

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan ONEBEACON INSURANCE PENSION PLAN	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ONEBEACON INSURANCE COMPANY	D Employer Identification Number (EIN) 23-1502700
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	
F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a	Market value	2a	110,974,416
b	Actuarial value	2b	110,974,416
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	53
b	For terminated vested participants	3b	417
c	For active participants:		
	(1) Non-vested benefits	3c(1)	0
	(2) Vested benefits	3c(2)	58,148,706
	(3) Total active	3c(3)	1,064
d	Total	3d	1,534
4 If the plan is at-risk, check the box and complete items (a) and (b) <input type="checkbox"/>			
a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.30 %
6	Target normal cost	6	524,775

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Allison K. Easton</u> <i>ae</i>	<u>9/23/2010</u>
	Signature of actuary	Date
<u>Allison Easton</u>	Type or print name of actuary	<u>08-04007</u>
<u>Towers Watson Delaware Inc.</u>	Firm name	Most recent enrollment number <u>(781) 237-3900</u>
<u>80 William Street</u>	Address of the firm	Telephone number (including area code)
<u>Wellesley Hills</u>	<u>MA 02481</u>	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1,520,221	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1,520,221	0
10	Interest on item 9 using prior year's actual return of <u>(16.54)</u> %	(251,475)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>0.00</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1,268,746	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	136.34 %
15	Adjusted funding target attainment percentage.....	15	137.92 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	169.62 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls						
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
Totals ▶			18(b)	0	18(c)	0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? Yes No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? Yes No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.07 %	2nd segment: 6.09 %	3rd segment: 6.56 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 59
23 Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined	<input checked="" type="checkbox"/> Prescribed - separate	<input type="checkbox"/> Substitute	

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	0
35 Balances used to offset funding requirement	Carryover balance	Prefunding balance
	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	OneBeacon Insurance Company
EIN/PN	231502700/001
Plan Name	OneBeacon Insurance Pension Plan
Valuation Date	January 1, 2009
Enrolled Actuary	Allison Easton
Enrollment Number	08-04007

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2009

Plan Sponsor: OneBeacon Insurance Company

EIN: 23-1502700

Plan Number: 001

Plan Name: OneBeacon Insurance Pension Plan

x	q_x^r	l_x	${}_{x-55}P_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.15	1,000,000	1.000000	0.150000	8.250000
56	0.15	850,000	0.850000	0.127500	7.140000
57	0.15	722,500	0.722500	0.108375	6.177375
58	0.15	614,125	0.614125	0.092119	5.342888
59	0.15	522,006	0.522006	0.078301	4.619755
60	0.30	443,705	0.443705	0.133112	7.986696
61	0.20	310,594	0.310594	0.062119	3.789243
62	0.40	248,475	0.248475	0.099390	6.162179
63	0.25	149,085	0.149085	0.037271	2.348089
64	0.25	111,814	0.111814	0.027953	1.789020
65	1.00	83,860	0.083860	0.083860	5.450920

Average age at retirement 59.056164

Rounded for Schedule SB item 22 59

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: OneBeacon Insurance Pension Plan
 EIN / PN: 231502700 / 001
 Plan Sponsor: OneBeacon Insurance Company
 eVal VRS: 2009 Funding
 Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2009

Attained Age	Years of Credited Service																					
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over			
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.		
Under 25	0		0		0		0		0		0		0		0		0		0		0	
25 - 29	0		6		0		0		0		0		0		0		0		0		0	
30 - 34	3		44		8		0		0		0		0		0		0		0		0	
35 - 39	3		47		23		20		2		0		0		0		0		0		0	
40 - 44	2		59		35		39		7		1		0		0		0		0		0	
45 - 49	6		62		33		44		32		21		2		0		0		0		0	
50 - 54	3		52		36		38		31		36		27		1		0		0		0	
55 - 59	2		37		22		22		9		14		14		8		1		0		0	
60 - 64	1		22		16		12		8		5		4		6		3		0		0	
65 - 69	0		4		0		5		1		4		0		1		0		0		0	
70 & Over	0		0		1		1		0		0		0		0		0		0		0	

* Exhibit excludes 118 transferred participants.

Plan Name: OneBeacon Insurance Pension Plan
 EIN / PN: 231502700 / 001
 Plan Sponsor: OneBeacon Insurance Company
 eVal VRS: 2009 Funding
 Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions and Methods as of January 1, 2008

Plan Sponsor

OneBeacon Insurance Company

EIN/PN

23-1502700/001

Discount Rates

Current plan year PPA effective interest rate: 6.30%

Prior plan year PPA effective interest rate: 6.09%

3-Segment Rates

Applicable month: September

Transition election: No

Inclusion Date

N/A; Plan was frozen as of December 31, 2002.

Plan-related Expenses

The amount included this year for plan-related expenses is \$500,000.

Mortality

For non-disabled participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name: OneBeacon Insurance Pension Plan
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Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

For lump sums: the prescribed PPA lump sum mortality table effective in 2009.

Survivorship of Beneficiary

100% of spouses are assumed to be alive on the valuation date.

Disabled Mortality

Revenue Ruling 96-7 mortality table for participants disabled after December 31, 1994.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rate of Retirement
55-59	15%
60	30%
61	20%
62	40%
63 – 64	25%
65	100%

The average expected retirement age is 59 for active participants. Terminated vested participants are assumed to retire at age 65.

Disability Rates

1977 Society of Actuaries reports table with six-month elimination period.

Compensation Increases

N/A; Plan was frozen as of December 31, 2002.

Future Increases in Social Security

N/A; Plan was frozen as of December 31, 2002.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Future Increases in Maximum Benefits and Plan Compensation Limitations

It is assumed that maximum benefit and plan compensation limitation under the Internal Revenue Code will not increase in the future.

Representative Termination Rates (per 100 employees) not Due to Disability, Retirement or Mortality

The following rates of turnover are assumed to apply during the first 5 years of employment:

<u>Years of Service</u>	<u>Rates of Withdrawal</u>
Less than one year	12.5%
One to two years	10.0%
Two to three years	7.5%
Three to four years	5.0%
Four to five years	3.5%

After the first five years, turnover is assumed to occur in accordance with the following table:

<u>Attained Age</u>	<u>Rates of Withdrawal</u>	
	<u>Male</u>	<u>Female</u>
20	3.88%	3.88%
25	3.72	3.73
30	3.46	3.47
35	3.41	3.12
40	2.65	2.71
45	1.94	2.05
50	0.90	1.08
55	0.00	0.00

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Form of Payment

100% of actives who terminate elect a lump sum payment if not eligible for early retirement at date of termination. 100% of actives who terminate after meeting early retirement eligibility elect an annuity. 100% of terminated vested participants elect an annuity. 100% of spouses eligible for pre-retirement death benefits elect a lump sum payment.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 85% of males and 55% of females are assumed to be married and male spouses are assumed to be 4 years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Asset Method

Under this method, valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate.

Participant Data

Participant data was supplied by the employer and the trustee. Effective December 17, 2007 the administration of the plan was outsourced to Watson Wyatt Worldwide. As a result new retiree benefit elections are now received directly from plan participants and beneficiaries.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2009 is used to determine the maximum deductible contribution for the tax year ending December 31, 2009.

Benefits not Included in Valuation

Enhanced benefits attributable to sale-related terminations prior to June 1, 2003 for participants not yet in pay status, which affect early retirement reduction and some eligibility requirements are not reflected in this valuation.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

PBGC Premium Funding Target

For purposes of determining the PBGC Premium Funding Target in Section 2.2.D, the Standard Premium Funding Target was determined using the assumptions described above, except the three-segment interest rates for December 2008 were used instead of the above interest assumption.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24

Changes in Actuarial Assumptions Since Last Actuarial Valuation

Other than the prescribed changes in the discount rate and mortality, the following changes were made part of this valuation:

Withdrawal rates changed to better reflect plan experience.

The administrative expense assumption was changed from \$1,000,000 to \$500,000 to better reflect anticipated future expenses.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions : OneBeacon

Plan Sponsor

One Beacon Insurance Company

Plan

OneBeacon Insurance Pension Plan

Effective Date

November 1, 1943.

Prior Plan

For employees of Commercial Union on December 31, 1998, the Commercial Union Insurance Company Pension Plan. For employees of General Accident on December 31, 1998, the Employees' Retirement Plan of the General Accident Insurance Company of America.

Plan Year

The twelve-month period ending December 31, 2009.

Eligibility for Membership

Effective January 1, 2002, one year of service. Participation is frozen as of December 31, 2002.

Service

The period of employment with the company beginning on the date of employment and continuing until the date of death, retirement or termination.

Vesting

Five years of service.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Credited Service

The sum of (a) and (b), with a maximum of 40 years:

- (a) For service prior to January 1, 1999, the Credited Service determined by the terms of the Prior Plan
- (b) After January 1, 1999, a member accrues service in years and months on an elapsed time basis up to his severance from service date or December 31, 2002 if earlier.

Generally, former Commercial Union participants began accruing service at their date of hire and General Accident employees began accruing service at age 21 with 1 year of service.

Average Annual Compensation

The average annual compensation (defined as base compensation, including IRS Code Section 401(k) and Section 125(d) deferrals, plus overtime and certain bonuses credited in the year earned, but excluding other forms of deferred compensation) for the highest 60 consecutive calendar months in the final 120 consecutive calendar months prior to a member's termination of employment or December 31, 2002 if earlier. For any period other than the final 60 month period, calendar years are used. Permissible compensation is limited in accordance with the Internal Revenue Code regulations. Bonuses include single sum merit bonuses, certain bonuses paid to Dewar employees, and bonuses paid under the Management Incentive Plan but exclude gain sharing or any other bonuses or bonuses which have been deferred.

For the grandfathered benefit (if applicable) the greater of the amount described above or compensation as defined in the Commercial Union plan prior to the merger averaged over the highest 60 consecutive months in the final 120 consecutive months of employment.

Primary Social Security Benefit

The Social Security benefit estimated to be payable under the Social Security law in effect at the time of determination or December 31, 2002 if earlier. For participants eligible for early retirement under the terms of the Prior Plan, earnings are assumed to cease at date of retirement. The Social Security Benefit is assumed payable at age 62 or age at retirement, if later, except for former General Accident participants with less than 20 years of Service, for whom the benefit is assumed payable at age 65. For participants not eligible for early retirement under the terms of the Prior Plan, earnings are assumed to remain level at the annual rate at termination through age 65 and the Social Security benefit is assumed payable at 65. Benefit is frozen at Normal Retirement Date.

Social Security Covered Compensation

The average of the Social Security taxable wage bases for the 35-year period ending in the year prior to the year a participant attains Social Security Normal Retirement Age. The taxable wage bases for all future years are assumed to be equal to the current year's wage base.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

Normal Retirement Date: Normal Retirement Date is the first day of the month coincident with or next following a Member's attainment of age 65, or the fifth anniversary of the date participation commenced (age 65 for prior General Accident participants).

Benefit formula: Greater of (1) and (2), minus (3), plus (4), total no less than (5):

- (1) Sum of (a) and (b):
 - (a) Accrued benefit as of December 31, 1998 under Prior Plan times the ratio of Average Annual Compensation at Normal Retirement Date to Average Annual Compensation at December 31, 1998.
 - (b) 1.3% of Average Annual Compensation plus 0.45% of Average Annual Compensation in excess of Social Security Covered Compensation, times years of Credited Service on and after January 1, 1999 (not to exceed 40 years of total Credited Service).
- (2) For former Commercial Union or General Accident participants whose age plus service at December 31, 1998 is greater than or equal to 60, either (a) or (b) below:
 - (a) For former Commercial Union participants, 1.667% of Average Annual Compensation times years of Credited Service (to a maximum of 40 years) minus 1.667% of Primary Social Security benefit times years of Credited Service (to a maximum of 30 years).
 - (b) For former General Accident participants, 2% of Average Annual Compensation for the first 25 years of Credited Service plus 0.65% of Average Annual Compensation for each additional year of Credited Service, less 1.4% of Primary Social Security benefit for the first 25 years of Credited Service plus 1% of Primary Social Security benefit for each additional year of Credited Service (to a maximum of 15 additional years).
- (3) For former Commercial Union participants as of March, 1985, the annuity payable from Prudential to cover benefits from the terminated predecessor plan.
- (4) For certain participants, the benefit listed in Appendix E of the plan.
- (5) Minimum annual benefit of \$600 times credited service not greater than five years.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

There are certain other benefits for selected groups of participants (e.g. former USLICO plan participants) that were applicable under the prior plan that have been preserved under this plan.

Normal Form of Benefit:

- a. Married Members Married members receive a subsidized 25% Contingent Annuity (50% Contingent Annuity for certain portions of the benefit for former General Accident participants).
- b. Other Members Life Annuity

Deferred Retirement

Eligibility: Employee election after Normal Retirement

Benefit: Accrued Benefit payable at actual retirement

Accrued Benefits

Benefit calculated using Normal Retirement formula, based on Credited Service, Average Annual Compensation and Social Security law at date of determination or December 31, 2002 if earlier. For certain highly compensated employees, minimum of benefit accrued as of December 31, 1993 plus benefit taking into account future service accruals after January 1, 1994 with \$150,000 salary cap (indexed).

Early Retirement Benefit

Eligibility: Age 55 with 10 years of service

Benefit: The accrued benefit at the date of Early Retirement, adjusted by 5% per year between ages 55 and 60:

- (1) For former General Accident Plan participants, the benefits described above in (1)(a) and (2)(b) are reduced by 5% per year between age 60 and 65 (or between age 60 and 62 if the member has over 20 years of service) and by 4% per year between age 55 and 60.
- (2) For former Commercial Union Plan participants, the Social Security offset, where applicable, is not recognized until age 62.

Other preserved benefits may have different early retirement reductions applied.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Disability Benefit

Eligibility: Receiving benefits under the company Long-Term disability Plan and eligible for Social Security Disability benefits.

Benefit: Accrued benefit based on Credited Service to Normal Retirement Date or December 31, 2002 if earlier assuming compensation for all future years is equal to the annual rate at date of disability. Payable at Normal Retirement age.

Vested Benefits Upon Termination of Service

Termination Benefit: Accrued Benefit payable at Normal Retirement Date. Participants with at least 10 years of service at termination may elect to receive an actuarially reduced benefit at age 55.

Spouse's Death Benefit

Eligibility: Five years of service and married at least 30 days immediately prior to death.

Benefit: 50% of the benefit the member would have received if terminated or retired on the date of death, survived to earliest retirement date and elected a 50% contingent annuity benefit. If the spouse elects to commence this benefit before the member's Normal Retirement Date, the benefit may be reduced for early payment.

Optional Forms of Retirement Income in Lieu of Normal Form

25%, 50%, 66 2/3%, 75% or 100% Contingent Annuity.
10-year Certain and Continuous Annuity.
Lump Sum payment.

Pension Increases

Benefits of participants who were transferred to Liberty Mutual are indexed at 3.5% per year while they remain employed at Liberty Mutual up to December 31, 2002, to the extent the indexing provides a benefit greater than any sale-related enhancement, if applicable.

Significant Events

None

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Changes in Plan Provisions since Last Actuarial Valuation

The plan was amended to provide special termination benefits to certain participants who terminated in 2008.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions : Folksamerica

Plan Sponsor

One Beacon Insurance Company

Plan

OneBeacon Insurance Pension Plan

Prior Plan

Folksamerica Holding Company, Inc. Employees Retirement Plan

Effective Date

January 1, 1981.

Plan Year

The twelve-month period ending December 31, 2009.

Eligibility and Entry Date

All employees as of January 1, 1981 entered the plan on that date.

All employees hired subsequently enter the plan on the January 1 or July 1 coincident with or next following the attainment of age 21 and completion of one year of eligibility service (requires 1,000 hours of service in year).

All employees of Fester, Fothergill & Hartung on January 1, 1988 became participants as of that date.

All participants in the Pension Plan for Employees of MONY Reinsurance Corp. ("MONY Plan") became members of this Plan on January 1, 1992 due to the merger of the two plans.

All participants in the Christiania General Insurance Company of New York Employees' Retirement Plan became members of this Plan on December 15, 1996 due to the merger of the two plans.

Former employees of the Great Lakes American Reinsurance Company became members of this Plan on July 24, 1997 if they were employed on that date.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Former employees of the USF Reinsurance Company became members of this Plan on June 29, 1999 if they were employed on that date.

Former employees of the Risk Capital Reinsurance Company became members of this Plan on May 5, 2000 if they were employed on that date.

Participation is frozen effective December 31, 2002.

Contributions

All contributions to fund the Plan are paid by the Company.

Year of Service

A member earns one Year of Service for each Plan year in which he completes 1,000 hours of service.

Year of Vesting Service

A member receives one year of Vesting Service for each year of service.

Credited Service

Completed years and months of employment until December 31, 2002, including employment with MONY Reinsurance Corp. and Christiania General Insurance Corporation, but excluding employment with Fester, Fothergill & Hartung prior to January 1, 1988, employment with Great Lakes American Reinsurance Company prior to July 22, 1997, employment with USF Re Insurance Company prior to June 29, 1999, and employment with Risk Capital Reinsurance Company prior to May 5, 2000.

Annual Compensation

Annual Compensation is W-2 earnings exclusive of overtime bonuses or other extraordinary payments. Pay in excess of the Internal Revenue Code Section 401(a)(17) limit, as indexed for inflation, is not considered.

Average Annual Compensation

Average Annual Compensation is the average of Annual Compensation received by a participant during the highest 5 consecutive Plan Years (or highest 60 consecutive months) prior to the earlier of termination, Early Retirement Date, Normal Retirement Date or December 31, 2002.

Normal Retirement Benefit

Normal Retirement Date: First of month coincident with or next following attainment of age 65, or the fifth anniversary of the member's initial plan participation, if later.

Benefit Formula: The greater of (a), (b), (c) or (d) below:

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

- (a) 50% of Average Annual Compensation. For employees who have less than 15 years of Credited Service, this benefit is reduced proportionately.
- (b) .8% of Average Annual Compensation for each year of vesting service to a maximum of ten years of vesting service.
- (c) The benefit accrued as of December 31, 1988.
- (d) The benefit accrued as of December 31, 1993.

For those who were participants in the Christiania Plan on December 15, 1996, there is a minimum benefit equal to the accrued benefit under that plan on December 15, 1996.

Deferred Retirement

A member who retires subsequent to his Normal Retirement Date shall be entitled to a Deferred Retirement Benefit calculated in the same manner as his Normal Retirement Benefit but based on his Years of Credited Service and Average Annual Compensation at his actual retirement date. In no event will this benefit be less than the benefit which would have been payable at his Normal Retirement Date.

Accrued Benefits

Normal Retirement Benefit multiplied by the ratio, not to exceed one, of Credited Service at determination date divided by Credited Service at Normal Retirement Date.

Benefit accruals are frozen effective December 31, 2002.

Early Retirement Benefit

Eligibility requirements	Retirement from active status after both attainment of age 55 and completion of 5 Years of Service.
Amount	A benefit, payable at Normal Retirement Date, calculated in the same manner as the Normal Retirement Benefit based on Years of Credited Service and Final Average Pay at the actual date of retirement. If the member elects to receive payment before his Normal Retirement Date, the benefit is adjusted as described in Early Retirement Factor.
Early Retirement Factor	Based on actuarial equivalent using 1983 Group Annuity Mortality Table for Males and 8½% interest.

Disability Benefit

Eligibility requirements	Upon proof of total and permanent disability.
Amount	100% vested in accrued pension.

* Prior to January 1, 2000, for those who were participants of the MONY Plan on December 31, 1991, the formula was 50% of Average Annual Compensation (reduced proportionately for less than 15 years of Credited Service with both MONY and Folksamerica), multiplied by the ratio of Folksamerica service to total service with both MONY and Folksamerica, plus the MONY Plan accrued benefit as of December 31, 1991.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Vested Benefits Upon Termination of Service

Eligibility requirements	Completion of 5 Years of Vesting Service.
Amount	A benefit equal to the member's Accrued Annual Benefit payable at his Normal Retirement Date. If a vested member who has completed at least 5 Years of Service elects to receive a reduced benefit beginning any time after age 55 and prior to his Normal Retirement Date, the benefit is reduced as outlined in the Early Retirement and Unreduced Early Retirement sections above.

Surviving Spouse Benefits

Before eligibility for Early Retirement	Spouse's benefit upon death with vested interest beginning when member would have been age 55 (or immediately if member was age 55 or over) equal to one-half the pension the member would have received had he retired on his date of death or age 55, if later, with a Joint and $\frac{1}{2}$ survivor option in effect. Lump sum settlement is available.
After eligibility for Early or Normal Retirement -	Qualified Joint and $\frac{1}{2}$ Survivor Benefit if married, unless waived, or optional benefits at election of employee.

Optional Forms of Retirement Income in Lieu of Normal Form

The normal form of retirement benefit shall be a 10-Year Certain and Life annuity payable monthly for single members, and a 50% Joint and Survivor annuity for married members. However, a member may elect one of the following optional forms of payment:

- a. Joint and Survivor - An actuarially adjusted pension payable during the member's lifetime, continuing at the member's death at 100%, $66\frac{2}{3}\%$, or 50% of the amount for the remaining lifetime of the surviving spouse or other eligible beneficiary.
- b. Certain and Life - An actuarially adjusted pension payable during the member's lifetime providing that, if the member should die prior to receiving 60, 120, or 180 monthly payments, the balance of such payments shall be paid to the surviving spouse or other eligible beneficiary.
- c. Life - Actuarially adjusted pension payable during the member's lifetime only.
- d. Lump Sum Distribution - The present value of all future payments. This option is only available to members who terminate employment on or after January 1, 2000.

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Significant Events

None

Changes in Plan Provisions Since Last Actuarial Valuation

None

Plan Name: OneBeacon Insurance Pension Plan
EIN / PN: 231502700 / 001
Plan Sponsor: OneBeacon Insurance Company
eVal VRS: 2009 Funding
Valuation Date: January 1, 2009