

SAFECO CORPORATION FINANCE COMMITTEE CHARTER

Amended and Restated by the Board of Directors November 2, 2004

I. Purpose

The Finance Committee shall have general oversight and supervision of the finances, investments and major acquisitions and divestitures of the Corporation.

II. Organization and Meetings

The Board of Directors shall appoint the members of the Finance Committee and its Chair upon the recommendation of the Nominating/Governance Committee. The Committee shall consist of no fewer than five members.

The Finance Committee shall meet quarterly and may meet more frequently as necessary. The Finance Committee shall keep minutes of its meetings and make regular reports on its activities to the Board of Directors.

III. Responsibilities

1. Review this charter annually and recommend changes to it to the Board of Directors.
2. The committee shall have sole authority to retain and terminate advisors, including the sole authority to approve the fees and other retention terms with such advisors, to assist the committee in connection with the committee's work.
3. Establish investment policies and guidelines with respect to securities, derivatives, mortgage loans and real estate investments for the Corporation, including investment quality standards, asset allocation and diversification, and maturity profiles for individual investments and portfolio averages.
4. Review any major changes to the investment policies and guidelines for the Corporation as may be suggested by management.
5. Review reports from management concerning investment results, significant portfolio security transactions and significant loan transactions for the Corporation.
6. Review reports from management regarding major acquisition and merger candidates and regarding major divestitures.
7. Review the capital structure of the Corporation annually and monitor changes to the capital structure quarterly.

8. Evaluate financial risk measures appropriate to the Corporation's investments and related trading policies and limits and review reports from management regarding these measures.
9. Review management's establishment and maintenance of appropriate risk thresholds and guidelines and review management's monitoring and mitigation of risk strategies relative to such thresholds and guidelines.
10. Review annually the capital expenditures, planned and being made.
11. Review recommendations from management concerning dividends to the Corporation's shareholders; recommend to the Board of Directors dividend levels to the Corporation's shareholders.
12. Designate officers of the Corporation authorized (a) to enter into securities, loan and other investment transactions in accordance with the Corporation's established investment policies and guidelines and (b) to open or close banking and custodial accounts on behalf of the Corporation and to access the Corporation's funds and securities held in such accounts.
13. The Committee shall meet in executive session without the presence of any management director or employee at least twice per year.
14. The Committee may form and delegate authority to subcommittees, including management subcommittees, when appropriate.
15. The Committee shall annually review its performance under this charter.

IV. Limitations of the Finance Committee's Role

The Board of Directors in adopting this charter specifically acknowledges that it is not the responsibility of the Finance Committee to manage the Corporation's investments. That is the responsibility of management. In addition, it is not the responsibility of the Finance Committee to assure compliance with laws and regulations applicable to the Corporation's operations. That is the responsibility of management.