



U.S. Department of Justice

Criminal Division

*Fraud Section
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Re: Liberty Mutual Insurance Company

Dear Counsel:

Consistent with the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy, the Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the District of Massachusetts (collectively, the "Government") have declined prosecution of your client, Liberty Mutual Insurance Company ("Liberty Mutual" or the "Company"), a global insurance company with its principal place of business in the United States, for violations of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. § 78dd-2. We have reached this conclusion despite evidence of bribery committed by certain employees of the Company's subsidiary in India who were acting as agents of the Company.

The Government's investigation found evidence that, from in or around 2017 until in or around 2022, Liberty Mutual, through its subsidiary in India, Liberty General Insurance ("LGI"), paid bribes totaling approximately \$1.47 million to officials at six state-owned banks in India, in order to obtain or retain business with those state-owned banks. Specifically, in exchange for the bribes, the officials caused the state-owned banks to refer bank customers to LGI's insurance products. Certain LGI employees took steps to conceal the true nature of the payments, including by classifying the payments as marketing expenses and using third-party intermediaries to make the payments to the officials. In total, the bribe scheme resulted in revenue of approximately \$9.2 million and profits of approximately \$4.7 million.

The Government has decided to decline prosecution of this matter based on an assessment of the factors set forth in the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy, as revised in May 2025, and the Principles of Federal Prosecution of Business Organizations (Justice Manual 9-28.300), including, but not limited to: (1) Liberty Mutual's timely and voluntary self-disclosure of the misconduct to the Fraud Section in March 2024, which was identified during an internal investigation that was still ongoing at the time of the disclosure; (2) Liberty Mutual's full and proactive cooperation in this matter (including its provision of all known relevant facts regarding the misconduct, including information regarding the individuals involved) and its agreement to continue to cooperate with any ongoing Government investigations and any prosecutions that have resulted or might result in the future; (3) the nature and seriousness of the offense; (4) Liberty Mutual's timely and appropriate remediation, including the Company's early and fulsome acceptance of responsibility, its thorough and systematic root-cause analysis, and the Company's separation from personnel involved in the misconduct; (5) Liberty Mutual's significant improvements to its compliance program and internal controls, including enhanced vetting, monitoring, and oversight of payments to third parties throughout its global markets, structural reorganization coupled with increased legal and compliance resources, and the implementation of enhanced compliance policies, including with respect to use of social media and ephemeral messaging applications for business purposes; (6) the absence of aggravating circumstances; and (7) the fact that Liberty Mutual agrees to disgorge the amount of its ill-gotten gains.

Pursuant to this letter agreement, Liberty Mutual agrees to continue to fully cooperate with the Government's ongoing investigation, including, but not limited to, the continued provision of any information and making available for interviews and/or testimony those officers, employees, or agents who possess relevant information, as determined in the sole discretion of the Government.

Liberty Mutual further agrees to disgorge \$4,699,088 (the "Disgorgement Amount"), which represents the profits to Liberty Mutual from its commercial relationships with the six state-owned banks, as calculated by the Government and agreed to by the Company.

This letter agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with Liberty Mutual. If the Government learns information that changes its assessment of any of the factors outlined above, it may reopen its inquiry.

Sincerely,

LORINDA I. LARYEA
Acting Chief, Fraud Section
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I have read this letter agreement and carefully reviewed every part of it with outside counsel for Liberty Mutual Insurance Company. The Board of Directors of Liberty Mutual Insurance Company has been advised of the terms of this letter agreement. I understand the terms of this letter agreement and, on behalf of Liberty Mutual Insurance Company, voluntarily agree and consent to the facts and conditions set forth herein, including to pay the Disgorgement Amount and to continue to cooperate with the Government.

Date: 8/7/25

BY:



Damon Hart
Executive Vice President, Chief Legal Officer,
and Secretary
Liberty Mutual Insurance Company