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Corporate & Financial Regulation

James R. Potts

June 19, 2014

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Pennsylvania  
Insurance Department

Steven L. Yerger  
PIR Company Licensing Specialist  
Pennsylvania Insurance Department  
1345 Strawberry Square  
Harrisburg, PA 17120

**Re: Change of Control of Domestic Insurers OneBeacon Insurance Company and Potomac Insurance Company -- Supplemental Information**

Dear Mr. Yerger:

On February 7, 2013, we filed with the Pennsylvania Insurance Department a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer in connection with the proposed acquisition of control by Armour Group Holdings Limited, through its subsidiary, Trebuchet US Holdings, Inc. (the "Applicant") of OneBeacon Insurance Company and Potomac Insurance Company, subsidiaries of OneBeacon Insurance Group LLC ("OneBeacon Group").

We understand that pursuant to its examination powers, the Department advised OneBeacon Group that an independent third party actuarial firm stochastic modeling of the proposed balance sheet of OneBeacon Insurance Company and Potomac Insurance Company, including their subsidiaries OneBeacon America Insurance Company and The Employers' Fire Insurance Company (the "OneBeacon Companies"), must be undertaken and furnished to the Department for the Department's examination and regulatory analysis in connection with the proposed transaction and that a summary report of that analysis be prepared that may be made publicly available. We further understand that, in January of 2014, Towers Watson, with the approval of the Department, was retained by OneBeacon Group to perform that modeling and that the modeling has now been completed.

We have been provided and are enclosing Towers Watson's Stochastic Modeling of Run-Off Business Pro-Forma Balance Sheet as of June 30, 2014 - Summary Report for use and publication as a supplement to the Form A filed by the Applicant. We understand that a full report of Towers Watson's modeling has been provided by OneBeacon Group to the Department

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on a confidential, non-public basis as part of the Department's examination of the OneBeacon Companies.

Sincerely,

COZEN O'CONNOR



By: James R. Potts

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