto is performed, except that: (A) in the case of a death benefit, such accrual shall be deemed to occur on the date of death, and (B) in the case of short-term disability, such accrual shall be deemed to occur on the date benefits are paid, and (C) in the case of long-term disability, such accrual shall be deemed to occur on the effective date of the first long-term disability payment.

(iii) Liberty shall grant, or cause the Liberty Group to grant, past service credit for each Transferred Employee with the OneBeacon Subsidiaries or any of their Affiliates prior to January 1, 2002 for purposes of (A) eligibility and vesting (but not for purposes of benefit accrual except as expressly provided in this Section 5.09(e)(iii)) under all of Liberty's employee benefit plans, (B) Liberty's vacation, sick leave and severance policies for purposes of calculating the amount of each Transferred Employee's vacation and sick leave entitlement and severance benefits, and (C) post retiree benefits as summarized on SCHEDULE 5.09(e)(iii). On or prior to the first business day following January 1, 2002, in consideration for Liberty granting past service credit for post-retiree health benefits, OneBeacon shall pay Liberty \$14.573 million from its general assets by wire transfer of immediately available funds in U.S. dollars to such account or accounts of Liberty as Liberty shall designate in writing at least three (3) Business Days prior to the payment date.

(iv) OneBeacon shall make available to the Liberty Group as soon as practicable after January 1, 2002 data and records regarding the Transferred Employees that the parties mutually agree are appropriate for the Liberty Group to possess; PROVIDED, that OneBeacon shall provide to the Liberty Group such information regarding the Transferred Employees which the Liberty Group may request which is necessary for the Liberty Group to obtain in order to comply with any applicable employment law, rule, regulation or provision; PROVIDED, FURTHER, that OneBeacon shall not be required to provide any data or records under this subsection in violation of any applicable law or if doing so could result in liability to the OneBeacon Group.

32

(v) Liberty shall cause the Liberty Group to assume, and indemnify and hold OneBeacon and the OneBeacon Subsidiaries harmless against, the contractual severance obligations (A) for the eight (8) officers listed on SCHEDULE 5.09(e)(v)(A) and (B) for the employees listed on SCHEDULE 5.09(e)(v)(B); PROVIDED that the Liberty Group shall not indemnify and hold OneBeacon and the OneBeacon Subsidiaries harmless against, and OneBeacon shall reimburse Liberty for any payments made, or benefits provided by, the Liberty Group to, the employees listed on SCHEDULE 5.09(e)(v)(B) pursuant to the

contract with OneBeacon ineffect on the date hereof to the extent such payment or benefits are in excess of the severance pay calculated in accordance with the criteria set forth on SCHEDULE 5.09(c).

(vi) OneBeacon shall cause the OneBeacon Subsidiaries to amend the OneBeacon Subsidiaries DB Plan as of the Closing Date to provide each Transferred Employee (i) the choice of either (A) if the Transferred Employee's employment is terminated by the Liberty Group prior to June 1, 2003 and he or she meets the applicable age and service requirements at the time of his or her termination, the Transferred Employee's accrued benefit as of December 31, 2001 as adjusted for the termination enhancement related to the acquisition of the OneBeacon Group by Parent of the OneBeacon Subsidiaries DB Plan, or (B) the Transferred Employee's accrued benefit adjusted to reflect future increases of 3.5% per annum from December 31, 2001 until the earlier of the dates (x) the Transferred Employee's employment terminates with the Liberty Group or (y) the Transferred Employee elects to commence distribution under the OneBeacon Subsidiaries DB Plan, and (ii) with pension service credit for vesting and eligibility (but not benefit accrual) purposes for the Transferred Employee's period of employment with the Liberty Group; PROVIDED that in the event there is a net reduction in the accrual rates (after taking into consideration the average value of the benefit active participants receive from any replacement benefit or plan) for all or a large cross-section of active participants in the OneBeacon Subsidiaries DB Plan, OneBeacon may proportionally reduce the 3.5% accrued benefit adjustment factor referenced in subparagraph (B), above, without violating this Agreement, it being understood that OneBeacon and the OneBeacon Group agree to not take action directed specifically at the Transferred Employees if such action would adversely impact the Transferred Employees. Liberty shall cause the Liberty Group to notify the OneBeacon Subsidiaries at least monthly, or earlier as the need arises of the date of any Transferred Employee's termination with the Liberty Group. Liberty's 401(k) plan shall permit rollovers of accounts from the OneBeacon Subsidiaries' 401(k) plan, which rollovers may include outstanding loans not in default transferred to and accepted by Liberty; PROVIDED, HOWEVER, that any such loan shall be accepted by Liberty's 401(k) plan only in accordance with Liberty's 401(k) plan's loan protocol with respect to such loans as in effect on August 31, 2001.

(vii) OneBeacon shall cause the OneBeacon Subsidiaries to be responsible for satisfying obligations under COBRA to provide continuation coverage to or with respect to: (A) any Business Employee who does not become a Transferred Employee, his spouse or his dependents, and (B) any Transferred Employee, his spouse or his dependents in accordance with law with respect to any "qualifying event" occurring before January 1, 2002 (including any employer-provided subsidies with respect to such COBRA coverage). The Liberty Group shall be responsible for satisfying obligations under COBRA and to provide continuation coverage to or with respect to any Transferred Employee, his spouse or dependent in accordance with law with respect to any "qualifying event" which occurs on or after January 1, 2002.

33

(viii) Except as otherwise provided herein or in the Employee Leasing Agreement, (A) Liberty shall cause the Liberty Group to be responsible for, and shall indemnify and hold harmless OneBeacon and the OneBeacon Group against, any action, claim or proceeding brought by or on behalf of any Transferred Employee at any time with respect to any event occurring or condition arising on or after November 1, 2001, and (B) OneBeacon shall cause the OneBeacon Subsidiaries to be responsible for, and shall indemnify and hold harmless Liberty and the Liberty Group against, any action, claim or proceeding brought by or on behalf of any Transferred Employee at any time with respect to any event occurring or condition arising prior to November 1, 2001.

Except as expressly provided above, the Liberty Group shall not have any responsibility or obligation to credit past service to the Transferred Employees under Liberty's employee benefit, severance and compensation arrangements or plans or other such arrangements or plans maintained or contributed to by the Liberty Group for their employees.

(f) OneBeacon shall cause the OneBeacon Subsidiaries to be responsible for any and all deferred compensation, qualified retirement plan benefits and nonqualified retirement plan benefits due to Transferred Employees under the OneBeacon Subsidiaries' and their Affiliates' deferred compensation plans, qualified plans and nonqualified plans with respect to services rendered prior to January 1, 2002 by any Transferred Employee; provided that nothing herein shall relieve the Liberty Group of its obligations under Article IV of the Employee Leasing Agreement.

(g) OneBeacon shall cause the OneBeacon Subsidiaries to be responsible for compliance with all applicable requirements of the Worker Adjustment and Retraining Notification Act or any similar state law ("WARN")

arising out of, or relating to, any actions taken by the OneBeacon Subsidiaries with respect to Business Employees who do not become Transferred Employees on or after January 1, 2002; PROVIDED, that Liberty shall be responsible for any costs or expenses incurred by OneBeacon pursuant to WARN to the extent such costs or expenses are attributable to Liberty's failure to identify prior to October 27, 2001 the Business Employees to whom Offers of Employment will be made and nothing herein shall relieve the Liberty Group of its obligations under Article IV of the Employee Leasing Agreement.

(h) During the period from the date hereof until January 1, 2002, OneBeacon shall and shall cause the OneBeacon Subsidiaries to use their reasonable efforts to promptly notify Liberty if any Business Employee notifies any OneBeacon Subsidiary, OneBeacon or any of their Affiliates or if any OneBeacon Subsidiary, OneBeacon or any of their Affiliates otherwise receives notice or obtains knowledge of a Business Employee's actual or pending termination of employment with any OneBeacon Subsidiary or any OneBeacon Subsidiary's Affiliate other than in connection with this Agreement.

(i) Except as set forth in this Section 5.09, neither Liberty, the RAM Group Companies nor any of their Affiliates shall assume any liabilities or obligations under the Plans or the Severance Plans.

Section 5.10 INTELLECTUAL PROPERTY AND COMPUTER SOFTWARE. (a) On or prior to the Closing Date, OneBeacon and Liberty shall, and OneBeacon shall cause the OneBeacon

34

Subsidiaries to, and Liberty shall cause its designated Affiliates to enter into one or more license agreements (i) in the form of Exhibit M-1 hereto for use by Liberty of Owned Generally Used Software, (ii) in the form of Exhibit M-2 hereto for use by Liberty of Owned Generally Used Intellectual Property Rights, and (iii) in the form of Exhibit M-3 hereto for use by Hawkeye-Security of the Hawkeye Name and Marks.

(b) In the event that the Owned Generally Used Software, Owned Exclusively Used Software, Licensed Generally Used Software or Licensed Exclusively Used Software (to the extent that it is sublicensed rather than assigned), is, during the term of the Software License Agreement, the subject of a claimed or alleged infringement of another person's patent, copyright, trade secret, trademark, service mark, trade name, right of privacy or any other contractual or proprietary rights on the Closing Date and such software is included in the Transferred Assets or licensed to Liberty hereunder for Liberty's conduct of the Business or operation of the Data Centers, then in addition to any indemnity that may apply pursuant to Article X, OneBeacon or the relevant OneBeacon Subsidiary, at OneBeacon's or the relevant OneBeacon Subsidiary's option will either (i) secure a license to such person's software for the benefit of Liberty on terms reasonably satisfactory to Liberty, (ii) modify such software so as to make it non-infringing and with substantially similar performance, or (iii) secure a license to reasonably comparable substitute software for Liberty on terms reasonably satisfactory to Liberty for purposes of this Agreement. OneBeacon and Liberty shall share equally in the costs and expenses of securing such new licenses or performing such modifications related to the Owned Generally Used Software and Licensed Generally Used Software; PROVIDED that any costs and expenses so incurred shall be deemed to be "amounts" for purposes of Section 5.05(c)(ii) and included within the calculation of Liberty's maximum liability in the amount of \$4,000,000 under Section 5.05(c)(ii) , and provided OneBeacon shall be solely responsible for all amounts in excess thereof.

(c) OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, ensure that for the Licensed Exclusively Used Software that is assigned or sublicensed to Liberty and the Licensed Generally Used Software that is sublicensed to Liberty, Liberty shall have access to, and at Liberty's request, a copy of the object code, executables and documentation therefor, and, in the cases where such software is operated on hardware owned by Liberty, a copy of the source code, to the extent that OneBeacon or the applicable OneBeacon Subsidiary has the rights to do so under the applicable assignment or license.

(d) OneBeacon shall, and shall cause the OneBeacon Subsidiaries, as soon as practicable after the Closing and in a manner mutually agreed to with Liberty, to implement or cause to implement such security codes and systems (including, without limitation by changing security access codes and passwords) as are necessary to prevent access to all the Transferred Assets that include information or intellectual property by the OneBeacon Subsidiaries and OneBeacon after Closing and to provide Liberty with sole access thereto except as required by the Transition Services Agreement. OneBeacon shall, and shall cause the OneBeacon Subsidiaries, as soon as practicable after the Closing and in a manner mutually agreed to with Liberty, to implement or cause to implement adequate

security codes and systems as are reasonably necessary to prevent OneBeacon Subsidiaries and OneBeacon, on the one hand, and Liberty on the other, from accessing each other's data and systems when operating the Licensed Generally Used Software and Owned Generally Used Software, except as is necessary for the

35

performance of obligations under the Ancillary Agreements, including without limitation, the Transition Services Agreement, the Administrative Services Agreements or the License Agreements. Liberty and OneBeacon and the OneBeacon Subsidiaries shall each bear their own costs and expenses associated with implementing the aforementioned security codes and systems.

Section 5.11 INTERNAL REINSURANCE ARRANGEMENTS. (a) Subject to the receipt on or prior to the Closing Date of all required regulatory approvals, OneBeacon shall cause the OneBeacon Insurers to cede to OBIC, and OBIC to accept, 100% of the written premium and 100% of the Reinsured Liabilities associated with the Post-Closing Policies written by the OneBeacon Insurers, subject, in the case of Post-Closing Policies written by Oregon Auto and North Pacific, to the penultimate sentence of this Section 5.11(a). In the event that all regulatory approvals required to consummate the foregoing transaction shall not have been received on or prior to the Closing, OneBeacon shall cause those OneBeacon Insurers that have not received the required regulatory approvals to enter into alternative reinsurance agreements with Peerless and Liberty Northwest, as applicable, to carry out the purpose and intent of the Peerless Post-Closing Indemnity Reinsurance Agreement and the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement with respect to such OneBeacon Insurers. Upon the acquisition by Liberty Northwest of the issued and outstanding capital stock of Oregon Auto pursuant to the Stock Purchase Agreement, (i) OneBeacon shall cause the foregoing reinsurance arrangement between each of Oregon Auto and North Pacific and OBIC to terminate with respect to cessions on or after the closing date of such acquisition, and (ii) subject to the receipt of all necessary regulatory approvals, OneBeacon or Liberty, as appropriate, shall cause Oregon Auto and North Pacific to immediately thereafter enter into the Liberty Northwest Indemnity Reinsurance Agreement. In the event that all regulatory approvals required for Oregon Auto, North Pacific and Liberty Northwest to enter into the Liberty Northwest Indemnity Reinsurance Agreement shall not have been received on or prior to the consummation of the transactions contemplated by the Stock Purchase Agreement, Liberty shall cause Oregon Auto and North Pacific and OneBeacon shall cause OBIC to enter into alternative reinsurance arrangements to carry out the purpose and intent of the OBIC Indemnity Reinsurance Agreement with respect to business written by Oregon Auto and North Pacific following such closing.

(b) Subject to the receipt on or prior to the Closing Date of all required regulatory approvals, Liberty shall cause the RAM Group Companies to cede to Peerless, and Peerless to accept, 100% of the written premium and 100% of the Reinsured Liabilities associated with the RAM Rewritten Policies. In the event that all regulatory approvals required to consummate the foregoing transaction shall not have been received on or prior to the Closing, Liberty shall cause those RAM Group Companies that have not received the required regulatory approvals to enter into alternative reinsurance agreements with OBIC to carry out the purpose and intent of the Rewritten Indemnity Reinsurance Agreement with respect to such RAM Group Companies.

Section 5.12 CHANGE OF NAME (a) The parties acknowledge that pursuant to this Agreement, at the Closing, OneBeacon shall, and shall cause its Affiliates to, sell, assign and transfer to Liberty all of their right, title and interest in the name "Hawkeye-Security Insurance Company" and any related trademarks or service marks. Within fifteen (15) calendar days after the Closing, OneBeacon shall cause Hawkeye-Security to make all filings necessary to change Hawkeye-Security's name in the State of Iowa to a name which does not include the words

36

"Hawkeye", "Security" or any other name of similar import or which could result in confusion with "Hawkeye" or "Security". Promptly, but in no event more than fifteen (15) calendar days after OneBeacon or Hawkeye-Security obtain the certified amendment to Hawkeye-Security's Articles of Incorporation and Hawkeye-Security obtains a new or amended license from the Department of Insurance of the State of Iowa reflecting such name change in the State of Iowa, OneBeacon shall cause Hawkeye-Security to make all filings necessary to permit Hawkeye-Security to use its new name in the State of Wisconsin, and promptly, but in no event more than forty-five (45) calendar days after OneBeacon or Hawkeye-Security obtain the aforementioned amendment and new or amended license, OneBeacon shall cause Hawkeye-Security to make all filings necessary to permit

Hawkeye-Security to use its new name in all other jurisdictions in which Hawkeye-Security is licensed to transact business, prioritizing state filings as reasonably requested by Liberty; it being understood that OneBeacon shall, or shall cause Hawkeye-Security to, promptly upon receipt by OneBeacon or Hawkeye-Security of actual knowledge that Hawkeye-Security's name change is effective, order the aforementioned amendment and new or amended license, and, in doing so, shall seek expedited service, including through the use of an outside third party corporate service provider, in obtaining such amendment and new or amended license. As of the Closing Date, Hawkeye-Security shall be precluded from marketing or issuing insurance policies using the "Hawkeye-Security Insurance Company" name, except to the extent such insurance policies are reinsured under the Peerless Post-Closing Indemnity Reinsurance Agreement or the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement and such use shall be in accordance with the Hawkeye-Security Name and Marks License Agreement. OneBeacon shall use its commercially reasonable best efforts to obtain all consents, approvals, permits or authorizations required to be obtained from Governmental Entities in order to permit Hawkeye-Security to use its new name as promptly as practicable. Once Hawkeye-Security effectuates its name change in any applicable jurisdiction, OneBeacon shall cause it to take all actions necessary to endorse any then in-force insurance policy and any insurance policies issued thereafter by Hawkeye-Security to reflect the company's new name in such jurisdiction, unless some other or additional action is required by law in such jurisdiction, in which case, OneBeacon shall cause Hawkeye-Security to comply with such other or additional requirements in such jurisdiction.

(b) Following the relinquishment of the "Hawkeye-Security Insurance Company" name, at Liberty's request, OneBeacon shall, and shall cause Hawkeye-Security to, assist and cooperate with the Liberty Group in doing all things necessary or appropriate to amend the Certificates of Authority of an Affiliate of Liberty, so that such Affiliate may use the name "Hawkeye-Security Insurance Company" to the extent required by Section 5.07.

Section 5.13 INDEPENDENT PRODUCERS. Following the Closing Date, OneBeacon hereby agrees that it shall, and shall cause each OneBeacon Subsidiary to, exercise its rights for Liberty's benefit under any agreement with an Independent Producer (including under any agency agreement, managing general agency agreement, profit sharing agreement or contingent commission agreement) as reasonably requested by Liberty to the extent such rights relate to or arise in respect of the Business, including the cancellation of any existing agency agreement, managing general agency agreement, profit sharing agreement or contingent commission agreement with the concurrent promise to replace such agency agreement, managing general agency agreement, profit sharing agreement or contingent commission agreement with the form of agency agreement, including all addenda, profit sharing agreement and contingent

37

commission agreement currently utilized by each RAM Group Company; PROVIDED, HOWEVER, that Liberty shall indemnify and hold harmless OneBeacon and each OneBeacon Subsidiary from any extra contractual liabilities arising solely as a result of the exercise of such right.

Section 5.14 ANCILLARY AGREEMENTS. At the Closing, each of the parties shall, and shall cause their respective Subsidiaries (as appropriate) to, execute and deliver to the other parties (as applicable) each of the following Ancillary Agreements to which it is, or they are, a party: (i) the Peerless Post-Closing Indemnity Reinsurance Agreement, (ii) the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement, (iii) the Rewritten Indemnity Reinsurance Agreement, (iv) the OBIC Indemnity Reinsurance Agreement, (v) the Pre-Closing Serviced Policies Administrative Services Agreement, (vi) the Post-Closing Serviced Policies Administrative Services Agreement, (vii) the Transition Services Agreement, (viii) the RAM Reinsurance Option Agreement, (ix) the Renewal Rights Agreement, (x) the Employee Leasing Agreement, (xi) the Stock Purchase Agreement, (xii) the Lease Agreements, (xiii) the Sublease Agreements, (xiv) the Assignment and Assumption Agreements, (xv) the License Agreements, (xvi) the Imaging Transition Services Agreement, (xvii) the Assumption Agreement, (xviii) the Bill of Sale and General Assignment and any other Transfer Documents, and (xix) the Offset Agreements.

Section 5.15 AGREEMENTS REGARDING TRANSFER AND USE OF OWNED PROPERTY AND LEASED PROPERTY. On the Closing Date, Liberty or an Affiliate and OneBeacon or a OneBeacon Subsidiary (as applicable) shall enter into Lease Agreements having the terms set forth in SCHEDULE 3.17(a) and in the form of Lease Agreement attached hereto as Exhibit N. On the Closing Date, Liberty or an Affiliate and OneBeacon or a OneBeacon Subsidiary (as applicable) shall enter into Sublease Agreements, pursuant to which OneBeacon or such OneBeacon Subsidiary will provide for subleasing to Liberty or such Affiliate, subject to obtaining the required third party consents, of each Leased Property for the

period commencing on the Closing Date and ending on the date immediately preceding the expiration date of the underlying lease and upon the terms and subject to the conditions of the underlying lease. At Liberty's option, subject to obtaining the required third party consents, OneBeacon or a OneBeacon Subsidiary (as applicable) and Liberty or an Affiliate shall execute one or more Assignment and Assumption Agreements, in lieu of Liberty's or an Affiliate's subleasing such Leased Properties from OneBeacon or a OneBeacon Subsidiary.

Section 5.16 PARENT GUARANTY. Parent hereby unconditionally and irrevocably guarantees the prompt and faithful performance and discharge of the obligations, responsibilities, duties and liabilities of OneBeacon under this Agreement and of OneBeacon and the OneBeacon Subsidiaries, as applicable, under the Ancillary Agreements. Parent's guaranty constitutes a guaranty of performance and payment when due and not of collection and is not conditional or contingent upon any attempt to obtain performance by or to collect from, or pursue or exhaust any rights or remedies against, OneBeacon or the OneBeacon Subsidiaries, or any other condition or contingency; PROVIDED, that Parent shall be entitled to raise as a defense all defenses available to be raised by OneBeacon or the OneBeacon Subsidiaries as applicable. This guarantee shall automatically terminate upon the performance and discharge of the obligations, responsibilities, duties and liabilities of OneBeacon and the OneBeacon Subsidiaries under this Agreement and the Ancillary Agreements.

38

Section 5.17 INDEPENDENT PRODUCER DELINQUENT BALANCES. As soon as practicable after the information becomes available, OneBeacon shall provide to Liberty a true and correct list of all Independent Producers that, as of November 1, 2001, have Independent Producer Delinquent Balances, including balances under agent loans and for insurance premiums, due any OneBeacon Subsidiary or One Beacon, the amount of such balances and the number of days such balances were outstanding as of such date.

ARTICLE VI.

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF LIBERTY

The obligations of Liberty under this Agreement are subject to the satisfaction on or prior to the Closing Date of the following conditions, any one or more of which may be waived by Liberty to the extent permitted by law; PROVIDED, HOWEVER, that Liberty may not rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by Liberty's failure to use its commercially reasonable best efforts to cause the Closing to occur, as required by Section 5.04.

Section 6.01 REPRESENTATIONS AND COVENANTS. (a) The representations and warranties of Parent and OneBeacon contained in this Agreement shall be true and correct in all material respects (or, with respect to any representation or warranty qualified as to materiality, true and correct in all respects) as of the date of this Agreement, except that the representations and warranties set forth in Sections 3.01, 3.02, 3.03 and 3.06 shall be true and correct in all material respects (or, with respect to any representation or warranty qualified as to materiality, true and correct in all respects) on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

(b) Except for the covenants and agreements contained in Section 5.01(d), 5.05(c) or 5.05(d), Parent and OneBeacon shall have performed or complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Parent or OneBeacon on or prior to the Closing Date.

(c) On the Closing Date, each of Parent and OneBeacon shall have delivered to Liberty a certificate of such corporation, dated as of the Closing Date and signed on behalf of such corporation by an executive officer of such corporation, as to the matters set forth in this Section 6.01.

Section 6.02 SECRETARY'S CERTIFICATE. Each of Parent and OneBeacon shall have delivered to Liberty a certificate of the secretary or assistant secretary of such corporation, dated as of the Closing Date, as to the status and signature of its officers who executed and delivered this Agreement and the Ancillary Agreements to which it is a party and any other document delivered by it in connection with the consummation of the transactions contemplated by this Agreement, as to, in the case of OneBeacon, its charter and by-laws and, in the case of Parent, its comparable organizational documents, and as to its due organization, existence and good standing (meaning solely that it has not failed to make any filing with any Bermuda governmental authority or to pay any Bermuda government fee or tax which would make it liable

to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda).

Section 6.03 GOVERNMENTAL AND REGULATORY CONSENTS AND APPROVALS. All filings required to be made prior to the Closing Date with, and all consents, approvals, permits and authorizations required to be obtained prior to the Closing Date from Governmental Entities, including, without limitation, those set forth in SCHEDULE 3.03 and SCHEDULE 4.03 hereto, in connection with the execution and delivery of this Agreement and the Closing shall have been made or obtained, as the case may be, in each case without any conditions, restrictions or limitations which would, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect, except for such consents, approvals, permits and authorizations which the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect; PROVIDED, that for the purposes of this Section 6.03, any failure to obtain from the California Department of Insurance any consent, approval, permit or authorization required pursuant to Section 1011(c) of the California Insurance Code shall not be deemed to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect and, in such case, the portion of any transaction contemplated by this Agreement or any Ancillary Agreement requiring such consent, approval, permit or authorization will not become effective until such time as such consent, approval, permit or authorization is obtained from the California Insurance Department.

Section 6.04 NO INJUNCTION OR ILLEGALITY. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in either case restrains or prohibits the Closing; PROVIDED, HOWEVER, that prior to invoking this condition, Liberty shall have used all commercially reasonable best efforts to have any such restraint removed.

Section 6.05 NO MATERIAL IMPAIRMENT OF SYSTEMS. There shall not have been any event or circumstance that has not been cured on or prior to the Closing Date that, individually or in the aggregate, materially impairs the operating systems, taken as a whole, used in the Business from continuing to perform in a manner necessary for the continued operation of the Business in substantially the manner conducted as of the date of this Agreement.

ARTICLE VII.

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PARENT AND ONEBEACON

The obligations of Parent and OneBeacon under this Agreement are subject to the satisfaction on or prior to the Closing Date of the following conditions, any one or more of which may be waived by OneBeacon to the extent permitted by law; PROVIDED, HOWEVER, that OneBeacon may not rely on the failure of any condition set forth in this Article VII to be satisfied if such failure was caused by OneBeacon's failure to use its commercially reasonable best efforts to cause the Closing to occur, as required by Section 5.04.

Section 7.01 REPRESENTATIONS AND COVENANTS. (a) The representations and warranties of Liberty contained in this Agreement shall be true and correct in all material respects (or, with respect to any representation or warranty qualified as to materiality, true and correct in all respects) as of the date of this Agreement, except that the representations or warranties set forth in Sections 4.01, 4.02 and 4.03 shall be true and correct in all material respects (or, with respect to any representation or warranty qualified as to materiality, true and correct in all respects) on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

(b) Liberty shall have performed or complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Liberty on or prior to the Closing Date.

(c) On the Closing Date, Liberty shall have delivered to OneBeacon a certificate of Liberty, dated as of the Closing Date and signed on behalf of Liberty by an executive officer of Liberty, as to the matters set forth in this Section 7.01.

Section 7.02 SECRETARY'S CERTIFICATE. Liberty shall have delivered to OneBeacon a certificate of the secretary or assistant secretary of Liberty, dated as of the Closing Date, as to the status and signature of its officers who executed and delivered this Agreement and the Ancillary Agreements to which it is a party and any other document delivered by it in connection with the consummation of the transactions contemplated by this Agreement, as to its charter and by-laws, and as to its due organization, existence and good standing.

Section 7.03 GOVERNMENTAL AND REGULATORY CONSENTS AND APPROVALS. All filings required to be made prior to the Closing Date with, and all consents, approvals, permits and authorizations required to be obtained prior to the Closing Date from Governmental Entities, including, without limitation, those set forth in SCHEDULE 3.03 and SCHEDULE 4.03 hereto, in connection with the execution and delivery of this Agreement and the Closing shall have been made or obtained, as the case may be, in each case without any conditions, restrictions or limitations which would, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect, except for such consents, approvals, permits and authorizations which the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect; PROVIDED, that for the purposes of this Section 7.03, any failure to obtain from the California Department of Insurance any consent, approval, permit or authorization required pursuant to Section 1011(c) of the California Insurance Code shall not be deemed to have a OneBeacon Material Adverse Effect or a Liberty Material Adverse Effect and, in such case, the portion of any transaction contemplated by this Agreement or any Ancillary Agreement requiring such consent, approval, permit or authorization will not become effective until such time as such consent, approval, permit or authorization is obtained from the California Insurance Department.

Section 7.04 NO INJUNCTION OR ILLEGALITY. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in either case restrains or prohibits the Closing;

41

PROVIDED, HOWEVER, that prior to invoking this condition, OneBeacon shall have used all commercially reasonable best efforts to have any such restraint removed.

ARTICLE VIII.

FURTHER AGREEMENTS

Section 8.01 ACCESS TO INFORMATION. Following the Closing Date, each of Liberty and OneBeacon shall use its commercially reasonable best efforts to make available to each other such financial and other information related to the Business as each of them may, from time to time, reasonably require to satisfy federal or state regulatory or tax filing or reporting requirements, it being expressly understood and agreed that any such information will be used solely for purposes of satisfying such requirements. Following the Closing Date, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, (i) make available during normal business hours and upon reasonable prior notice any and all personnel in the employ of OneBeacon or the OneBeacon Subsidiaries, as reasonably requested by Liberty or its Affiliates, to respond to inquiries about the conduct of the Business or the operation of the Data Centers and (ii) provide to Liberty copies of, or reasonable access during normal business hours and upon reasonable prior notice to, all of the Books and Records not included in the Transferred Assets; PROVIDED, that such access shall not unreasonably interfere with the operation of the business of OneBeacon and the OneBeacon Subsidiaries. Any information received under clause (i) or (ii) above shall be subject to Section 8.02(a).

Section 8.02 USE OF INFORMATION(a) Notwithstanding anything to the contrary in this Agreement, on the Closing Date, each OneBeacon Subsidiary and OneBeacon hereby grants to Liberty and Liberty shall acquire for use exclusively in the Business a royalty free, non-exclusive, irrevocable, perpetual, worldwide license to use, operate, modify, perform, display, distribute, sublicense, create derivative works of, aggregate, and copy all of the data or any other forms of information owned by OneBeacon and OneBeacon Subsidiaries after the Closing Date and used in the conduct of the Business, the operation of the Data Centers or that is necessary for the provision of any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements, including, but not limited to, (i) historical actuarial information for pricing property and casualty coverages of the type which has been provided to the actuaries for the Business on or prior to the Closing Date, including

increased limits factors, premium and loss trends and loss development factors, (ii) claims settlement systems and other information with respect to the settlement of claims regarding property and casualty insurance coverages for the Business, in both cases including any reproduction thereof or derivative work based thereon, and (iii) other information related to the Business, including information contained in databases or in electronic, optical or other formats; PROVIDED that any such distribution or sublicensing shall only be to, and any such copying shall only be for internal use or for providing copies to, Liberty and its Affiliates or third parties for use in providing services to Liberty and its Affiliates in connection with the conduct of the Business, the operation of the Data Centers or the provision of services required under the Administrative Services Agreements and the Imaging Transition Services Agreement; and PROVIDED FURTHER that Liberty agrees that it will, and will cause its Affiliates to, subject to applicable law, keep such information confidential, other than data or other information (A) that is now or subsequently becomes available to the public through no fault of Liberty or its Affiliates, (B) that Liberty or its

42

Affiliates can demonstrate was lawfully in the possession of Liberty or its Affiliates prior to the Closing Date without any obligation of confidentiality, (C) that Liberty or its Affiliates can demonstrate was independently developed by Liberty or its Affiliates without the use of OneBeacon's confidential information, (D) rightfully obtained by Liberty or its Affiliates from a source other than OneBeacon, which source has the right to transfer such information to Liberty or its Affiliates without any obligation, fiduciary or otherwise, of confidentiality, or (E) as is otherwise required to be disclosed to third parties in order for Liberty or its Affiliates to conduct the Business, operate the Data Centers, or provide all services by Liberty required under the Administrative Services Agreements and the Imaging Transition Services Agreement, provided that any third party which receives information under this subsection (E) consents to terms of confidentiality that are no less restrictive than those imposed on Liberty hereunder.

(b) From the date hereof to and including the Closing Date, OneBeacon will not, and will cause the OneBeacon Subsidiaries not to, without the prior written consent of Liberty (which consent shall not be unreasonably withheld or delayed), amend any OneBeacon Privacy Policy if such amendment would materially adversely affect (i) OneBeacon's or one or more of the OneBeacon Subsidiaries', ability to perform its, or their, obligations under this Agreement, (ii) the transactions and the provision of services contemplated hereby or by the Ancillary Agreements or (iii) the RAM Group Companies' ability to receive and use the services provided pursuant to the Transition Services Agreement; PROVIDED, HOWEVER, that nothing in this Section 8.02(b) shall be construed as restricting OneBeacon's or the OneBeacon Subsidiaries' ability to amend any OneBeacon Privacy Policy as necessary to comply with applicable law.

Section 8.03 NON-COMPETITION, NON-SOLICITATION(a) In consideration of the benefits of this Agreement and the Ancillary Agreements to the OneBeacon Subsidiaries and OneBeacon and in order to induce Liberty to enter into this Agreement, OneBeacon hereby covenants and agrees that:

(i) for the period commencing on the Closing Date and ending on the third anniversary of the Closing Date, none of the OneBeacon Insurers, OneBeacon, or any of their Affiliates shall, directly or indirectly (including by way of any fronting transaction or by the granting to a third party of a license or other authorization), issue or sell in any state or jurisdiction within the Non-Competition Area, any property and casualty insurance products which are underwritten, issued, sold, renewed or serviced in connection with the Business which (A) bear the brand, name, mark, logo or other identifying words currently used by any OneBeacon Insurer, including the use of the "OneBeacon" name or (B) are issued or sold utilizing the computer systems, employees other than senior management employees of OneBeacon, licenses or other similar infrastructure being used by the OneBeacon Insurers on the date hereof in connection with the Business; it being understood that this Section 8.03(a)(i) shall not apply to insurance policies which are issued or sold by any OneBeacon Insurer through an Independent Producer resident in an Excluded State;

(ii) for the period commencing on the Closing Date and ending on the third anniversary of the Closing Date, none of the OneBeacon Insurers shall directly or indirectly (including by way of any fronting transaction) issue or sell in any state or jurisdiction within the Non-Competition Area, any property and casualty insurance products which are underwritten, issued, sold, renewed or serviced in connection with the Business; PROVIDED that the foregoing

43

shall be deemed not breached by the acquisition by any of the OneBeacon Insurers of an entity engaging in the property and casualty insurance business or the continued operation of such acquired entity; it being understood that this Section 8.03(a)(ii) shall not apply to insurance policies which are issued or sold by any OneBeacon Insurer through an Independent Producer resident in an Excluded State;

(iii) at any time following the Closing Date, none of the OneBeacon Subsidiaries, OneBeacon or any of their respective Affiliates shall, directly or indirectly, use or transfer or otherwise disclose to any Person (including any Person that becomes an Affiliate of a OneBeacon Subsidiary or OneBeacon at any time following the Closing Date) for the purpose of competing, directly or indirectly, or aiding another to compete, directly or indirectly, with the Business, any proprietary or confidential information about or relating to the Business; PROVIDED, HOWEVER, that to the extent that such information was being used on or before September 5, 2001 to compete with the Business by any Affiliate of OneBeacon other than OneBeacon or the OneBeacon Insurers, such Affiliate shall be permitted to use such information exclusively (i) in connection with the conduct of its insurance operations or (ii) in connection with providing information to third parties in connection with or in anticipation of any corporate transaction not in the ordinary course of business, provided that to the extent any information is provided to any third party in connection with such transaction, such information shall be covered by a confidentiality agreement the terms of which are reasonably acceptable to Liberty, and OneBeacon shall enforce the terms of any such agreement to the extent requested by Liberty and for the benefit of Liberty, it being understood that OneBeacon shall not take advantage of this exception to circumvent the terms and intent of this Section 8.03;

(iv) (A) if during the period commencing on the Closing Date and terminating on the second anniversary of the Closing Date, (I) OneBeacon, any OneBeacon Subsidiary or any wholly-owned Subsidiary of Parent acquires directly or indirectly any Person in a transaction that results in such Person becoming an Affiliate of OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent and such Person engages in a Competing Business, and (II) OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent subsequently wishes to divest itself of such Competing Business during such period (whether through the sale or merger of such Person, through a reinsurance or renewal rights transaction involving some or all of such Person's business which includes such Competing Business or otherwise), then OneBeacon shall, and shall cause such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent to, first provide to Liberty the opportunity to offer to purchase the Competing Business, or to the extent the Competing Business constitutes a part of an entity which any such Person seeks to divest, such entity as a whole, following the procedures set forth below in this Section 8.03(a)(iv) prior to negotiating with any other prospective acquirers or entertaining an offer from any other prospective acquirers.

(B) If OneBeacon, any OneBeacon Subsidiary or any wholly-owned Subsidiary of Parent decides to offer for sale the Competing Business or such entity, OneBeacon shall, and shall cause such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent to, give written notice to Liberty (the "Sale Notice") which shall invite Liberty to make an offer to OneBeacon, such OneBeacon Subsidiary or such wholly-owned

Subsidiary of Parent for the Competing Business or such entity. Liberty shall have the right, exercisable by its providing a bona fide written proposal to OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent within 40 days following receipt of the Sale Notice (the "Purchase Offer") to purchase the Competing Business or such entity. Any such Purchase Offer shall contain sufficient terms to permit OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent to assess other competing offers as contemplated by the last sentence of Section 8.03(iv)(C). The failure of Liberty to deliver a Purchase Offer within 40 days following receipt of the Sale Notice shall be deemed an election by Liberty not to exercise its right of first offer provided in this Section 8.03(a)(iv).

(C) In the event that Liberty provides OneBeacon, any OneBeacon Subsidiary or any wholly-owned Subsidiary of Parent with a Purchase Offer, for a period of 20 days following the receipt of such Purchase Offer, Liberty and OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent shall attempt in good faith to negotiate and execute a binding definitive agreement in respect of the Purchase Offer. If at the end of such 20 day period Liberty or any of its Affiliates and OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent have not executed and delivered a binding definitive agreement, Liberty's right of first offer hereunder shall terminate and OneBeacon, such OneBeacon Subsidiary or such

wholly-owned Subsidiary of Parent may pursue other offers from any other party or parties; PROVIDED, HOWEVER, that if on or prior to the end of such 20 day period Liberty executes and delivers a binding offer in the form of a definitive agreement, then OneBeacon, such OneBeacon Subsidiary or such wholly-owned Subsidiary of Parent may pursue only superior offers from any other party or parties for so long as such offer remains outstanding.

(D) Payment by Liberty to OneBeacon under this Section 8.03(a)(iv) shall be made at a closing to be held within ten days of Liberty and OneBeacon entering into a binding definitive agreement in accordance with paragraph (C) above (or, if payments are to be deferred under the terms of such offer, an initial payment shall be made at such closing, unless otherwise provided by the terms of such offer); PROVIDED that if any governmental or regulatory approvals or clearances required to be obtained in connection with such transaction have not been obtained on or prior to such tenth day, then such closing shall be held as promptly as practicable after such approvals and clearances have been obtained.

(E) In connection with OneBeacon's obligation to provide, and OneBeacon's obligation to cause the OneBeacon Subsidiaries and the wholly-owned Subsidiaries of Parent to provide, to Liberty a right of first offer pursuant to this Section 8.03(a)(iv), OneBeacon shall, and shall cause the OneBeacon Subsidiaries and the wholly-owned Subsidiaries of Parent to, afford to Liberty and its representatives, upon execution of a customary confidentiality agreement, reasonable access to the books and records and appropriate personnel associated with the Competing Business or entity that is the subject of such offer so that Liberty may conduct customary due diligence of such Competing Business or entity within time frames that permit Liberty to complete its due diligence review within the 40 day period following receipt of the Sale Notice.

(v) (A) for the six month period beginning January 1, 2002 and ending June 30, 2002, none of the OneBeacon Subsidiaries, OneBeacon or any of their Affiliates shall, without the prior written consent of Liberty, directly or indirectly, solicit for employment or hire any Transferred Employee employed by Liberty or any of its Affiliates, and (B) for the eighteen month period beginning July 1, 2002 and ending December 31, 2003, none of the OneBeacon

45

Subsidiaries, OneBeacon or any of their Affiliates shall, without the prior written consent of Liberty, directly or indirectly, solicit for employment any Transferred Employee employed by Liberty or any of its Affiliates; PROVIDED that nothing in this Section 8.03(a)(v) shall prohibit any OneBeacon Subsidiary, OneBeacon or any of their Affiliates from publishing a general solicitation of employment in any newspaper, magazine, trade publication or any other medium or from soliciting or hiring any person whose employment was terminated by Liberty or its Affiliates prior to such solicitation or hiring.

(b) Notwithstanding any other provisions of this Agreement to the contrary, (A) each OneBeacon Insurer may continue to transact such insurance operations in respect of the Business as are contemplated by the Ancillary Agreements in accordance with the terms of such Ancillary Agreements, (B) the OneBeacon Insurers may continue to underwrite, issue, sell, renew and service property and casualty insurance policies that satisfy the criteria set forth in clause (ii) of the proviso to the definition of "Business" set forth in the Glossary of Terms and (C) each OneBeacon Insurer may continue to transact insurance operations to the extent required by law, it being further understood for the avoidance of doubt that the OneBeacon Insurers shall not take advantage of this exception to circumvent the terms and intent of this Section 8.03; it being further understood that a requirement to issue or sell insurance policies in connection with preserving any Certificate of Authority by any OneBeacon Insurer shall not be considered to be included in this exception.

(c) Each OneBeacon Subsidiary and OneBeacon specifically agrees that the covenants and agreements in this Section 8.03 are an integral part of the inducement of Liberty to enter into this Agreement and that Liberty (or its successors or assigns) and its Affiliates shall be entitled to injunctive relief in addition to all other legal and equitable rights and remedies available to it in connection with any breach by any OneBeacon Subsidiary, OneBeacon or any of their Affiliates, where applicable, of any provision of this Section 8.03 and that, notwithstanding the foregoing, no right, power or remedy conferred upon or reserved or exercised by Liberty in this Section 8.03 is intended to be exclusive of any other right, power or remedy, each and every one of which (now or hereafter existing at law, in equity, by statute or otherwise) shall be cumulative and concurrent.

(d) OneBeacon and Liberty agree that in the event that either the substantive restrictions, lengths of time or geographical areas set forth in Section 8.03(a) are deemed too restrictive by any Governmental Entity of

competent jurisdiction, the covenants and agreements in Section 8.03(a) shall be enforceable for such times and within such geographical area as such Governmental Entity may deem reasonable under the circumstances.

Section 8.04 COOPERATION(a) Following January 1, 2002, Liberty shall cause employees of Liberty and any of its Affiliates, to the extent that such Affiliates are controlled by Liberty, who, prior to employment therewith, were Business Employees, to cooperate, to the fullest extent practicable, with the OneBeacon Subsidiaries at the request of OneBeacon in (i) the defense or commencement of any litigation or arbitration arising out of any event that occurred on or prior to the Closing Date involving the Business, (ii) connection with any regulatory (including insurance and securities) matter relating to the Business, (iii) the defense or prosecution, as the case may be, of any Third Party Claim in accordance with Section 10.03(b) hereof, and (iv) fulfilling such other reasonable requests as shall be made by the OneBeacon

46

Subsidiaries in connection with the Business. OneBeacon shall promptly pay to Liberty or any of its Affiliates all reasonable out-of-pocket expenses of Liberty and its Affiliates incurred as a result of Liberty's or its Affiliates' obligations under this Section 8.04(a).

(b) Following the Closing Date, OneBeacon shall cause employees of OneBeacon and any of its Affiliates, to the extent that such Affiliates are controlled by OneBeacon, to cooperate, to the fullest extent practicable, with Liberty at the request of Liberty in (i) the defense or commencement of any litigation or arbitration arising out of any event that occurred on or prior to the Closing Date involving the Business, (ii) connection with any regulatory (including insurance and securities) matter relating to the Business, (iii) the defense or prosecution, as the case may be, of any Third Party Claim in accordance with Section 10.03(b) hereof, (iv) connection with any reports, statements or filings required under any federal or state laws or by regulatory authorities, and (v) fulfilling such other reasonable requests as shall be made by Liberty in connection with the Business. Liberty shall promptly pay to such OneBeacon Subsidiary or OneBeacon all reasonable out-of-pocket expenses of such OneBeacon Subsidiary or OneBeacon incurred as a result of their obligations under this Section 8.04(b).

Section 8.05 TAXES(a) INDEMNITY. OneBeacon agrees to indemnify and hold harmless Liberty and its Affiliates and their respective directors, officers, employees, agents and representatives against the following Taxes, except as provided in Section 8.05(g), and against any expense, including reasonable fees for attorneys and other outside consultants, incurred in contesting or otherwise in connection with any such Taxes: (i) Taxes imposed on the OneBeacon Subsidiaries, OneBeacon, the Business, or any of the Transferred Assets with respect to taxable periods ending on or before the Closing Date; (ii) with respect to taxable periods beginning before the Closing Date and ending after the Closing Date, Taxes imposed on the OneBeacon Subsidiaries or OneBeacon and Taxes imposed on or relating to the Business, or any of the Transferred Assets in each case which are allocable, pursuant to the second paragraph of this subsection, to the portion of such period ending on the Closing Date, provided, however, that Liberty and its Affiliates shall conduct the Business on the Closing Date in its usual manner; (iii) Taxes imposed on any member of any affiliated group with which the OneBeacon Subsidiaries or OneBeacon filed, have filed, or should have filed a Tax Return on a consolidated, combined or unitary basis for a taxable period ending on or before the Closing Date, and (iv) Taxes imposed on Liberty and its Affiliates as a result of any breach of warranty or misrepresentation under Article III of this Agreement. Liberty and its Affiliates shall be responsible for Taxes imposed on the Business or the Transferred Assets and associated expenses that are not allocated to OneBeacon pursuant to the first sentence hereof.

In the case of Taxes that are payable with respect to a taxable period that begins before the Closing Date and ends after the Closing Date, the portion of any such Tax that is allocable to the portion of the period ending on the Closing Date shall be:

(i) in the case of Taxes that are either (A) based upon or related to income or receipts, or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible) (other than conveyances pursuant to this Agreement, as provided under Section 8.05(g)), deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; and

47

(ii) in the case of Taxes imposed on a periodic basis with respect to the assets of the OneBeacon Subsidiaries and OneBeacon, or otherwise measured by the level of any item, deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction the numerator of which is the number of calendar days in the period ending on the Closing Date and the denominator of which is the number of calendar days in the entire period.

(b) TAX RETURNS AND PAYMENTS. (i) From the date of this Agreement through and after the Closing Date, the OneBeacon Subsidiaries and OneBeacon shall be responsible for the preparation and filing or otherwise furnishing in proper form to the appropriate Governmental Entity (or shall cause to be prepared and filed or so furnished) in a timely manner all Tax Returns relating to the OneBeacon Subsidiaries, OneBeacon, the Business, or any of the Transferred Assets that are due on or before or that relate to any taxable period ending on or before the Closing Date (and Liberty and its Affiliates shall do the same for Tax Returns relating to the Business or any of the Transferred Assets with respect to any taxable period ending after the Closing Date). Tax Returns relating to the Business or any of the Transferred Assets not yet filed for any taxable period that begins before the Closing Date, to the extent that such Tax Returns would have a continuing effect with respect to Liberty or its Affiliates after the Closing Date, shall be prepared in a manner consistent with past practices employed with respect to such Tax Returns (except to the extent counsel for the OneBeacon Subsidiaries and OneBeacon renders a legal opinion that there is no reasonable basis in Law therefor or that a Tax Return cannot be so prepared and filed without being subject to penalties) unless the OneBeacon Subsidiaries or OneBeacon has first obtained the written consent of Liberty and its Affiliates (which consent shall not be unreasonably withheld). With respect to any Tax Return required to be filed by Liberty and its Affiliates or the OneBeacon Subsidiaries and OneBeacon with respect to the Business or any of the Transferred Assets and as to which an amount of Tax is allocable to the other parties under Sections 8.05(a) and 8.05(g), the filing party shall provide the other parties and their authorized representatives with a copy of such completed Tax Return and a statement certifying the amount of Tax shown on such Tax Return that is allocable to such other parties pursuant to Sections 8.05(a) and 8.05(g), together with appropriate supporting information and schedules at least 20 Business Days prior to the due date (including any extension thereof) for the filing of such Tax Return, and such other parties and their authorized representatives shall have the right to review and comment on such Tax Return and statement prior to the filing of such Tax Return. OneBeacon shall pay or cause to be paid when due and payable all material Taxes (other than Taxes discussed in Section 8.05(g)) with respect to the OneBeacon Subsidiaries, the Business or any of the Transferred Assets, for any taxable period or portion thereof ending on or before the Closing Date and that are required to be paid on or before the Closing Date.

(c) REFUNDS. Any Tax refund (including any interest with respect thereto) relating to the OneBeacon Subsidiaries, OneBeacon, the Business, or any of the Transferred Assets for any taxable period ending on or prior to the Closing Date, shall be the property of the OneBeacon Subsidiaries and OneBeacon, and if received by Liberty or its Affiliates shall be payable promptly to the OneBeacon Subsidiaries or OneBeacon. Notwithstanding the foregoing sentence: (i) any Tax refund (or equivalent benefit to the OneBeacon Subsidiaries and OneBeacon through a reduction in Tax liability) for a taxable period before the Closing Date

48

arising out of the carryback of a loss or credit incurred by the Business or that relates to any of the Transferred Assets in a taxable period ending after the Closing Date shall be the property of Liberty and its Affiliates and, if received by the OneBeacon Subsidiaries or OneBeacon, shall be payable promptly to Liberty or its Affiliates.

(d) CONTESTS. (i) After the Closing, Liberty and its Affiliates, on the one hand, and OneBeacon, on the other hand, shall promptly notify the other parties in writing of any written notice of a proposed assessment or claim in an audit or administrative or judicial proceeding which, if determined adversely to the taxpayer, would be grounds for indemnification by such other parties under this Section 8.05; provided, however, that a failure to give such notice will not affect the rights of a party to indemnification under this Agreement except to the extent, if any, such failure results in a detriment to the indemnifying party.

(ii) In the case of an audit or administrative or judicial proceeding that relates to taxable periods ending on or before the Closing Date, provided that OneBeacon acknowledges in writing its liability under this Agreement to hold Liberty and its Affiliates harmless against the full amount of

any adjustment which may be made as a result of such audit or proceeding that relates to taxable periods ending on or before the Closing Date (or, in the case of any taxable period that includes the Closing Date, against an adjustment allocable under Section 8.05(a) to the portion of such period ending on or before the Closing Date), OneBeacon shall have the right at its expense to participate in and control the conduct of such audit or proceeding but only to the extent that such audit or proceeding relates solely to a potential adjustment for which OneBeacon has acknowledged its liability; Liberty and its Affiliates also may participate in any such audit or proceeding and, if OneBeacon does not assume the defense of any such audit or proceeding, Liberty and its Affiliates may defend the same in such manner as they may deem appropriate, including, but not limited to, settling such audit or proceeding after giving five days' prior written notice to OneBeacon setting forth the terms and conditions of settlement. In the event that issues relating to a potential adjustment for which OneBeacon has acknowledged its liability are required to be dealt with in the same proceeding as separate issues relating to a potential adjustment for which Liberty and its Affiliates would be liable, Liberty and its Affiliates shall have the right, at their expense, to control the audit or proceeding with respect to the latter issues.

(iii) With respect to issues relating to a potential adjustment for which OneBeacon (as evidenced by its acknowledgment under this Section 8.05) and Liberty and its Affiliates could be liable, (A) each of the parties may participate in the audit or proceeding, and (B) the audit or proceeding shall be controlled by those parties which would bear the burden of the greater portion of the sum of the adjustment and any corresponding adjustments that may reasonably be anticipated for future taxable periods. The principle set forth in the preceding sentence shall govern also for purposes of deciding any issue that must be decided jointly (in particular, choice of judicial forum) in situations in which separate issues are otherwise controlled under this Section 8.05 by both Liberty and its Affiliates and OneBeacon.

(iv) Neither Liberty and its Affiliates nor OneBeacon shall enter into any compromise or agree to settle any claim pursuant to any Tax audit or proceeding which would adversely affect the other parties for such year or a subsequent year without the written consent of the other parties, which consent may not be unreasonably withheld. Liberty and its Affiliates

49

and OneBeacon agree to cooperate in the defense against or compromise of any claim in any audit or proceeding.

(e) TIME OF PAYMENT. Payment by OneBeacon, on the one hand, or Liberty and its Affiliates, on the other hand, of any amounts due under this Section 8.05 in respect of Taxes shall be made (i) at least three Business Days before the due date of the applicable estimated or final Tax Return required to be filed by the indemnified party on which is required to be reported income for a period ending after the Closing Date for which the other party is responsible under this Section 8.05 without regard to whether the Tax Return shows overall net income or loss for such period, and (ii) within three Business Days following an agreement between OneBeacon and Liberty and its Affiliates that an indemnity amount is payable, an assessment of a Tax by a taxing authority, or a "determination" as defined in Section 1313(a) of the Code. If liability under this Section 8.05 is in respect of costs or expenses other than Taxes, payment by the indemnifying party of any amounts due under this Section 8.05 shall be made within five Business Days after the date when such party has been notified by the indemnified party that the indemnifying party has a liability for a determinable amount under this Section 8.05 and is provided with calculations or other materials supporting such liability.

(f) COOPERATION AND EXCHANGE OF INFORMATION. Upon the terms set forth in this Section 8.05, OneBeacon, on the one hand, and Liberty and its Affiliates, on the other hand, shall provide and OneBeacon shall cause the OneBeacon Subsidiaries to provide each other with such cooperation and information as either of them reasonably may request of the other in filing any Tax Return, amended Tax Return or claim for refund, determining a liability for Taxes or a right to a refund of Taxes, participating in or conducting any audit or other proceeding in respect of Taxes or furnishing reasonably requested information to parties subsequently desiring to purchase all or a part of the Business and the Transferred Assets from Liberty and its Affiliates. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by Tax authorities. OneBeacon shall make (and shall cause the OneBeacon Subsidiaries to make) its employees available on a basis mutually convenient to both parties to provide explanations of any documents or information provided hereunder. Each of the OneBeacon Subsidiaries and OneBeacon, and Liberty and its Affiliates shall retain (or cause to be retained) all Tax Returns, schedules and work papers,

records and other documents in their possession relating to Tax matters of the OneBeacon Subsidiaries and OneBeacon, the Business, and any of the Transferred Assets for each taxable period first ending after the Closing Date and for all prior taxable periods until the later of (i) the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by the other parties in writing of such extensions for the respective taxable periods, or (ii) six years following the due date (without extension) for such Tax Returns. Any information obtained under this Section 8.05 shall be kept confidential in accordance with Section 5.03 except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(g) CONVEYANCE TAXES. OneBeacon and Liberty shall share equally any liability for any real property transfer or gains, sales, use, transfer, value added, stock transfer, and stamp taxes, any transfer, recording, registration, and other fees, and any similar Taxes which become

50

payable in connection with the transactions contemplated by this Agreement. The OneBeacon Subsidiaries and OneBeacon, after the review and consent by Liberty and its Affiliates, shall file such applications and documents as shall permit any such Tax to be assessed and paid on or prior to the Closing Date in accordance with any available pre-sale filing procedure. Liberty and its Affiliates shall execute and deliver all instruments and certificates necessary to enable the OneBeacon Subsidiaries and OneBeacon to comply with the foregoing. Liberty and its Affiliates shall complete and execute a resale or other exemption certificate with respect to any items sold hereunder, and shall provide the OneBeacon Subsidiaries and OneBeacon with an executed copy thereof.

(h) BULK TRANSFERS. OneBeacon and Liberty agree to, and shall cause the OneBeacon Subsidiaries and the Affiliates of Liberty, respectively, also to comply timely with any applicable bulk sale provisions, including, but not limited to, any filing or notification provisions relating to the sale of the Business or the Transferred Assets.

(i) MISCELLANEOUS. (i) OneBeacon and Liberty agree to, and shall cause the OneBeacon Subsidiaries and the Affiliates of Liberty, respectively, also to treat all payments made by either to or for the benefit of the other under this Section 8.05, under other indemnity provisions of this Agreement and for any misrepresentations or breach of warranties or covenants as adjustments to the consideration paid or payable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements for Tax purposes and that such treatment shall govern for purposes hereof except to the extent that the laws of a particular jurisdiction provide otherwise, in which case such payments shall be made in an amount sufficient to indemnify the relevant parties on an after-tax basis.

(ii) Notwithstanding any provision in this Agreement to the contrary, the obligations of a party to indemnify and hold harmless another party pursuant to this Section 8.05 shall terminate at the close of business on the 120th day following the expiration of the applicable statute of limitations with respect to the Tax liabilities in question (giving effect to any waiver, mitigation or extension thereof).

(iii) From and after the date of this Agreement, OneBeacon shall not, and shall cause the OneBeacon Subsidiaries not to, without the prior written consent of Liberty and its Affiliates (which consent will not be unreasonably withheld) make, or cause or permit to be made, any Tax election that would affect the Business and the Transferred Assets.

(iv) OneBeacon and Liberty and its Affiliates shall be entitled to recover professional fees and related costs that it may reasonably incur to enforce the provisions of this Section 8.05.

(j) EXCLUSIVITY. Notwithstanding any other provision of this Agreement, except as specifically provided in Section 10.05, any matter related to Taxes shall be governed solely by this Section 8.05.

(k) CONSISTENT TREATMENT. OneBeacon and Liberty agree that for all purposes (i) the transfer of the Transferred Assets and the Business effected pursuant to this Agreement are a sale by each OneBeacon Subsidiary or OneBeacon (as applicable) of all of its interest in

51

such assets and business, and (ii) the transactions effected by the Indemnity Reinsurance Agreements are reinsurance. OneBeacon and Liberty agree not to, and shall cause the OneBeacon Subsidiaries and the RAM Companies, respectively, not to take any position inconsistent with these positions for Tax purposes unless otherwise required by a Final Determination as defined in Section 1313 of the Code or any similar or analogous provision of state or local law.

(l) ALLOCATION OF CONSIDERATION. The parties agree that the consideration payable by Liberty to OneBeacon at the Closing pursuant to this Agreement shall be allocated in accordance with Section 1060 of the Code and Treasury Regulation 1.1060-1. Within 120 days after the Closing Date, but at least 60 days before the due date (including extensions) of the Federal Income Tax Return on which the OneBeacon Subsidiaries and OneBeacon report the transaction contemplated by this Agreement, the OneBeacon Subsidiaries, OneBeacon, the RAM Group Companies and Liberty shall mutually agree (such agreement not to be unreasonably withheld) as to the allocation of such consideration among the Transferred Assets and the Business in accordance with Section 1060 of the Code and Treasury Regulation 1.1060-1. Liberty shall be responsible for (i) the preparation of the workpapers which allocate such consideration, (ii) timely providing such workpapers to the OneBeacon Subsidiaries and OneBeacon for their review in connection with granting their approval of the allocation, and (iii) the preparation of all the OneBeacon Subsidiaries', OneBeacon's, the RAM Group Companies' and Liberty's Forms 8594, Asset Acquisition Statement, under Section 1060 of the Code, reflecting Liberty's acquisition of the Transferred Assets and the Business.

(m) (i) All Taxes and Tax Returns relating to the Company and the Subsidiary (as such terms are defined in the Stock Purchase Agreement) shall be governed solely by the Stock Purchase Agreement.

(ii) In the event that the treatment under this Section 8.05 of state Taxes that are levied on insurance premiums and that are (A) either (1) attributable to taxable periods or portions thereof beginning on or after the Closing or (2) attributable to premiums paid after the Closing and (B) specifically included in the definition of Cedent's Expenses or RAM's Expenses, as applicable, is inconsistent with the treatment of such Taxes as provided under Section 4.2 of the Peerless Post-Closing Indemnity Reinsurance Agreement, Section 4.2 of the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement, Section 4.2 of the RAM Indemnity Reinsurance Agreement, Section 4.2 of the OBIC Indemnity Reinsurance Agreement, Section 4.2 of the Liberty Northwest Indemnity Reinsurance Agreement or Section 4.2 of the Rewritten Indemnity Reinsurance Agreement, the treatment of such Taxes shall be governed solely by such other provisions.

(iii) In the event that the treatment under this Section 8.05 of withholding, social security, FICA, FUTA and similar employment taxes that are specifically addressed in Article VII of the Employee Leasing Agreement is inconsistent with the treatment of such Taxes as provided under Article VII of the Employee Leasing Agreement, the treatment of such Taxes shall be governed solely by Article VII of the Employee Leasing Agreement.

(iv) In the event the treatment under this Section 8.05 of any payments of or relating to property taxes or taxes on rent specifically addressed in the Lease or Sublease

52

Agreements is inconsistent with the treatment of such payments as provided in such Lease or Sublease Agreements, the treatment of such payments shall be governed solely by such Lease or Sublease Agreements.

(v) In the event that the provisions of this Section 8.05 governing the preparation and filing of Tax Returns are inconsistent with the provisions of any Ancillary Agreement specifically addressing the preparation and filing of certain Tax Returns, the provisions of such other agreements shall govern with respect to such specifically identified Tax Returns.

Section 8.06 INTERNET USAGE. OneBeacon acknowledges that Liberty intends to establish, or has established, its own Internet web site for purposes of carrying on the Business and, at Liberty's request, OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, cease operation of the relevant segments of their Internet sites with regard to the Business, including, without limitation, the Web Site located at www.npoa.com. In addition, during the term of the Transition Services Agreement OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, forward visitors from the relevant Internet sites operated by OneBeacon and the OneBeacon Subsidiaries to the Internet sites designated by Liberty.

Section 8.07 ASSIGNMENT OF RIGHTS. (a) OneBeacon shall, and shall

cause Parent to, provide Liberty the benefits of Parent's indemnification rights under Article VIII of the Stock Purchase Agreement, dated as of September 24, 2000, among CGU International Holdings Luxembourg S.A., White Mountains, ET AL., to the extent such rights relate to the Business or the Transferred Assets, including exercising such rights for the benefit of Liberty and forwarding to Liberty all funds received therefrom, net of taxes and other expenses incurred in connection with the exercise of such right; PROVIDED, HOWEVER, that OneBeacon and Parent shall not be required to provide the foregoing to the extent Liberty has been indemnified by OneBeacon for the matter for which Parent or OneBeacon would be entitled to indemnification under such agreement.

(b) OneBeacon shall, and shall cause each of its Affiliates to, provide to Liberty the benefits of OneBeacon's or any such Affiliate's rights under any contract or agreement of OneBeacon or any of its Affiliates, including all amendments and addenda thereto, limiting the ability of any Person to compete in respect of the Business following the Closing, including exercising such non-compete rights for the benefit of Liberty.

Section 8.08 TRANSITION PLAN. Attached as Exhibit K hereto is the Transition Plan. Following the Closing Date, Liberty will, and will cause the RAM Group Companies to use their reasonable efforts to implement the Transition Plan in accordance with its terms, it being understood that Liberty shall be permitted, upon prior notice to OneBeacon, to modify the terms of the Transition Plan if it reasonably determines that such modification is reasonable in light of the circumstances existing with respect to the Business at any time.

Section 8.09 CONFIDENTIALITY. (a) In addition to, and not in limitation of, OneBeacon's and its Affiliates' and Subsidiaries' confidentiality obligations under the Confidentiality Agreement, the Ancillary Agreements and Section 8.03(a)(iii), OneBeacon shall, and shall cause the OneBeacon Subsidiaries to, maintain as confidential all information to the extent such information relates to the Business, including business practices, marketing

53

strategies, marketing relationships, product development and customer lists, and except as contemplated by this Agreement and the Ancillary Agreements, shall not use such information, except as required by law or administrative or judicial process and except for information that is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 8.09(a), for any purpose other than for the performance of OneBeacon's and the OneBeacon Subsidiaries' respective obligations under this Agreement and the Ancillary Agreements for so long as this Agreement or any Ancillary Agreement remains in effect.

(b) If OneBeacon is requested or required to disclose any such information pursuant to any judicial or administrative process, then OneBeacon shall promptly notify Liberty in writing of such request or requirement. Liberty shall either (i) promptly seek protective relief from such disclosure obligation or (ii) direct OneBeacon to comply with such request or requirement. OneBeacon shall cooperate with efforts of Liberty to maintain the confidentiality of such information or to resist compulsory disclosure thereof but any reasonable out-of-pocket expenses incurred by OneBeacon shall be reimbursed by Liberty. If, after a reasonable opportunity to seek protective relief, such relief is not obtained by Liberty, or if Liberty fails to obtain such relief, OneBeacon may disclose such portion of such information that OneBeacon reasonably believes, it is legally obligated to disclose.

(c) The obligations of OneBeacon and the OneBeacon Subsidiaries set forth in this Section 8.09 shall terminate with respect to any particular confidential information 30 months from the later of (a) the Closing Date, and (b) the date such confidential information is first known to, or comes into the possession of, OneBeacon or the OneBeacon Subsidiaries.

Section 8.10 SECURITY OF COMPETITIVE DATA. The obligations contained in this Agreement and the Ancillary Agreements require that parties have access to certain Confidential Data of the other parties. The parties acknowledge that each party wishes to ensure the security of its Confidential Data in order to protect its competitive position. The parties will impose appropriate safeguards to ensure that employees responsible for developing the underwriting, marketing or claims policy in the Excluded States of one party shall not have access to any Confidential Data of the other that is less than one year old. Notwithstanding anything to the contrary in this Agreement, it is understood that the sole remedy for any breach of this section will be a termination of the access to said Confidential Data.

Section 901 SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND AGREEMENTS. (a) The representations and warranties contained in this Agreement and in any certificate delivered pursuant hereto shall survive the Closing only for purposes of Article X and shall terminate at the close of business on the second anniversary of the Closing Date, except that the representations and warranties contained in Sections 3.01 through 3.03 and Sections 4.01 through 4.03 shall survive indefinitely and the representations and warranties contained in

54

Section 3.06 and Section 3.10 shall terminate upon expiration of the applicable statutes of limitations.

(b) All covenants and agreements made by the parties to this Agreement in this Agreement which contemplate performance following the Closing Date, and all covenants which were to be performed prior to the Closing Date but which were not so performed, shall survive the Closing Date. All other covenants and agreements in this Agreement shall not survive the Closing Date and shall terminate as of the Closing.

ARTICLE X.

INDEMNIFICATION

Section 10.01 INDEMNIFICATION BY ONEBEACON. (a) Except with respect to Tax matters which will be governed exclusively by Section 8.05, from and after the Closing, OneBeacon agrees to indemnify Liberty and its Affiliates and their respective Representatives and hold them harmless from any Indemnifiable Losses suffered or incurred by any such indemnified party, to the extent arising from (i) any breach of any representation or warranty of Parent or any of the OneBeacon Group contained in this Agreement, the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreement or in any certificate delivered pursuant hereto or thereto, (ii) any breach of any covenant or agreement of Parent or any of the OneBeacon Group contained in this Agreement, the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreement, (iii) any Environmental Claim to the extent arising out of or related to the conditions of the Leased Properties, the Owned Properties or any OneBeacon Subsidiaries' or OneBeacon's operations in respect of the Business prior to Closing, (iv) the "Colossus" claims system or the "Accenture" claims workstation owned or used by OneBeacon or the OneBeacon Subsidiaries to the extent such Indemnifiable Loss results from OneBeacon's or the OneBeacon Subsidiaries' use of such systems or the termination of the use of such systems or (v) any Excluded Liability, in each case, subject, in the cases of clauses (i) and (ii) above, to Section 10.06, without regard as to whether such Indemnifiable Loss exists on the Closing Date or arises at any time thereafter. For purposes of Article X, the representations and warranties of OneBeacon contained in this Agreement (other than those representations and warranties set forth in Sections 3.03, 3.04 and 3.B.3 of this Agreement) shall be deemed not to be qualified by any OneBeacon Material Adverse Effect or Liberty Material Adverse Effect qualifications or other limitations as to materiality.

(b) Notwithstanding the foregoing or any provision of the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreement to the contrary, OneBeacon shall not be required to indemnify Liberty and its Affiliates, and OneBeacon shall not have any liability:

(i) under clause (i) of Section 10.01(a) unless the aggregate of all Indemnifiable Losses for which OneBeacon would, but for this clause (i) of Section 10.01(b), be liable thereunder exceeds \$1,500,000, and then only to the extent of any such excess;

(ii) under Section 10.01(a) for any Indemnifiable Losses that are Special Damages, unless the aggregate of all such Special Damages for which OneBeacon would, but for

55

this clause (ii) of Section 10.01(b), be liable thereunder exceeds \$5,000,000 and then only to the extent of any such excess;

(iii) (A) under clause (i) of Section 10.01(a) and (B) for any Indemnifiable Losses that are Special Damages arising from a breach of a covenant or agreement under the Transition Services Agreement, in excess of

\$50,000,000 in the aggregate; and

(iv) under Section 10.01(a) to the extent the liability or obligation is directly attributable to any action taken or omitted to be taken by Liberty or any of its Affiliates.

Section 10.02 INDEMNIFICATION BY LIBERTY(a) Except with respect to Tax matters which will be governed exclusively by Section 8.05, from and after the Closing, Liberty agrees to indemnify OneBeacon and its Affiliates and each of their respective Representatives against and hold them harmless from any Indemnifiable Losses suffered or incurred by any such indemnified party to the extent arising from (i) any breach of any representation or warranty of any of the Liberty Group contained in this Agreement, the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreement or in any certificate delivered pursuant hereto or thereto, (ii) any breach of any covenant or agreement of any of the Liberty Group contained in this Agreement, the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreement or (iii) any Assumed Liability, in each case, subject, in the case of clauses (i) and (ii) above, to Section 10.06, without regard as to whether the Indemnifiable Loss exists on the Closing Date or arises at any time thereafter. For purposes of this Article X, the representations and warranties of Liberty contained in this Agreement (other than those representations and warranties set forth in Section 4.03 of this Agreement) shall be deemed not to be qualified by any Liberty Material Adverse Effect qualifications or other limitations as to materiality.

(b) Notwithstanding the foregoing or any provision of the License Agreements, the Imaging Transition Services Agreement or the Transition Services Agreements to the contrary, Liberty shall not be required to indemnify OneBeacon and its Affiliates, and Liberty shall not have any liability:

(i) under clause (i) of Section 10.02(a) unless the aggregate of all Indemnifiable Losses for which Liberty would, but for this clause (i) of Section 10.02(b), be liable thereunder exceeds \$1,500,000, and then only to the extent of any such excess;

(ii) under clause (i) of Section 10.02(a) in excess of \$50,000,000 in the aggregate; and

(iii) under Section 10.02(a) to the extent the liability or obligation is directly attributable to any action taken or omitted to be taken by OneBeacon or any of its Affiliates.

Section 10.03 INDEMNIFICATION PROCEDURES. (a) In order for a party (the "Indemnified Party") to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a Third Party Claim, such Indemnified Party must notify the other party (the "Indemnifying Party") in writing, and in reasonable detail, of the Third Party Claim within ten (10) Business Days after such Indemnified Party learns of the Third Party

56

Claim; PROVIDED, HOWEVER, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure (except that the Indemnifying Party shall not be liable for any expenses incurred during the period in which the Indemnified Party failed to give such notice). Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, within five (5) Business Days after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party will be entitled to participate in the defense thereof (unless (i) the Indemnifying Party is also a party to such Third Party Claim and the Indemnified Party determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend such Third Party Claim and provide indemnification with respect to such Third Party Claim) and, if it so chooses, to assume the defense thereof with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, (i) it shall be conclusively established for purposes of this Agreement that the claims made in such Third Party Claim are within the scope of and subject to indemnification and (ii) the Indemnifying Party will not as long as it legitimately conducts such defense be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the

defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not legitimately assumed the defense thereof (other than during any period in which the Indemnified Party shall have failed to give notice of the Third Party Claim as provided above). If the Indemnifying Party chooses to defend or prosecute any Third Party Claim, all of the parties hereto shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, the Indemnifying Party shall have no liability with respect to any compromise or settlement of such claims effected without its written consent (such consent not to be unreasonably withheld); the Indemnifying Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of law or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnified Party, and (ii) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party; PROVIDED, HOWEVER, that an Indemnified Party shall not be required to consent to any settlement involving the imposition of equitable remedies.

(c) OneBeacon and Liberty shall mitigate or otherwise minimize any Indemnifiable Losses with respect to which one party is obligated to indemnify the other party

57

hereunder in accordance with the requirements of applicable laws, including common law, relating to contractual obligations.

(d) The indemnities provided in this Agreement shall survive the Closing; PROVIDED, HOWEVER, that the indemnities provided under Sections 10.01(a)(i) and 10.02(a)(i) shall terminate when the applicable representation or warranty terminates pursuant to Article IX or the applicable Ancillary Agreement, except as to any item as to which the person to be indemnified shall have, before the expiration of the applicable period, previously made a claim by delivering a notice (stating in reasonable detail the basis of such claim) to the Indemnifying Party. Notwithstanding anything to the contrary in this Agreement, the indemnity provided in Sections 10.01 and 10.02 shall be the sole and exclusive remedy of the Indemnified Party against the Indemnifying Party at law (but not in equity) under this Agreement; PROVIDED, that, notwithstanding anything in this Agreement or any Ancillary Agreement to the contrary, no party hereunder or thereunder shall be prevented from commencing an action based on fraud. In furtherance of the foregoing, each of OneBeacon and Liberty hereby waives any and all rights, claims and causes of action at law (but not in equity) such Person or any of its Affiliates, directors, officers, employees, agents and representatives may have against Liberty or OneBeacon, respectively, arising under or based upon any Federal, state, provincial, local or foreign statute, law, ordinance, rule or regulation or otherwise (except pursuant to the indemnification provisions set forth in this Article X and an action based on fraud).

Section 10.04 TAX MATTERS. Notwithstanding any provision contained in this Article X, except as specifically provided in Section 10.05, any matter related to Taxes shall be governed solely by Section 8.05.

Section 10.05 CALCULATION OF LOSSES. The amount of any Indemnifiable Loss for which indemnification is provided under this Article X shall be (a) net of any amounts recovered by the Indemnified Party under insurance policies with respect to such Indemnifiable Loss (including to the extent such Indemnifiable Loss is reinsured by OneBeacon, Liberty or any of their respective Affiliates under the Indemnity Reinsurance Agreements) PROVIDED, that the Indemnified Party shall use commercially reasonable best efforts to collect the claim proceeds under such insurance policies with respect to such Indemnifiable Loss prior to seeking indemnification for such Indemnified Loss under this Article X and (b) with respect to this Agreement, the License Agreements, the Transition Services Agreement and the Imaging Transition Services Agreement, net of any damages recovered with respect to Indemnifiable Losses arising from the same occurrence under any of such agreements, and shall be (i) increased to take account of any net Tax cost incurred by the Indemnified Party arising from the receipt of indemnity payments hereunder (grossed up for such increase) and (ii) reduced to take account of any net Tax benefit realized by the Indemnified Party arising from the incurrence or payment of any such Indemnifiable Loss. In computing the

amount of any such Tax cost or Tax benefit, the Indemnified Party shall be deemed to recognize all other items of income, gain, loss deduction or credit before recognizing any item arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any Indemnifiable Loss.

Section 10.06 WAIVER. If no less than two (2) Business Days prior to the Closing, Parent or OneBeacon, on the one hand, or Liberty, on the other hand (the "Notifying Party"), provides written notice specifically identifying this Section 10.06 to the other party (the

58

"Waiving Party"), by delivering such written notice, along with supporting documentation, to one of the individuals set forth on SCHEDULE 10.06 with respect to the Waiving Party, of any breach by the Notifying Party of any representation, warranty or covenant contained in this Agreement or any Ancillary Agreement, the effect of which breach is a failure of any condition to the Waiving Party's obligations set forth in Article VI or Article VII, and the Waiving Party proceeds with the Closing, the Waiving Party shall be deemed to have waived such breach and the Waiving Party and its successors, assigns and Affiliates shall not be entitled to be indemnified pursuant to Article X, to sue for damages or to assert any other right or remedy for any Indemnifiable Losses directly arising from such breach, notwithstanding anything to the contrary contained herein or in any certificate delivered pursuant hereto.

Section 10.07 INTERPRETATION OF REPRESENTATIONS AND WARRANTIES. Liberty acknowledges that none of OneBeacon, the OneBeacon Subsidiaries or any other Person has made any representation or warranty, expressed or implied, as to, and Liberty has not relied upon, the accuracy or completeness of any information regarding OneBeacon and the OneBeacon Subsidiaries furnished or made available to them or their Representatives, except as expressly set forth in this Agreement or the Ancillary Agreements or any certificate delivered pursuant hereto or thereto. Notwithstanding anything in this Agreement or the Ancillary Agreements to the contrary, no representation or warranty contained herein shall affect the interpretation or limit the application of any other representation or warranty contained herein or in the Ancillary Agreements.

ARTICLE XI.

TERMINATION PRIOR TO CLOSING

Section 11.01 TERMINATION OF AGREEMENT. This Agreement may be terminated at any time prior to the Closing:

(a) by OneBeacon or Liberty in writing, if there shall be any order, injunction or decree of any Governmental Entity which prohibits or restrains the parties from consummating the transactions contemplated hereby, and such order, injunction or decree shall have become final and nonappealable; PROVIDED that prior to termination under this Section 11.01(a), the party seeking to terminate this Agreement shall have used commercially reasonable best efforts to have such order, injunction or decree vacated;

(b) by OneBeacon in writing, if the Closing has not occurred on or prior to April 30, 2002, unless due to the failure of OneBeacon to materially perform each of its respective obligations under this Agreement on or prior to the Closing Date;

(c) by Liberty in writing, if the Closing has not occurred on or prior to April 30, 2002, unless due to the failure of Liberty to materially perform each of its obligations under this Agreement on or prior to the Closing Date;

(d) by OneBeacon, if the conditions set forth in Section 7.01 shall have become incapable of fulfillment, and shall not have been waived by OneBeacon, PROVIDED, that

59

OneBeacon is not, as of the date it seeks to terminate this Agreement, in material breach of its obligations hereunder;

(e) by Liberty, if the conditions set forth in Section 6.01 shall have become incapable of fulfillment, and shall not have been waived by Liberty, PROVIDED, that Liberty is not, as of the date it seeks to terminate this Agreement, in material breach of its obligations hereunder; or

(f) at any time on or prior to the Closing Date, by mutual

written consent of OneBeacon and Liberty.

Section 11.02 TERMINATION PROCEDURE. In the event of termination by Liberty or OneBeacon pursuant to Section 11.01, written notice thereof shall forthwith be given to the other and the transactions contemplated by this Agreement shall be terminated, without further action by any party. If the transactions contemplated by this Agreement are terminated as provided herein:

(i) Liberty shall return all documents and other material received from OneBeacon and its Affiliates relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to OneBeacon; and

(ii) all confidential information received by Liberty with respect to the Business shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the termination of this Agreement.

Section 11.03 SURVIVAL. If this Agreement is terminated and the transactions contemplated hereby are not consummated as described above, this Agreement shall become null and void and of no further force and effect, except for the provisions of Sections 5.03, 5.08, this Section 11.03 and Article XII, and except that no termination pursuant to this Article XI shall relieve any party from any liability for any breach of this Agreement prior to such termination.

ARTICLE XII.

GENERAL PROVISIONS

Section 12.01 PUBLICITY. Except as may otherwise be required by applicable law, regulation or obligations pursuant to any listing agreement with any national securities exchange, no press release or public announcement, including, without limitation, any presentation to a rating agency or the investment community, concerning this Agreement or the transactions contemplated hereby shall be made by OneBeacon or Parent, on the one hand, or Liberty on the other hand, prior to the Closing Date without advance approval thereof by the other party, such approval not to be unreasonably withheld. The parties hereto shall cooperate with each other in making any press release or public announcement concerning the Business on or prior to the Closing Date.

60

Section 12.02 DOLLAR REFERENCES. All dollar references in this Agreement are to, and all transactions under this Agreement shall be in, the currency of the United States.

Section 12.03 NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed) with a duplicate copy sent by overnight courier (providing proof of delivery) or sent by overnight courier (providing proof of delivery), to the parties at the following address:

(a) If to Liberty:

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117
Attention: General Counsel
Facsimile: (617) 574-5805

With a concurrent copy to:

LeBoeuf, Lamb, Greene & MacRae, L.L.P.
125 West 55th Street
New York, New York 10019-5389
Attention: John M. Schwolsky or Michael Groll
Facsimile: (212) 424-8500

(b) If to Parent or OneBeacon:

c/o
OneBeacon Corporation
One Beacon Street
Boston, Massachusetts 02108
Attention: General Counsel
Facsimile: (617) 725-7177

With concurrent copies to:

Dewey Ballantine LLP
1301 Avenue of the Americas
New York, New York 10019
Attention: William W. Rosenblatt
Facsimile: (212) 259-6333

and

Cravath, Swaine & Moore
825 Eighth Avenue
New York, New York 10019

61

Attention: Philip A. Gelston
Facsimile: (212) 474-3700

Any party may, by notice given in accordance with this Section 12.03 to the other parties, designate another address or person for receipt of notices hereunder, provided that notice of such a change shall be effective upon receipt.

Section 12.04 ENTIRE AGREEMENT. This Agreement (including the Appendix, the Exhibits and the Schedules hereto) contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, with respect thereto; PROVIDED, HOWEVER, that the Confidentiality Agreement (except with respect to paragraph 9 thereof) shall remain in full force and effect in accordance with its terms except as contemplated by Section 5.03 prior to the Closing. Without limiting the foregoing, subject to applicable law, the parties agree that this Agreement and the Ancillary Agreements and the Schedules, Appendices, and Exhibits hereto and thereto shall be kept confidential to the extent required by and in accordance with the terms of this Agreement.

Section 12.05 WAIVERS AND AMENDMENTS; NON-CONTRACTUAL REMEDIES; PRESERVATION OF REMEDIES. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of Parent, OneBeacon and Liberty or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. Subject to Article X, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 12.06 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED AS TO FORMATION, PERFORMANCE, INTERPRETATION AND ENFORCEMENT BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 12.07 BINDING EFFECT; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and legal representatives. Neither this Agreement, nor any of the rights, interests or obligations hereunder, may be assigned, in whole or in part, by any party without the prior written consent of the other parties hereto and any such assignment that is not consented to shall be null and void; PROVIDED, that upon prior written notice to OneBeacon or Parent, Liberty may assign to any of its Affiliates all or any part of its rights, interests or obligations under this Agreement; PROVIDED, FURTHER, that no such assignment shall relieve Liberty of any liability under this Agreement. It being understood for the avoidance of doubt that in the event a party shall merge or consolidate with another Person or enter into a business combination with another Person, such merger, consolidation or business combination shall not be deemed to be an assignment and, accordingly, no consent of any Person shall be required hereunder.

62

Section 12.08 INTERPRETATION. (a) The parties acknowledge and agree that they may pursue judicial remedies at law or equity in the event of a dispute with respect to the interpretation or construction of this Agreement. In the event that an alternative dispute resolution procedure is provided for in any of the Ancillary Agreements or any other agreement contemplated hereby or thereby, and there is a dispute with respect to the

construction or interpretation of such Ancillary Agreement, the dispute resolution procedure provided for in such Ancillary Agreement shall be the procedure that shall apply with respect to the resolution of such dispute.

(b) For purposes of this Agreement, the words "hereof", "herein", "hereby" and other words of similar import refer to this Agreement as a whole unless otherwise indicated. Whenever the words "include", "includes", or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The terms "transactions contemplated by this Agreement" and "transactions contemplated hereby" shall include the sale and purchase of the Transferred Assets, the assumption of the Assumed Liabilities and the execution, delivery and performance by the parties thereto of the Ancillary Agreements and any other agreements contemplated hereby or thereby. Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.

(c) No provision of this Agreement will be interpreted in favor of, or against, either party hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

Section 12.09 NO THIRD PARTY BENEFICIARIES. Nothing in this Agreement is intended or shall be construed to give any person (including, but not limited to, the employees of any OneBeacon Subsidiary or any Affiliate of any OneBeacon Subsidiary), other than the parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

Section 12.10 EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.11 EXHIBITS AND SCHEDULES. The Exhibits, the Appendix and the Schedules to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein. All references herein to Articles, Sections, subsections, paragraphs, subparagraphs, clauses, Exhibits, Appendices and Schedules shall be deemed references to such parts of this Agreement, unless the context shall otherwise require. Except as noted specifically on a Schedule, which notification must make specific reference to another Schedule, the inclusion of a matter or item in any Schedule to this Agreement shall not, for any purpose of this Agreement, be deemed to be the inclusion of such matter or item in any other Schedule to this Agreement.

Section 12.12 HEADINGS. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

63

Section 12.13 SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, each of Parent, OneBeacon and Liberty directs that such court interpret and apply the remainder of this Agreement in the manner that it determines most closely effectuates their intent in entering into this Agreement, and in doing so particularly take into account the relative importance of the term, provision, covenant or restriction being held invalid, void or unenforceable.

Section 12.14 EQUITABLE REMEDIES. Liberty, OneBeacon and Parent acknowledge and agree that money damages may not be a sufficient remedy for any breach of this Agreement by Liberty, OneBeacon or Parent, as the case may be, and that Liberty, OneBeacon and Parent, as the case may be, shall be entitled to equitable relief, including, without limitation, injunction and specific performance, as a remedy for any breach by Liberty, OneBeacon or Parent, as the case may be, and that the party that is in breach shall not oppose the granting of such equitable relief. Such remedy shall not be deemed to be the exclusive remedy for breach of this Agreement, but shall be in addition to the other remedies available to a party pursuant to Article X of this Agreement.

64

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

By: -----
Name:
Title:

WHITE MOUNTAINS INSURANCE GROUP, LTD.
Solely for purposes of Articles III.B,
VI, VII and XII and Sections 5.07,
5.16, 8.03 and 8.07.

By: -----
Name:
Title:

LIBERTY MUTUAL INSURANCE COMPANY

By: -----
Name:
Title:

GLOSSARY OF TERMS

All capitalized terms used but not otherwise defined in each of the agreements listed below shall have the meanings set forth in this Glossary of Terms:

- (a) Master Agreement,
- (b) Assumption Agreement,
- (c) Bill of Sale and General Assignment,
- (d) OBIC Indemnity Reinsurance Agreement,
- (e) Employee Leasing Agreement,
- (f) Imaging Transition Services Agreement,
- (g) License Agreements,
- (h) Liberty Northwest Indemnity Reinsurance Agreement,
- (i) Liberty Northwest Post-Closing Indemnity Reinsurance Agreement,
- (j) Offset Agreements,
- (k) Post-Closing Serviced Policies Administrative Services Agreement,
- (l) Peerless Post-Closing Indemnity Reinsurance Agreement,
- (m) Pre-Closing Serviced Policies Administrative Services Agreement,
- (n) RAM Indemnity Reinsurance Agreement,
- (o) RAM Reinsurance Option Agreement,
- (p) Renewal Rights Agreement,
- (q) Rewritten Indemnity Reinsurance Agreement,
- (r) SCEA, and
- (s) Transition Services Agreement.

Whenever the singular term is used in any of the foregoing agreements, the same shall include the plural, and whenever the plural is used in any of the foregoing agreements, the same shall include the singular, where appropriate.

"ACQUISITION PROPOSAL" means a proposal or offer concerning any acquisition, merger, reinsurance arrangement, renewal rights transaction or other business combination transaction that would result in the transfer to any Person or Persons of any material part of the Business (other than the transactions contemplated by the Master Agreement).

"ACTION" means any action, suit, proceeding, mediation, arbitration or other alternative dispute resolution proceeding.

"ACTUAL COSTS" means the Other Underwriting Expenses and Unallocated Loss Adjustment Expenses incurred by the RAM Group Companies in providing Post-Closing Serviced Policies Administrative Services and Pre-Closing Serviced Policies Administrative Services under the Administrative Services Agreements.

"ADMINISTRATIVE SERVICES AGREEMENTS" means the Pre-Closing Serviced Policies Administrative Services Agreement and the Post-Closing Serviced Policies Administrative Services Agreement.

"AFFILIATE" means, with respect to any Person, at the time in question, any other Person controlling, controlled by or under common control with such Person. For purposes of the foregoing, "control", including the terms "controlling", "controlled by" and "under common control with", means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an institution, whether through the ownership of voting securities, by contract or otherwise. For the purpose of this Glossary of Terms, Montgomery Mutual Insurance Company, a Maryland-domiciled mutual insurance company, is deemed an "Affiliate" of Liberty.

"ALLOCATED LOSS ADJUSTMENT EXPENSES" shall mean defense and cost containment expenses, including declaratory judgment actions.

"ANCILLARY AGREEMENTS" means the Indemnity Reinsurance Agreements, the Administrative Services Agreements, the Transition Services Agreement, the Lease Agreements, the Sublease Agreements, the License Agreements, the RAM Reinsurance Option Agreement (including the RAM Indemnity Reinsurance Agreement attached as an exhibit thereto), the Renewal Rights Agreement, the Employee Leasing Agreement, the Stock Purchase Agreement, the Assumption Agreement, the Assignment and Assumption Agreements, the Offset Agreements, the Imaging Transition Services Agreement, the SCEA and the other Transfer Documents.

"APPLICABLE POST-RETIREMENT WELFARE PLAN" means the employee benefit plan of Liberty or the Liberty Group which provides post-retirement medical, dental and life insurance to eligible employees of Liberty and the Liberty Group and which is attached to Schedule 5.09(e)(iii) of the Master Agreement.

"ASSIGNABLE LICENSED EXCLUSIVELY USED SOFTWARE" means the Licensed Exclusively Used Software as to which (i) no consent to the assignment thereof is required or (ii) consent to the assignment thereof has been obtained on or prior to the Closing Date.

"ASSIGNED AND ASSUMED CONTRACTS" means (i) those contracts and other agreements to which a OneBeacon Subsidiary or OneBeacon is a party, to the extent such agreements or divisible sub-agreements thereof exclusively relate to the Business and which are listed on SCHEDULE 1.01(a) of the Master Agreement, and (ii) any other contracts or agreements that exclusively relate to the Business that either (a) are entered into by a OneBeacon Subsidiary or OneBeacon between the date of the Master Agreement and the Closing Date with the prior written approval of Liberty which shall not be unreasonably withheld, (b) exist on the date hereof and are of the type intended to be included in SCHEDULE 1.01(a) but are later identified and added to SCHEDULE 1.01(a) by supplement with the prior written approval of Liberty, which approval shall not be unreasonably withheld or (c) are Leased Property Leases, PROVIDED, that the Assigned and Assumed Contracts shall not include (1) any Insurance Policies, or (2) any Outward Reinsurance Agreements.

"ASSIGNMENT AND ASSUMPTION AGREEMENTS" means the assignment and assumption agreements (which shall be in the form of Exhibit O-2 of the Master Agreement) entered into by OneBeacon and the OneBeacon Subsidiaries which are the assigning lessees of the Leased

2

Property Leases and Liberty or its Affiliates as the assuming lessees of such Leased Property Leases.

"ASSUMED LIABILITIES" means all liabilities, obligations and commitments of the OneBeacon Subsidiaries or OneBeacon and accruing (i) from and after the Closing Date under the Assigned and Assumed Contracts which are assigned, subleased or transferred (as applicable) on the Closing Date, or (ii) from and after the date of assignment, sublease or transfer (as applicable) of the Assigned and Assumed Contracts which are assigned, subleased or transferred after the Closing Date; PROVIDED, that the Assumed Liabilities shall not include any liability for Taxes (the liability for which shall be governed exclusively by Section 8.05 of the Master Agreement).

"ASSUMPTION AGREEMENT" means the Assumption Agreement among OneBeacon, the OneBeacon Subsidiaries and Liberty in the form of Exhibit C of the Master Agreement.

"BILL OF SALE AND GENERAL ASSIGNMENT" means the Bill of Sale and General Assignment among OneBeacon, the OneBeacon Subsidiaries and Liberty in the form of Exhibit D of the Master Agreement.

"BOOKS AND RECORDS" means copies of all records (including computer generated, recorded or stored records) relating exclusively to the Business or necessary or appropriate to operate the Business, including customer lists, Insurance Producer information, policy information, insurance policy forms, rate filing information, rating plans, all filings and correspondence with Governmental Entities relevant to operating the Business, claim records, sales records, underwriting records, advertising and promotional materials, personnel records related to Business Employees and compliance records in the possession or control of any OneBeacon Subsidiary or any OneBeacon Subsidiaries' Affiliate relating exclusively to the operation of the Business or necessary or appropriate to operate the Business, including the databases maintained by any OneBeacon Subsidiary relating to and containing the customer lists, claim records and underwriting records related to the Business and any other database or other form of recorded, computer generated or stored information or process relating exclusively to the Business or necessary or appropriate to operate the Business.

"BUSINESS" means, collectively, the property and casualty insurance business operations conducted by the OneBeacon Subsidiaries through the use of Independent Producers, including those operations relating to the underwriting, issuance, sale, renewal and servicing of insurance policies issued in connection therewith; PROVIDED, that the "BUSINESS" shall not include (i) any Excluded Asset, or (ii) (a) the underwriting, issuance, sale, renewal and servicing of insurance policies issued by any OneBeacon Insurer through an Independent Producer resident in an Excluded State, (b) the underwriting, issuance, sale, renewal and servicing of personal lines insurance policies issued by any OneBeacon Insurer through the use of Independent Producers, which insurance policy covers risks located in an Excluded State or (c) any insurance policies covering the Specialty and National Accounts Lines of Business.

"BUSINESS DAY" means any day other than a Saturday, Sunday or a day on which banking institutions in the Commonwealth of Massachusetts are permitted or obligated by law to be closed.

3

"BUSINESS EMPLOYEES" means the active, full and part-time employees of OneBeacon or Hawkeye-Security who are principally employed in connection with the Business (not to exceed 2,700 employees), the names, titles, hire dates, office locations and salaries of which have been provided to Liberty pursuant to Section 3.10(a) of the Master Agreement.

"CEDENT'S EXPENSES" means Other Underwriting Expenses subject to the Expense Cap, and Unallocated Loss Adjustment Expenses, in each case, incurred with respect to the Post-Closing Policies, the Retroceded Policies or the Rewritten Policies, as the case may be, which have policy periods that become effective on or after the Effective Date, whether such expenses are incurred before or after the Effective Date.

"CHANGE OF CONTROL" means the acquisition, directly or indirectly, of more than twenty percent (20%) of the voting capital stock of the Person to which the change of control relates by a Person that was not an Affiliate of the first Person prior to such acquisition; PROVIDED, HOWEVER, that none of (i) the creation of a mutual holding company with respect to Liberty, (ii) the issuance of capital stock in a registered public offering or pursuant to Rule 144A under the Securities Act of 1933, as amended, or (iii) any other holding company system restructuring, shall be deemed to give rise to a change of control.

"CLAIM" means any claim reported under a Serviced Policy or a Post-Closing Policy which, if valid, would result in a Loss.

"CLOSING" means the closing of the transactions contemplated in Section 2.04 of the Master Agreement.

"CLOSING DATE" means November 1, 2001, unless all of the conditions set forth in Articles VI and VII of the Master Agreement have not been satisfied or waived on or prior to such date, in which case "Closing Date" means the day that is the third Business Day following satisfaction or waiver of all of the conditions set forth in Articles VI and VII of the Master Agreement, other than those conditions that by their nature are to be satisfied at the Closing, to the extent that all such conditions remain satisfied or waived as of such date; PROVIDED, HOWEVER, that the "Closing Date" may be any other date as agreed to in writing by Liberty and OneBeacon.

"COBRA" means Section 601 ET SEQ. of ERISA and Section 4980B of the Code and state and local laws of similar import, including all rules and regulations promulgated thereunder.

"CODE" means the Internal Revenue Code of 1986, as amended, including all rules and regulations promulgated thereunder.

"COMPETING BUSINESS" means a multi-state insurance business from which the majority of the premium is attributable to property and casualty insurance policies that are issued, written or cover risks located principally outside of the Excluded States and which are produced through Independent Producers wherever located or resident.

"COMPENSATION" shall have the meaning set forth in Article VI of the Employee Leasing Agreement.

4

"CONFIDENTIAL DATA" means any non-public competitive information, including the development of and proposals for new rates, new products, or claims payment policy.

"CONFIDENTIAL INFORMATION" means information that is proprietary and relates to the internal affairs, business practices, marketing strategies, marketing relationships, product development, information technology of a disclosing party. Confidential Information shall not include information (i) that is now or subsequently becomes available to the public through no fault of the party receiving such information, (ii) that a party can demonstrate was lawfully in the possession of such party prior to the Effective Date without any obligation of confidentiality, other than the Books and Records, (iii) that the receiving party can demonstrate was independently developed by such party without the use of the disclosing party's confidential information, and (iv) rightfully obtained by the receiving party from a source other than the

disclosing party, which source has the right to transfer such information to the receiving party without any obligation, fiduciary or otherwise, of confidentiality. The existence of a copyright notice will not cause, or be construed as causing, any part of any software or the documentation therefor to be a published copyrighted work available to the public.

"CONFIDENTIALITY AGREEMENT" means the confidentiality agreement dated as of August 23, 2001, between OneBeacon and Liberty.

"COPYRIGHT MATERIALS" means all materials contained in the Books and Records that are copyrighted or copyrightable by OneBeacon or an Affiliate thereof or are in any other way protected on behalf of OneBeacon or an Affiliate thereof under copyright law.

"CUSTOMER/CLAIMANT INFORMATION" means any Non-Public Personally Identifiable Information regarding a customer or claimant provided by any OneBeacon Insurer to Liberty.

"DATA CENTERS" means (i) all computer equipment, related peripheral equipment, storage equipment, printers and all other equipment used to support the data centers owned by OneBeacon or a OneBeacon Subsidiary and which are included in the Transferred Assets, including without limitation those located in Des Moines, Iowa, Portland, Oregon and Beaverton, Oregon (ii) any emergency power equipment used at such data centers and (iii) all software, firmware and other applications, data and information used at such data centers.

"EFFECTIVE DATE" means 12:01 a.m., Eastern time, on November 1, 2001.

"EMPLOYEE LEASING AGREEMENT" means the Employee Leasing Agreement among OneBeacon, certain OneBeacon Subsidiaries and Liberty, in the form of Exhibit L of the Master Agreement.

"ENHANCED PENSION BENEFITS" shall have the meaning set forth in Section 5.09(c).

"ENVIRONMENTAL CLAIM" means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, investigations, proceedings or notices of non-compliance or violation by any Person, alleging liability for non-compliance, investigative costs, cleanup costs, response or removal costs, remediation costs, bodily injury (including death), property damage or damage to the environment or natural resources arising under or based on

5

Environmental Laws, or to the extent based on a Release or threatened Release of Hazardous Materials.

"ENVIRONMENTAL LAWS" means all applicable federal, state and local statutes, regulations, ordinances, rules, decrees or directives and any binding administrative or judicial interpretations thereof, relating to pollution, protection of human health and safety as it relates to the environment, the protection, preservation or restoration of the environment (including, without limitation, indoor and outdoor air, surface water, groundwater, land, wetlands, surface and subsurface strata) or natural resources, including, without limitation, those relating to Releases or threatened Releases of Hazardous Materials or otherwise relating to the manufacture, generation, processing, distribution, use, treatment, storage, disposal, transportation or handling of Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, including all rules and regulations promulgated thereunder.

"ERROR" means any malfunction or failure to meet applicable specifications in the OneBeacon Licensed Software, the Owned Exclusively Used Software, the Licensed Generally Used Software, the Licensed Exclusively Used Software or any other software, firmware or database of any kind provided by OneBeacon or maintained by OneBeacon and used to provide Transition Services or provided by One Beacon or a OneBeacon Subsidiary to enable the provision by Liberty of services required under the Administrative Services Agreements which malfunction or failure significantly degrades the use of the OneBeacon Licensed Software, the Owned Exclusively Used Software, the Licensed Generally Used Software, the Licensed Exclusively Used Software such other software, firmware or database when used in the manner used as of the Closing Date, as directed by OneBeacon, or in accordance with supporting documentation, if any.

"ESCROW AGENT" shall mean DSI Technology Escrow Services, Inc. or such other escrow agent mutually agreed upon by the parties to hold in escrow the Source Code Deposit in accordance with the terms of the SCEA.

"EXCLUDED ASSETS" means (i) except as contemplated by Section 5.01(a) of the Master Agreement, all cash and cash equivalents of OneBeacon or any of the OneBeacon Subsidiaries attributable to the Business; (ii) all rights, claims and credits of OneBeacon or any of the OneBeacon Subsidiaries relating to any other Excluded Asset or any Excluded Liability, including such items arising under all guarantees, warranties, indemnities and similar rights of OneBeacon or any OneBeacon Subsidiary in respect of any other Excluded Asset or any Excluded Liability; (iii) all rights of OneBeacon or any of the OneBeacon Subsidiaries under this Agreement and the Ancillary Agreements; (iv) all records prepared in connection with the transactions described in the Master Agreement and the Ancillary Agreements to the extent that such records do not relate to the operation or conduct of the Business and (v) all financial and tax records relating to the Business that form part of the general ledger of OneBeacon.

"EXCLUDED LIABILITY" means any liability or obligation of OneBeacon or any of its Affiliates which does not constitute (i) Taxes (the liability for which is governed exclusively by Section 8.05 of the Master Agreement) or (ii) an Assumed Liability. It being understood for the

6

avoidance of doubt, and without limiting the generality of the foregoing, that any liability or obligation of Liberty or any of its Affiliates arising out of any litigation, arbitration or other similar proceeding commenced against Liberty or any of its Affiliates, to the extent such liability or obligation is based on a claim of "successor" or "transferee" liability as successor to OneBeacon or any of its Affiliates or transferee of OneBeacon or any of its Affiliates, including any liability or obligation arising out of WISE ET AL. V. TRAVELERS INDEMNITY COMPANY, filed in the Circuit Court of Berkeley County, West Virginia, shall constitute an Excluded Liability, except to the extent that any such liability or obligation is an Assumed Liability or a Reinsured Liability under the Indemnity Reinsurance Agreements.

"EXCLUDED STATES" means Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont.

"EXPENSE CAP" means that, for purposes of the (i) Post-Closing Serviced Policies Administrative Services Fee, and (ii) ceding commission paid under the Peerless Post-Closing Indemnity Reinsurance Agreement, the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement, the Rewritten Indemnity Reinsurance Agreement and the OBIC Indemnity Reinsurance Agreement, Other Underwriting Expenses for the two year period beginning with the Effective Date shall be limited, in the aggregate, for each of Year 1 and Year 2, to thirty five percent (35%) of the aggregate net written premium incurred by the RAM Group Companies in issuing and/or underwriting, as appropriate, the Rewritten Policies and the Post-Closing Policies with respect to Year 1 and Year 2, respectively.

"EXTRA CONTRACTUAL OBLIGATIONS" means all liabilities not covered under the provisions of or in excess of the limits of any policy of insurance (and related Allocated Loss Adjustment Expenses) to the extent such liabilities arise from or relate to any alleged or actual act, error or omission by any party or any Affiliate of such party, whether intentional or otherwise, including the following: failure to settle within policy limits, or by reason of actual or alleged negligence, fraud or bad faith in rejecting an offer of settlement or in preparation of the defense of or in trial of any action against its insured or any appeal of any judgment with respect thereto, or from any alleged or actual reckless conduct or bad faith, in connection with the handling of any claim under any policy or in connection with the issuance, delivery, cancellation or administration of any policy.

"FIXES" means the repair or replacement of code versions of the OneBeacon Licensed Software provided by OneBeacon Group in accordance with the Transition Services Agreement to correct an Error.

"FOREIGN CLAIMS" means claims arising under insurance policies issued by OneBeacon Insurers in Excluded States, other than those arising under Specially Serviced Policies.

"FUNDING ACCOUNTS" (i) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement shall have the meaning set forth in Section III.(e)(i) of Schedule 4 thereof and (ii) for purposes of the Post-Closing Serviced Policies Administrative Services Agreement shall have the meaning set forth in Section III.(e)(i) thereof.

7

"GOVERNMENTAL ENTITY" means any court or governmental or regulatory authority or agency, domestic or foreign.

"HAWKEYE NAME AND MARKS" means the name "Hawkeye-Security Insurance Company" and any related trademarks or service marks.

"HAWKEYE-SECURITY" means Hawkeye-Security Insurance Company, an Iowa-domiciled stock insurance company.

"HAWKEYE-SECURITY NAME AND MARKS LICENSE AGREEMENT" means the agreement by and between OneBeacon and Liberty attached to the Master Agreement as Exhibit M-3.

"HAWKEYE SYSTEM" means such computer equipment, related peripheral equipment, storage equipment, printers and all other equipment and such software, firmware and other applications data and information as are used as of the Effective Date in the Data Center located in Des Moines, Iowa.

"HAZARDOUS MATERIALS" means (i) any petrochemical or petroleum products, waste oil, radon gas, friable asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls; (ii) any chemicals, materials or substances defined in any Environmental Law as having the characteristics of or included in the definition of "hazardous substances," "hazardous chemicals," "hazardous wastes," "hazardous materials," "toxic substances," "contaminants," or "pollutants"; or (iii) any other chemical, material or substance, the discharge, emission or Release of which is prohibited, limited or regulated by Environmental Law.

"IMAGING EQUIPMENT AND APPLICATIONS" means such computer equipment, related peripheral equipment, storage equipment, printers and all other equipment and such software, firmware and other applications, data and information used as of the Effective Date to support the imaging operations of OneBeacon.

"IMAGING HARDWARE MAINTENANCE AGREEMENTS" means those agreements to which OneBeacon Group is a party on the Effective Date and pursuant to which maintenance and support services are provided with respect to the Imaging Equipment and Applications.

"IMAGING MATERIALS" means any of the documents, records, data or any other material provided by or on behalf of OBIC to Liberty Group upon which any Imaging Transition Service may be performed.

"IMAGING TRANSITION PROJECT MANAGER" means the person designated by OBIC and Liberty Group, respectively, who is primarily responsible for administering the Imaging Transition Services Agreement, with the authority and obligations set forth in Section 8(b) thereof.

"IMAGING TRANSITION SERVICES" means those services set forth in Schedule 2(a) of the Imaging Transition Services Agreement.

"IMAGING TRANSITION SERVICES AGREEMENT" means the Imaging Transition Service Agreement between Liberty and OBIC, in the form of Exhibit Q to the Master Agreement.

8

"IMAGING TRANSITION SERVICE DATA" means output data from the delivery of Imaging Transition Services by Liberty to OBIC under the Imaging Transition Services Agreement.

"IMOW NEW POLICIES" means (i) policies issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific) to insureds who were not insured under the Insurance Policies, but excluding assignments under Involuntary Mechanisms issued by a OneBeacon Insurer, (ii) policies issued to insureds under Insurance Policies which are not IMOW Renewal Policies or IMOW Required Renewal Policies, and (iii) any New Commercial Lines Policy that is voluntarily renewed by a OneBeacon Insurer (other than Oregon Auto or North Pacific), in each case, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in Idaho, Montana, Oregon or Washington. IMOW New Policies shall also include renewals of IMOW New Policies.

"IMOW POST-CLOSING POLICIES" means the IMOW Renewal Policies, the IMOW Required Renewal Policies and the IMOW New Policies, collectively.

"IMOW RENEWAL POLICIES" means (i) renewals of Insurance Policies that are voluntarily issued by a OneBeacon Insurer (other than Oregon Auto or

North Pacific) and (ii) assignments under Involuntary Mechanisms issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific), in each case, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in Idaho, Montana, Oregon or Washington. IMOW Renewal Policies shall also include renewals of IMOW Renewal Policies, but exclude any New Commercial Lines Policy issued by a OneBeacon Insurer. Any issuance of an insurance policy by a OneBeacon Insurer (other than Oregon Auto or North Pacific), pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement through an Independent Producer resident in Idaho, Montana, Oregon or Washington that if it had been issued by another OneBeacon Insurer would have otherwise been a IMOW Renewal Policy, or been a OneBeacon Renewal Policy or a OA/NP Renewal Policy, shall be deemed to be a IMOW Renewal Policy.

"IMOW REQUIRED RENEWAL POLICIES" means renewals of Insurance Policies that are required to be renewed by applicable law or contract, issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific), pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in Idaho, Montana, Oregon or Washington. IMOW Required Renewal Policies shall also include renewals of IMOW Required Renewal Policies.

"INDEMNIFIABLE LOSSES" means any losses, liabilities, costs, claims, damages and expenses (including reasonable attorneys' fees and expenses). Indemnifiable Losses shall not include any Special Damages, except that, to the extent Liberty is the Indemnified Party, Indemnifiable Losses shall include Special Damages with respect to a breach of Section 3.07 of the Master Agreement or a breach of a covenant or agreement under the Transition Services Agreement in accordance with its terms; PROVIDED that in such cases Indemnifiable Losses shall include Special Damages only to the extent such items would be recoverable as damages by the Indemnified Party in a breach of contract action based on such breach.

9

"INDEMNIFIED PARTY" means (i) for purposes of the Master Agreement, the meaning set forth in Section 10.03(a) of the Master Agreement; (ii) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 11.2 of such agreement and (iii) for purposes of the Post-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 11.2 of such agreement.

"INDEMNIFYING PARTY" means (i) for purposes of the Master Agreement, the meaning set forth in Section 10.03(a) of the Master Agreement; (ii) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 11.2 of such agreement and (iii) for purposes of the Post-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 11.2 of such agreement.

"INDEMNITY REINSURANCE AGREEMENTS" means the Peerless Post-Closing Indemnity Reinsurance Agreement, the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement, the Rewritten Indemnity Reinsurance Agreement, the OBIC Indemnity Reinsurance Agreement and the Liberty Northwest Indemnity Reinsurance Agreement.

"INDEPENDENT PRODUCER" means an individual, other than an employee of OneBeacon or an Affiliate thereof, or entity engaged in the solicitation, negotiation, effectuation or placement of insurance policies in connection with the Business.

"INDEPENDENT PRODUCER DELINQUENT BALANCES" means monthly account balances maintained by Independent Producers on behalf of the OneBeacon Insurers under agency bill accounts that are (i) more than 30 days aged from the due date or (ii) reconciled "open items" which are more than 90 days aged from the due date; PROVIDED, HOWEVER, that the OneBeacon Insurers must have first made a written demand to the Independent Producer for all such amounts.

"INDEPENDENT PRODUCER DELINQUENT BALANCES REPORT" means a report to be prepared periodically by OneBeacon setting forth a true and correct list of all Independent Producers that have Independent Producer Delinquent Balances, including balances under agent loans and for insurance premiums, due any OneBeacon Subsidiary or OneBeacon, the amounts of such balances and the number of days such balances have been outstanding.

"IN-FORCE POLICIES" and "INSURANCE POLICIES" means the treaties, policies, binders, slips and other agreements of insurance, including insurance written through Involuntary Mechanisms, written by any OneBeacon Insurer in connection with the Business and in-force on the day immediately preceding the Effective Date (including all supplements, endorsements, riders and ancillary

agreements in connection therewith).

"INTANGIBLE ASSETS" means (i) those intangible assets owned by OneBeacon or any of the OneBeacon Subsidiaries and used exclusively in connection with the Business, including customer lists and other data necessary to support and conduct the Business as the Business is being supported and conducted as of the date of the Master Agreement, (ii) all Copyright Materials owned by OneBeacon or any of the OneBeacon Subsidiaries and used exclusively in connection with the Business, (iii) all Intellectual Property Rights owned by OneBeacon or any of the OneBeacon Subsidiaries and used exclusively in the conduct of the Business and (iv) all

10

right, title and interest of OneBeacon or any of the OneBeacon Subsidiaries in the name "Hawkeye-Security Insurance Company."

"INTELLECTUAL PROPERTY RIGHTS" shall mean all patents, trademarks, service marks, trade names, copyrights, the domain name npoa.com (including any common law rights, registrations, applications, licenses or rights relating to any of the foregoing), and all content displayed as of the Closing Date on the web site located at www.npoa.com, technology, trade secrets, inventions, know-how, databases, and information which are used in the conduct of the Business, except for Licensed Exclusively Used Software, Licensed Generally Used Software, Owned Exclusively Used Software and Owned Generally Used Software.

"INVOLUNTARY MECHANISM" means any "Assigned Risk Pool," "Syndicate," "Association," "Fair Plans," "Boards," "Bureaus," "Joint Underwriting Associations (JUAs)," "Other government mandated programs," or other underwriting facility to the extent that any such facility underwrites, on a mandatory basis, property and casualty business included in the Business.

"IT SERVICES" means such items and services set forth on Schedule 2(a)(ii) of the Transition Services Agreement as Liberty shall reasonably request to conduct the Business, operate the Data Centers, and provide any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement.

"ITSA QUARTERLY INVOICE" means an invoice provided to OBIC in any given quarter in accordance with Section 3(b) of the Imaging Transition Services Agreement setting forth the fees due to Liberty Group for the Imaging Transition Services performed in the prior quarter, with the first such invoice to be provided for the quarter ended December 31, 2001.

"ITSA SPECIAL PROJECTS" means a service that OBIC requests Liberty to provide and that Liberty has agreed to provide in writing that does not reasonably fall within one of the identified categories of Imaging Transition Services.

"KNOWLEDGE" means, as to any OneBeacon Subsidiary and OneBeacon, the actual knowledge of any of the persons listed on SCHEDULE 1.01(b)(i)(A) of the Master Agreement after reasonable inquiry, and as to any RAM Group Company and Liberty, the actual knowledge of any of the persons listed on SCHEDULE 1.01(b)(ii)(A) of the Master Agreement after reasonable inquiry. For the purposes of the foregoing, (i) as to any OneBeacon Subsidiary and OneBeacon, the requirement of reasonable inquiry shall be satisfied if inquiry has been made of the persons listed on SCHEDULE 1.01(b)(i)(B) of the Master Agreement, and (ii) as to any RAM Group Company and Liberty, the requirement of reasonable inquiry shall be satisfied if inquiry has been made of the persons listed on SCHEDULE 1.01(b)(ii)(B) of the Master Agreement.

"LEASE AGREEMENT" means a lease or occupancy agreement entered into by and between Liberty or an Affiliate and OneBeacon or a OneBeacon Subsidiary in the applicable form of Exhibit N to the Master Agreement.

"LEASED PROPERTY" means all real property leased or subleased by a OneBeacon Subsidiary or OneBeacon and used in connection with the Business for which it is anticipated

11

that a sublease or assignment with Liberty or an Affiliate, subject to obtaining any required third party consents, will be entered into pursuant to the Master Agreement and which is set forth on SCHEDULE 3.17(b) of the Master Agreement.

"LEASED PROPERTY LEASES" means leases and subleases of Leased

Property and all amendments thereto.

"LEASING PERIOD" shall have the meaning set forth in Article II of the Employee Leasing Agreement.

"LIBERTY" means Liberty Mutual Insurance Company, a mutual insurance company organized under the laws of the Commonwealth of the Massachusetts.

"LIBERTY GROUP" means Liberty and the RAM Group Companies.

"LIBERTY GROUP DATA" means all information relating to Liberty Group and its businesses and contained in Liberty Group's data files and any additions or modifications made thereto under the Transition Services Agreement.

"LIBERTY GROUP DATA AND SOFTWARE" means Liberty Group Data and Owned Exclusively Used Software.

"LIBERTY MATERIAL ADVERSE EFFECT" means any event, occurrence, circumstance or effect that has a material adverse effect (i) on the business, financial condition or results of operations of Liberty and the RAM Group Companies taken as a whole or (ii) on the ability of Liberty or any RAM Group Company to perform its or their obligations under the Master Agreement or any Ancillary Agreement.

"LIBERTY NORTHWEST" means Liberty Northwest Insurance Corporation, an Oregon-domiciled stock insurance company.

"LIBERTY NORTHWEST INDEMNITY REINSURANCE AGREEMENT" means each of the Reinsurance Agreements between Liberty Northwest on the one hand and, either Oregon Auto or North Pacific on the other hand, each in the form of Exhibit E-3 of the Master Agreement.

"LIBERTY NORTHWEST OFFSET AGREEMENT" means the Liberty Northwest Offset Agreement by and among the parties set forth therein in the form of Exhibit P-2 of the Master Agreement.

"LIBERTY NORTHWEST POST-CLOSING INDEMNITY REINSURANCE AGREEMENT" means the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement between Liberty Northwest and OBIC in the form of Exhibit E-2 of the Master Agreement.

"LIBERTY NORTHWEST RETROCEDED POLICIES" means (i) the IMOW Renewal Policies and the IMOW Required Renewal Policies reinsured by Liberty Northwest pursuant to the Liberty Northwest Post-Closing Indemnity Reinsurance Agreement and (ii) the OA/NP Renewal Policies and the OA/NP Required Renewal Policies reinsured by Liberty Northwest.

12

"LIBERTY PROGRAM" shall have the meaning set forth in Section 5.09(d) of the Master Agreement.

"LIBERTY TRANSITION GROUP" means Liberty for itself and for the benefit and on behalf of the RAM Group Companies, and their Affiliates and Subsidiaries.

"LICENSE AGREEMENTS" means the Software License Agreement, the Owned Generally Used Intellectual Property Rights Agreement and the Hawkeye-Security Name and Marks License Agreement in the forms of Exhibits M-1, M-2 and M-3 of the Master Agreement, respectively.

"LICENSED EXCLUSIVELY USED SOFTWARE" shall mean all computer software programs and databases and external data services used exclusively in the conduct of the Business which are licensed by a OneBeacon Subsidiary or OneBeacon.

"LICENSED GENERALLY USED SOFTWARE" shall mean all computer software programs and databases and external data services used both in the conduct of the Business and also in the conduct of a OneBeacon Subsidiary or OneBeacon's other businesses which are licensed from a third party by a OneBeacon Subsidiary or OneBeacon.

"LIEN" means any pledge, claim, lien, charge, mortgage, encumbrance, security interest of any nature, option, right of first refusal, warrant, or restriction of any kind, including any restriction on use, voting, transfer, alienation, receipt of income, or exercise of any other attribute of ownership.

"LINE OF BUSINESS" means, as amended from time to time by the parties, for purposes of the Transition Services Agreement, each of one of the following:

- (i) PersonalAuto;
- (ii) Homeowners;
- (iii) Personal Umbrella;
- (iv) Dwelling/Fire;
- (v) Commercial Auto;
- (vi) Commercial Package (including BOP);
- (vii) Commercial Property;
- (viii) General Liability;
- (ix) Worker's Compensation; and
- (x) Commercial Umbrella.

"LOSS" means the amount of liability paid or to be paid by or on behalf of an insurer with respect to claims arising under policies of insurance.

"MASTER AGREEMENT" means the Master Agreement by and among Parent, OneBeacon and Liberty.

"METHODOLOGY" means (i) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.3(a) thereof and (ii) for

13

purposes of the Post-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.3(a) thereof.

"MONTHLY INVOICE" means (i) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.2 thereof, (ii) for purposes of the Post-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.2 thereof, (iii) for purposes of the Transition Services Agreement, an invoice provided to Liberty Group in any given month in accordance with Section 3(b) of the Transition Services Agreement setting forth the fees owed to OneBeacon Group for the prior month for performing Transition Services.

"NEW COMMERCIAL LINES POLICY" means (i) a renewal of a commercial lines Insurance Policy involving annual premium of at least \$50,000, (ii) a renewal of a commercial lines Renewal Policy involving annual premium of at least \$50,000, (iii) any policy, binder, slip or other agreement of insurance issued by any of the RAM Group Companies to an insured holding a commercial lines Insurance Policy involving annual premium of at least \$50,000, and (iv) a renewal of a commercial lines Rewritten Policy involving annual premium of at least \$50,000, in each case, where the annual premium due with respect to the renewal (in the cases of (i), (ii) and (iv)) or re-writing (in the case of (iii)) of such Insurance Policy, Renewal Policy or Rewritten Policy, as appropriate, increases by 50% or more (excluding any rate changes) from the annual premium paid with respect to such Insurance Policy, Renewal Policy or Rewritten Policy being renewed or re-written.

"NEW POLICIES" means the OneBeacon New Policies, the OA/NP New Policies and the IMOW New Policies, collectively.

"NON-COMPETITION AREA" means the United States of America, including the District of Columbia, but excluding the Commonwealth of Puerto Rico, the U.S. Virgin Islands and all other territories or possessions of the United States, and excluding the Excluded States.

"NON-PUBLIC PERSONALLY IDENTIFIABLE INFORMATION" means any financial or medical information of or concerning an individual Person which either has been obtained from sources which are not available to the general public or obtained from the Person who is the subject and which information is included in data files exchanged by any of the parties to the Master Agreement or Ancillary Agreements. The term shall include data elements such as names and addresses of individuals.

"NORTH PACIFIC" means North Pacific Insurance Company, an Oregon-domiciled stock insurance company.

"NOTIFYING PARTY" shall have the meaning set forth in Section 10.06 of the Master Agreement.

"OA/NP NEW POLICIES" means (i) policies issued by Oregon Auto or North Pacific to insureds who were not insured under the Insurance Policies, but excluding assignments under Involuntary Mechanisms issued by Oregon Auto or North Pacific, (ii) policies issued by Oregon Auto or North Pacific to insureds under Insurance Policies which are not OA/NP Renewal Policies, OA/NP Required Renewal Policies, or OA/NP Rewritten Policies, and (iii) any New

Commercial Lines Policy that is voluntarily renewed by Oregon Auto or North Pacific, in each case, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement prior to the closing of the Stock Purchase Agreement. OA/NP New Policies shall also include renewals of OA/NP New Policies.

"OA/NP POST-CLOSING POLICIES" means the OA/NP Renewal Policies, the OA/NP Required Renewal Policies, and the OA/NP New Policies, collectively.

"OA/NP RENEWAL POLICIES" means (i) renewals of Insurance Policies that are voluntarily issued by Oregon Auto or North Pacific and (ii) assignments under Involuntary Mechanisms issued by Oregon Auto or North Pacific, in each case, and in the case of such issuances prior to the closing of the Stock Purchase Agreement, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement. OA/NP Renewal Policies shall also include renewals of OA/NP Renewal Policies, but exclude any New Commercial Lines Policy issued by Oregon Auto or North Pacific. Any issuance of an insurance policy by Oregon Auto or North Pacific prior to the closing of the Stock Purchase Agreement, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement that if it had been issued by another OneBeacon Insurer would have been a OneBeacon Renewal Policy or a IMOW Renewal Policy, shall be deemed to be an OA/NP Renewal Policy.

"OA/NP REQUIRED RENEWAL POLICIES" means renewals of Insurance Policies that are required to be renewed by applicable law or contract, issued by Oregon Auto or North Pacific, and in the case of such issuances prior to the closing of the Stock Purchase Agreement, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement. OA/NP Required Renewal Policies shall also include renewals of OA/NP Required Renewal Policies.

"OA/NP REWRITTEN POLICIES" means all policies, binders, slips and other agreements of insurance (including all supplements, endorsements, riders and ancillary agreements in connection therewith) issued by Oregon Auto or North Pacific on or after the closing of the Stock Purchase Agreement to insureds holding Insurance Policies (other than Insurance Policies issued by Oregon Auto or North Pacific), which would be OneBeacon Renewal Policies or OneBeacon Required Renewal Policies if issued by a OneBeacon Insurer, including renewals of such OA/NP Rewritten Policies, but excluding any New Commercial Lines Policy issued by Oregon Auto or North Pacific.

"OBIC" means OneBeacon Insurance Company, a Pennsylvania-domiciled stock insurance company.

"OBIC INDEMNITY REINSURANCE AGREEMENT" means the OBIC Indemnity Reinsurance Agreement between Liberty Northwest and OBIC in the form of Exhibit F-2 of the Master Agreement.

"OFFER OF EMPLOYMENT" shall have the meaning set forth in Section 5.09(b) of the Master Agreement.

"OFFSET AGREEMENT" means the Offset Agreement by and among the parties set forth therein in the form of Exhibit P-1 of the Master Agreement.

"OFFSET AGREEMENTS" means the Offset Agreement and the Liberty Northwest Offset Agreement.

"OFFSETTABLE AGREEMENTS" has the respective meanings set forth in each of the Offset Agreements.

"ONEBEACON" means OneBeacon Corporation, a Delaware corporation.

"ONEBEACON DESIGNATED REPRESENTATIVE" means OneBeacon.

"ONEBEACON GROUP" means OneBeacon and the OneBeacon Subsidiaries.

"ONEBEACON IMAGING EQUIPMENT AND APPLICATIONS" means that portion of the Imaging Equipment and Applications that will be owned by OBIC after the Effective Date as set forth in SCHEDULE 2(b) of the Imaging Transition Services Agreement.

"ONEBEACON INSURER" means each OneBeacon Subsidiary that has issued Insurance Policies, a list of which is set forth on SCHEDULE 3.12(a) of the Master Agreement.

"ONEBEACON LICENSED SOFTWARE" means all Owned Generally Used Software and all Fixes and Upgrades.

"ONEBEACON MATERIAL ADVERSE EFFECT" means any event, occurrence, circumstance or effect that has a material adverse effect (i) on the business, financial condition or results of operations of the Business taken as a whole, or (ii) on the ability of OneBeacon or any OneBeacon Subsidiary to perform its or their obligations under the Master Agreement or any Ancillary Agreement.

"ONEBEACON NEW POLICIES" means (i) policies issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific) to insureds who were not insured under the Insurance Policies, but excluding assignments under Involuntary Mechanisms issued by a OneBeacon Insurer, (ii) policies issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific) to insureds under Insurance Policies which are not OneBeacon Renewal Policies or OneBeacon Required Renewal Policies, and (iii) any New Commercial Lines Policy that is voluntarily renewed by a OneBeacon Insurer (other than Oregon Auto or North Pacific), in each case, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in a jurisdiction other than Idaho, Montana, Oregon or Washington. OneBeacon New Policies shall also include renewals of OneBeacon New Policies.

"ONEBEACON PLAN" shall have the meaning set forth in Section 5.09(c).

"ONEBEACON POST-CLOSING POLICIES" means the OneBeacon Renewal Policies, the OneBeacon Required Renewal Policies and the OneBeacon New Policies, collectively.

"ONEBEACON PRIVACY POLICY" means the respective privacy policies of OneBeacon and the OneBeacon Subsidiaries, copies of which have been made available to Liberty.

16

"ONEBEACON PROGRAM" shall have the meaning set forth in Section 5.09(d) of the Master Agreement.

"ONEBEACON RENEWAL POLICIES" means (i) renewals of Insurance Policies that are voluntarily issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific) and (ii) assignments under Involuntary Mechanisms issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific), in each case, pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in a jurisdiction other than Idaho, Montana, Oregon or Washington. OneBeacon Renewal Policies shall also include renewals of OneBeacon Renewal Policies, but exclude any New Commercial Lines Policy issued by a OneBeacon Insurer. Any issuance of an insurance policy by a OneBeacon Insurer (other than Oregon Auto or North Pacific), pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement through an Independent Producer resident in a jurisdiction other than Idaho, Montana, Oregon or Washington, that if it had been issued by another OneBeacon Insurer would have otherwise been a OneBeacon Renewal Policy, or been a IMOW Renewal Policy or a OA/NP Renewal Policy, shall be deemed to be a OneBeacon Renewal Policy.

"ONEBEACON REQUIRED RENEWAL POLICIES" means renewals of Insurance Policies that are required to be renewed by applicable law or contract, issued by a OneBeacon Insurer (other than Oregon Auto or North Pacific), pursuant to the terms of the Post-Closing Serviced Policies Administrative Services Agreement and through an Independent Producer resident in a jurisdiction other than Idaho, Montana, Oregon or Washington. OneBeacon Required Renewal Policies shall also include renewals of OneBeacon Required Renewal Policies.

"ONEBEACON SUBSIDIARY" means each of the Subsidiaries of OneBeacon listed on Exhibit A-1 of the Master Agreement.

"ONEBEACON SUBSIDIARIES DB PLAN" means the qualified deferred benefit pension plan or plans of the OneBeacon Subsidiaries.

"OPTION" has the definition in Section 2.1 of the RAM Reinsurance Option Agreement.

"ORDER" means any judgment, decree, injunction or order of any Governmental Entity or arbitrator.

"OREGON AUTO" means Oregon Automobile Insurance Company, an Oregon-domiciled stock insurance company.

"OTHER INCOME" means line items 10, 11 and 14A listed under "Other Income," of the "Underwriting and Investment Exhibit - Statement of Income" of the NAIC Blank Statutory Annual Statement Form for the year 2000.

"OTHER UNDERWRITING EXPENSES" means those expense items listed under "Other Underwriting Expenses," Column 2 of Part 4-Expenses of the "Underwriting and Investment Exhibit" on page 12 of the NAIC Blank Statutory Annual Statement Form for the year 2000; PROVIDED that Other Underwriting Expenses shall not include (i) extraordinary one-time expenses

17

of the parties related to effecting the Master Agreement, (ii) Unallocated Loss Adjustment Expenses, or (iii) Independent Producer roll-over commissions contemplated by the Renewal Rights Agreement.

"OUTPLACEMENT BENEFITS" shall have the meaning set forth in Section 5.09(c).

"OUTWARD REINSURANCE AGREEMENTS" means all voluntary or involuntary third-party ceded reinsurance and retrocession treaties, facultative placements, and agreements or other contracts of ceded reinsurance in-force and relating to the Business as of the date of the Master Agreement to which any OneBeacon Insurer is a party, all of which agreements are set forth in SCHEDULE 3.20 of the Master Agreement.

"OWNED EXCLUSIVELY USED SOFTWARE" shall mean all computer software programs and databases and external data services, including all source code, object code, any programs or routines used exclusively to maintain the aforementioned programs, databases and services, executables and documentation, used exclusively in the conduct of the Business which are owned by a OneBeacon Subsidiary or OneBeacon.

"OWNED GENERALLY USED INTELLECTUAL PROPERTY RIGHTS" shall mean all Intellectual Property Rights used both in the conduct of the Business and also in the conduct of a OneBeacon Subsidiary or OneBeacon's other businesses and not used exclusively in the Business and which are owned by a OneBeacon Subsidiary or OneBeacon.

"OWNED GENERALLY USED INTELLECTUAL PROPERTY RIGHTS LICENSE AGREEMENT" means the agreement by and between OneBeacon and Liberty attached to the Master Agreement as Exhibit M-2.

"OWNED GENERALLY USED SOFTWARE" shall mean all computer software programs and databases and external data services, including all source code, object code, any programs or routines owned by OneBeacon or any OneBeacon Subsidiary used generally to maintain the aforementioned programs, databases and services and the Owned Generally Used Software, executables and documentation, used both in the conduct of the Business and also in the conduct of a OneBeacon Subsidiary or OneBeacon's other businesses and not used exclusively in the Business which are owned by a OneBeacon Subsidiary or OneBeacon.

"OWNED PROPERTY" means real property owned by a OneBeacon Subsidiary or OneBeacon and used in connection with the Business for which it is anticipated that a lease with Liberty or an Affiliate will be entered into pursuant to the Master Agreement.

"PARENT" means White Mountains Insurance Group Ltd., a limited liability company continued and organized under the laws of Bermuda.

"PEERLESS" means Peerless Insurance Company, a New Hampshire-domiciled stock insurance company.

"PEERLESS POST-CLOSING INDEMNITY REINSURANCE AGREEMENT" means the Peerless Post-Closing Indemnity Reinsurance Agreement between Peerless and OBIC in the form of Exhibit E-1 of the Master Agreement.

18

"PEERLESS RETROCEDED POLICIES" means the OneBeacon Renewal Policies and the OneBeacon Required Renewal Policies reinsured by Peerless pursuant to the Peerless Post-Closing Indemnity Reinsurance Agreement.

"PERMITS" means all Federal, state, local or foreign governmental or regulatory licenses, permits, orders, approvals, registrations, authorizations, qualifications and filings.

"PERMITTED LIENS" means, as to any asset, (i) Liens for Taxes not yet due and payable or being contested in good faith by appropriate proceedings as disclosed in SCHEDULE 3.06 of the Master Agreement, (ii) Liens arising by operation of law, (iii) other Liens that do not in the aggregate materially detract from the value or materially interfere with the present or reasonably contemplated use of such asset in the Business, and (iv) in the case of Leased Property Leases, Liens affecting the interest of the lessor (or, in the instances where the Leased Property Leases are subleases, the sublessor and prime lessor) of the Leased Property Leases.

"PERSON" means any individual, corporation, partnership, firm, joint venture, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated organization, governmental, judicial or regulatory body, business unit, division or other entity.

"PLANS" means each employee benefit and compensation plan, practice, agreement, policy and arrangement maintained by any OneBeacon Subsidiary or any OneBeacon Subsidiary's Affiliate and which provides benefits, payments or compensation for any Business Employee.

"POLICY TERM" means the period commencing on January 1, 2004 and ending on December 31, 2006.

"POST-CLOSING ADMINISTRATIVE SERVICES" means the administrative and other services to be performed by Liberty set forth in SCHEDULE 4 to the Post-Closing Serviced Policies Administrative Services Agreement.

"POST-CLOSING ADMINISTRATIVE SERVICES FEE" means an amount equal to 100% of the Actual Costs incurred by Liberty in providing the Post-Closing Administrative Serviced Policies Administrative Services pursuant to the Post-Closing Serviced Policies Administrative Services Agreement, determined in accordance with SCHEDULE 8.3 thereof; PROVIDED, HOWEVER, that the RAM Group Companies' Other Underwriting Expenses component of the Actual Costs shall be subject to the Expense Cap.

"POST-CLOSING POLICIES" means the OneBeacon Post-Closing Policies, the OA/NP Post-Closing Policies and the IMOW Post-Closing Policies, collectively.

"POST-CLOSING SERVICED POLICIES ADMINISTRATIVE SERVICES AGREEMENT" means the Post-Closing Serviced Policies Administrative Services Agreement among OneBeacon, the OneBeacon Insurers and Liberty, in the form of Exhibit B-2 of the Master Agreement.

19

"POST-CLOSING SERVICED POLICIES BOOKS AND RECORDS" shall have the meaning set forth in Section 5.1(a) of the Post-Closing Serviced Policies Administrative Services Agreement.

"PRE-CLOSING ADMINISTRATIVE SERVICES" means the administrative and other services to be performed by Liberty set forth in SCHEDULE 4 to the Pre-Closing Serviced Policies Administrative Services Agreement.

"PRE-CLOSING ADMINISTRATIVE SERVICES FEE" means an amount equal to 105% of the Actual Costs incurred by Liberty in providing the Pre-Closing Serviced Policies Administrative Services pursuant to the Pre-Closing Serviced Policies Administrative Services Agreement, determined in accordance with Schedule 8.3 thereof.

"PRE-CLOSING SERVICED POLICIES ADMINISTRATIVE SERVICES AGREEMENT" means the Pre-Closing Serviced Policies Administrative Services Agreement among OneBeacon, the OneBeacon Insurers and Liberty, in the form of Exhibit B-1 of the Master Agreement.

"PRE-CLOSING SERVICED POLICIES BOOKS AND RECORDS" shall have the meaning set forth in Section 5.1(a) of the Pre-Closing Serviced Policies Administrative Services Agreement.

"PREMIUM TAX CREDITS" shall have the meaning set forth in Section 10.2 of the Post-Closing Serviced Policies Administrative Services Agreement

"PREVAILING INTEREST RATE" means the London Interbank Offered Rate quoted for six month periods as reported in The Wall Street Journal on the Closing Date.

"PURCHASE OFFER" shall have the meaning set forth in Section 8.03(a)(iv)(B) of the Master Agreement.

"PURCHASE PRICE" means ten million and one dollars (\$10,000,001) in cash.

"RAM'S EXPENSES" means Other Underwriting Expenses and Unallocated Loss Adjustment Expenses, incurred with respect to the Reinsured Policies.

"RAM GROUP COMPANIES" means (i) Liberty Northwest, (ii) the Affiliates of Liberty which at any point in time, and from time to time, market their property and casualty insurance products through an independent agency distribution channel under the Liberty strategic business unit entitled as of the date of the Master Agreement "Liberty Regional Agency Markets" or any successor strategic business unit of Liberty, which as of the date of the Master Agreement, consists of the companies listed on Exhibit A-2 of the Master Agreement, and (iii) Oregon Auto and North Pacific from and after the closing of the Stock Purchase Agreement so long as they remain Affiliates of Liberty; PROVIDED, HOWEVER, that Liberty Northwest shall not be considered a RAM Group Company for purposes of the Option.

"RAM INDEMNITY REINSURANCE AGREEMENT" has the meaning set forth in Section 2.1 of the RAM Reinsurance Option Agreement.

"RAM REINSURANCE OPTION AGREEMENT" means the RAM Reinsurance Option Agreement between OneBeacon and Liberty in the form of Exhibit G of the Master Agreement.

20

"RAM REWRITTEN POLICIES" means all policies, binders, slips and other agreements of insurance (including all supplements, endorsements, riders and ancillary agreements in connection therewith) issued by any of the RAM Group Companies (other than Oregon Auto and North Pacific) to insureds holding Insurance Policies, which would be OneBeacon Renewal Policies or OneBeacon Required Renewal Policies if issued by a OneBeacon Insurer, including renewals of such RAM Rewritten Policies, but excluding any New Commercial Lines Policy issued by a RAM Group Company.

"RECONCILIATION INVOICE" means (i) for purposes of the Pre-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.3 thereof and (ii) for purposes of the Post-Closing Serviced Policies Administrative Services Agreement, the meaning set forth in Section 8.3 thereof.

"REINSURED LIABILITIES" means the liability for Loss and Allocated Loss Adjustment Expenses, including Extra Contractual Obligations.

"REINSURED POLICY" means all policies, binders, slips and other agreements of insurance (including all supplements, endorsements, riders and ancillary agreements in connection therewith) issued or renewed by the RAM Group Companies that have policy periods that become effective during the Policy Term; PROVIDED, HOWEVER, that any policies issued or renewed by a RAM Group Company at any time that it is no longer an Affiliate of Liberty shall not be deemed Reinsured Policies.

"RELEASE" means any release, spill, emission, leaking, injecting, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor air, surface water, groundwater, land, wetlands, surface and subsurface strata.

"RENEWAL POLICIES" means the OneBeacon Renewal Policies, the OA/NP Renewal Policies and the IMOW Renewal Policies, collectively.

"RENEWAL RIGHTS AGREEMENT" means the Renewal Rights Agreement between Liberty and the OneBeacon Subsidiaries substantially in the form of Exhibit H of the Master Agreement.

"REPRESENTATIVE" means any officer, director, employee, agent, investment banker, attorney, financial advisor, accountant, actuary or other representative.

"REQUIRED RENEWAL POLICIES" means the OneBeacon Required Renewal Policies, the OA/NP Required Renewal Policies and the IMOW Required Renewal Policies, collectively.

"RESUMED IMAGING SERVICES" means any Imaging Transition Service which has been terminated, but which OBIC requests Liberty Group to resume.

"RESUMED SERVICE" means any Transition Service which has been terminated at which Liberty's request, including but not limited to any Scheduled Service or Unspecified Service that has been stopped or otherwise

terminated at Liberty's request, but which Liberty requests OBIC to resume.

21

"RETROCEDED POLICIES" means the Peerless Retroceded Policies and the Liberty Northwest Retroceded Policies.

"REWRITTEN INDEMNITY REINSURANCE AGREEMENT" means the Rewritten Indemnity Reinsurance Agreement between Peerless and OBIC in the form of Exhibit F-1 of the Master Agreement.

"REWRITTEN POLICIES" means the RAM Rewritten Policies and the OA/NP Rewritten Policies, collectively.

"SALE NOTICE" shall have the meaning set forth in Section 8.03(a)(iv)(B) of the Master Agreement.

"SCEA" shall mean the source code escrow agreement attached as Exhibit B to the Software License.

"SCHEDULED SERVICES" means each service listed on SCHEDULE 2(a)(ii) and SCHEDULE 2(a)(ii) of the Transition Services Agreement (as such schedules may be revised and as additional schedules may be added from time to time pursuant to Section 2 of the Transition Services Agreement).

"SEPARATION SERVICES" means such services as are reasonably required to enable OBIC to separate the Business from OBIC, including, without limitation, claim file separation, conversion assistance services, policy file separation, physically separating hardware and software and security.

"SERVICED POLICIES" means the In-Force Policies, the Terminated Policies and the Specially Serviced Policies, collectively.

"SEVERANCE PLANS" means each plan, practice, agreement, policy and arrangement which provides for severance, termination and/or outplacement benefits and/or payments for any Business Employee.

"SHARED BUSINESS EMPLOYEES" shall have the meaning set forth in Section 3.10(a) of the Master Agreement.

"SOFTWARE LICENSE AGREEMENT" means the agreement by and between OneBeacon and Liberty attached to the Master agreement as Exhibit M-1.

"SPECIAL DAMAGES" shall mean any compensatory, extra contractual, consequential and/or punitive damages, fines or penalties, and expenses relating thereto.

"SPECIAL PROJECTS" means a service that Liberty Group requests OBIC to provide and that OBIC has agreed to provide in writing that does not reasonably fall within one of the identified categories of Transition Services.

22

"SPECIALTY AND NATIONAL ACCOUNTS LINES OF BUSINESS" means the lines of business described on SCHEDULE 1.01(d) of the Master Agreement and identified on the systems of OneBeacon by the codes listed on such Schedule.

"SPECIALLY SERVICED POLICIES" means the policies issued by any OneBeacon Insurer to insureds in the Excluded States that have exposures located in non-Excluded States and that the OneBeacon Designated Representative has requested, or will request, Liberty to provide Pre-Closing Administrative Services for, and Liberty has agreed, or will agree, to provide such services.

"STOCK PURCHASE AGREEMENT" means the Stock Purchase Agreement between Liberty Northwest and OBIC attached as Exhibit I of the Master Agreement.

"SUBLEASE AGREEMENT" means a sublease agreement by and between Liberty or its Affiliate and OneBeacon or a OneBeacon Subsidiary in the form of Exhibit O-1 to the Master Agreement.

"SUBSIDIARY" means, with respect to any Person on a given date, any other Person of which a majority of the voting power of the equity securities or equity interests is owned directly or indirectly by such Person.

"TANGIBLE ASSETS" means the furniture, fixtures, equipment (computer and other), supplies and other tangible personal property owned by OneBeacon or

any of the OneBeacon Subsidiaries and used or held for use exclusively in connection with the Business, including the assets listed by category and location on SCHEDULE 1.01(c) of the Master Agreement and any other such assets that are purchased between the date of the Master Agreement and the Closing Date in accordance with the terms of the Master Agreement.

"TAX" means (a) any net income, gross income, gross receipts, alternative or add-on minimum, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, transfer, recording, severance, stamp, occupation, premium, property, environmental, custom duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest and any penalty, addition to Tax or additional amount imposed by a Tax Authority; (b) any liability of any Person for the payment of any amounts of the type described in clause (a) for any Taxable Period resulting from the application of Treasury Regulation Section 1.1502-6 or, in the case of any similar provision applicable under state, local or foreign law; and (c) any liability of any person for the payment of any amounts described in clause (a) as a result of any express or implied obligation to indemnify any other party or as successor or transferee.

"TAX AUTHORITY" means the Internal Revenue Service and any other domestic or foreign governmental entity responsible for the administration and/or collection of any Tax.

"TAX RETURNS" means all returns, reports, forms, estimates or information statements relating to or required to be filed in connection with any Tax.

"TECHNOLOGY CHANGE" means a change to the technology infrastructure or applications used to provide the Transition Services, which change adds or revises services,

23

functions or features, or has an impact on another party's technology infrastructure or applications.

"TERMINATED POLICIES" means policies issued by OneBeacon Insurers that have expired by their terms or that have been otherwise terminated prior to the Effective Date and that the OneBeacon Designated Representative has requested, or will request, Liberty to provide Pre-Closing Administrative Services for, and Liberty has agreed, or will agree, to provide such services.

"TERMINATION ASSISTANCE" means such reasonable services to be provided under the Transition Services Agreement by OBIC to Liberty Transition Group as Liberty Transition Group may determine will be reasonably necessary for Liberty Transition Group or its designee to assume the performance of a terminated Transition Service.

"THIRD PARTY CLAIM" means, for purposes of the Master Agreement or any Ancillary Agreement, a claim or demand made by, or an action, proceeding or investigation instituted by, any Person not a party to such agreement.

"THIRD PARTY CONFIDENTIALITY AGREEMENT" means any confidentiality agreement under which information concerning the Business has been provided to potential purchasers of the Business.

"THIRD PARTY VENDOR SERVICES" means the services in effect as of the Effective Date that are provided to OBIC by a third party vendor in connection with the Transition Services and which are set forth on SCHEDULE 2(a)(vi) of the Transition Services Agreement.

"TRANSFER DOCUMENTS" means the Bill of Sale and General Assignment, the License Agreements, any Lease Agreement, Sublease Agreement or Assignment and Assumption Agreement contemplated by Section 5.15 of the Master Agreement and such other documents and instruments as Liberty may reasonably request in order to transfer, to the extent provided for in the Master Agreement, all of the right, title and interest of the OneBeacon Subsidiaries or OneBeacon, as applicable, in the Transferred Assets to Liberty.

"TRANSFERRED ASSETS" means all of the right, title and interest of OneBeacon and the OneBeacon Subsidiaries in (i) the Assigned and Assumed Contracts, (ii) the Tangible Assets, (iii) the Intangible Assets, (iv) the Assignable Licensed Exclusively Used Software, (v) the Owned Exclusively Used Software, (vi) the Books and Records owned by OneBeacon or any of the OneBeacon Subsidiaries and used exclusively in connection with the Business, (vii) (A) the Data Centers (including without limitation the Hawkeye System) and (B) all hardware owned by North Pacific or Oregon Auto, and (viii) to the extent assignable, all guaranties, warranties, indemnities and other rights against

third parties of OneBeacon and each OneBeacon Subsidiary with respect to any asset referred to in clause (i), (ii), (iii), (iv), (v), (vi) or (vii) of this definition; provided that the "Transferred Assets" shall not include (i) any of the foregoing to the extent they are terminated, transferred or otherwise disposed of as permitted by Section 5.01 of the Master Agreement between the signing date of the Master Agreement and the Closing Date or (ii) any Excluded Assets.

24

"TRANSFERRED EMPLOYEES" means the Business Employees who accept an Offer of Employment.

"TRANSITION PLAN" means a plan that sets forth how the RAM Group Companies plan to transition the Insurance Policies to Rewritten Policies in each RAM Group Company's respective territory following the Closing Date, which plan is attached at Exhibit K to the Master Agreement.

"TRANSITION PROJECT MANAGER" means the person, designated by OneBeacon Group and Liberty Group respectively, who is primarily responsible for administering the Transition Services Agreement, with the authority and obligations set forth in Section 8(b) thereto.

"TRANSITION SERVICES" means such support services as Liberty shall reasonably request to conduct the Business, operate the Data Centers, and provide any services by Liberty and its designated Affiliates in accordance with the Administrative Services Agreements and the Imaging Transition Services Agreement, including the Scheduled Services described in Section 2(a)(ii) of the Transition Services Agreement, the unspecified Transition Services described in Section 2(a)(iii) of the Transition Services Agreement, the Resumed Services described in Section 2(a)(iv) of the Transition Services Agreement, the Separation Services described in Section 2(a)(v) of the Transition Services Agreement, Termination Assistance described in Section 2(a)(vii) of the Transition Services Agreement, and the Special Projects described in Section 2(i) of the Transition Services Agreement.

"TRANSITION SERVICES AGREEMENT" means the Transition Services Agreement between OneBeacon Insurance Company and Liberty in the form of Exhibit J of the Master Agreement.

"TRANSITION SERVICES DATA" means output data from the delivery of Transition Services by OBIC to Liberty under the Transition Services Agreement, but excluding, in any event, any data or information covered under Section 8.02(a) of the Master Agreement and any other data or information that OBIC is required to own under any applicable statute, law, ordinance, rule or regulation.

"TRANSITION SERVICES WORK" means output works (for example, but without limitation, software modifications and design documents) from the delivery of Transition Services by OBIC to Liberty under the Transition Services Agreement, but excluding, in any event, any modifications to the Owned Generally Used Software (including all Fixes and Upgrades) and Licensed Generally Used Software and any other works that OBIC is required to own under any applicable statute, law, ordinance, rule or regulation.

"TSA INPUTS" means data and information produced from the Owned Exclusively Used Software and Licensed Exclusively Used Software that will be used by OBIC to produce the premium and loss records for the Transition Services in a format as of the Effective Date or as the parties otherwise agree.

"TSA LIBERTY EQUIPMENT" means all equipment managed and controlled by Liberty Transition Group and used to provide the Transition Services and the Imaging Transition Services.

25

"TSA MONTHLY INVOICE" means an invoice setting forth the estimated fees attributable to each Scheduled Service delivered pursuant to Section 3(b) of the Transition Services Agreement.

"TSA RECONCILIATION INVOICE" means the reconciliation of Monthly Invoices for each calendar quarter for each applicable Scheduled Service delivered pursuant to Section 3(c) of the Transition Services Agreement.

"TSA TERMINATION PLAN" means a proposed transition plan describing the procedures to be used by Liberty Group for the migration of Transition Services to its own management control.

"UNALLOCATED LOSS ADJUSTMENT EXPENSES" means other adjusting expenses incurred in connection with the adjusting, recording, and paying of claims under policies of insurance, that are not included in the definition of Allocated Loss Adjustment Expenses.

"UNAUTHORIZED CODE" means any virus, Trojan horse, trap door, worm or other software routines designed to permit unauthorized access, to disable, erase or otherwise harm any other software, hardware or data, or to perform similar or other such action.

"UPGRADE" means each release, point or version upgrade of the OneBeacon Licensed Software provided by OneBeacon Group in accordance with the Transition Services Agreement.

"WARN" shall have the meaning set forth in Section 5.09(g) of the Master Agreement.

"WAIVING PARTY" shall have the meaning set forth in Section 10.06 of the Master Agreement.

"YEAR 1" means the period from the Effective Date through October 31, 2002.

"YEAR 2" means the period from November 1, 2002 through October 31, 2003.

RENEWAL RIGHTS AGREEMENT

by and among

EACH OF THE SUBSIDIARIES OF ONEBEACON CORPORATION
LISTED ON EXHIBIT A HERETO

and

LIBERTY MUTUAL INSURANCE COMPANY

Dated as of November __, 2001

TABLE OF CONTENTS

	Page ----	ARTICLE I.	
DEFINITIONS.....			1
		ARTICLE II. RENEWALS AND	
TERM.....	1	ARTICLE	
		III.	
CONSIDERATION.....			2
		ARTICLE IV. COVENANTS AND	
AGREEMENTS.....	2	ARTICLE V.	
		DISPUTE	
RESOLUTIONS.....			3
		ARTICLE VI. MISCELLANEOUS	
PROVISIONS.....			4

EXHIBITS

- Exhibit A Glossary of Terms
- Exhibit B Form of Letter to Policyholders

SCHEDULES

- Schedule 1 RAM Group Companies
- Schedule 4.3 Roll-over Commission Criteria

RENEWAL RIGHTS AGREEMENT

This RENEWAL RIGHTS AGREEMENT (this "Agreement"), dated as of November __, 2001, is entered into by each of the insurance company subsidiaries of OneBeacon Corporation ("OneBeacon") listed on Exhibit A hereto (each a "OneBeacon Insurer" and collectively, the "OneBeacon Insurers") and Liberty

Mutual Insurance Company, a mutual insurance company organized under the laws of the Commonwealth of Massachusetts ("Liberty") on behalf of the RAM Group Companies.

W I T N E S S E T H

WHEREAS, the Master Agreement, dated as of October __, 2001 by and among White Mountains Insurance Group, Ltd., OneBeacon Corporation and Liberty Mutual Insurance Company provides, among other things, for the sale by OneBeacon and OneBeacon Subsidiaries and purchase by Liberty of certain of the assets of and rights to the Business; and

WHEREAS, each of the OneBeacon Insurers and Liberty have agreed that, in accordance with the terms and conditions of this Agreement, each of the OneBeacon Insurers shall assist in the rewriting of the Insurance Policies and the Post-Closing Policies by one or more of the RAM Group Companies upon the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 DEFINITIONS. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Glossary of Term, which is attached hereto as Exhibit A and incorporated herein.

ARTICLE II.

RENEWALS AND TERM

Section 2.1 REWRITTEN POLICIES. Until such time as the Transition Plan has been fully implemented, from and after the Effective Date, each of the OneBeacon Insurers shall assist the RAM Group Companies in offering Rewritten Policies to those insureds holding Insurance Policies. Such assistance shall be provided by each of the OneBeacon Insurers in accordance with terms of this Agreement and the Post-Closing Serviced Policies Administrative Services Agreement.

Section 2.2 RENEWAL RIGHTS. In connection with the non-renewal of the Insurance Policies, the Renewal Policies or the Required Renewal Policies by each of the OneBeacon Insurers in accordance with the terms of the Post-Closing Serviced Policies Administrative Services Agreement, and to the extent permitted by applicable law and contractual obligations, Liberty, or its designated Affiliate, on behalf of each of the OneBeacon Insurers shall, from time to time, send to each insured, through such Insured's Independent Producer, under each such policy to whom any of the RAM Group Companies determines to issue a Rewritten Policy, a written notice substantially in the form of Exhibit B hereto, or in such other form as the parties hereto shall mutually agree upon [in writing], informing such insured of this Agreement and encouraging such insured to have his or her policy rewritten by one of the RAM Group Companies.

Section 2.3 TERM. This Agreement shall commence on the Effective Date and shall terminate on the earlier to occur of (i) one year following full implementation of the Transition Plan, or (ii) December 31, 2006.

ARTICLE III.

CONSIDERATION

Section 3.1 CONSIDERATION. In consideration for this Agreement, on March 15, 2004, Liberty shall pay to the OneBeacon Insurers an aggregate amount equal to 3% of the direct written premium generated by the Rewritten Policies, the Renewal Policies and the Required Renewal Policies with effective dates which fall during the twelve month period ending December 31, 2003.

ARTICLE IV.

COVENANTS AND AGREEMENTS

Section 4.1 EXPENSES. The parties to this Agreement shall bear their

respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby.

2

Section 4.2 EXAMINATION OF THE BOOKS AND RECORDS. Following the termination of this Agreement, Liberty and the RAM Group Companies shall be entitled, through their employees, counsel, accountants, or other representatives, to make such examination of the Books and Records (to the extent not in the possession of the applicable RAM Group Company) as any of the RAM Group Companies may reasonably request for the purpose of effectuating the Rewritten Policies; PROVIDED, that a representative from the OneBeacon Insurers shall have the right to be present during such examination. Any such examination shall be conducted during normal business hours and upon reasonable prior notice.

Section 4.3 ROLL-OVER COMMISSION. Liberty agrees to pay a roll-over commission to qualifying agents ranging from 0% to 10% of the direct written premium received on each Rewritten Policy and on each Renewal Policy; PROVIDED, that no agent shall be entitled to a roll-over commission on any Rewritten Policy that was a Renewal Policy. The roll-over commission shall be paid to each qualifying agent based upon the profitability of the relevant policies sold by such agent and other criteria established by Liberty and set forth on SCHEDULE 4.3 attached hereto. The OneBeacon Insurers agree to share the cost of the agent roll-over commission equally with Liberty up to a maximum aggregate amount of \$20 million payable by the OneBeacon Insurers. [Provide language on payment to delinquent agents.]

Section 4.4 ISSUANCE AND RENEWAL OF INSURANCE POLICIES AND POST-CLOSING POLICIES. Except as provided in the Post-Closing Serviced Policies Administrative Services Agreement, each of the OneBeacon Insurers covenant and agree not to issue or renew any Insurance Policies or Post-Closing Policies.

Section 4.5 FURTHER ASSURANCES. During and after the term of this Agreement, without further consideration, each of the parties shall execute such documents and other papers, and take such further actions as may be reasonably required or desirable or required under the state insurance laws to carry out the provisions hereof and the transactions contemplated hereby.

ARTICLE V.

DISPUTE RESOLUTIONS

Section 5.1 DISPUTE RESOLUTION. As a condition precedent to any right of action hereunder, if any dispute shall arise between the OneBeacon Insurers and Liberty with reference to the interpretation or performance of this Agreement, including the formation or validity thereof, or their rights with respect to any transaction involved, whether such dispute arises before or after the termination of this Agreement, such dispute, upon the written request of either party, shall be submitted for resolution by arbitration. Within 30 days after receipt of such written request, each party shall select one arbitrator (for a total of two), and such selected arbitrators shall select a third arbitrator within 60 days after receipt of such written request for arbitration. If either party fails to select an arbitrator within such time period, the arbitrator that was timely selected by the other party shall serve as the sole arbitrator. If the two arbitrators fail to agree upon the selection of a third arbitrator within the time limit allowed, the third arbitrator shall be selected by the two arbitrators from a panel of five arbitrators proposed by the American Arbitration Association or, if the two arbitrators fail to agree upon a selection within 10 days, the

3

third arbitrator shall be selected in accordance with the rules of the American Arbitration Association. All arbitrators shall be active or retired disinterested officers of a property and casualty insurance or reinsurance company. No arbitrator shall be or have been affiliated with or employed by any party hereto or their respective Affiliates.

The arbitrators shall interpret this Agreement as an honorable engagement and not merely as a legal obligation; they are relieved of all judicial formalities and may abstain from following the strict rules of law and they shall make their award with a view to effecting the general purpose of this Agreement in a reasonable manner rather than in accordance with a literal interpretation of the language. The arbitration shall occur in Boston, Massachusetts or a mutually acceptable location. The arbitrators shall make

their determination within 60 days after the appointment of the last arbitrator.

The decision of any two arbitrators, or of the sole arbitrator in the event of untimely appointment, when filed with the parties hereto, shall be final and binding on both parties and need not be in writing; PROVIDED that the amount of the award, if any, shall be in writing by the arbitrator or arbitrators as the case may be. Judgment may be entered upon the final decision of the arbitrators in any court having jurisdiction. The final judgment of the arbitrators and any award rendered thereon, shall not be subject to appeal.

Unless otherwise provided in the arbitration award, each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and of the arbitration. If the panel consists of only one arbitrator due to the failure of one party to timely appoint an arbitrator, the party that appointed such arbitrator shall be responsible for the fees and expenses of such arbitrator.

ARTICLE VI.

MISCELLANEOUS PROVISIONS

Section 6.1 HEADINGS. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

Section 6.2 EXHIBITS. The Exhibits to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein. All references herein to articles, sections, subsections, paragraphs, subparagraphs, clauses and Exhibits shall be deemed references to such parts of this Agreement, unless the context shall otherwise require.

Section 6.3 NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed) with a duplicate copy sent by overnight courier (providing proof of delivery) or sent by overnight courier (providing proof of delivery), to the parties at the following address:

4

If to OneBeacon Subsidiaries:

OneBeacon Corporation
One Beacon Street
Boston, Massachusetts 02108

Attention: []
Facsimile: []

If to Liberty:

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117

Attention: General Counsel
Facsimile: (617) 574-5805

Any party may, by notice given in accordance with this Section 6.3 to the other parties, designate another address or person for receipt of notices hereunder; PROVIDED, that notice of such a change shall be effective upon receipt.

Section 6.4 BINDING EFFECT; ASSIGNMENT. This Agreement will be binding upon and inure to the benefit of Liberty and the OneBeacon Insurers and their respective successors, assigns and legal representatives. Neither this Agreement, nor any rights, interests or obligations hereunder, may be assigned, in whole or in part, by operation of law or otherwise, by any party without the prior written consent of the other party and any such assignment that is not consented to shall be null and void.

Section 6.5 EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute the same instrument.

Section 6.6 WAIVERS AND AMENDMENTS; NON-CONTRACTUAL REMEDIES; PRESERVATION OF REMEDIES. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument

signed by each of the OneBeacon Insurers and Liberty or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 6.7 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED AS TO FORMATION, PERFORMANCE, INTERPRETATION AND ENFORCEMENT BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 6.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth or contemplated herein or therein.

Section 6.9 NEGOTIATED AGREEMENT. This Agreement has been negotiated by the parties and the fact that the initial and final draft has been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Agreement or be used in any respect or forum in the construction or interpretation of this Agreement or any of its provisions.

Section 6.01 SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, OneBeacon and Liberty directs that such court interpret and apply the remainder of this Agreement in the manner that it determines most closely effectuates their intent in entering into this Agreement, and in doing so particularly take into account the relative importance of the term, provision, covenant or restriction being held invalid, void or unenforceable.

Section 6.11 INTERPRETATION. Whenever the words "include," "includes," or "including," are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

[ONEBEACON INSURERS]

By: _____
Name:
Title:

LIBERTY MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

EXHIBIT A

Glossary of Terms

EXHIBIT B

Form of Letter to Policyholders

NOTICE DATE: _____

[Name of OneBeacon Insurance Subsidiary]

Dear Policyholder:

As [Name of Agent] has advised you, [Name of OneBeacon Insurer] is no longer writing [line of business] business in this state. As such, [Name of OneBeacon Insurer] will be non renewing your current [Name of OneBeacon Insurer, line of business] policy upon its expiration.

We are pleased to announce, however, that your agent will be providing you with a quote from [Name of RAM Group Company] prior to the expiration of your [Name of OneBeacon Insurer, line of business] policy. Your agent will be enclosing with this letter information about [Name of RAM Group Company] that will introduce you to both the company and to its product offerings. If you have any questions, or would like any additional information about [Name of RAM Group Company], please contact your agent.

In addition, your agent will be providing you with a comparison of the terms and conditions of your current [Name of OneBeacon Insurer] policy to a similar [line of business] policy offered by [Name of RAM Group Company]. Your agent will be able to answer any questions you may have regarding any differences in terms, conditions, coverages and premium rates between your current policy with [Name of OneBeacon Insurer] and the policy being offered by [name of RAM Group Company].

We have appreciated the opportunity to have been of service to you. Again, please do not hesitate to contact your agent if you have any questions about this letter or [Name of RAM Group Company].

Sincerely,

[OneBeacon Subsidiary]

By:

Name:

Title:

cc: Agent

SCHEDULE 1

RAM Group Companies

[Note: List to indicate that Oregon Auto and North Pacific shall be included in the RAM Group Companies upon the closing of the Stock Purchase Agreement.]

Roll-over Commission Criteria

PEERLESS POST-CLOSING INDEMNITY REINSURANCE AGREEMENT

by and between

ONEBEACON INSURANCE COMPANY

and

PEERLESS INSURANCE COMPANY

Dated as of November 1, 2001

TABLE OF CONTENTS

Page ---- ARTICLE I.

DEFINITIONS.....1

ARTICLE II.

COVERAGE.....1

ARTICLE III. GENERAL

PROVISIONS.....2

ARTICLE IV. REINSURANCE PREMIUMS, CEDING COMMISSION,
RECOVERIES AND

COMMUTATIONS.....2

ARTICLE V. REPORTS AND

REMITTANCES.....3 ARTICLE

VI. DURATION AND

TERMINATION.....3 ARTICLE

VII.

INSOLVENCY.....4

ARTICLE VIII. DISPUTE

RESOLUTION.....4

ARTICLE IX. REINSURANCE CREDIT, REINSURANCE

SECURITY.....5 ARTICLE X. MISCELLANEOUS

PROVISIONS.....6

EXHIBITS

- Exhibit A Glossary of Terms
- Exhibit B Form of Monthly Report

SCHEDULES

- Schedule 2.1 Ceded External Reinsurance Arrangements

PEERLESS POST-CLOSING INDEMNITY REINSURANCE AGREEMENT

This PEERLESS POST-CLOSING INDEMNITY REINSURANCE AGREEMENT, dated as of November 1, 2001 (this "Agreement"), is entered into by and between OneBeacon Insurance Company, a stock insurance company organized under the laws of the Commonwealth of Pennsylvania ("OBIC") and Peerless Insurance Company, a stock insurance company organized under the laws of the State of New Hampshire ("Peerless").

W I T N E S S E T H

WHEREAS, the Master Agreement, dated as of October 30, 2001 by and among White Mountains Insurance Group, Ltd., OneBeacon Corporation and Liberty Mutual Insurance Company contemplates the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 DEFINITIONS. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Glossary of Terms, which is attached hereto as Exhibit A and incorporated herein.

ARTICLE II.

COVERAGE

Section 2.1 COVERAGE. From and after the Effective Date, OBIC agrees to cede to Peerless, and Peerless agrees to accept, 100% of the Reinsured Liabilities incurred under the OneBeacon Post-Closing Policies which have policy periods that become effective during the term of this Agreement (the "Policies"), net of all reinsurance recoverables with respect to such Reinsured Liabilities incurred under (i) the ceded external reinsurance arrangements described on SCHEDULE 2.1 and (ii) any other ceded external reinsurance arrangements entered into by OBIC, at the request of Peerless, which become effective on or after the Effective Date, whether or not actually collected or collectible (collectively, the "Ceded External Reinsurance Arrangements"), in each case, that have not been commuted.

Section 2.2 TERRITORY. The territorial limits of this Agreement shall apply wherever the Policies apply.

ARTICLE III.

GENERAL PROVISIONS

Section 3.1 INSPECTION. The parties to this Agreement or their designated representatives may inspect, at the offices of Peerless, OBIC, any RAM Group Company or any OneBeacon Insurer where such records are located, any and all books, records or documents relating to the Policies including, without limitation, any information necessary for Peerless to audit, on a monthly basis, the report furnished each month pursuant to Section 5.1 to ensure that only premiums and Reinsured Liabilities incurred under the Policies relating to the Business are ceded to Peerless under this Agreement during normal business hours and upon reasonable prior notice for such period as this Agreement is in effect or for as long thereafter as any rights or obligations of any party survives; PROVIDED, that a representative from the other party shall have the right to be present during such inspection. The information obtained pursuant to this provisions shall be used only for purposes relating to reinsurance under this Agreement.

Section 3.2 UNDERWRITING. OBIC covenants and agrees that any reinsurance agreement between OBIC and a OneBeacon Insurer with respect to the Policies shall provide that the Policies reinsured thereunder shall be issued or renewed by such OneBeacon Insurer in accordance with the terms of the Post-Closing Serviced Policies Administrative Services Agreement.

Section 3.3 COMMUTATIONS. OBIC covenants and agrees not to commute any Ceded External Reinsurance Arrangement with respect to the Reinsured Liabilities incurred under the Policies without the consent of Peerless.

Section 3.4 CESSION OF POLICIES TO OBIC. OBIC covenants and agrees that it will cause each of the OneBeacon Insurers to cede to OBIC 100% of the Reinsured Liabilities incurred under the Policies.

ARTICLE IV.

REINSURANCE PREMIUMS, CEDING COMMISSION, RECOVERIES AND COMMUTATIONS

Section 4.1 REINSURANCE PREMIUMS. Peerless shall be entitled to receive from OBIC a reinsurance premium equal to 100% of the written premium, premium

adjustments and Other Income with respect to the Policies less an amount equal to reinsurance premiums payable under the Ceded External Reinsurance Arrangements with respect to the Policies.

Section 4.2 CEDING COMMISSION. OBIC shall be entitled to receive from Peerless a ceding commission equal to 100% of Cedent's Expenses incurred by the OneBeacon Insurers with respect to the Policies.

2

Section 4.3 RECOVERIES. Peerless shall be entitled to receive from OBIC, and OBIC hereby assigns to Peerless, all salvage and subrogation received, if any, by the OneBeacon Insurers with respect to the Policies relating to Losses paid by Peerless.

Section 4.4 COMMUTATION AMOUNTS. Peerless shall be entitled to receive from OBIC 100% of commutation amounts received by the OneBeacon Insurers with respect to the Policies in connection with any commutation of a Ceded External Reinsurance Arrangement.

Section 4.5 UNCOLLECTIBLE REINSURANCE. OBIC shall be entitled to receive from Peerless 100% of any paid reinsurance recoverable under a Ceded External Reinsurance Arrangement which becomes uncollectible and is charged off in accordance with statutory accounting practices. Any recovery of a previously charged off paid reinsurance recoverable shall be paid by OBIC to Peerless. Such amounts shall be included in the monthly report delivered pursuant to Section 5.1.

ARTICLE V.

REPORTS AND REMITTANCES

Section 5.1 MONTHLY REPORTS. Within fifteen (15) calendar days after the end of each calendar month, commencing with November 30, 2001, OBIC shall furnish to Peerless a report (i) setting forth for such calendar month in accordance with the provisions of this Agreement, the information, including, without limitation, the net balance due to either party under this Agreement, (ii) and in the format, each as set forth on Exhibit B.

Section 5.2 PAYMENT OF AMOUNTS DUE. Any balance due to either party in accordance with the report furnished each month pursuant to Section 5.1 shall be paid each month by the other within thirty (30) days of receipt of such report by Peerless. Any amounts owed to or by any party hereto, shall be netted against amounts owed to or by any such party in accordance with the Offset Agreement. Except as otherwise specifically provided herein, the reinsurance premium shall be remitted to Peerless on an earned basis, and Loss and Allocated Loss Adjustment Expenses shall be remitted to OBIC on a paid basis.

Section 5.3 ADDITIONAL REPORTS AND UPDATES. For so long as this Agreement remains in effect and thereafter until all Reinsured Liabilities incurred under the Policies are fully and finally settled, OBIC and Peerless shall periodically furnish to each other such other reports and information relating to the Policies as may be reasonably required by OBIC or Peerless, as the case may be.

ARTICLE VI.

DURATION AND TERMINATION

3

Section 6.1 DURATION. Except as otherwise provided herein, this Agreement shall be continuous until terminated.

Section 6.2 PEERLESS' LIABILITY. Peerless' liability with respect to the Reinsured Liabilities incurred under the Policies will terminate on the date OBIC's liability with respect to such Reinsured Liabilities incurred is terminated and all obligations of Peerless hereunder are fulfilled.

ARTICLE VII.

INSOLVENCY

Section 7.1 PAYMENTS. In the event of the insolvency of OBIC, payments due

OBIC on all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement shall be payable by Peerless directly to OBIC or to its liquidator, receiver, or statutory successor on the basis of the liability of OBIC under the policy or policies reinsured, without diminution because of the insolvency of OBIC. It is agreed and understood, however, (i) that in the event of the insolvency of OBIC, Peerless shall be given written notice of the pendency of a claim against OBIC on a Policy within reasonable time after such claim is filed in the insolvency proceeding and (ii) that during the pendency of such claim, Peerless may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to OBIC or its liquidator, receiver or statutory successor. Nothing in this Agreement shall give any insured or any other person any rights against Peerless with respect to any Policy reinsured hereunder or otherwise.

Section 7.2 EXPENSES. It is further understood that any expense incurred by Peerless pursuant to Section 7.1 shall be chargeable, subject to court approval, against OBIC as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to OBIC solely as a result of the defense undertaken by Peerless.

Section 7.3 SETOFF. In the event of the insolvency of OBIC or Peerless, any debts or credits, matured or unmatured, liquidated or unliquidated, regardless of when they arose or were incurred, in favor of or against OBIC or Peerless, including debts or credits under the Rewritten Indemnity Reinsurance Agreement, are deemed mutual debts or credits, as the case may be, as between OBIC and Peerless and, as between them, shall be setoff, and only the net balance shall be allowed or paid.

ARTICLE VIII.

DISPUTE RESOLUTION

Section 8.1 DISPUTE RESOLUTION. As a condition precedent to any right of action hereunder, if any dispute shall arise between OBIC and Peerless with reference to the interpretation or performance of this Agreement, including the formation or validity thereof, or their rights with respect to any transaction involved, whether such dispute arises before or after

4

the termination of this Agreement, such dispute, upon the written request of either party, shall be submitted for resolution by arbitration. Within 30 days after receipt of such written request, each party shall select one arbitrator (for a total of two), and such selected arbitrators shall select a third arbitrator within 60 days after receipt of such written request for arbitration. If either party fails to select an arbitrator within such time period, the arbitrator that was timely selected by the other party shall serve as the sole arbitrator. If the two arbitrators fail to agree upon the selection of a third arbitrator within the time limit allowed, the third arbitrator shall be selected by the two arbitrators from a panel of five arbitrators proposed by the American Arbitration Association or, if the two arbitrators fail to agree upon a selection within 10 days, the third arbitrator shall be selected in accordance with the rules of the American Arbitration Association. All arbitrators shall be active or retired disinterested officers of a property and casualty insurance or reinsurance company. No arbitrator shall be or have been affiliated with or employed by any party hereto or their respective Affiliates.

The arbitrators shall interpret this Agreement as an honorable engagement and not merely as a legal obligation; they are relieved of all judicial formalities and may abstain from following the strict rules of law and they shall make their award with a view to effecting the general purpose of this Agreement in a reasonable manner rather than in accordance with a literal interpretation of the language. The arbitration shall occur in Boston, Massachusetts or a mutually acceptable location. The arbitrators shall make their determination within 60 days after the appointment of the last arbitrator.

The decision of any two arbitrators, or of the sole arbitrator in the event of untimely appointment, when filed with the parties hereto, shall be final and binding on both parties and need not be in writing; PROVIDED that the amount of the award, if any, shall be in writing by the arbitrator or arbitrators as the case may be. Judgment may be entered upon the final decision of the arbitrators in any court having jurisdiction. The final judgment of the arbitrators, and any award rendered thereon, shall not be subject to appeal.

Unless otherwise provided in the arbitration award, each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and of the arbitration. If the panel consists of only one arbitrator due to the failure of one party to timely

appoint an arbitrator, the party that appointed such arbitrator shall be responsible for the fees and expenses of such arbitrator.

ARTICLE IX.

REINSURANCE CREDIT, REINSURANCE SECURITY

Section 9.1 REINSURANCE CREDIT. Notwithstanding any other provision of this Agreement to the contrary, if Peerless is or at any time becomes unauthorized or unaccredited in any applicable state or the District of Columbia or any other jurisdiction where authorization or accreditation is required by insurance regulatory authorities in order for OBIC to obtain credit on its statutory annual statements for the reinsurance being provided under this Agreement, then Peerless shall establish, on behalf of and at the request of OBIC, a trust account which complies

5

in all respects with the requirements of Section 114 of the Regulations of the New York Insurance Department (or such other escrow accounts, trust accounts, letters of credit, premiums withheld or similar funds as may be required by applicable law) in order to permit OBIC to obtain credit for such reinsurance in such jurisdiction. OBIC shall have the option of requesting such other escrow accounts, trust accounts, letters of credit, premiums withheld by OBIC, similar funds or a combination thereof as may be accepted by Peerless, such acceptance not to be unreasonably withheld.

Section 9.2 REINSURANCE SECURITY. Notwithstanding any provision of this Agreement to the contrary, if Peerless fails to maintain a claims paying ability rating from A.M. Best Company, Inc. ("A.M. Best") of at least A-, Peerless shall, within thirty (30) days of the public announcement by A.M. Best, fully collateralize all of its outstanding reinsurance obligations to OBIC under this Agreement. Peerless shall be released from its obligation to collateralize its outstanding obligations to OBIC under this Section 9.2 in the event that Peerless shall thereafter maintain a claims paying ability rating from A.M. Best of at least A-; PROVIDED, that Peerless shall continue to have the obligation to collateralize its outstanding reinsurance obligations pursuant to this Section 9.2 in the event that Peerless fails thereafter to maintain a claims paying ability rating from A.M. Best of at least A-. Such collateralization shall be by a trust account which complies in all respects with the requirements of Section 114 of the Regulations of the New York Insurance Department or any other method requested by OBIC which is reasonably acceptable to Peerless.

Section 9.3 NOTICES. Peerless shall promptly notify OBIC of (i) any loss of license, authorization or accreditation, or change of condition of Peerless which, in the reasonable judgment of Peerless, may affect the ability of OBIC to obtain credit for reinsurance hereunder, or (ii) any downgrade or reasonably anticipated downgrade of its claims paying ability rating from A.M. Best.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1 HEADINGS. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

Section 10.2 EXHIBITS AND SCHEDULES. Any Exhibits and Schedules to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein. All references herein to Articles, Sections, subsections, paragraphs, subparagraphs, clauses, Exhibits and Schedules shall be deemed references to such parts of this Agreement, unless the context shall otherwise require.

Section 10.3 NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed) with a duplicate copy sent by overnight courier (providing proof of

6

delivery) or sent by overnight courier (providing proof of delivery), to the parties at the following address:

If to OBIC:

OneBeacon Insurance Company
c/o
OneBeacon Corporation
One Beacon Street
Boston, Massachusetts 02108
Attention: General Counsel
Facsimile: (617) 725-7177

If to Peerless:

Peerless Insurance Company
c/o Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117
Attention: General Counsel
Facsimile: (617) 574-5805

Any party may, by notice given in accordance with this Section 10.3 to the other parties, designate another address or person for receipt of notices hereunder provided that notice of such a change shall be effective upon receipt.

Section 10.4 BINDING EFFECT; ASSIGNMENT. This Agreement will be binding upon and inure to the benefit of Peerless and OBIC and their respective successors, assigns and legal representatives. Neither this Agreement, nor any rights, interests or obligations hereunder, may be assigned, in whole or in part, by any party without the prior written consent of the other party and any such assignment that is not consented to shall be null and void. It being understood for the avoidance of doubt that in the event that a party shall merge or consolidate with another Person or enter into a business combination with another Person, such merger, consolidation or business combination shall not be deemed to be an assignment and, accordingly, no consent of any Person shall be required hereunder.

Section 10.5 EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 10.6 WAIVERS AND AMENDMENTS; NON-CONTRACTUAL REMEDIES; PRESERVATION OF REMEDIES. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of OBIC and Peerless or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or

7

partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 10.7 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED AS TO FORMATION, PERFORMANCE, INTERPRETATION AND ENFORCEMENT BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 10.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth or contemplated herein.

Section 10.9 NEGOTIATED AGREEMENT. This Agreement has been negotiated by the parties and the fact that the initial and final draft have been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Agreement or be used in any respect or forum in the construction or interpretation of this Agreement or any of its provisions.

Section 10.10 SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, OBIC and Peerless direct that such court interpret and apply the remainder of this Agreement in the manner that it

determines most closely effectuates their intent in entering into this Agreement, and in doing so particularly take into account the relative importance of the term, provision, covenant or restriction being held invalid, void or unenforceable.

Section 10.11 INTERPRETATION. Whenever the words "include," "includes," or "including," are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Section 10.12 ERRORS AND OMISSIONS. Any inadvertent delay, error or omission will not be held to relieve either party hereto from any liability that would attach to it hereunder if such delay, error or omission had not been made, providing such error or omission is rectified promptly upon discovery.

Section 10.13 CURRENCY. All payments made in accordance with the terms of this Agreement shall be in the currency of the United States.

[SIGNATURE PAGE FOLLOWS]

8

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives intending thereby to be legally bound.

ONEBEACON INSURANCE COMPANY

By:

Name:

Title:

PEERLESS INSURANCE COMPANY

By:

Name:

Title:

EXHIBIT A

GLOSSARY OF TERMS

EXHIBIT B

FORM OF MONTHLY REPORT

SCHEDULE 2.1

CEDED EXTERNAL REINSURANCE ARRANGEMENTS

1. The Hartford Steam Boiler 100% Quota Share Treaty
2. Facultative Placements
3. Florida Hurricane Catastrophe Fund Cessions
4. Involuntary Reinsurance Pool Cessions
5. Any other per policy reinsurance arrangement processed by and through OBIC's existing systems as of the Effective Date.

REWRITTEN INDEMNITY REINSURANCE AGREEMENT

by and between

PEERLESS INSURANCE COMPANY

and

ONEBEACON INSURANCE COMPANY

Dated as of November 1, 2001

TABLE OF CONTENTS

Page ---- ARTICLE I.

DEFINITIONS.....1

ARTICLE II.

COVERAGE.....1

ARTICLE III. GENERAL

PROVISIONS.....2 ARTICLE

IV. REINSURANCE PREMIUMS, CEDING COMMISSION, RECOVERIES AND

COMMUTATIONS.....2

ARTICLE V. REPORTS, REMITTANCES AND FINANCIAL

MONITORING.....4 ARTICLE VI. DURATION AND

TERMINATION.....5 ARTICLE VII.

INSOLVENCY.....5

ARTICLE VIII. DISPUTE

RESOLUTION.....6 ARTICLE

IX. REINSURANCE CREDIT, REINSURANCE

SECURITY.....7 ARTICLE X. MISCELLANEOUS

PROVISIONS.....8

EXHIBITS

- Exhibit A Glossary of Terms
- Exhibit B Form of Monthly Report

SCHEDULES

- Schedule 2.1 Ceded External Reinsurance Arrangements

REWRITTEN INDEMNITY REINSURANCE AGREEMENT

This REWRITTEN INDEMNITY REINSURANCE AGREEMENT, dated as of November 1, 2001 (this "Agreement"), is entered into by and between Peerless Insurance Company, a stock insurance company organized under the laws of the State of New Hampshire ("Peerless") and OneBeacon Insurance Company, a stock insurance company organized under the laws of the Commonwealth of Pennsylvania ("OBIC").

W I T N E S S E T H

WHEREAS, the Master Agreement, dated as of October 30, 2001 by and among White Mountains Insurance Group, Ltd., OneBeacon Corporation and Liberty Mutual Insurance Company contemplates the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 DEFINITIONS. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Glossary of Terms, attached as Exhibit A to this Agreement and incorporated herein.

ARTICLE II.

COVERAGE

Section 2.1 COVERAGE. From and after the Effective Date, Peerless agrees to (i) cede to OBIC, and OBIC agrees to accept: (a) 67% of the Reinsured Liabilities incurred under the RAM Rewritten Policies which have policy periods that become effective during Year 1 and (b) 33% of the Reinsured Liabilities incurred under the RAM Rewritten Policies which have policy periods that become effective during Year 2; and (ii) retrocede to OBIC, and OBIC agrees to accept: (a) 67% of the Reinsured Liabilities incurred under the Peerless Retroceded Policies which have policy periods that become effective during Year 1 and (b) 33% of the Reinsured Liabilities incurred under the Peerless Retroceded Policies which have policy periods that become effective during Year 2; in each case, net of all reinsurance recoverables with respect to such Reinsured Liabilities incurred under (A) the ceded external reinsurance arrangements described on SCHEDULE 2.1 and (B) any other ceded external reinsurance arrangements entered into by Peerless which become effective on or after the Effective Date, whether or not actually

collected or collectible (collectively, the "Ceded External Reinsurance Arrangements"), in each case, that have not been commuted.

Section 2.2 TERRITORY. The territorial limits of this Agreement shall apply wherever the RAM Rewritten Policies and the Peerless Retroceded Policies apply.

ARTICLE III.

GENERAL PROVISIONS

Section 3.1 INSPECTION. The parties to this Agreement or their designated representatives may inspect, at the offices of Peerless, OBIC, any RAM Group Company or any OneBeacon Insurer where such records are located, any and all books, records or documents relating to the RAM Rewritten Policies and the Peerless Retroceded Policies including, without limitation, any information necessary for OBIC to audit, on a monthly basis, the report furnished each month pursuant to Section 5.1 to ensure that only premiums and Reinsured Liabilities incurred under the RAM Rewritten Policies and Peerless Retroceded Policies relating to the Business are ceded to OBIC under this Agreement during normal business hours and upon reasonable prior notice for such period as this Agreement is in effect or for as long thereafter as any rights or obligations of any party survives; PROVIDED, that a representative from the other party shall have the right to be present during such inspection. The information obtained pursuant to this provision shall be used only for purposes relating to reinsurance under this Agreement.

Section 3.2 COMMUTATIONS. Peerless covenants and agrees not to commute any Ceded External Reinsurance Arrangement with respect to the Reinsured Liabilities incurred under the RAM Rewritten Policies or the Peerless Retroceded Policies each of which have policy periods that become effective during the term of this Agreement, without the consent of OBIC.

Section 3.3 CESSION OF RAM REWRITTEN POLICIES TO PEERLESS. Subject to receipt of receipt of regulatory approval for which application has been made, Peerless covenants and agrees that it will cause each of the RAM Group Companies to cede to Peerless 100% of the Reinsured Liabilities incurred under the RAM Rewritten Policies which have policy periods that become effective during the

term of this Agreement.

ARTICLE IV.

REINSURANCE PREMIUMS, CEDING COMMISSION, RECOVERIES AND COMMUTATIONS

Section 4.1 REINSURANCE PREMIUMS. OBIC shall be entitled to receive from Peerless a reinsurance premium equal to (a) (i) 67% of the written premium, premium adjustments and Other Income with respect to RAM Rewritten Policies which have policy periods that become effective during Year 1, less an amount equal to 67% of reinsurance premiums payable by

2

Peerless under the Ceded External Reinsurance Arrangements with respect to the RAM Rewritten Policies, and (ii) 33% of the written premium, premium adjustments and Other Income with respect to RAM Rewritten Policies which have policy periods that become effective during Year 2, less an amount equal to 33% of reinsurance premiums payable by Peerless under the Ceded External Reinsurance Arrangements with respect to the RAM Rewritten Policies; and (b) (i) 67% of the written premium, premium adjustments and Other Income with respect to Peerless Retroceded Policies under the Peerless Post-Closing Indemnity Reinsurance Agreement which have policy periods that become effective during Year 1, less an amount equal to 67% of reinsurance premiums payable by Peerless under the Ceded External Reinsurance Arrangements with respect to the Peerless Retroceded Policies, and (ii) 33% of the written premium, premium adjustments and Other Income with respect to OBIC Retroceded Policies with respect to the Peerless Retroceded Policies under the Peerless Post-Closing Indemnity Reinsurance Agreement which have policy periods that become effective during Year 2, less an amount equal to 33% of reinsurance premiums payable by Peerless under the Ceded External Reinsurance Arrangements with respect to the Peerless Retroceded Policies.

Section 4.2 CEDING COMMISSION. Peerless shall be entitled to receive from OBIC a ceding commission equal to (i) 67% of the sum of (a) Cedent's Expenses incurred by the RAM Group Companies with respect to RAM Rewritten Policies and (b) the ceding commission paid by Peerless under the Peerless Post-Closing Indemnity Reinsurance Agreement during Year 1 and (ii) 33% of the sum of (a) Cedent's Expenses incurred by the RAM Group Companies with respect to RAM Rewritten Policies and (b) the ceding commission paid by Peerless under the Peerless Post-Closing Indemnity Reinsurance Agreement during Year 2.

Section 4.3 RECOVERIES. OBIC shall be entitled to receive from Peerless, and Peerless hereby assigns to OBIC, its allocated portion of salvage and subrogation received, if any, by the RAM Group Companies with respect to the RAM Rewritten Policies which have policy periods that become effective during the term of this Agreement and by Peerless under the Peerless Post-Closing Indemnity Reinsurance Agreement with respect to the Peerless Retroceded Policies which become effective during the term of this Agreement relating to Losses paid by OBIC.

Section 4.4 COMMUTATION AMOUNTS. OBIC shall be entitled to receive from Peerless 67% of commutation amounts received by the RAM Group Companies with respect to the RAM Rewritten Policies which have policy periods that become effective during Year 1 and by Peerless with respect to the Peerless Retroceded Policies which have policy periods that become effective during Year 1 in connection with any commutation of a Ceded External Reinsurance Arrangement and 33% of such amounts with respect to the RAM Rewritten Policies and the Peerless Retroceded Policies each of which become effective during Year 2 in connection with any such commutation.

Section 4.5 UNCOLLECTIBLE REINSURANCE. Peerless shall be entitled to receive from OBIC (i) 67% of any paid reinsurance recoverable under a Ceded External Reinsurance Arrangement with respect to the RAM Rewritten Policies and the Peerless Retroceded Policies, each of which have policy periods that become effective during Year 1, which becomes uncollectible and is charged off in accordance with statutory accounting practices and (ii) 33% of

3

such paid reinsurance recoverable with respect to RAM Rewritten Policies and the Peerless Retroceded Policies, each of which become effective during Year 2, which becomes uncollectible and is charged off in accordance with statutory accounting practices. Any recovery of a previously charged off paid reinsurance recoverable shall be paid by Peerless to OBIC. Such amounts shall be included in

the monthly report delivered pursuant to Section 5.1.

ARTICLE V.

REPORTS, REMITTANCES AND FINANCIAL MONITORING

Section 5.1 MONTHLY REPORTS. Within thirty (30) calendar days after the end of each calendar month, commencing with November 30, 2001, Peerless shall furnish to OBIC a report (i) setting forth for such calendar month in accordance with the provisions of this Agreement, the information, including, without limitation, the net balance due to either party under this Agreement, and (ii) in the format, each as set forth on Exhibit B.

Section 5.2 PAYMENT OF AMOUNTS DUE. Any balance due to either party in accordance with the report furnished each month pursuant to Section 5.1 shall be paid each month by the other within fifteen (15) days of receipt of such report by OBIC. Any amounts owed to or by any party hereto, shall be netted against amounts owed to or by any such party in accordance with the Offset Agreement. Except as otherwise specifically provided herein, the reinsurance premium shall be remitted to OBIC on an earned basis, and Loss and Allocated Loss Adjustment Expenses shall be remitted to Peerless on a paid basis.

Section 5.3 ADDITIONAL REPORTS AND UPDATES. For so long as this Agreement remains in effect and thereafter until all Reinsured Liabilities incurred under the RAM Rewritten Policies and the Peerless Retroceded Policies each of which have policy periods that become effective during the term of this Agreement are fully and finally settled, OBIC and Peerless shall periodically furnish to each other such other reports and information relating to the RAM Rewritten Policies and the Peerless Retroceded Policies as may be reasonably required by OBIC or Peerless, as the case may be.

Section 5.4 FINANCIAL MONITORING. During the term of this Agreement, Peerless shall (a) on a monthly basis, provide OBIC with financial reports for the Business, and (b) on a quarterly basis, make available to OBIC (i) the chief executive officer and the chief financial officer of the Executive Committee of the RAM Group Companies to discuss business, operations and prospects of the Business and (ii) any other operating personnel reasonably requested by OBIC to discuss specifically identified topics relating to the Business.

4

ARTICLE VI.

DURATION AND TERMINATION

Section 6.1 DURATION. Except as otherwise provided herein, this Agreement shall be continuous until terminated.

Section 6.2 OBIC'S LIABILITY. Except as provided under Sections 6.3 and 6.4 below, OBIC's liability with respect to the Reinsured Liabilities incurred under the RAM Rewritten Policies and under the Peerless Retroceded Policies each of which have policy periods that become effective during the term of this Agreement will terminate on the date Peerless' liability with respect to such Reinsured Liabilities incurred is terminated and all obligations of OBIC hereunder are fulfilled.

Section 6.3 TERMINATION FOR RATINGS DOWNGRADE. In the event that a RAM Group Company fails to maintain a claims paying ability rating from A.M. Best Company, Inc. of at least A-, OBIC shall have the right to terminate this Agreement within thirty (30) days following a public announcement of such event by giving written notice to Peerless setting forth a termination date which is not more than thirty (30) days following such written notice, such that OBIC shall have no liability for Reinsured Liabilities incurred under those RAM Rewritten Policies written by such RAM Group Company which have policy periods that become effective on or after such termination date, but shall continue to be liable for Reinsured Liabilities incurred under those RAM Rewritten Policies written by such RAM Group Company which have policy periods that become effective prior to such termination date.

Section 6.4 TERMINATION FOR CHANGE OF CONTROL. In the event that there is a Change of Control of Peerless, Peerless shall give written notice to OBIC within thirty (30) days of such event. OBIC shall have the right to terminate this Agreement within thirty (30) days following such notice by Peerless by giving written notice to Peerless setting forth a termination date which is not more than thirty (30) days following such written notice by OBIC, such that OBIC shall have no liability for Reinsured Liabilities incurred under the RAM Rewritten Policies on or after such termination date, but shall continue to be liable for Reinsured Liabilities incurred under the RAM Rewritten Policies prior

to such termination date.

ARTICLE VII.

INSOLVENCY

Section 7.1 PAYMENTS. In the event of the insolvency of Peerless, payments due Peerless on all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement shall be payable by OBIC directly to Peerless or to its liquidator, receiver, or statutory successor on the basis of the liability of Peerless under the policy or policies reinsured, without diminution because of the insolvency of Peerless. It is agreed and understood, however, (i) that in the event of the insolvency of Peerless, OBIC shall be given written notice of the pendency of a claim against Peerless on a RAM Rewritten Policy or Reinsured Policy within

5

reasonable time after such claim is filed in the insolvency proceeding and (ii) that during the pendency of such claim, OBIC may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to Peerless or its liquidator, receiver or statutory successor. Nothing in this Agreement shall give any insured or any other person any rights against OBIC with respect to any RAM Rewritten Policy or OBIC Retroceded Policy reinsured hereunder or otherwise.

Section 7.2 EXPENSES. It is further understood that any expense incurred by OBIC pursuant to Section 7.1 shall be chargeable, subject to court approval, against Peerless as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to Peerless solely as a result of the defense undertaken by OBIC.

Section 7.3 SETOFF. In the event of the insolvency of Peerless or OBIC, any debts or credits, matured or unmatured, liquidated or unliquidated, regardless of when they arose or were incurred, in favor of or against OBIC or Peerless, including debts or credits under the Peerless Post-Closing Indemnity Reinsurance Agreement, are deemed mutual debts or credits, as the case may be, as between OBIC and Peerless and, as between them, shall be setoff, and only the net balance shall be allowed or paid.

ARTICLE VIII.

DISPUTE RESOLUTION

Section 8.1 DISPUTE RESOLUTION. As a condition precedent to any right of action hereunder, if any dispute shall arise between OBIC and Peerless with reference to the interpretation or performance of this Agreement, including the formation or validity thereof, or their rights with respect to any transaction involved, whether such dispute arises before or after the termination of this Agreement, such dispute, upon the written request of either party, shall be submitted for resolution by arbitration. Within 30 days after receipt of such written request, each party shall select one arbitrator (for a total of two), and such selected arbitrators shall select a third arbitrator within 60 days after receipt of such written request for arbitration. If either party fails to select an arbitrator within such time period, the arbitrator that was timely selected by the other party shall serve as the sole arbitrator. If the two arbitrators fail to agree upon the selection of a third arbitrator within the time limit allowed, the third arbitrator shall be selected by the two arbitrators from a panel of five arbitrators proposed by the American Arbitration Association or, if the two arbitrators fail to agree upon a selection within 10 days, the third arbitrator shall be selected in accordance with the rules of the American Arbitration Association. All arbitrators shall be active or retired disinterested officers of a property and casualty insurance or reinsurance company. No arbitrator shall be or have been affiliated with or employed by any party hereto or their respective Affiliates.

The arbitrators shall interpret this Agreement as an honorable engagement and not merely as a legal obligation; they are relieved of all judicial formalities and may abstain from following the strict rules of law and they shall make their award with a view to effecting the general purpose of this Agreement in a reasonable manner rather than in accordance with a literal

6

interpretation of the language. The arbitration shall occur in Boston,

Massachusetts or a mutually acceptable location. The arbitrators shall make their determination within 60 days after the appointment of the last arbitrator.

The decision of any two arbitrators, or of the sole arbitrator in the event of untimely appointment, when filed with the parties hereto, shall be final and binding on both parties and need not be in writing; PROVIDED that the amount of the award, if any, shall be in writing by the arbitrator or arbitrators as the case may be. Judgment may be entered upon the final decision of the arbitrators in any court having jurisdiction. The final judgment of the arbitrators, and any award rendered thereon, shall not be subject to appeal.

Unless otherwise provided in the arbitration award, each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and of the arbitration. If the panel consists of only one arbitrator due to the failure of one party to timely appoint an arbitrator, the party that appointed such arbitrator shall be responsible for the fees and expenses of such arbitrator.

ARTICLE IX.

REINSURANCE CREDIT, REINSURANCE SECURITY

Section 9.1 REINSURANCE CREDIT. Notwithstanding any other provision of this Agreement to the contrary, if OBIC is or at any time becomes unauthorized or unaccredited in any applicable state or the District of Columbia or any other jurisdiction where authorization or accreditation is required by insurance regulatory authorities in order for Peerless to obtain credit on its statutory annual statements for the reinsurance being provided under this Agreement, then OBIC shall establish, on behalf of and at the request of Peerless, a trust account which complies in all respects with the requirements of Section 114 of the Regulations of the New York Insurance Department (or such other escrow accounts, trust accounts, letters of credit, premiums withheld or similar funds as may be required by applicable law) in order to permit Peerless to obtain credit for such reinsurance in such jurisdiction. Peerless shall have the option of requesting such other escrow accounts, trust accounts, letters of credit, premiums withheld by Peerless, similar funds or a combination thereof as may be accepted by OBIC, such acceptance not to be unreasonably withheld.

Section 9.2 REINSURANCE SECURITY. Notwithstanding any provision of this Agreement to the contrary, if OBIC fails to maintain a claims paying ability rating from A.M. Best Company, Inc. ("A.M. Best") of at least A-, OBIC shall, within thirty (30) days of the public announcement by A.M. Best, fully collateralize all of its outstanding reinsurance obligations to Peerless under this Agreement. OBIC shall be released from its obligation to collateralize its outstanding obligations to Peerless under this Section 9.2 in the event that OBIC shall thereafter maintain a claims paying ability rating from A.M. Best of at least A-; PROVIDED, that OBIC shall continue to have the obligation to collateralize its outstanding reinsurance obligations pursuant to this Section 9.2 in the event that OBIC fails thereafter to maintain a claims paying ability rating from A.M. Best of at least A-. Such collateralization shall be by a trust account which complies

7

in all respects with the requirements of Section 114 of the Regulations of the New York Insurance Department or any other method requested by Peerless which is reasonably acceptable to OBIC.

Section 9.3 NOTICES. OBIC shall promptly notify Peerless of (i) any loss of license, authorization or accreditation, or change of condition of OBIC which, in the reasonable judgment of OBIC may affect the ability of Peerless to obtain credit for reinsurance hereunder, or (ii) any downgrade or reasonably anticipated downgrade of its claims paying ability rating from A.M. Best.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1 HEADINGS. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

Section 10.2 EXHIBITS AND SCHEDULES. Any Exhibits and Schedules to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein. All references herein to Articles, Sections, subsections, paragraphs, subparagraphs, clauses, Exhibits and Schedules shall be deemed references to such parts of this Agreement, unless the context shall otherwise require.

Section 10.3 NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed) with a duplicate copy sent by overnight courier (providing proof of delivery), or sent by overnight courier (providing proof of delivery) to the parties at the following address:

If to OBIC:

OneBeacon Insurance Company
c/o
OneBeacon Corporation
One Beacon Street
Boston, Massachusetts 02108
Attention: General Counsel
Facsimile: (617) 725-7177

If to Peerless:

Peerless Insurance Company

8

c/o Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117
Attention: General Counsel
Facsimile: (617) 574-5805

Any party may, by notice given in accordance with this Section 10.3 to the other parties, designate another address or person for receipt of notices hereunder provided that notice of such a change shall be effective upon receipt.

Section 10.4 BINDING EFFECT; ASSIGNMENT. This Agreement will be binding upon and inure to the benefit of Peerless and OBIC and their respective successors, assigns and legal representatives. Neither this Agreement, nor any rights, interests or obligations hereunder, may be assigned, in whole or in part, by any party without the prior written consent of the other party and any such assignment that is not consented to shall be null and void. It being understood for the avoidance of doubt that in the event that a party shall merge or consolidate with another Person or enter into a business combination with another Person, such merger, consolidation or business combination shall not be deemed to be an assignment and, accordingly, no consent of any Person shall be required hereunder.

Section 10.5 EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 10.6 WAIVERS AND AMENDMENTS; NON-CONTRACTUAL REMEDIES; PRESERVATION OF REMEDIES. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of OBIC and Peerless or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 10.7 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED AS TO FORMATION, PERFORMANCE, INTERPRETATION AND ENFORCEMENT BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 10.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth or contemplated.

9

Section 10.9 NEGOTIATED AGREEMENT. This Agreement has been negotiated by the parties and the fact that the initial and final draft have been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Agreement or be used in any respect or forum in the construction or interpretation of this Agreement or any of its provisions.

Section 10.10 SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, OneBeacon and Peerless direct that such court interpret and apply the remainder of this Agreement in the manner that it determines most closely effectuates their intent in entering into this Agreement, and in doing so particularly take into account the relative importance of the term, provision, covenant or restriction being held invalid, void or unenforceable.

Section 10.11 INTERPRETATION. Whenever the words "include," "includes," or "including," are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Section 10.12 ERRORS AND OMISSIONS. Any inadvertent delay, error or omission will not be held to relieve either party hereto from any liability that would attach to it hereunder if such delay, error or omission had not been made, providing such error or omission is rectified promptly upon discovery.

Section 10.13 CURRENCY. All payments made in accordance with the terms of this Agreement shall be in the currency of the United States.

[SIGNATURE PAGE FOLLOWS]

10

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives intending thereby to be legally bound.

PEERLESS INSURANCE COMPANY

By:

Name:
Title:

ONEBEACON INSURANCE COMPANY

By:

Name:
Title:

EXHIBIT A

GLOSSARY OF TERMS

EXHIBIT B

FORM OF MONTHLY REPORT

SCHEDULE 2.1

CEDED EXTERNAL REINSURANCE ARRANGEMENTS

None.