

3rd Quarter 2009 Investor Presentation



Hartford Financial Services Group, Inc.

November 4, 2009



Safe Harbor Statement

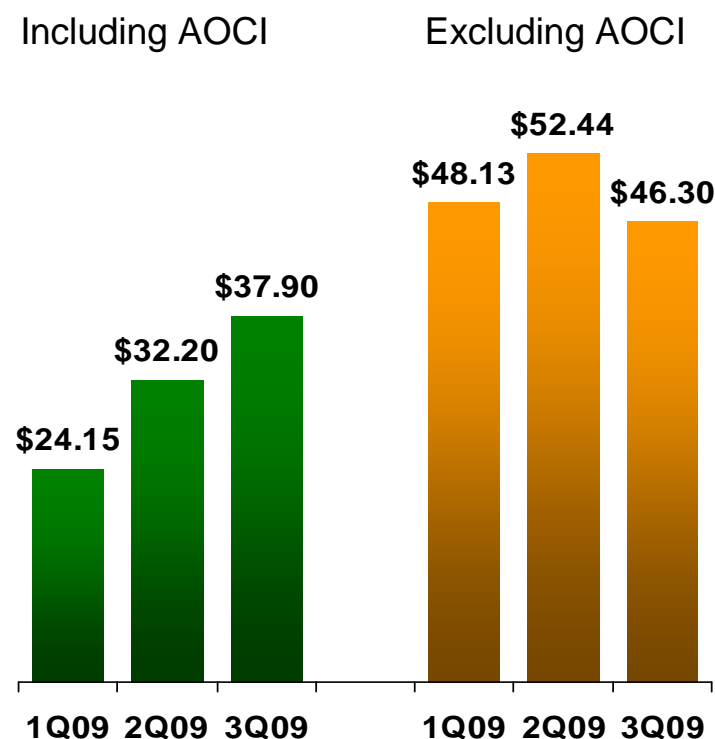
Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in The Hartford's press release issued on November 3, 2009, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, our 2008 Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles, or GAAP. Information regarding these non-GAAP and other financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in the Investor Financial Supplement for the third quarter of 2009, in The Hartford's press release issued on November 3, 2009, and in the Investor Relations section of The Hartford's website at www.thehartford.com.

Key results for the third quarter of 2009

- Book value per share grew 18% since 2Q09 to \$37.90
- Net loss of \$220 million, or \$0.79 per share, including net realized capital losses of \$885 million after tax
- Core earnings* were \$660 million or \$1.56 per diluted share
 - P&C core earnings were \$246 million, up 16% from 2Q09
 - Increasing account values and a favorable DAC unlock drove Life's core earnings to \$499 million

Book Value per Common Share

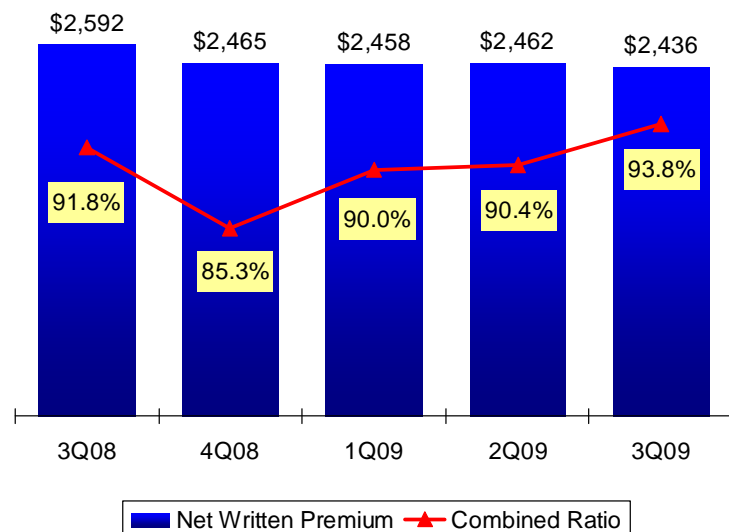


*Denotes financial measure not calculated based on generally accepted accounting principles



Property & Casualty – Generated improved earnings in the third quarter confirming the vitality of the franchise

Property & Casualty Ongoing Operations Written Premium* & Combined Ratio**



*Denotes financial measure not calculated based on generally accepted accounting principles

**Excludes catastrophes and prior year development

- **P&C is executing well**

- Core earnings of \$246 million were 58% above 3Q08 and 16% higher than 2Q09
- Ongoing operations current accident year combined ratio was 91.4% for the first 9 months of 2009, excluding catastrophes
- Personal lines and small commercial recorded 26% and 20% year-over-year increase in new business, respectively

- **Macroeconomic challenges exist**

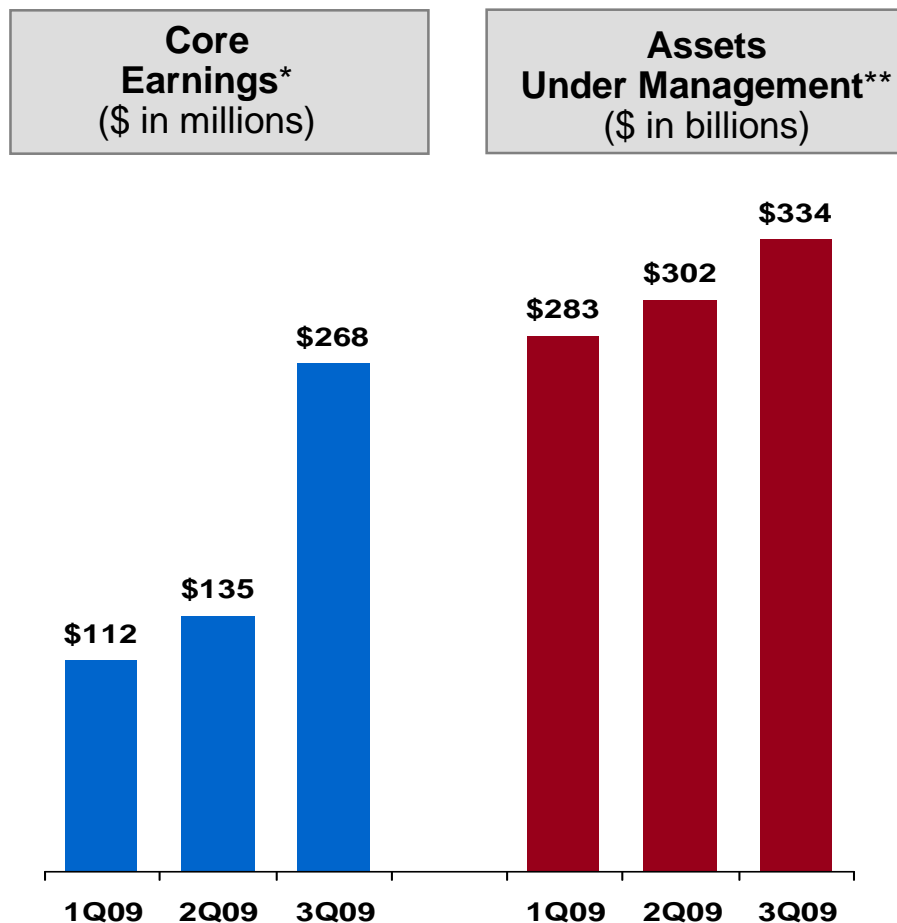
- Weak economy reducing exposure base and pressuring economically sensitive premiums
- Lack of credit slowing business expansions and formations

- **Committed to the path forward**

- Maintaining strong relationships with distribution partners
- Remaining a disciplined underwriter with a strong orientation to superior service
- Developing and enhancing product offerings/sophistication/segmentation across all business lines

Life – Earnings increased significantly on the strength of a stabilized franchise and positive equity markets

Life Operations



*Excludes effect of DAC unlocks

**Denotes financial measure not calculated based on generally accepted accounting principles

- Core earnings in 3Q09 were \$499 million compared to \$(541) million in 3Q08
 - Excluding DAC unlock impacts, 3Q09 core earnings increased 99% sequentially over 2Q09
 - Margins in equity-sensitive businesses are improving
- Mutual fund deposits exceeded \$3 billion for second consecutive quarter
- Group benefits generated 3Q09 core earnings of \$85 million, driven by favorable mortality
- Sales and deposit levels in Individual Life and Retirement Plans have stabilized
- Re-alignment of operations on track to be complete in 2009



Our P&C and Life insurance operations finished the third quarter of 2009 well capitalized

- P&C operations statutory surplus increased about \$400 million in the third quarter of 2009 to \$6.8 billion
 - Increase primarily driven by statutory operating income
 - Net investment-related impacts were minimal
- Life operations statutory surplus finished third quarter of 2009 at \$6.0 billion, slightly down from the June 30, 2009 surplus of \$6.1 billion
 - VA business generated \$250 million in capital
 - Non-annuity businesses generated about \$200 million in statutory earnings
 - Net investment-related impacts were a loss of about \$500 million



We are well-positioned to withstand both a decline in equity markets and significant investment-related impacts

(\$ in millions)

<u>Projected Sources of Capital</u>	<u>2H 2009</u>
- Estimated 6/30/09 P&C and Life capitalization in excess of “AA-” ratings	\$2,300
- Statutory earnings (excluding VA- and investment-related impacts)	700
- Q209 Holding Company resources (including CPP funds)	3,600
- Proceeds from Q3 equity offering	900
- Untapped contingent capital facility and bank lines	2,400
Total Sources of Capital	\$ 9,900
<u>Potential Uses of Capital</u>	
- Global VA impact @ YE09 S&P 1057 (including VA CARVM) [1]	1,000
- Investment-related impacts (2% of invested assets) [2]	1,600
- Holding company interest/dividends	300
- Expiration of Life DTA permitted practice	200
- Allianz payment	200
Total Potential Uses of Capital	\$ 3,300
<u>Equity Market Sensitivity</u>	
- Global VA impact @ YE09 S&P 700 [1]	\$ 1,700

[1] VA impacts include statutory earnings and other changes in surplus and required capital

[2] Based on approximately \$90 billion of statutory invested assets at 6/30/09. Includes impairments, net realized gains (losses) from sales, mark-to-market, downgrades, partnership investment losses, and risk-based capital asset risk charges



We have revised our full year 2009 core earnings guidance to a range of \$0.85 to \$1.05 per share

- This equates to a fourth quarter 2009 core earnings range of about \$0.65 to \$0.80 per diluted share, which assumes:
 - Average diluted weighted shares outstanding of approximately 423 million for fourth quarter 2009
 - A pre-tax loss on limited partnerships and other alternative investments of \$110 million to \$120 million in the fourth quarter of 2009
 - A fourth quarter 2009 restructuring charge of \$30 million, after tax
 - Preferred dividends and amortization of discount of \$63 million on the CPP preferred stock in the fourth quarter of 2009

3rd Quarter 2009 Investor Presentation



Questions & Answers

The Hartford Financial Services Group, Inc.

3rd Quarter 2009 Investor Presentation

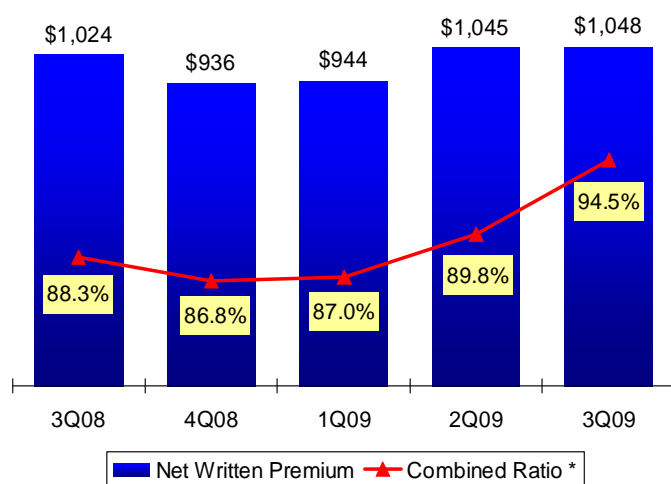


Appendix

The Hartford Financial Services Group, Inc.

Personal Lines new business is up, policy counts have increased and premium retention has stabilized

Written Premium and Combined Ratio*



Full year 2009 guidance

- Written premium growth: Flat to 2%
 - Previously (1%) to 2%
- Combined Ratio*: 90.5% to 92.5%
 - Previously 89.5% to 92.5%

* Excludes catastrophes and prior year development

- **Written premium continues to grow**

- Up 3% year-over-year excluding Florida agency homeowners' non-renewals
- Driven by 26% growth in new business
- Pricing has increased while premium retention has stabilized and policy counts have grown

- **Profitability remains within expectations**

- Continuing to take rate actions to address lower average premium and an uptick in frequency
- Frequency is higher industry-wide, likely due to increased miles driven
- Focusing new business growth on more preferred customers

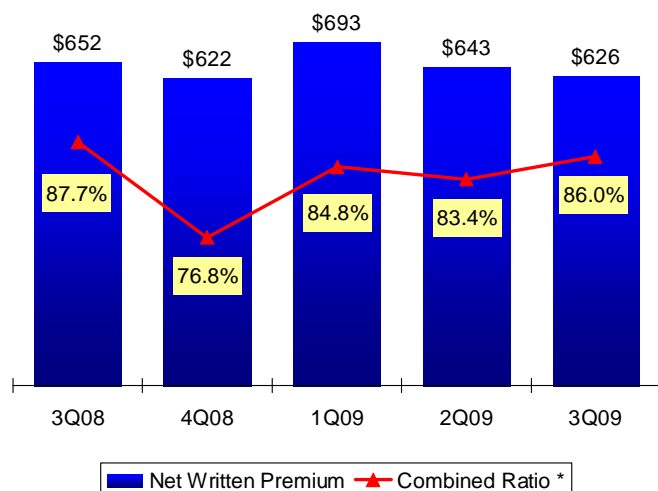
- **AARP-through-agents expansion**

- Early results show increased flow and issue rates from strong agent demand
- Expanding into 6 more states by year-end

Small Commercial continues to deliver strong earnings while new business growth surges



Written Premium and Combined Ratio*



Full year 2009 guidance

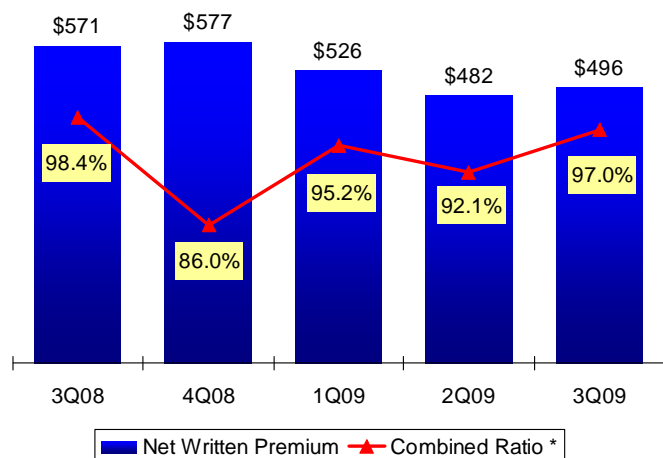
- Written premium growth: (6%) to (4%)
 - Previously (6%) to (3%)
- Combined Ratio*: 84% to 86%
 - Previously 84% to 87%

- 15th consecutive quarter with a sub-90% combined ratio*
- 3Q new business was up 20% over prior year
 - Driven by workers' comp and the success of new "Growing Spectrum" product
 - Continued strength of distribution relationships
- Policies in force approaching 1.1 million
 - Policy counts continue to grow
 - Premium retention lower as the effects of the recession reduce payrolls and other exposures
 - Pricing is relatively stable overall; we continue to take selective rate actions
- "Growing Spectrum" growth and roll-out
 - New business up strongly where launched
 - In 30 states by year-end, 17 more in 1Q10

* Excludes catastrophes and prior year development

Middle Market's strict underwriting discipline is maintaining profitability

Written Premium and Combined Ratio*



Full year 2009 guidance

- Written premium growth: (11%) to (9%)
 - Previously (8.5%) to (5.5%)
- Combined Ratio*: 94% to 96%
 - Previously 93.5% to 96.5%

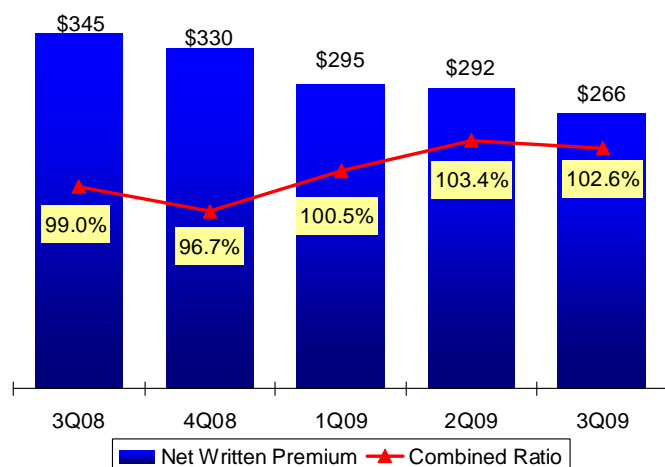
- **Combined ratio* remains strong, on track to achieve 2009 guidance**
 - 3Q underwriting results up 9% over 2Q09
 - Results reflect continued underwriting discipline
- **A weak economy is the primary driver behind written premium decline**
 - Premium retention is down as payrolls shrink and revenues contract, reflecting industry-wide trends
 - We continue to take rate – written price improved 4% year-over-year – though pricing remains negative
 - New business flows continue to increase
- **Strengthening the breadth of our offerings**
 - Upgrading risk scoring and pricing model for Auto to be launched in the 4th quarter
 - Expanding industry-focused offerings

* Excludes catastrophes and prior year development

Specialty Commercial demonstrates resiliency in the third quarter



Written Premium and Combined Ratio*



Full year 2009 guidance

- Written premium growth: (18.5%) to (16.5%)
 - Previously (16.5%) to (13.5%)
- Combined Ratio*: 100.5% to 102.5%
 - Previously 98.5% to 101.5%

▪ Written premium down, but businesses positioned for success

- Economic downturn, First State Mgt Group sale, and reinsurance changes significantly contributed to net premium decline
- Hartford Financial Products is re-staffed and new business flow is ahead of expectations
- Specialty Casualty's new business submissions running ahead of prior year in both Construction and National Accounts

• Profitability remains strong with underwriting results favorable to prior year

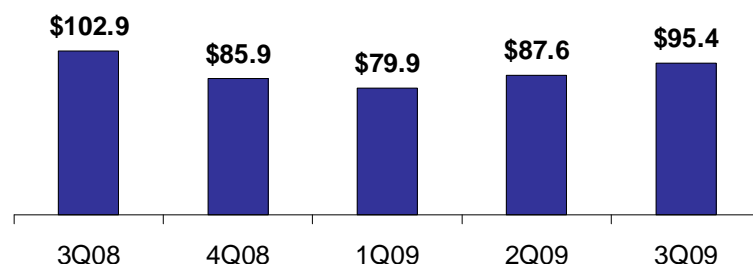
- Cost discipline to maintain a competitive expense ratio
- Continue focus on underwriting discipline

* Excludes catastrophes and prior year development

Individual Annuity's growth in earnings and assets under management reflect improving financial markets

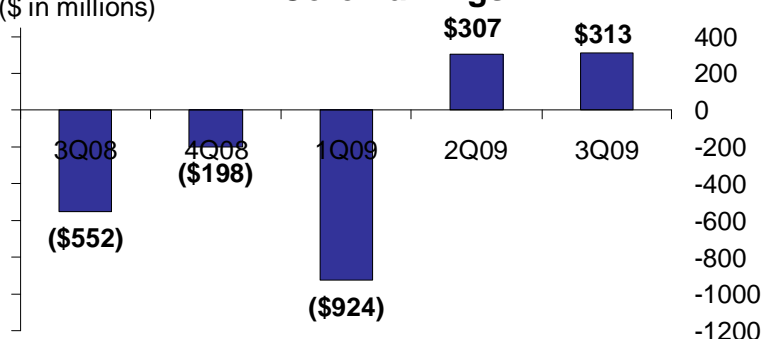
Individual Annuity Assets Under Management

(\$ in billions)



Individual Annuity Core Earnings*

(\$ in millions)



* Includes DAC unlocks of (\$721), (\$989), \$246, and \$224, after tax, for 3Q08, 1Q09, 2Q09, and 3Q09, respectively, and a goodwill impairment of (\$274), after tax, for 4Q08

• Third Quarter 2009 Results

- Assets under management were \$95.4 billion, up 19% since the end of 1Q09
- Variable annuity deposits of \$622 million were within expectations
- Individual annuity net outflows were \$1.7 billion due to lower deposits. Variable annuity surrender rate improved to 9.8% from 10.7% in 2Q09

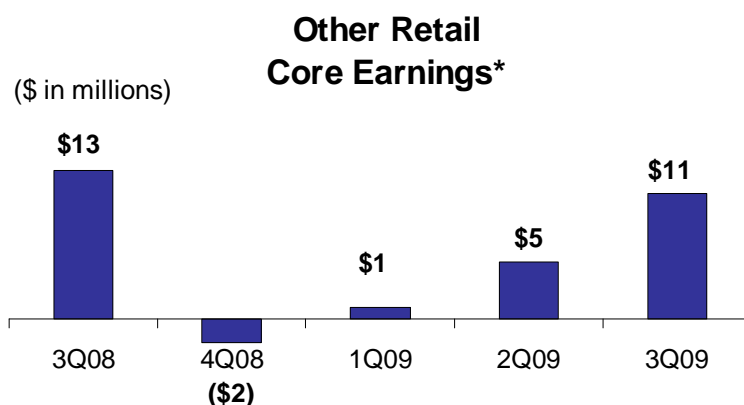
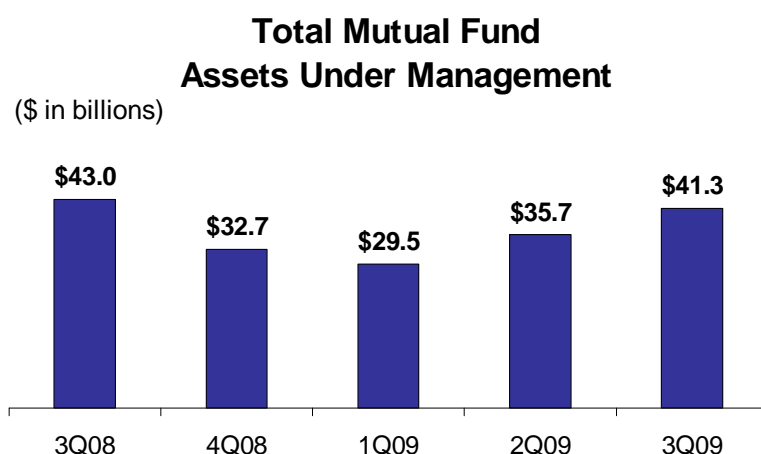
• Key Initiatives

- Launched new annuity product on October 19th
 - o Focus on value and transparency
 - o Replace GMWB feature with innovative Personal Pension Account

• Full Year 2009 guidance

- Variable annuity deposits: \$2.25 to \$2.75 billion
- Variable annuity net flows: (\$7.5) to (\$7.0) billion (previously (\$8.0) to (\$7.0) billion)
- Individual annuity ROA excluding DAC unlocks: 30 to 34 bps

Fund performance drives strong deposits in Mutual Funds and earnings improve as assets under management grow



* Includes DAC unlock of (\$1), after tax, for 3Q08

• Third Quarter 2009 Results

- Assets under management were \$41.3 billion, up 40% since the end of 1Q09
- Retail mutual fund deposits were \$3.1 billion, above guidance and the second consecutive quarter above \$3 billion
- Retail mutual fund net sales topped expectations at \$779 million

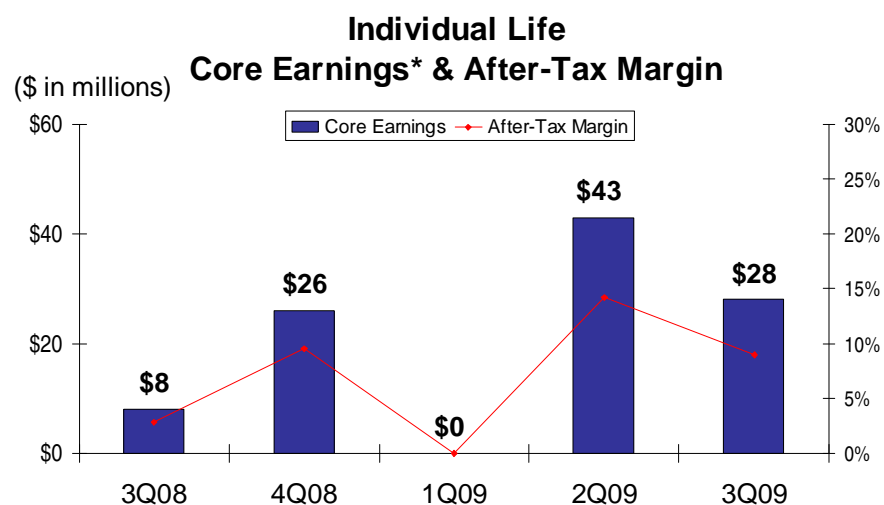
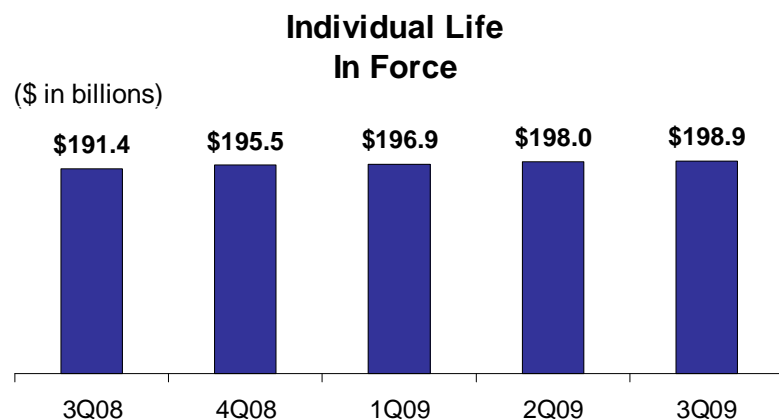
• Key Initiatives

- Continue to deliver strong fund performance
- Broaden penetration of mutual fund platform
- Drive strategy around rollover and retirement assets

• Full Year 2009 guidance

- Retail mutual fund deposits: \$11.5 to \$12.0 billion (previously \$10.0 to \$11.0 billion)
- Retail mutual fund net flows: \$2.25 to \$2.75 billion (previously \$1.0 to \$2.0 billion)
- Other Retail ROA excluding DAC unlocks: 7 to 9 bps (previously 4 to 6 bps)

Individual Life is stabilizing on the strength of strong distribution relationships; in force approaching \$200 billion



* Includes DAC unlocks of (\$37), (\$26), \$2, and (\$22) after-tax, for 3Q08, 1Q09, 2Q09, and 3Q09, respectively

• Third Quarter 2009 Results

- Life insurance in force increased to \$199 billion, or 4% higher than 3Q08
- Sales of \$45 million were pressured by equity market volatility and disruption at distribution firms
 - o Sequential sales have stabilized
 - o Wirehouse sales up 25% sequentially
- Core earnings increase of 22% from 2Q09 (excluding DAC unlocks) driven by improvements in investment margins, reduced operating expenses and tax adjustments

• Key Initiatives

- Enhance distribution relationships through:
 - o Point of sale model
 - o Sales force effectiveness
 - o Market expansion
- Maintain competitive product portfolio and continue diversification efforts

• Full year 2009 guidance

- Inforce growth: 3% to 4% (previously 5% to 7%)
- After-Tax Margin excluding DAC unlocks: 11% to 13% (previously 10% to 12%)

Improving equity markets have lifted Retirement Plans assets under management

Retirement Plans Assets Under Management

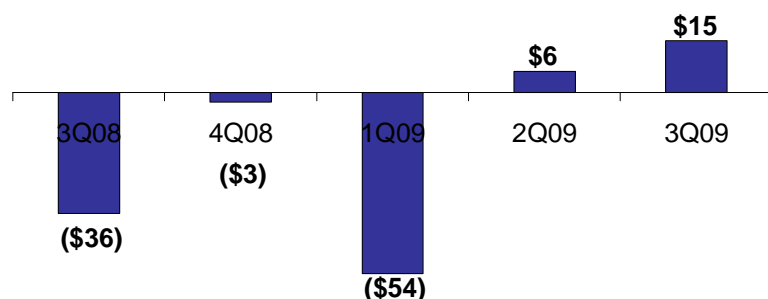
(\$ in billions)



AUA*	3Q08	4Q08	1Q09	2Q09	3Q09
	\$5.9	\$5.1	\$5.0	\$5.4	\$5.9

Retirement Plans Core Earnings**

(\$ in millions)



* Assets under administration (\$ in billions)

** Includes DAC unlocks of (\$48), (\$54), and \$7, after tax, for 3Q08, 1Q09, and 3Q09, respectively

• Third Quarter 2009 Results

- Assets under management of \$42.7 billion improved 10% from 2Q09
- Net outflows of \$489 million improved from 2Q09 net outflows of \$1.3 billion

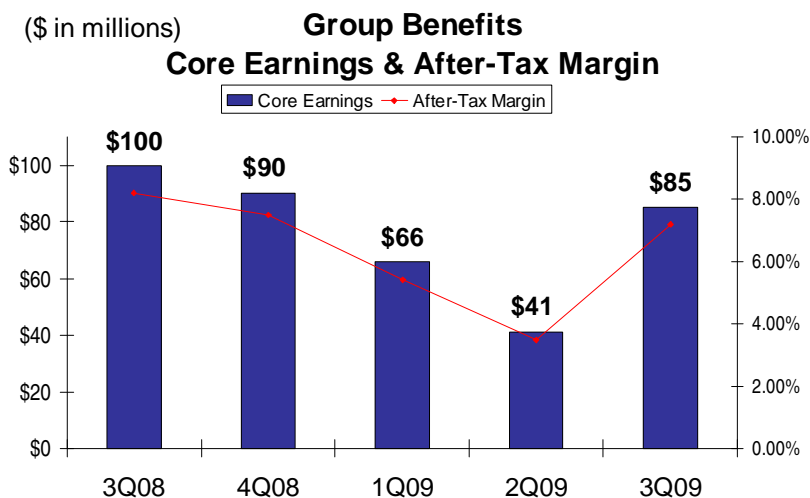
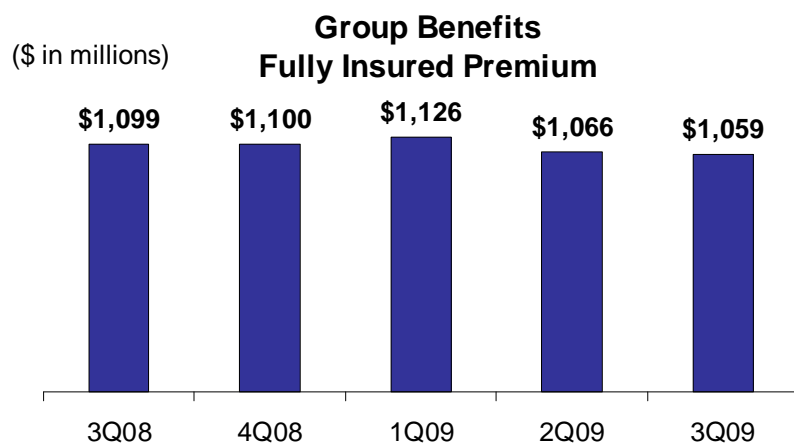
• Key Initiatives

- Continue integration of acquisitions
- Expand growth in 403(b) market segment through additional investment and leveraging regulatory changes
- Offer defined benefit/defined contribution solution to target market segments

• Full year 2009 guidance

- Deposits: \$7.5 to \$8.5 billion
- Net flows: (\$1.0) to (\$0.5) billion
- ROA excluding DAC unlocks: 0 to 5 bps

Challenging economic and market conditions continue to weigh on Group Benefits premium and sales



• Third Quarter 2009 Results

- Core earnings were \$85 million, down from \$100 million in 3Q08
- Reductions in covered lives within our customer base resulted in a year-over-year 4% decrease in fully insured premium

• Key Initiatives

- Retain leadership position in group life and disability markets through disciplined underwriting, pricing and claims management
- Offer total absence management solution
- Differentiate The Hartford in the voluntary marketplace
- Expand success in target markets and businesses

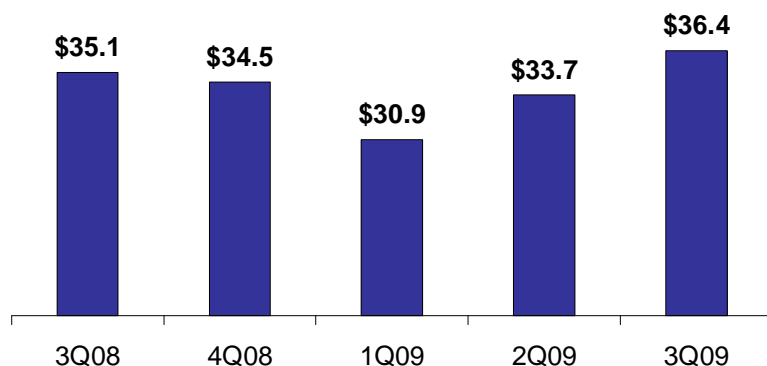
• Full year 2009 guidance

- Fully insured premium: \$4.3 to \$4.4 billion
- Loss ratio: 72% to 75%
- Expense ratio: 26% to 28%
- After-Tax Margin: 5.0% to 6.0%

International's restructuring is complete and Japan ROAs should stabilize on higher assets under management

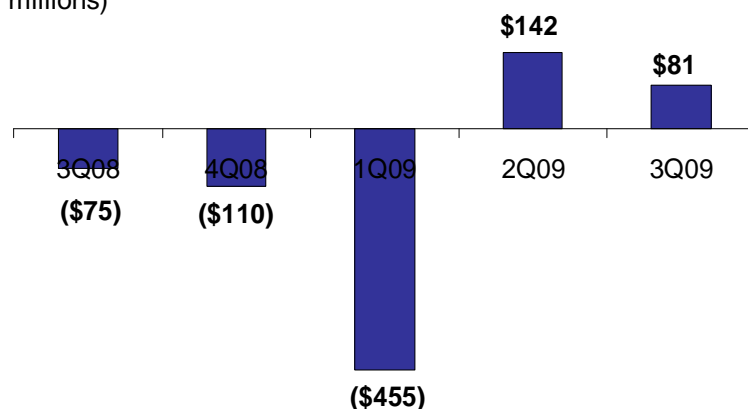
Japan Annuity Assets Under Management

(\$ in billions)



International Core Earnings*

(\$ in millions)



* Includes DAC unlocks of (\$125), (\$424), \$110, and \$23, after tax, for 3Q08, 1Q09, 2Q09, and 3Q09, respectively

• Third Quarter 2009 Results

- Japan VA net outflows of \$249 million in 3Q09 increased \$88 million compared to 2Q09 due to suspension of new sales
- Strong Yen drove an increase in Japan annuity assets under management

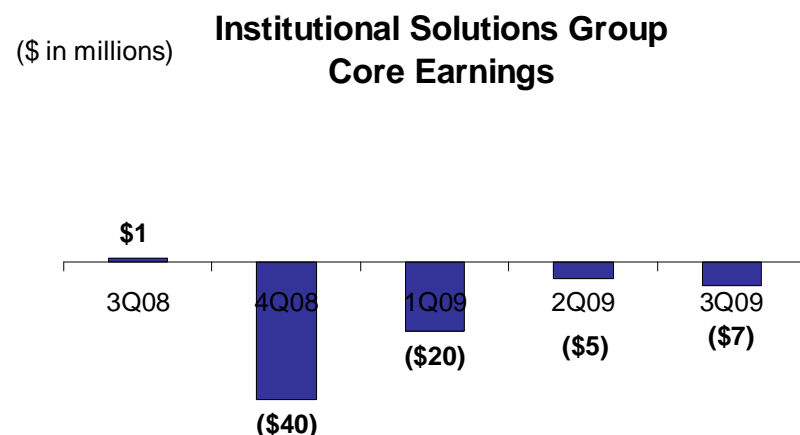
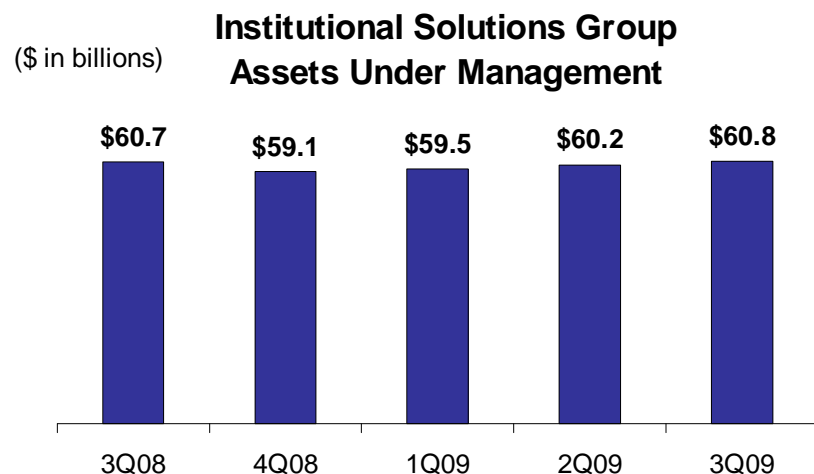
• Key Initiatives

- Aggressively managing expenses to reflect new operating environment

• Full year 2009 guidance

- Japan ROA excluding DAC unlocks: 38 to 46 bps (previously 28 to 36 bps)

Institutional's assets under management remained stable and earnings were impacted by weak net investment income



• Third Quarter 2009 Results

- Deposits of \$623 million declined 27% versus \$850 million in 3Q08 due to the company's decision to cease writing new business in certain lines, ratings downgrades and uncertainty surrounding the business
- 3Q09 had net outflows of \$1.3 billion compared to net outflows of \$916 million in 3Q08
- Asset levels remain strong at \$60.8 billion, up 3% from \$59.1 billion at year-end 2008

• Full year 2009 guidance

- ROA: (10) to (5) bps (previously (8) to (2) bps)

CMBS Bonds – Original Rating as of September 30, 2009



Book Value at Original Rating

(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 918	\$ 445	765	\$ 125	\$ 96	\$ 2,349
2004	621	84	84	27	-	816
2005	1,131	420	321	80	-	1,952
2006	2,445	371	466	331	14	3,627
2007	931	369	121	136	3	1,560
Total	\$ 6,046	\$ 1,689	\$ 1,757	\$ 699	\$ 113	\$ 10,304

Market Value at Original Rating

(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 938	\$ 404	\$ 668	\$ 116	\$ 80	\$ 2,206
2004	612	54	53	15	-	734
2005	1,031	210	168	55	-	1,464
2006	1,914	149	172	111	4	2,350
2007	652	125	34	43	1	855
Total	\$ 5,147	\$ 942	\$ 1,095	\$ 340	\$ 85	\$ 7,609

Market Value to Par Value at Original Rating

	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	103%	91%	87%	95%	81%	94%
2004	98%	65%	63%	54%	-	90%
2005	90%	49%	51%	55%	-	73%
2006	79%	38%	33%	25%	12%	62%
2007	70%	30%	24%	29%	25%	52%
Total	85%	53%	59%	40%	60%	72%

CRE CDOs – Original Rating as of September 30, 2009



Book Value at Original Rating						
(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 288	\$ 103	\$ 35	\$ 14	\$ -	\$ 440
2004	153	20	9	8	-	190
2005	122	28	57	3	-	210
2006	224	39	57	9	-	329
2007	123	73	39	-	-	235
2008	31	20	18	-	-	69
2009	15	6	10	-	-	31
Total	\$ 956	\$ 289	\$ 225	\$ 34	\$ -	\$ 1,504

Market Value at Original Rating						
(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 109	\$ 23	\$ 6	\$ 1	\$ -	\$ 139
2004	45	5	2	1	-	53
2005	34	7	5	1	-	47
2006	76	14	10	3	-	103
2007	46	19	8	-	-	73
2008	15	3	3	-	-	21
2009	7	1	1	-	-	9
Total	\$ 332	\$ 72	\$ 35	\$ 6	\$ -	\$ 445

Market Value to Par Value at Original Rating						
	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	30%	20%	15%	7%	-	26%
2004	23%	18%	14%	11%	-	21%
2005	20%	11%	7%	13%	-	15%
2006	21%	12%	14%	17%	-	18%
2007	32%	17%	10%	-	-	20%
2008	35%	14%	10%	-	-	20%
2009	41%	17%	10%	-	-	26%
Total	26%	15%	11%	7%	-	21%

Top Financial Services Exposures as of September 30, 2009

Top 25 Financial Services Exposures by Book Value				
(\$ in millions)				
Issuer	Book Value	Fair Value	Net Unrealized Loss	
1 JPMORGAN CHASE & CO	\$ 515	\$ 474	\$	(41)
2 BANK OF AMERICA CORP	489	366		(123)
3 WELLS FARGO & COMPANY	394	330		(64)
4 GENERAL ELECTRIC CO	377	311		(66)
5 CITIGROUP INC	370	312		(58)
6 CREDIT SUISSE GROUP AG	297	274		(23)
7 BARCLAYS PLC	297	256		(41)
8 GOLDMAN SACHS GROUP INC	289	239		(50)
9 HSBC HOLDINGS PLC	262	211		(51)
10 UBS AG	215	184		(31)
11 BANK OF NEW YORK MELLON CORP	193	184		(9)
12 WESTPAC BANKING CORP	185	158		(27)
13 FIFTH THIRD BANCORP	183	137		(46)
14 RABOBANK NEDERLAND NV	182	172		(10)
15 AMERICAN EXPRESS COMPANY	175	171		(4)
16 DEUTSCHE BANK AG	159	140		(19)
17 PNC FINANCIAL SERVICES GROUP INC	152	134		(18)
18 UNICREDIT SPA	136	120		(16)
19 AETNA INC	122	127		5
20 BANCO BILBAO VIZCAYA ARGENTARIA SA	122	89		(33)
21 BANCO SANTANDER SA	120	105		(15)
22 BNP PARIBAS	118	101		(17)
23 METLIFE INC	117	118		1
24 COMERICA INCORPORATED	116	99		(17)
25 US BANCORP	115	89		(26)
Subtotal	\$ 5,700	\$ 4,901	\$	(799)
All Other	3,236	2,815		(421)
Total Financial Services Exposures	\$ 8,936	\$ 7,716	\$	(1,220)



Top Financial Services Upper Tier 2 and Tier 1 (including Preferred) Capital Exposures as of September 30, 2009

Top 25 Financial Upper T2 and Tier 1 (including Preferred) Exposures by Book Value					
(\$ in millions)					
Issuer	Book Value	Fair Value	Net Unrealized Loss		
1 BANK OF AMERICA CORP	\$ 295	\$ 187	\$	(108)	
2 JPMORGAN CHASE & CO	226	183		(43)	
3 BARCLAYS PLC	221	178		(43)	
4 GOLDMAN SACHS GROUP INC	194	144		(50)	
5 WELLS FARGO & COMPANY	180	124		(56)	
6 HSBC HOLDINGS PLC	162	115		(47)	
7 UBS AG	153	124		(29)	
8 WESTPAC BANKING CORP	143	116		(27)	
9 SOCIETE GENERALE	112	72		(40)	
10 BNP PARIBAS	108	89		(19)	
11 US BANCORP	99	74		(25)	
12 LLOYDS BANKING GROUP PLC	98	94		(4)	
13 BANCO BILBAO VIZCAYA ARGENTARIA SA	98	72		(26)	
14 SUNTRUST BANKS INC	96	67		(29)	
15 CREDIT SUISSE GROUP AG	96	61		(35)	
16 BANCO SANTANDER SA	88	74		(14)	
17 FIFTH THIRD BANCORP	80	55		(25)	
18 DEUTSCHE BANK AG	80	58		(22)	
19 METLIFE INC	75	75		-	
20 TORONTO-DOMINION BANK	65	54		(11)	
21 NATIONAL AUSTRALIA BANK LIMITED	61	42		(19)	
22 UNICREDIT SPA	61	48		(13)	
23 TRAVELERS CO INC	60	53		(7)	
24 FIRST HORIZON NATIONAL CORP	60	30		(30)	
25 CREDIT AGRICOLE SA	57	41		(16)	
Subtotal	\$ 2,968	\$ 2,230	\$	(738)	
All Other	1,038	800		(238)	
Total Financial Services Exposures	\$ 4,006	\$ 3,030	\$	(976)	