The Hartford Financial Services Group, Inc.
February 3, 2020

THE HARTFORD'S FOURTH QUARTER AND FULL YEAR 2019 FINANCIAL RESULTS AND 2020 KEY BUSINESS METRIC OUTLOOK

Safe harbor statement

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The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles (GAAP). Information regarding these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in the news release issued on February 3, 2020 and The Hartford's Investor Financial Supplement for fourth quarter 2019 which is available at the Investor Relations section of The Hartford's website at **https://ir.thehartford.com**.

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Key Highlights of 2019 & 2020 Outlook

4Q19 Financial Results

- 4Q19 core earnings[1] of $522 million (up 84% from 4Q18), or $1.43 per diluted share (up 83%), principally due to lower current accident year (CAY) catastrophes (CATs), a lower group disability loss ratio and higher net investment income, partially offset by lower CAY P&C underlying underwriting results
- Book Value Per Share (ex. AOCI)[1,2] at December 31, 2019, up 11% over December 2018

Full Year 2019 Financial Results

- Navigators results included since the acquisition
- 2019 core earnings were $2.1 billion (up 31% from FY18[4]), or $5.65 per diluted share[1] (up 30%), reflecting very good results, particularly in Property & Casualty (P&C) and Group Benefits
- FY19[3] core earnings ROE[1,5] of 13.6%, up 2.0 points over FY18

Actual Results Compared To 2019 Outlook

- Group Benefits core earnings margin[1] of 8.9% was 1.9 points above high end of range
- Personal Lines combined ratio of 95.0 was 2.5 points below low end of range
- Commercial Lines[6] combined ratio for 2H19 of 97.3 was slightly above high end of updated guidance range

2020 Outlook

- Commercial Lines outlook for an underlying combined ratio[1] of 92.0 - 94.0
- Personal Lines underlying combined ratio outlook of 91.5 - 93.5
- Group Benefits core earnings margin[1] of 6.5% - 7.5%

1. Denotes financial measure not calculated based on generally accepted accounting principles (GAAP) 2. Book value per diluted share (BVPS), excluding accumulated other comprehensive income (AOCI) 3. Full year 2019 (FY19) 4. Full year 2018 (FY18) 5. Core earnings return on equity (ROE) 6. Updated guidance provided for 2H19 to include The Navigators Group

The Hartford's FY19 results were within or better than the 2019 outlook, except in Commercial Lines due to a higher loss ratio in Global Specialty in 2H19

- Commercial Lines combined ratio was above guidance updated in 2H19 due to a higher 4Q19 loss ratio in Global Specialty and higher CAY CATs in Commercial Lines, partially offset by favorable prior year development (PYD)
  - Higher legacy Navigators CAY ex-CAT loss ratio driven by several 4Q19 large losses
- Personal Lines combined ratio was favorable to outlook due to lower CAY CAT losses and favorable PYD with the underlying combined ratio within guidance
- Group Benefits earnings exceeded outlook, primarily due to better than expected claim incidence and recoveries in group disability

($ in millions)	2019 Outlook	2019 Actual
Key Business Metrics:		
Second Half 2019 Guidance And Results		
Commercial Lines combined ratio[1]	95.0 - 97.0	97.3
Commercial Lines underlying combined ratio[1]	92.0 - 94.0	94.9
Global Specialty underlying combined ratio[1]	94.5 - 96.5	98.5
Full Year 2019 Guidance And Results		
Personal Lines combined ratio	97.5 - 99.5	95.0
Personal Lines underlying combined ratio	91.0 - 93.0	91.9
P&C CAY CATs ratio	4.2	4.0
Group Benefits net income margin	5.5% - 6.5%	8.8%
Group Benefits core earnings margin	6.0% - 7.0%	8.9%

1. Updated for 2H19 including the impact of the Navigators acquisition

Key Business Highlights – FY19

Property & Casualty

- Written premiums of $11.6 billion increased 11% over FY18 primarily due to the acquisition of Navigators and organic growth in Commercial Lines, partially offset by a decline in Personal Lines
- Combined ratio of 97.2 was 0.6 points better than 97.8 in FY18
- Underlying combined ratio of 93.5 was 2.0 points higher than FY18 due to the inclusion of Navigators, which typically runs at a higher combined ratio, and higher expenses

Commercial Lines

Middle & Large Commercial
Small Commercial
Global Specialty

- Written premiums of $8.5 billion increased 18% over FY18 including the premium from Navigators. Excluding Navigators, written premiums increased 4%
- Small Commercial underlying combined ratio of 89.1 was 2.4 points higher than FY18 driven by ongoing rate pressure in workers' comp, increased non-CAT property losses and higher expenses
- Middle & Large Commercial underlying combined ratio of 99.0 was up 0.6 point from FY18 primarily driven by higher underwriting expenses
- Global Specialty underlying combined ratio of 96.0 was 7.9 points higher than FY18 due to the inclusion of Navigators, which typically runs at a higher combined ratio

Personal Lines

- Written premiums of $3.1 billion decreased 4% from FY18 due to non-renewed premium in excess of new business
- The auto underlying combined ratio of 97.9 was 0.3 point lower than FY18 largely due to a lower loss ratio driven by earned pricing increases in excess of moderate loss cost increases, partially offset by a higher expense ratio
- The homeowners underlying combined ratio of 78.3 was 3.2 points higher than FY18 driven by a higher expense ratio
- Underwriting income of $160 million was $374 million better than prior year primarily due to favorable CAY CATs

Group Benefits

- Core earnings of $539 million, up 26% from FY18 driven by a lower group disability loss ratio and, to a lesser extent, higher net investment income
- Loss ratio of 72.3% improved 3.0 points from FY18 while the expense ratio increased 0.5 points
- The core earnings margin of 8.9% rose 1.9 points over FY18

Key business metrics outlook for 2020

- The Hartford's 2020 outlook is for underlying underwriting margin improvement in Commercial Lines with some margin compression in Personal Lines and Group Benefits
  - Outlook does not include any prior accident year development (PYD) except 0.4 points of workers' comp discount accretion in Commercial Lines
  - P&C CAY CATs outlook for 2020 in line with 2019
  - Commercial Lines underlying combined ratio expected to benefit from rate increases in property, commercial auto, general liability and a number of Global Specialty lines, partially offset by rate decreases in workers' comp
  - Personal Lines underlying combined ratio expected to increase modestly due to moderating earned pricing increases along with growth driven higher technology spend
  - Group Benefits margins assume LP returns of 7% versus an 18% return in FY19 with group disability favorable incidence and recovery trends expected to moderate

($ in millions)	2019 Actual	2020 Outlook
Commercial Lines combined ratio[1,2]	97.7	95.5 - 97.5
Commercial Lines underlying combined ratio	94.0	92.0 - 94.0
Personal Lines combined ratio[1]	95.0	98.5 - 100.5
Personal Lines underlying combined ratio	91.9	91.5 - 93.5
P&C CAY CATs ratio[1]	4.0	4.0
Group Benefits net income margin[3]	8.8%	6.25% - 7.25%
Group Benefits core earnings margin	8.9%	6.5% - 7.5%

1. *2020 outlook includes total P&C CAY CATs ratio of 4.0 points or 2.9 points in Commercial Lines and 7.1 points in Personal Lines; actual catastrophes are likely to be different and will fluctuate quarterly due to seasonal variations*
2. *Commercial Lines 2020 outlook includes 0.4 point of unfavorable PYD from the accretion of discount on workers' compensation loss reserves*
3. *Group Benefits 2020 net income margin outlook includes integration costs of approximately $15 million, after tax, compared with $28 million, after tax, in 2019*

The Hartford's expected 2020 holding company resources

- Expected sources of holding company resources in FY20 include:
  - Net P&C dividends of approximately $850 million - $900 million
  - Group Benefits dividends of $300 million - $350 million
  - Hartford Funds dividends of $100 million - $125 million
  - Cash tax receipts of $520 million - $540 million, including realization of net operating loss carry forwards[1] and refunds of AMT[2] credits

- In addition to funding the share repurchase authorization, FY20 holding company uses are expected to include:
  - Annual common and preferred dividends of approximately $486 million reflecting the 8% increase in the quarterly dividend to $0.325 per share beginning with the payment on April 2, 2020 and before share repurchases
  - The repayment of $500 million of debt maturing in March 2020
  - Annual interest payments of $235 million

1. *Subject to actual taxable earnings, including impact of catastrophe losses*
2. *Alternative minimum tax (AMT)*

4Q19 core earnings of $522 million and core EPS[1] of $1.43 increased 84% and 83%, respectively from 4Q18

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- Net income available to common stockholders was $543 million, or $1.49 per diluted share, compared with $190 million, or $0.52 per diluted share, in 4Q18
- Core earnings of $522 million, or $1.43 per diluted share, increased $238 million from 4Q18
  - P&C underwriting results increased due to lower CAY CATs in Personal Lines and, to a lesser extent, more favorable PYD, partially offset by the inclusion of Navigators results and increased underwriting expenses
  - Group Benefits results reflect a lower group disability loss ratio from favorable incidence and recoveries
  - Net investment income was higher than 4Q18 by 10% largely due to the Navigators acquisition, and income from make whole payments and mortgage loan prepayments
- The core earnings ROE was 13.6% versus 11.6% in 4Q18 due to a 31% increase in trailing 12-month core earnings
- Repurchased 1.8 million common shares for $110 million or $60.04 per share during 4Q19; paid $106 million in common dividends

Consolidated Financial Results ($ in millions, except per share amounts)	4Q18	4Q19
Core earnings	**$284**	**$522**
Net realized capital gains (losses), excluded from core earnings, before tax	(175)	62
Change in deferred gain on retroactive reinsurance, before tax	—	(16)
Integration costs, before tax	(12)	(21)
Income tax benefit (expense)	93	(4)
Net income available to common stockholders	**$190**	**$543**
Preferred stock dividends	6	5
Income from continuing operations, net of tax	**$196**	**$548**
Income tax benefit (expense)	(29)	128
Income from continuing operations, before tax	**$167**	**$676**
Income tax benefit (expense)	29	(128)
Net income	**$196**	**$548**
Core earnings per diluted share[2]	**$0.78**	**$1.43**
Income from continuing operations per diluted share[2,3]	**$0.52**	**$1.49**
Net income (loss) available to common stockholders per diluted share[2,4]	**$0.52**	**$1.49**
Weighted average common shares outstanding and dilutive potential common shares (diluted)[5]	364.0	364.3
Weighted average common shares outstanding (basic)[5]	359.1	360.5
Book value per diluted share	$35.06	$43.85
Book value per diluted share (excluding AOCI)	$39.40	$43.71
Net income (loss) available to common stockholders' ROE ("Net income (loss) ROE")	13.7%	14.4%
Core earnings ROE	11.6%	13.6%

1. *Earnings per diluted share (EPS)*
2. *Includes dilutive potential common shares*
3. *Per diluted share data is based upon income (loss) from continuing operations, after tax, available to common stockholders*
4. *Per diluted share data is based upon net income (loss) available to common stockholders*
5. *in millions*

Core earnings in 4Q19 driven by lower CAY CATs in Personal Lines, strong Group Benefits results and higher net investment income

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- Commercial Lines core earnings decreased $45 million to $292 million from 4Q18
  - Underlying underwriting gain of $94 million was down $56 million from 4Q18 primarily due to a higher CAY loss ratio in workers' comp from ongoing rate pressure particularly in Small Commercial, several large losses in Navigators, higher underwriting expenses and the inclusion of Navigators, which typically runs at a higher underlying combined ratio
  - Higher CAY CATs and less net favorable PYD versus the prior year
  - Net investment income, before tax, rose 21% compared to 4Q18 primarily due to higher asset levels from the Navigators acquisition
- Personal Lines core earnings of $61 million compared to a core loss of $166 million in 4Q18
  - Underwriting gain of $28 million compared to a loss of $253 million in 4Q18 due to lower CAY CAT losses as 4Q18 was impacted by the California wildfires
  - Net investment income rose $6 million, before tax
- Group Benefits core earnings of $161 million were $25 million, or 18%, higher than 4Q18, primarily due to a lower group disability loss ratio and higher partnership income
- Corporate core losses declined $7 million to a loss of $39 million due to higher income from the 9.7% equity interest in the life and annuity business sold in May 2018

Core Earnings By Segment ($ in millions, except per share amounts)	4Q18	4Q19	Change $	Change %
Commercial Lines	$337	$292	$(45)	(13)%
Personal Lines	(166)	61	227	NM
P&C Other Operations	(15)	7	22	NM
Property & Casualty Total	**156**	**360**	**204**	**131%**
Group Benefits	136	161	25	18%
Hartford Funds	38	40	2	5%
Sub-total	**$330**	**$561**	**$231**	**70%**
Corporate	(46)	(39)	7	15%
Core earnings	**$284**	**$522**	**$238**	**84%**

4Q19 key business metrics performance summary

Property & Casualty

- Written premiums of $2.9 billion increased 14% primarily due to Commercial Lines driven by the Navigators acquisition
- Combined ratio of 98.1 in 4Q19, 6.7 points better than 104.8 in 4Q18
- Underlying combined ratio of 95.8, 3.6 points higher than 92.2 in 4Q18 primarily due to higher underwriting expenses, continued pressure in workers' comp from lower pricing, higher non-CAT property losses in Small Commercial and several large losses in Navigators

Commercial Lines

Middle & Large Commercial
Small Commercial
Global Specialty

- Written premiums of $2.2 billion increased 22% over 4Q18 reflecting the inclusion of Navigators
- Small Commercial underlying combined ratio of 91.7 was higher by 5.7 points from 4Q18 driven by higher severity from fire and water, non-weather losses, continued rate pressure in workers' comp and a higher expense ratio
- Middle & Large Commercial underlying combined ratio of 97.4 was better by 2.5 points from 4Q18 primarily due to lower non-CAT property losses, partially offset by a higher expense ratio
- Global Specialty underlying combined ratio of 100.8 was 12.4 points higher than 4Q18 due to the inclusion of Navigators, which typically runs at a higher underlying combined ratio, and several large losses in Navigators

Personal Lines

- Written premiums of $714 million decreased 6% from 4Q18 as non-renewed premium exceeded new business
- The auto underlying combined ratio of 102.5 was 1.1 point lower than 4Q18 largely due to earned pricing increases, partially offset by a higher expense ratio
- The homeowners underlying combined ratio of 79.1 was 10.4 points higher than 4Q18 driven by unusually low non-CAT property losses in 4Q18 and a higher expense ratio in 4Q19
- Underwriting gain of $28 million was $281 million better than prior year primarily due to favorable CAY CATs

Group Benefits

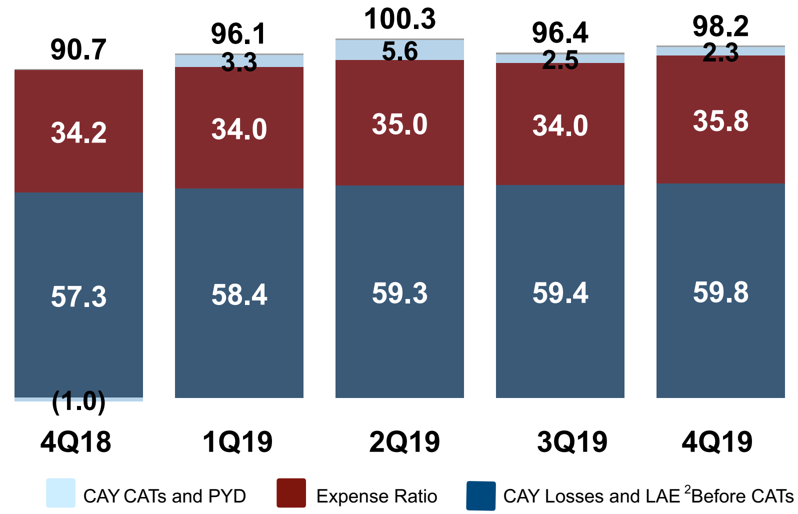
- Core earnings of $161 million rose 18% from $136 million in 4Q18. Strong results were driven by a lower group disability loss ratio, partially offset by a higher expense ratio
- Total loss ratio of 68.8% improved 3.8 points primarily due to a 5.5 point reduction in the group disability loss ratio
- The core earnings margin of 10.6% rose 1.7 points over 4Q18

Commercial Lines: Underlying combined ratio rose 4.2 points over 4Q18

- Combined ratio was 98.2 in 4Q19 compared to 90.7 in 4Q18
  - 1.9 point increase in CAY CAT loss ratio
  - 1.4 point impact from lower net favorable PYD
- Underlying combined ratio of 95.9 increased 4.2 points from 4Q18 reflecting the inclusion of Navigators results, several large losses in Navigators including an explosion in Texas and a Florida tornado which accounted for ~$10 million of CAY losses, continued rate pressure in workers' comp in Small Commercial and higher underwriting expenses driven by increased variable compensation and higher commissions
- Written premiums increased 22% over 4Q18 driven by the Navigators acquisition
  - Excluding Navigators, written premiums were relatively flat
- Standard Commercial[1] new business premiums decreased 12% from 4Q18
  - Small Commercial down 12%
    - Excluding Foremost, Small Commercial up 9%[2]
  - Middle Market down 11%
- Standard Commercial renewal written price increases averaged 3.5%
  - Small Commercial up 2.1%
  - Middle Market[3] up 6.0%

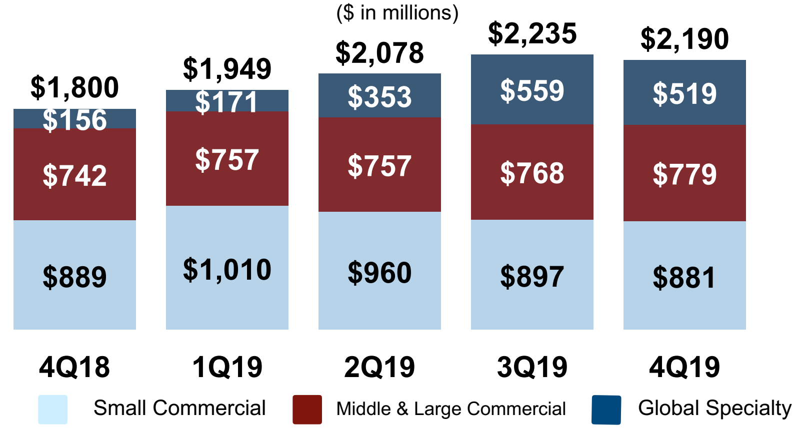
1. Standard Commercial includes Small Commercial and Middle Market
2. New business from the 2018 renewal rights agreement with Farmers Group to acquire its Foremost-branded small commercial business was included in new business in 4Q18
3. Excludes certain risk classes of higher hazard general liability in Middle Market
4. Commercial Lines written premiums include immaterial amounts from Other Commercial

Commercial Lines Combined Ratio[1]



1. Combined ratio includes policyholder dividends ratio
2. Loss adjustment expense (LAE)

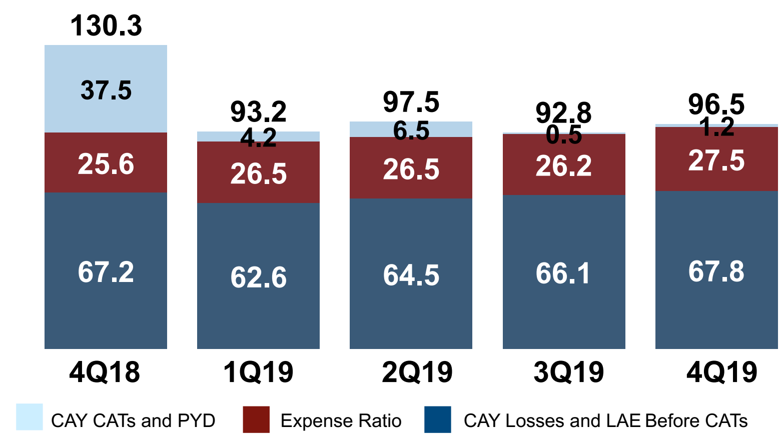
Commercial Lines Written Premiums[4]
($ in millions)



Personal Lines: New business premiums grew 11% over 4Q18 with growth in both auto and homeowners

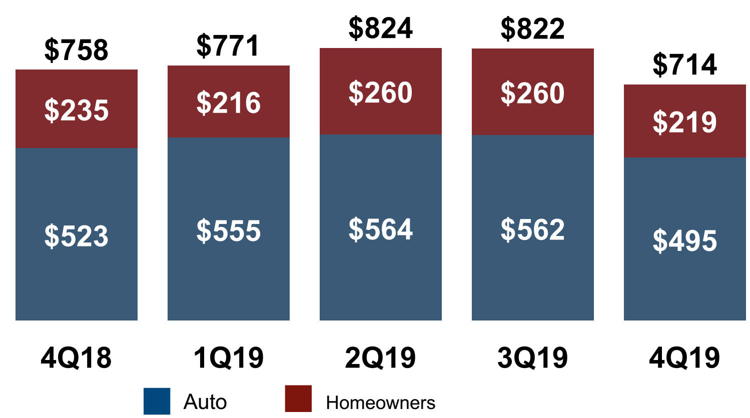
- Combined ratio of 96.5 in 4Q19, 33.8 points better than 4Q18 reflecting:
  - 35.5 point improvement in CAY CATs ratio as 4Q18 included California wildfires
  - 0.8 point impact from higher net favorable PYD
- Underlying combined ratio of 95.3 was 2.5 points higher than 4Q18 primarily due to:
  - 1.9 point increase in expense ratio
  - Higher non-CAT property losses, partially offset by
  - Lower auto loss ratio driven by earned pricing increases
- Written premiums declined 6% from 4Q18, mainly driven by the impact of non-renewals outpacing new business
  - New business premiums of $63 million in 4Q19 increased 11% over 4Q18, with growth in both auto and homeowners
  - Policy count retention was 85% for both auto and homeowners; auto was up 2 points and homeowners was up 1 point from 4Q18
  - Premium retention ratios were 86% and 88% for auto and homeowners, respectively; auto was up 2 points while homeowners was down 2 points from 4Q18
  - Renewal written price increases were 3.9% and 5.1% for auto and homeowners, respectively

Personal Lines Combined Ratio



Written Premiums

($ in millions)

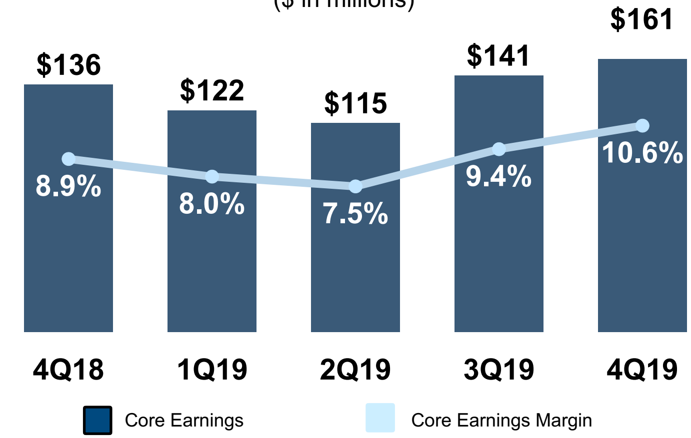


Group Benefits: Core earnings rose 18% over 4Q18 and core earnings margin increased 1.7 points to 10.6%

- Core earnings were $161 million, up $25 million from 4Q18, due to a lower group disability loss ratio, partially offset by higher insurance operating costs and expenses
- Core earnings margin was 10.6% from 8.9% in 4Q18
- Loss ratio of 68.8% improved 3.8 points from 4Q18
  - Group disability loss ratio decreased 5.5 points to 62.0% due to continued favorable incidence trends and strong recoveries on prior incurral year reserves
  - Total life loss ratio decreased 0.7 points to 78.1% due to a better mortality experience
- 4Q19 expense ratio of 25.8% was 1.7 points higher than 4Q18 due to higher variable compensation and investments in technology and claims
- Fully insured ongoing premiums were down 1%, due to persistency running slightly below historical trends

Core Earnings and Core Earnings Margin*

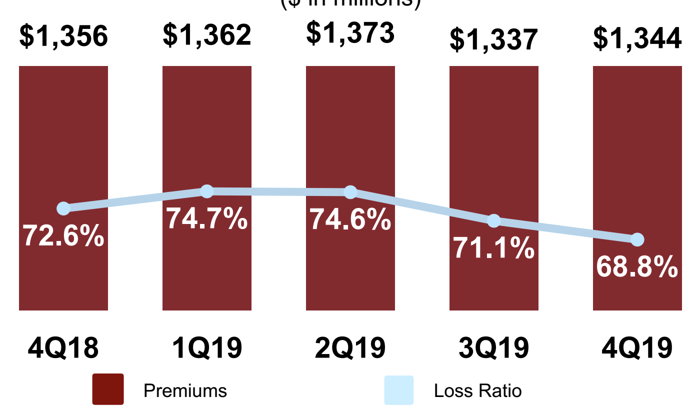
($ in millions)



** Includes amortization of intangibles, after tax, of $9 million, $8 million, $9 million, $8 million and $8 million in 4Q18, 1Q19, 2Q19, 3Q19 and 4Q19 respectively*

Fully Insured Ongoing Premiums[1] & Loss Ratio

($ in millions)

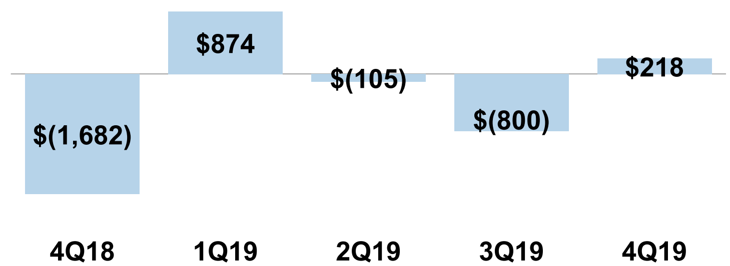


1. Excludes buyout premiums

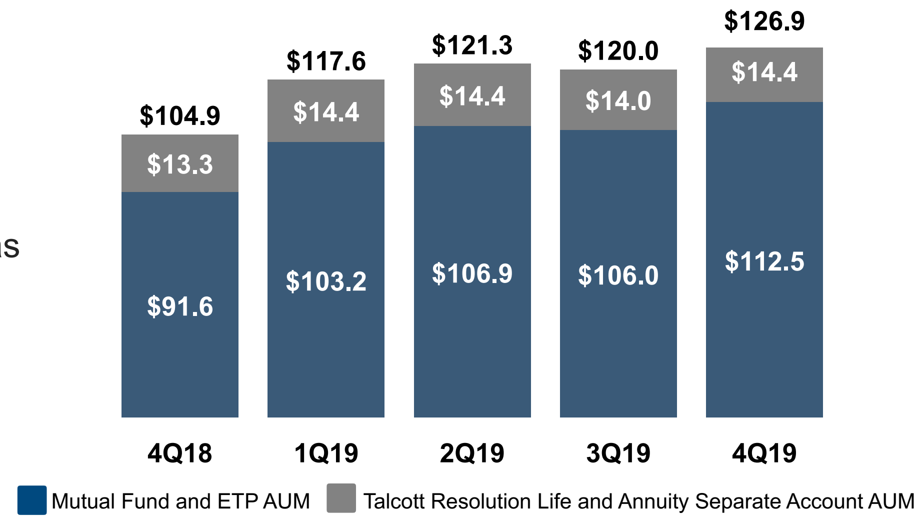
Hartford Funds: Average daily assets under management increased 9% compared with 4Q18

- Core earnings of $40 million in 4Q19 were up 5% compared with 4Q18 due to higher investment management fee revenue
- Total AUM of $127 billion increased 21% from December 31, 2018 driven by strong market performance and, to a lesser extent, net inflows
- Mutual fund and Exchange-traded Products (ETP) net inflows totaled $218 million in 4Q19, compared with net outflows of $1,682 million in 4Q18 with net inflows in 4Q19 driven by positive ETP net flows
- Performance remains strong as overall funds outperformed peers by 62% on a 1-year basis, 73% on a 3-year basis and 72% on a 5-year basis[2]
  - 67% of funds rated 4 or 5 stars by Morningstar as of December 31, 2019

Mutual Fund and ETP Net Flows[1]
($ in millions)



Total AUM[3]
($ in billions)

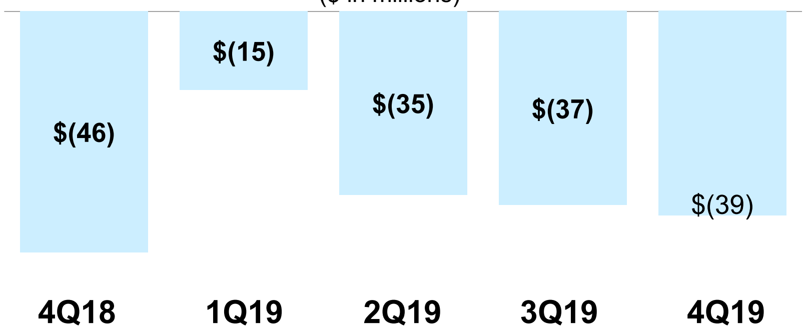


1. *Includes Mutual fund AUM (mutual funds sold through retail, bank trust, registered investment advisor and 529 plan channels) and ETPs*
2. *Hartford Funds and ETPs on Morningstar net of fees basis at December 31, 2019*
3. *Includes Mutual Fund, ETP and Talcott Resolution life and annuity separate account AUM as of end of period*
4. *Represents AUM of the life and annuity business sold in May 2018 that are still managed by Hartford Funds*

Corporate: Core losses of $39 million in 4Q19 decreased $7 million over 4Q18

- 4Q19 Corporate core losses of $39 million decreased $7 million compared to $46 million in 4Q18 due to:
  – An increase in earnings from the 9.7% retained equity interest in the life and annuity business sold in May 2018
- Corporate holding company resources totaled approximately $1.2 billion at December 31, 2019, down from $1.3 billion at September 31, 2019, primarily due to share repurchases

Corporate Core Losses
($ in millions)



Components of Corporate Core Losses

($ in millions)	4Q18	1Q19	2Q19	3Q19	4Q19
Income from retained equity interest in Hopmeadow Holdings, after tax	$6	$22	$2	$11	$17
Net investment income, after tax	22	19	14	8	13
Interest expense, after tax	(55)	(51)	(50)	(53)	(51)
Preferred dividends	(6)	(5)	—	(11)	(5)
All others[1], after tax	(13)	—	(1)	8	(13)
Corporate core losses	**$(46)**	**$(15)**	**$(35)**	**$(37)**	**$(39)**

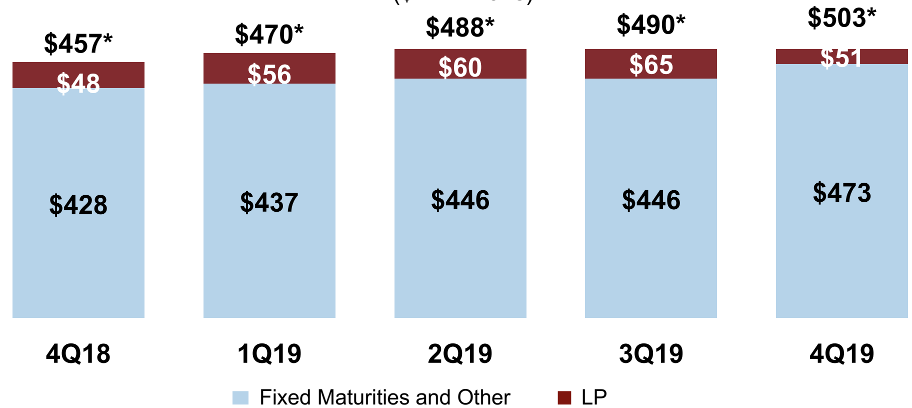
1. *Includes fee income and expenses from managing invested assets of Hopmeadow Holdings and performing transition services, incurred losses related to run-off structured settlement and terminal funding agreement liabilities, stranded costs and other corporate expenses*

Total net investment income for 4Q19 rose to $503 million from $457 million in 4Q18 principally due to higher asset levels

- Total net investment income up 10% over 4Q18
  - Total net investment income, excluding LPs, of $473 million, before tax and before investment expenses, increased $45 million, or 11%, due, in part, to higher invested asset levels, primarily related to the acquisition of Navigators, and income from make whole payments and mortgage loan prepayments
  - LP income of $51 million, before tax, was $3 million over 4Q18 due to higher valuations on underlying private equity and hedge funds
- Annualized investment yield, before tax, was 4.0%, flat compared to 4Q18
  - 11.9% annualized yield, before tax, on LPs in 4Q19 compared with 11.6% in 4Q18
- Annualized investment yield, before tax, excluding LPs, was 3.8%, up 0.1 point from 4Q18 due to increased income from make whole payments and mortgage loan prepayments, partially offset by lower reinvestment rates
  - 4Q19 P&C and Group Benefits annualized investment yields, before tax, excluding LPs, were at 3.7% and 3.9%, respectively, both flat with 4Q18
- Annualized investment yield, after tax, was 3.3% in 4Q19, flat with 4Q18
  - Annualized investment yield, after tax, excluding LPs, was 3.1%, flat with 4Q18

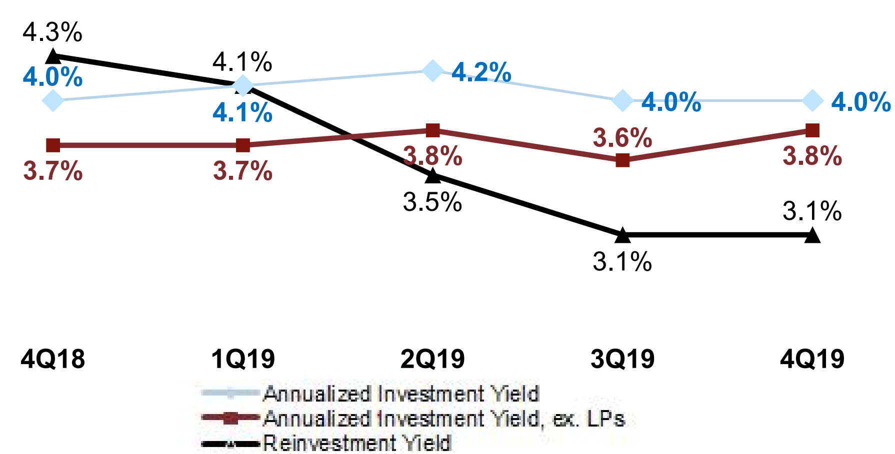
Total Net Investment Income

($ in millions)



* *Total includes investment expenses of $19 million, $23 million, $18 million, $21 million and $21 million in 4Q18, 1Q19, 2Q19, 3Q19 and 4Q19 respectively*

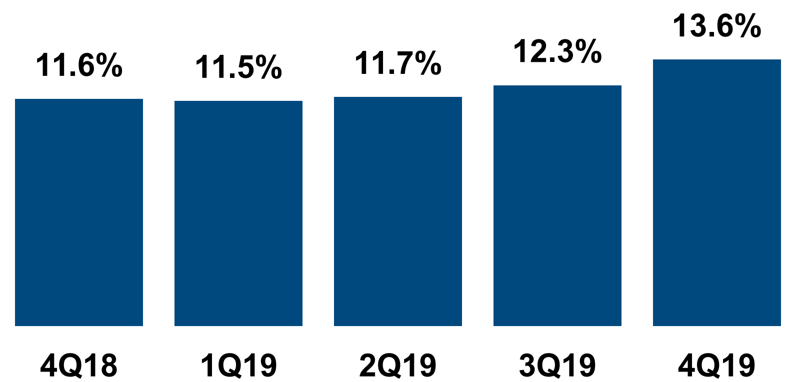
Annualized Investment Yield, Before Tax



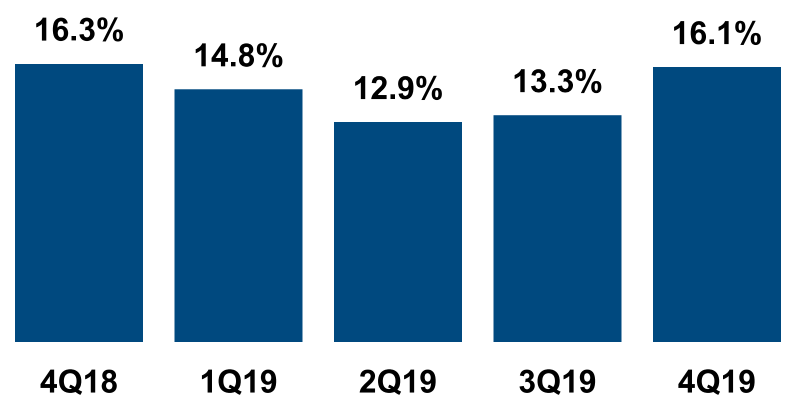
4Q19 core earnings ROE increased 2.0 points from 4Q18 due to higher core earnings

- 4Q19 net income ROE of 14.4% versus 13.7% in 4Q18
- 4Q19 core earnings ROE of 13.6% rose 2.0 points from 11.6% in 4Q18 due to higher core earnings
  - 4Q19 trailing 12-month core earnings increased 31% to $2,062 million from $1,575 million in 4Q18 driven by an increase in P&C underwriting results, a lower group disability loss ratio and higher net investment income
- P&C, Group Benefits, and Hartford Funds 4Q19 core earnings ROE compared with 4Q18:
  - P&C was 16.1% in 4Q19 versus 16.3% in 4Q18
  - Group Benefits rose to 14.8% versus 12.3% in 4Q18
  - Hartford Funds was 47.8% versus 54.8% in 4Q18

Consolidated Core Earnings ROE



P&C Core Earnings ROE



FY19 core earnings of $2.1 billion rose 31% over FY18 as Group Benefits and Personal Lines improved year-over-year

- Core earnings increased in both P&C and Group Benefits. In Corporate, core loss decreased, partially offset by lower earnings at Hartford Funds
- P&C core earnings driven by:
  - Higher net investment income
  - Lower CAY CAT losses in Personal Lines, partially offset by;
  - Higher underwriting expenses
  - Less favorable PYD
  - Lower earned premium in Personal Lines
  - Continued rate pressure in workers' comp in Small Commercial
  - Navigators, which typically runs at a higher combined ratio
- Group Benefits core earnings increase reflects:
  - A lower group disability loss ratio due to favorable incidence trends and strong claim recoveries on prior incurral year reserves
  - Higher net investment income, partially offset by;
  - Higher expenses and a higher group life loss ratio
- Net investment income, before tax, rose 10% over 2018 principally due to higher asset levels from the Navigators acquisition, prepayments on mortgage loans and higher LP income

Core Earnings By Segment ($ in millions, except per share amounts)	FY18	FY19	Change
Commercial Lines	$1,245	$1,173	(6)%
Personal Lines	(28)	285	NM
P&C Other Operations	13	46	NM
Property & Casualty Total	**1,230**	**1,504**	22%
Group Benefits	427	539	26%
Hartford Funds	151	145	(4)%
Sub-total	**1,808**	**2,188**	21%
Corporate	(233)	(126)	46%
Core earnings	**1,575**	**2,062**	**31%**
Net realized capital gains (losses), before tax	(118)	389	NM
Integration and transaction costs, before tax	(47)	(91)	(94)%
Change in loss reserves upon acquisition of a business, before tax	—	(97)	NM
Loss on reinsurance transactions, before tax	—	(91)	NM
Loss on extinguishment of debt, before tax	(6)	(90)	NM
Change in deferred gain on retroactive reinsurance, before tax	—	(16)	NM
Income tax benefit (expense)	75	(2)	NM
Income from discontinued operations, after tax	322	—	NM
Net income available to common stockholders	**1,801**	**2,064**	**15%**
Preferred stock dividends	6	21	NM
Income from discontinued operations, after tax	(322)	—	NM
Income from continuing operations, after tax	**1,485**	**2,085**	**40%**
Income tax expense	268	475	77%
Income before income taxes	**1,753**	**2,560**	**46%**
Income from discontinued operations, after tax	322	—	NM
Income tax expense	(268)	(475)	(77)%
Net income	**1,807**	**2,085**	**15%**
Core earnings per diluted share	**4.33**	**5.65**	**30%**
Income from continuing operations per diluted share	**4.06**	**5.66**	**39%**
Net income available to common stockholders per diluted share	**4.95**	**5.66**	**14%**
Wtd. avg. diluted shares outstanding	364.1	364.9	—%
Wtd. avg. common shares outstanding	358.4	360.9	1%

We have further reduced leverage in 2019 and are nearing leverage target of low-to mid-twenties

Recent actions:

- Repaid $413 million debt maturity in January 2019
- Issued $600 million of senior notes due 2029 and $800 million of senior notes due 2049
- Used proceeds to pay off $1.1 billion of higher rate debt with average coupon rates for refinanced debt decreasing from 5.3% to 3.3%
  - $1.1 billion includes $265 million of Navigators senior note assumed May 23, 2019 as part of the acquisition
- Total debt and preferred stock ratio[1] was 24.6% at December 31, 2019
  - Net increase in senior debt par of $187 million

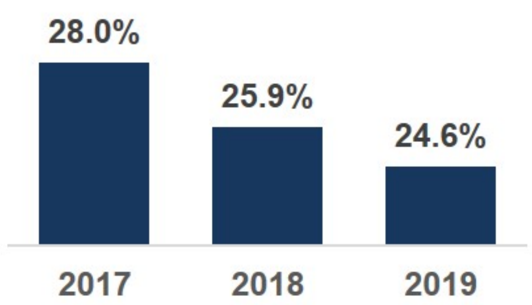
Future actions:

- Expect to repay 5.5% senior note par of $500 million in March 2020
- Pro forma December 31, 2019 debt and preferred stock ratio of 22.8% with expected March 2020 repayment[3]

Capital Structure
($ in millions)

	12/31/17	12/31/18	12/31/19
Senior notes	$3,416	$3,589	$3,759
Junior subordinated debentures	$1,582	$1,089	$1,089
Total Debt	**$4,998**	**$4,678**	**$4,848**
Preferred stock[2]	$0	$334	$334
Common shareholders equity, ex. AOCI	$12,831	$14,346	$15,884
Total Capitalization, ex. AOCI	**$17,829**	**$19,358**	**$21,066**

Total Debt and Preferred Stock Ratio (ex. AOCI)



Debt to Capitalization Ratios

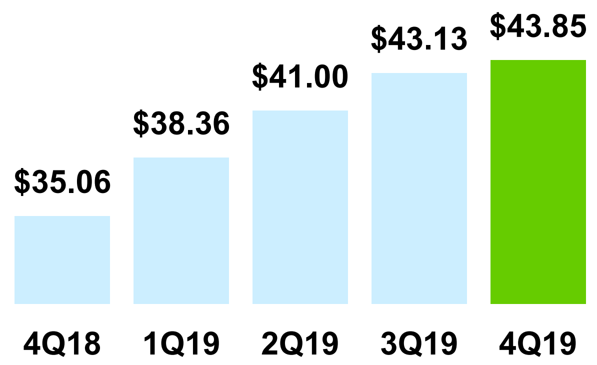
	12/31/17	12/31/18	12/31/19
Total debt	28.0%	24.2%	23.0%
Total debt and preferred stock	28.0%	25.9%	24.6%
Rating agency adjusted[4]	28.8%	29.2%	26.1%

1. Total debt and preferred stock ratio = Total debt, including hybrids, and preferred stock divided by total capital excluding AOCI
2. Net of issuance costs
3. 2019 pro forma reflects the repayment of the $500 million 5.5% senior note in March 2020
4. The rating agency adjusted leverage calculation reflects adjustments related to the Company's defined benefit plans' unfunded pension liability, the Company's rental expense on operating leases and uncollateralized letters of credit for Lloyd's of London for a total adjustment of $1.1 billion and $0.9 billion as of December 31, 2019 and 2018, respectively. Reflects 25% equity credit for the Company's outstanding junior subordinated debentures and 50% equity credit for the Company's outstanding preferred stock

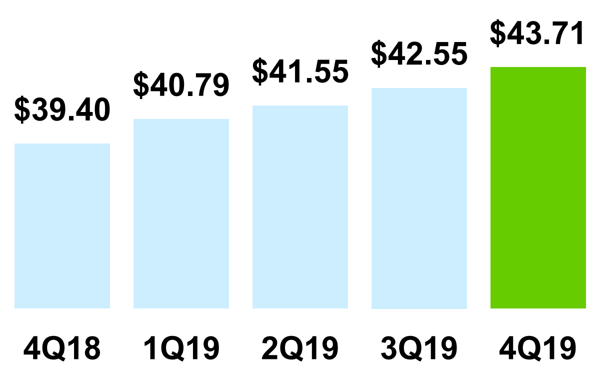
BVPS (ex. AOCI) of $43.71 was up 11% from Dec. 31, 2018 and shareholder value creation (SVC)[1] was 15% over last 12 months

- $43.85 BVPS at December 31, 2019
  - Up 25% from Dec. 31, 2018 due to higher common stockholders' equity resulting primarily from an increase in AOCI in 2019, as well as net income in excess of dividends
- $43.71 BVPS (ex. AOCI) at December 31, 2019
  - Up 11% from Dec. 31, 2018 primarily due to full year net income in excess of stockholder dividends
- FY19 share repurchases totaled $200 million for 3.4 million shares (average of $58.64 per share)
- In 2019, $633 million returned to shareholders, consisting of $433 million in common stockholder dividends paid and $200 million of common share repurchases
- Including common stockholder dividends paid and share repurchases, SVC was 15% over last 12 months
- A dividend of $0.325 per share of common stock was declared, payable April 2, 2020, an increase of 8% in the dividend rate

Book Value Per Diluted Share (BVPS)



Book Value Per Diluted Share (ex. AOCI)



1. *Shareholder value creation (SVC) in a period is defined as the change in BVPS (ex. AOCI) plus common stockholder dividends paid and share repurchases during the period, divided by BVPS (ex. AOCI) at beginning of period*

APPENDIX

P&C A&E[1] reserve strengthening in 4Q19 offset by reinsurance recoverable from National Indemnity Company

- No net incurred losses in 4Q19 as a $117 million increase in A&E reserve prior to the ADC was offset by a $117 million reinsurance recoverable from National Indemnity Company under the ADC
- Cumulative ceded incurred losses of $640 million under the ADC is still less than ceded premium paid of $650 million resulting in no deferred gain
- Asbestos unfavorable PYD of $65 million ($76 million before tax in P&C Other Operations), primarily due to:
  - An increase in average settlement values, most notably from mesothelioma claims, driven by elevated plaintiff demands
  - Cost-sharing agreements and settlements with certain insureds reduced the uncertainty of the Company's asbestos liability but resulted in a reserve increase
  - Partially offsetting the adverse development was a decrease in the number of claim filings, most notably from mesothelioma claims
- Environmental unfavorable PYD of $52 million, before tax ($56 million before tax in P&C Other Operations), primarily due to:
  - Regulatory remediation requirements changed in 2019 for certain sites polluted by coal ash, resulting in more costly and extensive remediation plans
  - A higher than anticipated number of claims associated with per & polyfluoralkyl substances (PFAS)
  - Increased defense and cleanup costs associated with Superfund sites

U.S. A&E Net Reserves Liability
($ in millions)

	FY 2017	FY 2018	FY 2019	Through 12/31/19
Adverse development before ADC - P&C Other Ops	$293	$235	$132	$660
Adverse (favorable) development before ADC - Commercial & Personal	$(8)	$3	$(15)	$(20)
Total adverse development recognized before ADC	**$285**	**$238**	**$117**	**$640**
Losses ceded to ADC - P&C Other Ops	$(293)	$(235)	$(132)	$(660)
Losses ceded to ADC - Commercial & Personal	$8	$(3)	$15	$20
Total losses ceded to ADC	**$(285)**	**$(238)**	**$(117)**	**$(640)**
Net incurred losses for the period	-	-	-	-
Cumulative losses ceded to the ADC				$640
Ceded premium paid for the ADC				$650
Remaining amount before deferred gain is recognized				**$10**
Remaining available of $1.5 billion ADC treaty limit				**$860**

1. Asbestos and Environmental (A&E)

2020 Catastrophe Reinsurance Program

2020 property catastrophe treaties

Primary Property Catastrophe Reinsurance Coverages as of January 1, 2020

($ in millions, except as otherwise indicated)

	Portion of losses reinsured	Portion of losses retained by The Hartford
Per Occurrence Property Catastrophe Treaty from 1/1/2020 to 12/31/2020 [1] [2]		
Losses of $0 to $150	None	100% retained
Losses of $150 to $350 for named storms and earthquakes	None	100% retained
Losses of $150 to $350 from one event other than named storms and earthquakes	70% of $200 in excess of $150	30% co-participation
Losses of $350 to $500 from one event (all perils)	75% of $150 in excess of $350	25% co-participation
Losses of $500 to $1.1 billion from one event [3] (all perils)	90% of $600 in excess $500	10% co-participation
Aggregate Property Catastrophe Treaty for 1/1/2020 to 12/31/2020 [4]		
$0 to $700 of aggregate losses	None	100% retained
$700 to $900 of aggregate losses	100%	None
Workers' Compensation Catastrophe Treaty for 1/1/2020 to 12/31/2020		
Losses of $0 to $100 from one event	None	100% retained
Losses of $100 to $450 from one event [5]	80% of $350 in excess of $100	20% co-participation

[1] As of January 1, 2020 Navigators Group (Global Specialty) is included in the Corporate Property Catastrophe treaties. These treaties do not cover the assumed reinsurance business which purchases its own retrocessional coverage

[2] In addition to the Property Occurrence Treaty for Florida events, The Hartford has purchased the mandatory FHCF reinsurance for the period from 6/1/2019 to 5/30/2020. Retention and coverage varies by writing company. The writing company with the largest coverage under FHCF is Hartford Insurance Company of the Midwest, with coverage for approximately $67 of per event losses in excess of a $27 retention

[3] Portions of this layer of coverage extend beyond traditional one year term

[4] The aggregate treaty is not limited to a single event; rather, it is designed to provide reinsurance protection for the aggregate of all catastrophe events (up to $350 per event), either designated by The Property Claim Services office of Verisk or, for international business, net losses arising from two of more risks involved in the same loss occurance totaling either least $500 thousand. All catastrophe losses apply toward satisfying the $700 attachment point under the aggregate treaty

[5] In addition to the limits shown, the workers' compensation reinsurance includes a non-catastrophe, industrial accident layer, providing coverage for 80% of $30 in per event losses in excess of a $ 20 retention