

# Profile

*The Hartford Financial Services Group, Inc.*



## AT A GLANCE

Founded in 1810, The Hartford is recognized for its financial strength and stability, operational excellence and superior customer service.

2006 Revenues	2006 Net Income	2006 Core Earnings <sup>1</sup>	2006 Assets	2006 Liabilities	2006 Stockholders' Equity
\$26.5 billion	\$2.7 billion	\$2.9 billion	\$326.7 billion	\$307.8 billion	\$18.9 billion

THE HARTFORD FINANCIAL DATA (\$ in millions)	2006	2005	2004
Revenues	\$26,500	\$27,083	\$22,708
Written Premiums (P&C Ongoing Operations) <sup>3</sup>	10,658	10,483	9,972
Earned Premiums (P&C Ongoing Operations)	10,428	10,152	9,470
Life Premiums, Fee Income and Other Revenues	9,316	8,203	7,536
Net Income <sup>2</sup>	2,745	2,274	2,115
Core Earnings <sup>1,2</sup>	2,865	2,242	1,972
Assets Under Management <sup>4</sup>	377,599	322,972	291,696
Mutual Fund Assets	43,732	32,705	28,068
Stockholders' Equity	18,876	15,325	14,238
Combined Ratio (P&C Ongoing Operations)	89.3%	93.2%	95.3%

## 2006 MARKET PROFILE

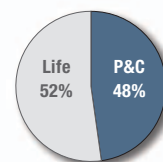
One of Fortune's Most Admired Companies.  
 A Fortune 100 Company (78th).  
 One of Forbes' World's Largest Companies (125th).  
 A DALBAR Award Winner for Customer Service.

### Property and Casualty

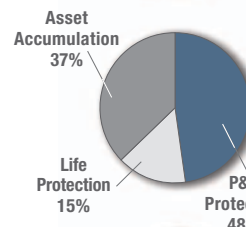
#11 property and casualty insurer, based on direct written premium.  
 #5 commercial insurance carrier, based on direct written premium.  
 #12 personal lines carrier, based on direct written premium.  
 #5 workers' compensation insurer, based on direct written premium.  
 Recognized for providing "An Outstanding Customer Service Experience" under J.D. Power and Associates Certified Call Center Program.<sup>SM</sup>

### Life

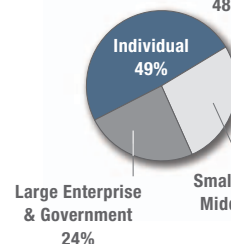
#4 life insurance group, based on statutory assets.  
 #1 in variable annuity assets under management in Japan.  
 #3 seller of retail variable annuities in the U.S.  
 #1 in fully insured group disability sales.  
 #2 in variable universal life sales.



**Business Mix**  
 The Hartford is well positioned for growth with a diverse business mix.



**Portfolio Balance**  
 The Hartford's earnings are divided between its insurance protection and its investment product businesses.



**Customer Base**  
 Our diversified customer base is reflected across Life and P&C operations.

\* All charts reflect 2006 Life and P&C Core Earnings. Customer base chart excludes P&C Other Operations.

<sup>1</sup> The Hartford uses the non-GAAP financial measure core earnings as an important measure of the company's operating performance. The Hartford believes that the measure core earnings provides investors with a valuable measure of the performance of the Company's ongoing businesses because it reveals trends in our insurance and financial services businesses that may be obscured by the net effect of certain realized capital gains and losses. Some realized capital gains and losses are primarily driven by investment decisions and external economic developments, the nature and timing of which are unrelated to the insurance and underwriting aspects of our business. Accordingly, core earnings excludes the effect of all realized gains and losses (net of tax and the effects of deferred policy acquisition costs) that tend to be highly variable from period to period based on capital market conditions. The Hartford believes, however, that some realized capital gains and losses are integrally related to our insurance operations, so core earnings includes net realized gains and losses such as net periodic settlements on credit derivatives and net periodic settlements on the Japan fixed annuity cross-currency swap. These net realized gains and losses are directly related to an offsetting item included in the income statement such as net investment income. Core earnings is also used by management to assess our operating performance and is one of the measures considered in determining incentive compensation for our managers. Net income is the most directly comparable GAAP measure. Core earnings should not be considered as a substitute for net income and does not reflect the overall profitability of our business. Therefore, The Hartford believes that it is useful for investors to evaluate both net income and core earnings when reviewing the company's performance.

<sup>2</sup> The year ended December 31, 2004 includes a \$216 tax benefit related to agreement with the IRS on the resolution of matters pertaining to tax years prior to 2004.

<sup>3</sup> Written premiums is a statutory accounting financial measure used by The Hartford as an important indicator of the operating performance of the company's property and casualty operations. Written premium represents the amount of premium charged for policies issued, net of reinsurance, during a fiscal period. Earned premium, the most directly comparable GAAP measure, represents all premiums that are recognized as revenues during a fiscal period. The difference between written premium and earned premium is attributable to the change in unearned premium reserves.

<sup>4</sup> Includes mutual fund assets and third party assets managed by Hartford Investment Management Company.



## THE HARTFORD EMPLOYMENT

<u>Worldwide</u>	<u>U.S.</u>	<u>Connecticut</u>
31,000	30,250	13,000

## RATINGS

(February 16, 2007)

	<u>A.M. BEST</u>	<u>FITCH</u>	<u>MOODY'S</u>	<u>STANDARD &amp; POOR'S</u>
Hartford Fire Insurance Company	A+	AA	Aa3	AA-
Hartford Life Insurance Company	A+	AA	Aa3	AA-
Hartford Life and Accident Insurance Company	A+	AA	Aa3	AA-
Hartford Life and Annuity Insurance Company	A+	AA	Aa3	AA-
Hartford Life Insurance KK (Japan)	-	-	-	AA-
Hartford Life Limited (Ireland)	-	-	-	AA-

## CONSOLIDATED INVESTMENT PORTFOLIO

(December 31, 2006)

### FIXED MATURITIES

AAA Bonds	29.2 %
AA Bonds	12.8 %
A Bonds	22.6 %
BBB Bonds	21.9 %
Gov't Bonds	6.8 %
BB and Below Bonds	4.6 %
Short-term Bonds	2.1 %
	<u>100.0 %</u>

### COMPOSITION OF INVESTMENT ASSETS

Fixed Maturities	67.8 %
Equity Securities, trading	24.7 %
Equity Securities, available for sale	1.4 %
Policy Loans	1.7 %
Real Estate/Mtg Loans	2.8 %
Limited Partnerships	1.0 %
Other	0.6 %
	<u>100.0 %</u>

## SELECTED COMPANIES OF THE HARTFORD

### PROPERTY & CASUALTY

Hartford Accident and Indemnity Company  
Hartford Casualty Insurance Company  
Hartford Fire Insurance Company  
Hartford Insurance Company of Illinois  
Hartford Insurance Company of the Midwest  
Hartford Insurance Company of the Southeast  
Hartford Lloyd's Insurance Company  
Hartford Underwriters Insurance Company  
Nutmeg Insurance Company  
Pacific Insurance Company, Limited  
Property and Casualty Insurance Company of Hartford  
Sentinel Insurance Company, Ltd.  
Trumbull Insurance Company  
Twin City Fire Insurance Company

### INTERNATIONAL

Excess Insurance Company, Limited (United Kingdom)  
The Hartford International Financial Services Group, LLC (U.S.)  
Hartford International Management Services Company, LLC (U.S.)  
Hartford Investments Canada Corp. (Canada)  
Hartford Life Insurance K.K. (Japan)  
Hartford Life International, Ltd. (U.S.)  
Hartford Life Limited (Europe)  
Hartford Management, Ltd. (Bermuda)  
Heritage Reinsurance Company, Ltd. (Bermuda)  
Icatu Hartford Capitalizaçao, S.A. (Brazil)  
New Ocean Insurance Company, Ltd. (Bermuda)

### HARTFORD LIFE, INC.

Hartford Life and Accident Insurance Company  
Hartford Life and Annuity Insurance Company  
Hartford Life Insurance Company  
Hartford Life Private Placement, LLC  
Hartford International Life Reassurance Corporation  
The Hartford Mutual Funds, Inc.  
PLANCO Financial Services, LLC  
Woodbury Financial Services, Inc.

### INVESTMENT SERVICES OPERATIONS

Hartford Investment Financial Services, LLC  
Hartford Investment Management Company

### SERVICE COMPANIES

1st Ag Choice, Inc.  
Business Management Group, Inc.  
Hartford – Comprehensive Employee Benefit Service Company  
HL Investment Advisors, LLC  
Horizon Management Group, LLC  
Specialty Risk Services, LLC  
Trumbull Services, LLC