

**CREDIT FIRST
SUISSE BOSTON**

Credit Suisse First Boston Corporation

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September 14, 2000

Board of Directors
EMPLOYERS INSURANCE OF WAUSAU A Mutual Company
2000 Westwood Drive
Wausau, Wisconsin 54401

Dear Sirs:

You have asked us to advise you with respect to the fairness to the policyholders who are members ("Policyholders"), taken as a group, of EMPLOYERS INSURANCE OF WAUSAU A Mutual Company (the "Company") from a financial point of view: (i) of the extinguishment of their equity rights in the Company and the replacement of such equity rights for equity rights in EIOW Mutual Holding Company (as defined below) and the continuance of their contract rights in Converted EIOW (as defined below), pursuant to the draft Mutual Holding Company Plan of the Company, dated as of September 1, 2000 (the "Plan"), to be filed with the Commissioner of Insurance for the State of Wisconsin (the "Commissioner"); and (ii) the consummation of the MHC Merger Agreement (as defined below), assuming that such agreement was consummated on the date hereof. Capitalized terms not otherwise defined herein are used as defined in the Plan and the Company Policyholder Information Statement (as defined below).

OVERVIEW OF REORGANIZATION

You have informed us that the Plan provides that the Company's reorganization (the "Restructuring") pursuant to Chapter 644 of the Wisconsin Insurance Code (the "Code") whereby, among other things: (1) the Company will become a Wisconsin stock property and casualty insurance company ("Converted EIOW"); (2) the Company will form Employers Insurance of Wausau Mutual Holding Company ("EIOW Mutual Holding Company"), a Wisconsin mutual holding company; (3) Converted EIOW will issue all of its shares of voting stock to EIOW Mutual Holding Company and become a direct, wholly owned subsidiary of EIOW Mutual Holding

Company; and (4) EIOW Mutual Holding Company will be required at all times to own, directly or indirectly, at least fifty-one (51%) percent of the voting stock of the Converted EIOW. You have further informed us that the terms and provisions of the policies held by Policyholders will not be changed as a result of the Restructuring. In addition, you have informed us that the rights of Policyholders will not be reduced or altered in any way as a result of the Restructuring, and the premiums required to be paid as specified in the policies will not be increased or otherwise changed as a result of the Restructuring.

As contemplated in the Code, the Plan provides members of the Company with equity rights in EIOW Mutual Holding Company upon extinguishment of their equity rights in the Company and continues such members' contract rights in Converted EIOW.

The consummation of the Restructuring is conditioned on, among other things: (1) approval by vote of a three-fourths majority of the board of directors of the Company; (2) approval of the Plan by the Commissioner; (3) the affirmative vote of at least a majority of the votes cast by Eligible Policyholders at the Special Meeting; (4) receipt of an opinion of counsel for the Company or a private letter ruling from the IRS concerning the tax effects of the Restructuring to the Company and its Policyholders; (5) receipt of a "no-action" letter from the Securities and Exchange Commission or an opinion of counsel to the Company with regard to federal securities law matters; (6) the submission by the Company of all filings required to be made with Governmental Entities and the receipt of all necessary regulatory approvals in respect thereof; (7) unless otherwise waived by the Company's Board of Directors, satisfaction of all of the conditions to the consummation of the reorganization of Liberty Mutual Insurance Company ("LMIC"); and (8) unless otherwise waived by the Company's Board of Directors, receipt by LMFIC of LMFIC policyholder and Massachusetts insurance commissioner approvals for the LMFIC reorganization.

OVERVIEW OF AGREEMENTS COMPRISING THE GLOBAL TRANSACTION

Once the Company's Restructuring is consummated and EIOW Mutual Holding Company is formed, EIOW Mutual Holding Company intends to enter into a merger agreement with Liberty Mutual Holding Company (the "MHC Merger Agreement"), pursuant to which EIOW Mutual Holding Company would merge with and into Liberty Mutual Holding Company, with Liberty Mutual Holding Company being the survivor, Pursuant to the terms of the MHC Merger Agreement, the equity rights of members of EIOW Mutual Holding Company would be extinguished and such equity

rights in EIOW Mutual Holding Company would be replaced with equity rights in Liberty Mutual Holding Company.

In addition to entering into the MHC Merger Agreement, Liberty Mutual Holding Company intends to enter into a reorganization and combination agreement (the "Reorganization and Combination Agreement") with Liberty Mutual Fire Insurance Company ("LMFIC") and Liberty Insurance Acquisition Corporation ("Liberty Insurance Acquisition Corp."), a Massachusetts stock property and casualty insurance company and wholly owned subsidiary of Liberty Mutual Holding Company, pursuant to which LMFIC will reorganize to a Massachusetts stock insurance company and become a wholly owned subsidiary of Liberty Mutual Holding Company. Pursuant to the terms of the LMFIC Reorganization and the Reorganization and Combination Agreement, the equity rights of members of LMFIC will be extinguished and such equity rights in LMFIC will be replaced with equity rights in Liberty Mutual Holding Company.

The MHC Merger Agreement, the Reorganization and Combination Agreement, and the subsequent contribution of shares of Reorganized LMFIC and Converted EIOW from Liberty Mutual Holding Company to LMG Massachusetts' Holdings and in turn, from LMG Massachusetts Holdings to LMGI, comprise the Global Transaction. Assuming both agreements comprising the Global Transaction are consummated, Reorganized LMIC, Reorganized LMFIC and Converted EIOW will be brought under the common ownership of Liberty Mutual Holding Company. In the event that the Reorganization and Combination Agreement is consummated, but the MHC Merger Agreement is not, Reorganized LMIC and Reorganized LMFIC will be under common ownership of Liberty Mutual Holding Company and only Reorganized LMIC Policyholders and Reorganized LMFIC Policyholders will become members of Liberty Mutual Holding Company. Conversely, in the event that the MHC Merger Agreement is contemplated, but the Reorganization and Combination Agreement is not, Reorganized LMIC and Converted EIOW will be under the common ownership of Liberty Mutual Holding Company, and only Reorganized LMIC Policyholders and Converted EIOW Policyholders will become members of Liberty Mutual Holding Company.

OVERVIEW OF DOCUMENTS AND INFORMATION REVIEWED

In arriving at our opinion, we have reviewed, among other things: (i) the Plan and all exhibits thereto; the draft policyholder information statement regarding the Restructuring dated September 1, 2000 (the "Company Policyholder Information Statement"), annual statutory reports for the Company for the year ended December 31,

1998, and certain interim financial reports of the Company; (ii) LMIC's Plan of Reorganization and all exhibits thereto (the "LMIC Reorganization"); the draft policyholder information statement regarding the LMIC Reorganization dated September 1, 2000, annual statutory reports for LMIC for the year ended December 31, 1999, and certain interim financial reports of LMIC; (iii) LMFIC's Plan of Reorganization and all exhibits thereto (the "LMFIC Reorganization"), the draft policyholder information statement regarding the LMFIC Reorganization dated September 1, 2000, annual statutory reports for LMFIC for the year ended December 31, 1999 and certain interim financial reports; (iv) a draft of the Reorganization and Combination Agreement dated September 1, 2000, and (v) a draft of the MHC Merger Agreement dated September 1, 2000. We have also reviewed certain other information, including financial forecasts, provided to us by the Company and have met with the Company's, LMIC's and LMFIC's management to discuss the business, operations, financial condition and prospects of the Company, LMIC and LMFIC.

In arriving at our opinion we have assumed (a) that the Restructuring is consummated in all material respects in accordance with the Plan, (b) that the Plan is consummated, and, if consummated, the MHC Agreement is consummated, in accordance with all applicable law, including, without limitation, the Code, (c) that the tax consequences of the Restructuring and the MHC Merger Agreement to Policyholders are as set forth in the Company Policyholder Information Statement and (d) that the reinsurance pooling agreements, the service agreements and any other material intercompany agreements to which LMIC, LMFIC and EIOW are parties will not be changed or modified in any material respect in connection with the Restructuring or the Global Transaction.

In connection with our review, we have not assumed any responsibility for independent verification of any of the foregoing information (including the information contained in the Plan or the Company Policyholder Information Statement) and have relied on its being complete and accurate in all material respects. With respect to the financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the Company's management as to the future financial performance of the Company. In addition, we have not been requested to make, and have not made, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or conducted an actuarial review of the Company. Our opinion is necessarily based upon financial, economic, market and other conditions and the legal, tax and regulatory environments as they exist and can be evaluated on the date hereof.

You have not asked our opinion and we do not express any opinion as to: (1) which of the Policyholders are considered members; and (2) the fairness of the Restructuring or the MHC Merger Agreement to any individual Policyholder or class of Policyholders.

This opinion does not address the decision of the Board of Directors of the Company to proceed with the Restructuring or any decision of the Board of Directors of EIOW Mutual Holding Company to enter into and consummate the MHC Merger Agreement, or any decision of either Board of Directors to proceed with any other potential transaction which the Company or EIOW Mutual Holding Company might engage in lieu of, or in addition to, the Restructuring and/or the MHC Merger Agreement.

We have acted as financial advisor to the Company in connection with this Restructuring. We are also serving as financial advisor to LMIC in connection with the LMIC Reorganization and LMFIC in connection with the LMFIC Reorganization and will serve as financial advisor to EIOW Mutual Holding Company in connection with the MHC Merger Agreement, and Liberty Mutual Holding Company in connection with the transactions comprising the Global Transaction.

In the ordinary course of our business, we and our affiliates may actively trade the debt securities of the Company and its affiliates for our and our affiliates' own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this opinion is for the information of the Board of Directors of the Company in connection with the consideration of the Restructuring and does not constitute a recommendation to any Policyholder as to how such Policyholder should vote on the proposed Restructuring.

This opinion may not be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without our prior written consent, which consent shall not be unreasonably withheld or delayed; provided, however, that our consent shall not be required for inclusion of this opinion in submissions to regulatory authorities, including, without limitation, in conjunction with any regulatory proceeding or hearing. This opinion may be introduced into evidence at any such regulatory hearing or proceeding. Regulatory authorities to whom this opinion is submitted shall be entitled to rely on this opinion and shall not be required to obtain our prior consent for disclosure thereof. Our consent shall not be required with respect to including this opinion in its entirety in the Company Policyholder Information Statement; provided

that we have had an opportunity to review and comment upon the Company Policyholder Information Statement prior to its distribution.

Based upon and subject to the foregoing, it is our opinion that: (i) as of the date hereof, the extinguishment of members' equity rights in the Company and the replacement of such equity rights with equity rights in EIOW Mutual Holding Company and the continuance of their contract rights in Converted EIOW pursuant to the Plan is fair to Policyholders who are members of the Company, taken as a group, from a financial point of view, and (ii) assuming that the MHC Merger Agreement was consummated as of the date hereof in accordance with its terms, the MHC Merger Agreement is fair to members of EIOW Mutual Holding Company, taken as a group, from a financial point of view.

Very truly yours,

CREDIT SUISSE FIRST BOSTON CORPORATION

By:

Jonathan Plutzik

Vice Chairman - Credit Suisse First Boston