

GUARANTEE

THIS GUARANTEE is dated as of February 3, 1998 (the "Effective Date").

WHEREAS Liberty Mutual Insurance Company (the "Guarantor") indirectly owns 90% of the issued and outstanding voting securities of Liberty Life Assurance Company of Boston (the "Primary Obligor"),

WHEREAS the Guarantor desires to enhance the financial strength of the Primary Obligor in connection with its insurance policies and annuity contracts; and

WHEREAS the corporate interests of the Guarantor will be furthered and the value of its investment in the Primary Obligor preserved and potentially enhanced by entering into this Guarantee, and this Guarantee is convenient to the conduct, promotion and attainment of the Guarantor's business;

NOW, THEREFORE, for good and valuable consideration, the Guarantor agrees as follows:

1. **GUARANTEE OF PAYMENT.** The Guarantor hereby guarantees the full and punctual payment when due of all obligations (the "Obligations") of the Primary Obligor to an Obligee arising out of or in connection with any insurance policy or annuity contract (each such policy or contract a "Contract"). However, "Obligations" shall not include any obligation to an insured or annuitant arising out of or in connection with any insurance policy or annuity contract which becomes an obligation of the Primary Obligor as a result of any sale, combination, merger, acquisition, restructuring or other event which results in the Primary Obligor incurring obligations of any other insurance company; and "Obligee" shall not include any such insured or annuitant. This Guarantee is an absolute, unconditional and continuing guarantee of the full and punctual payment of the Obligations and not of their collectibility only, subject to the condition that the Obligee shall be required to attempt first to collect the Obligation by filing a claim against the Primary Obligor if the terms of the Contract so require. Should the Primary Obligor default in the payment of any of the Obligations, the obligations of the Guarantor hereunder shall become due and payable to the Obligee 5 business days after the date of such default, without demand or notice of any nature, all of which are expressly waived by the Guarantor. Payments by the Guarantor hereunder may be required by the Obligees on any number of occasions.

2. **UNLIMITED GUARANTEE.** The liability of the Guarantor hereunder shall not be limited to any specific sum. An Obligee's dealings with the Primary Obligor need

not be limited to any particular sum as a condition to requiring payments by the Guarantor hereunder.

3. **PAYMENT IN ACCORDANCE WITH CONTRACT TERMS.** The Guarantor agrees that the Obligations will be paid strictly in accordance with the terms of the Obligee's Contract, as governed by the laws and regulations applicable when the Contract became effective. However, this Guarantee shall not extend to any increase in an Obligation arising from any law or regulation (a) applied retroactively or (b) increasing the Obligation under any Contract already in effect.

4. **WAIVERS BY GUARANTOR.** The Guarantor waives presentment, demand, protest, notice of acceptance, notice of Obligations incurred and all other notices of any kind, any right of set-off or counterclaim between the Guarantor and the Primary Obligor, any right to require the marshaling of assets of the Primary Obligor, and all suretyship defenses generally. Without limiting the generality of the foregoing, the Guarantor agrees that the obligations of the Guarantor hereunder shall not be released or discharged, in whole or in part, or otherwise affected by (a) any extension or renewals of any Obligation; (b) any rescissions, waivers, amendments or modifications of any of the terms or provisions of any Contract; (c) the substitution of any entity secondarily liable for any Obligation; or (d) any other act or omission by the Primary Obligor which might in any manner or to any extent vary the risk of the Guarantor, all of which may be done without notice to the Guarantor.

5. **UNENFORCEABILITY OF OBLIGATIONS AGAINST PRIMARY OBLIGOR.** If for any reason the Primary Obligor has no legal existence and is therefore under no legal obligation to discharge any of the Obligations, this Guarantee shall nevertheless be binding on the Guarantor to the same extent as if the Guarantor at all times had been the principal obligor on all such Obligations.

6. **EFFECT OF PRIMARY OBLIGOR'S INSOLVENCY.** If the time for payment of any Obligation payable by the Primary Obligor is stayed upon the insolvency, bankruptcy, rehabilitation, liquidation, conservation or dissolution of the Primary Obligor, all such amounts otherwise subject to payment pursuant to the terms of a Contract shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Obligee. If any amount paid by the Primary Obligor to an Obligee in payment of an Obligation is recaptured by the Primary Obligor or its representative as a result of the insolvency, bankruptcy, rehabilitation, liquidation, conservation or dissolution of the Primary Obligor, all such amounts shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Obligee.

7. **SUCCESSORS AND ASSIGNMENT.** This Guarantee shall be binding upon the Guarantor and its successors. This Guarantee shall not be assignable; except that in the event of any sale, combination, merger, acquisition, restructuring or other event that results in one or more persons or entities, other than the Guarantor and any of its affiliates, possessing the power to direct or cause the direction of the management, business and affairs of the Primary Obligor, whether through the ownership of voting securities, by contract or otherwise, the Guarantor may assign, in whole or in part, its liability under this Guarantee.

8. **BENEFICIARIES.** This Guarantee is expressly for the benefit of the Obligees.

9. **AMENDMENTS AND WAIVERS.** No amendment of any provision of this Guarantee nor consent to any departure by the Guarantor therefrom shall be effective unless (a) the same shall be in writing and signed by the Guarantor and the Primary Obligor, and (b) at least 30 days prior to the effective date of the amendment, notice of amendment shall be given to Standard & Poor's Ratings services (or any successor thereto) and A.M. Best Company (or successor thereto). No failure on the part of any Obligee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. It is the understanding of the parties that no amendment will lessen the guarantee provided herein, unless notice of the amendment has been given in accordance with the first sentence of this paragraph.

10. **TERMINATION.** (a) For purposes of this Guarantee:

"Capitalization Event" means any transaction or event that results in an increase in the Primary Obligor's capital or surplus or both.

"Primary Obligor's Ratings" means the rating issued by Standard & Poor's Ratings Services (or any successor thereto) with respect to the Primary Obligor's financial strength and the rating issued by A.M. Best Company (or any successor thereto) with respect to the Primary Obligor's financial strength.

"Sale Event" means any sale, combination, merger, acquisition, restructuring or other event that results in one or more persons or entities, other than the Guarantor and any of its affiliates, possessing the power to direct or cause the direction of the management, business and affairs of the Primary Obligor, whether through the ownership of voting securities, by contract or otherwise.

"Termination Date" means any date determined as such by mutual agreement of the Guarantor and the Primary Obligor.

(b) As of the Termination Date, (i) this Guarantee shall terminate with respect to, and the Guarantor shall not be liable hereunder to guarantee, any Obligations arising out of or in connection with any Contract issued on or after the Termination Date; but (ii) this Guarantee shall continue in effect with respect to, and the Guarantor shall continue to be liable hereunder to guarantee, any Obligations arising out of or in connection with any Contract issued on or after the Effective Date and before the Termination Date, except

Liberty Life Assurance Company of Boston

By: 

TITLE: CFO

as otherwise provided in Section 10(c). At least 30 days prior to the Termination Date, notice of the Termination Date shall be given to Standard & Poor's Ratings Services (or any successor thereto) and A.M. Best Company (or successor thereto) and shall be published in the national edition of the Wall Street Journal.

(c) If at any time after a Sale Event both of the Primary Obligor's Ratings are at least as high as they were immediately before such Sale Event, then as of such time this Guarantee shall terminate with respect to, and the Guarantor shall not be liable hereunder to guarantee, any Obligations arising out of or in connection with any Contract. If at any time after a Capitalization Event both of the Primary Obligor's Ratings are issued without reflecting or acknowledging this Guarantee and such Ratings are at least as high as were such Ratings reflecting or acknowledging this Guarantee immediately before such Capitalization Event, then as of such time this Guarantee shall terminate with respect to, and the Guarantor shall not be liable hereunder to guarantee, any Obligations arising out of or in connection with any Contract.

11. **GOVERNING LAW; SUBMISSION TO JURISDICTION.** This Guarantee shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts (without regard to conflicts of laws principles). For purposes of all legal proceedings by an Obligee to enforce this Guarantee, the Guarantor hereby submits to the non-exclusive jurisdiction of any court having jurisdiction over the Primary Obligor in a legal proceeding by such Obligee to enforce an Obligation.

12. **NOTICE.** Any notice required to be given under this Guarantee to Standard & Poor's Rating Services (or any successor thereto) or A.M. Best Company (or any successor thereto) shall be in writing and shall be deemed to have been properly given to such entity if delivered in person or if sent by express courier service at the following address or if sent by facsimile transmission to the following number:


Standard & Poor's Rating Services
55 Water Street, 33rd Floor
New York, NY 10041
Attn: Managing Director - North American Insurance Operations (with a copy to the Primary Insurance Analyst from Standard & Poor's on the Liberty Mutual Insurance Co. Account)

A.M. Best Company
Ambest Road
Oldwick, NJ 08858
Attn: Manfred J. Nowacki, Group Vice President
Fax: 908-439-2237

or at such other address or facsimile transmission number as such entity may hereafter specify for purposes of such notice.

IN WITNESS WHEREOF, each of the undersigned have caused this Guarantee to be executed as of the Effective Date.

Liberty Mutual Insurance Company

By: 

TITLE: Vice President & Comptroller

AMENDMENT NO. 1

Dated as of March 3, 2006
To the GUARANTEE (the "Guarantee")

By
LIBERTY MUTUAL INSURANCE COMPANY
Dated as of February 3, 1998

THIS AMENDMENT is dated as of March 3, 2006
(the "Effective Date").

WHEREAS Liberty Mutual Insurance Company (the
"Guarantor") owns 90% of the issued and outstanding
voting securities of Liberty Life Assurance Company of
Boston (the "Primary Obligor"),

WHEREAS the Guarantor desires to amend the Guarantee,
and the Guarantee, as amended, is convenient to the
conduct, promotion and attainment of the Guarantor's
business;

NOW, THEREFORE, for good and valuable consideration,
the Guarantor agrees as follows:

1. Defined Terms. Capitalized terms used herein and not
otherwise defined herein shall have the meanings attributed
to such terms in the Guarantee.

2. Amendments to Guarantee.

2.1 Section 10 of the Guarantee is hereby amended to read
in its entirety as follows:

10. TERMINATION. (a) For purposes of this Guarantee:
"Capitalization Event" means any transaction or event that
results in an increase in the Primary Obligor's capital or
surplus or both.

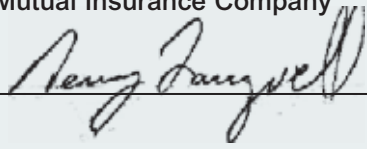
"Primary Obligor's Ratings" means the rating issued by
Standard & Poor's Ratings Services (or any successor
thereto) with respect to the Primary Obligor's financial
strength and the rating issued by A.M. Best Company (or
any successor thereto) with respect to the Primary Obligor's
financial strength.

"Sale Event" means any sale, combination, merger,
acquisition, restructuring or other event that results in one or
more persons or entities, other than the Guarantor and any
of its affiliates, possessing the power to direct or cause the
direction of the management, business and affairs of the
Primary Obligor, whether through the ownership of
voting securities, by contract or otherwise.

"Termination Date" means any date determined as such by
mutual agreement of the Guarantor and the Primary Obligor.

(b) As of the Termination Date, (i) this Guarantee shall
terminate with respect to, and the Guarantor shall not be
liable hereunder to guarantee, any Obligations arising out of
or in connection with any Contract issued on or after the
Termination Date; but (ii) this Guarantee shall continue in

Liberty Mutual Insurance Company

BY: 

Dennis J. Langwell, Senior Vice
President & Chief Financial Officer

effect with respect to, and the Guarantor shall continue to be
liable hereunder to guarantee, any Obligations arising out of
or in connection with any Contract issued on or after the
Effective Date and before the Termination Date, except as
otherwise provided in Section 10 (c). At least one year prior to
the Termination Date, notice of the Termination Date shall be
given to Standard & Poor's Ratings Services (or any
successor thereto) and A.M. Best Company (or any
successor thereto) and shall be published in the national
edition of the Wall Street Journal.

(c) Notwithstanding any other provision of this Guarantee to
the contrary: (i) if at anytime after a Sale Event both of the
Primary Obligor's Ratings are at least as high as they were
immediately before such Sale Event, then as of such time this
Guarantee shall terminate with respect to, and the Guarantor
shall not be liable hereunder to guarantee, any Obligations
arising out of or in connection with any Contract; (ii) if at any
time after a Capitalization Event both of the Primary Obligor's
Ratings are issued without reflecting or acknowledging this
Guarantee and such Ratings are at least as high as were such
Ratings reflecting or acknowledging this Guarantee
immediately before such Capitalization Event, then as of such
time the Guarantee shall terminate with respect to, and the
Guarantor shall not be liable hereunder to guarantee, any
Obligations arising out of or in connections with any Contract.

2 A new section is hereby added to the Guarantee to read in
its entirety as follows:

13. ADDITIONAL CONTRIBUTIONS TO CAPITAL.

(a) If at any time the Primary Obligor's A.M. Best's Capital
Adequacy Ratio ("BCAR") falls below 150%, the Guarantor
shall within a reasonable time make additional contributions to
the capital of the Primary Obligor necessary to raise the
Primary Obligor's BCAR to at least 150%.

(b) This section shall not apply at any time after a Sale Event.

3 Ratification. The Guarantee, as amended hereby, is
hereby ratified, approved and confirmed in all respects.

4. Reference to Guarantee. From and after the Effective Date,
each reference in the Guarantee to "this Guarantee",
"hereunder", or words of similar meaning, and all references
to the Guarantee in any and all agreements, instruments,
documents and other writings of every kind, shall be deemed
to mean the Guarantee as amended by this Amendment.

IN WITNESS WHEREOF, the undersigned have caused this
Amendment to be executed as of the Effective Date.

Liberty Life Assurance Company of Boston

BY: 

Laurance H.S. Yahia, Treasurer