

Investor Presentation

4th Quarter 2007



The Hartford Financial Services Group, Inc.

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 January 24, 2008, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 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.

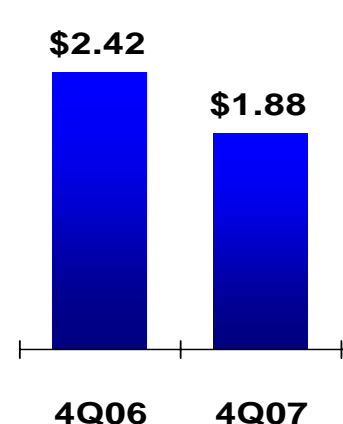
The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles, or GAAP. Information regarding these non-GAAP and other financial measures is provided in the Investor Financial Supplement for the fourth quarter of 2007, in The Hartford's press release issued on January 24, 2008, and in the Investor Relations section of The Hartford's website at www.thehartford.com.

The Hartford delivered record 2007 earnings with net income of \$2.9 billion

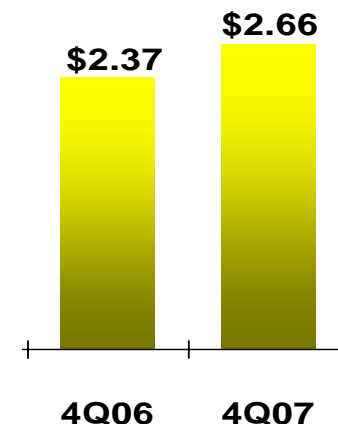
4th Quarter 2007 Highlights

- ✓ Strong growth in 4Q core earnings
 - Core earnings were \$840 million, up 9% over 4Q06
 - Net income for the quarter was \$595 million compared to \$783 million in 4Q06
- ✓ Full year 2007 core earnings were \$3.5 billion, up 22% over 2006
- ✓ Book value per share (x-AOCI) rose 11% over 4Q06
- ✓ Net income return on equity was 15.5% over the past 12 months

Net Income per Diluted Share



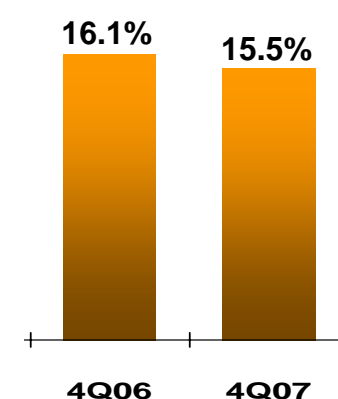
Core Earnings per Diluted Share



Book Value (x-AOCI) per Share

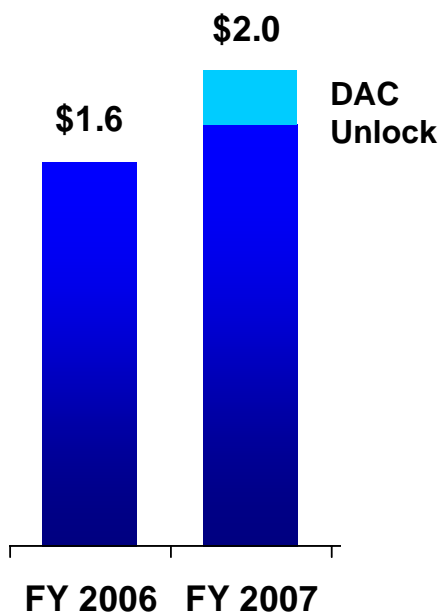


Net Income ROE for 12 mos. ended

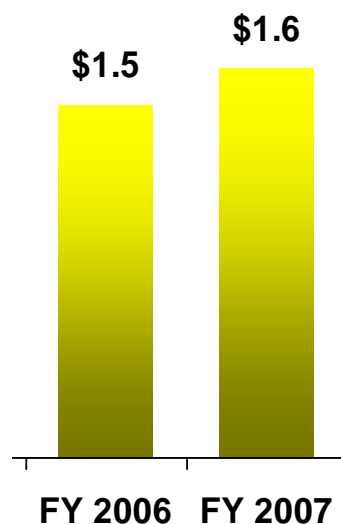


In 2007, The Hartford recorded strong performance from both its life and property and casualty operations

**Life Operations
Core Earnings**
(\$ in billions)



**P&C Operations
Core Earnings**
(\$ in billions)

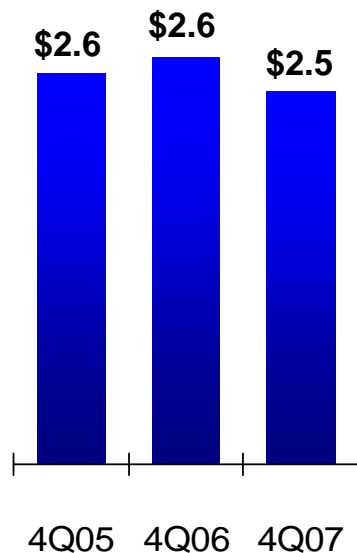


- ✓ Strong core earnings reported by both Life and P&C operations
 - Life core earnings rose to a record \$2 billion, up 24% over 2006
 - P&C core earnings were a record at \$1.6 billion, up 10% over 2006
- ✓ Total life assets under management reached \$372 billion, up 14% from December 31, 2006
 - Mutual funds assets under management top \$50 billion
- ✓ Property and casualty returns remain at or above our targets
 - Our full year combined ratio was very good at 90.8 percent
 - Opportunities exist to attract and retain profitable business in 2008

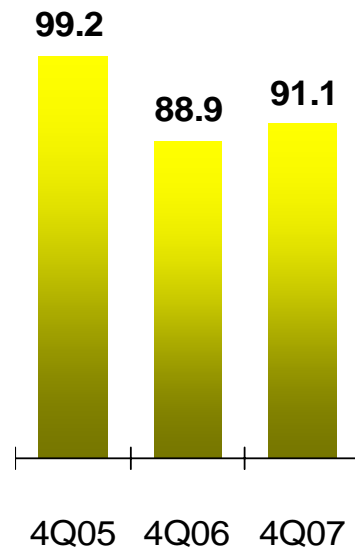
Property Casualty topped off a record year with strong performance in the fourth quarter of 2007

Property & Casualty Ongoing Operations

Written Premium
(\$ in billions)



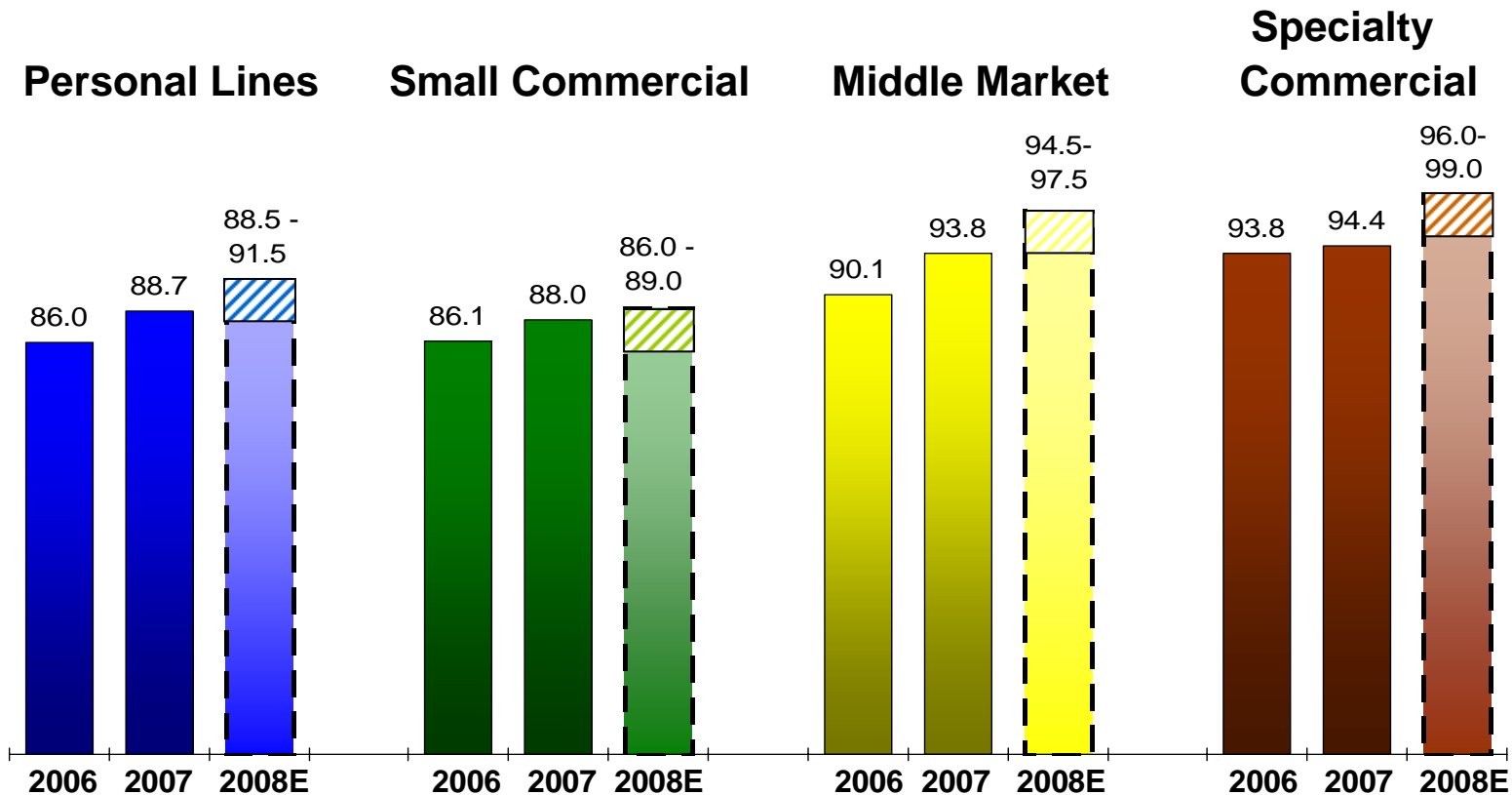
Combined Ratio



- ✓ Core earnings in the fourth quarter were \$414 million
- ✓ Policies in force in personal lines, small commercial, and middle market continue to grow while written premium is down
 - Personal lines PIF up 3%
 - Small commercial PIF grew 5%
 - Middle market PIF increased 2%
- ✓ Ongoing operations combined ratio was 91.1 in the quarter including
 - \$13 million pre-tax, or 0.5 points, of current accident year strengthening
 - \$126 million pre-tax, or 4.8 points of net favorable prior year development
 - Catastrophe losses totaling 2.6 points
 - Higher than normal policyholder dividends

Our 2008 guidance reflects modest growth in combined ratios and up to 3% growth in written premium

X-CAT Accident Year Combined Ratio Trends* and 2008 Guidance

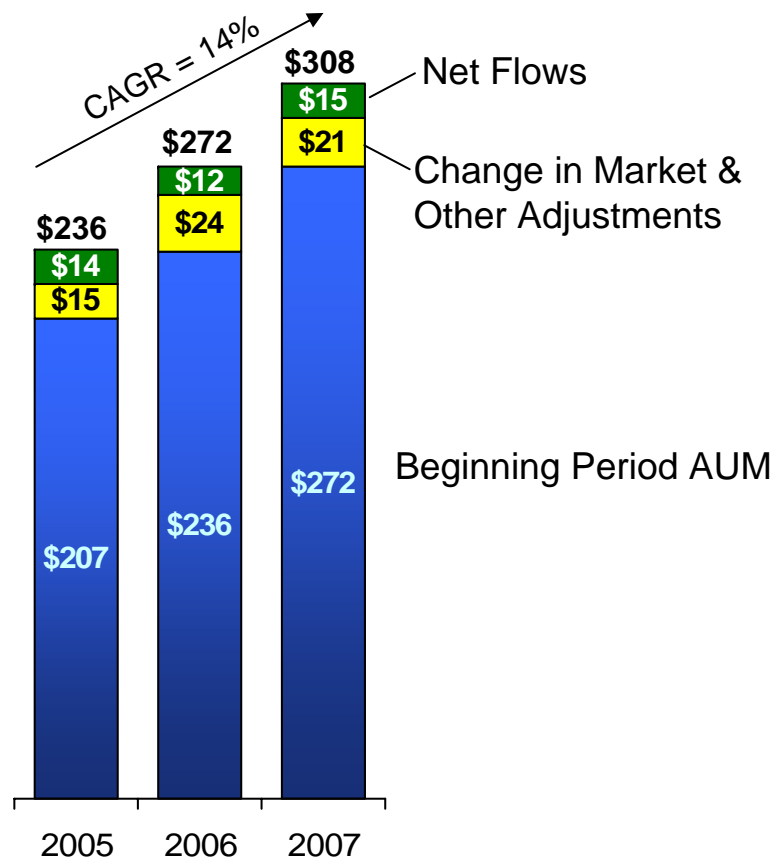


* For comparability to 2008 guidance, 2006 and 2007 combined ratios have been adjusted for Citizen's assessments and recoupments and the impact of OMNI

Life operations continues to grow assets under management with full year 2007 net flows exceeding \$15 billion

(\$ in billions)

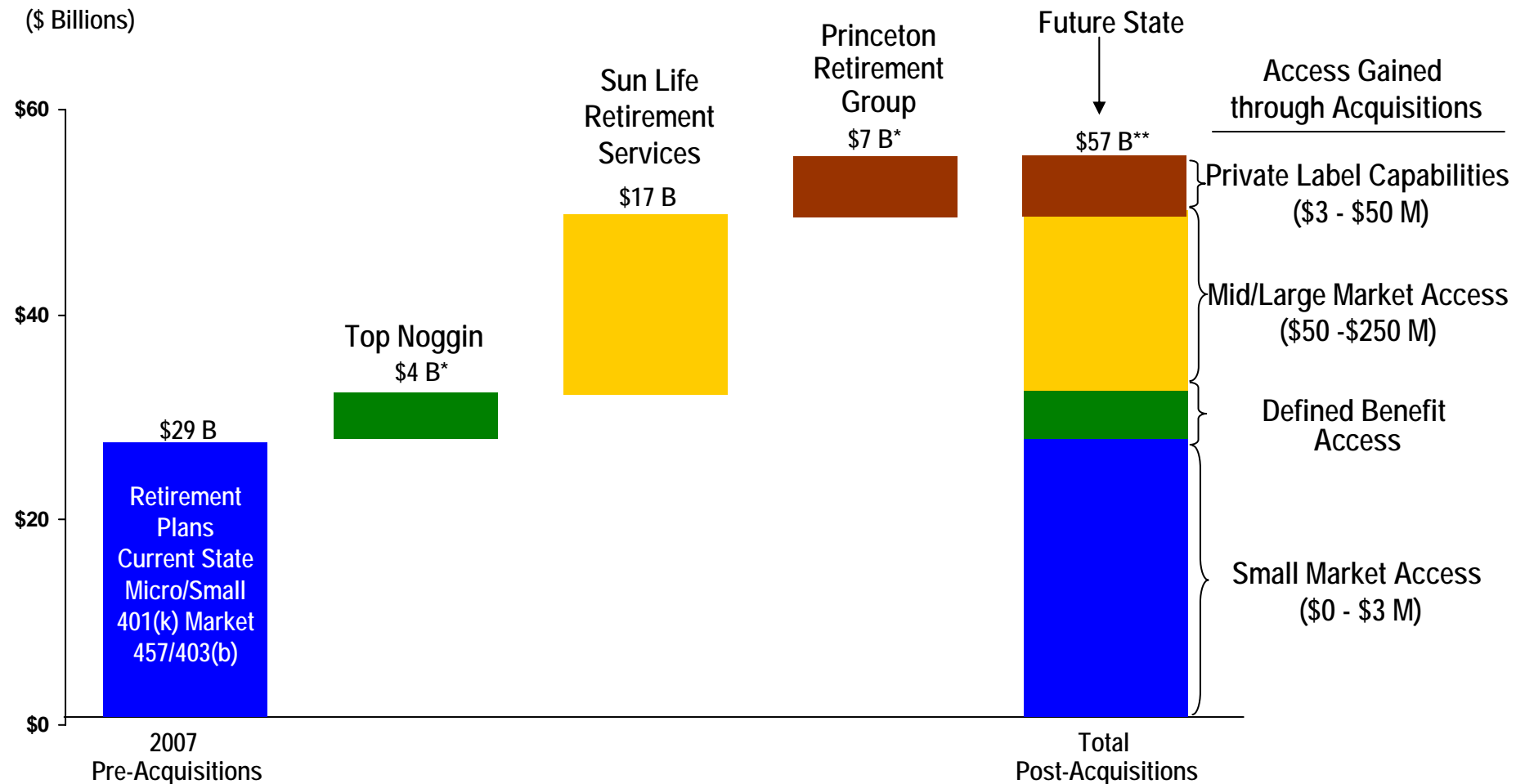
Life Assets Under Management Asset Accumulation Businesses*



* Includes assets in Retail Products, Retirement Plans, Institutional Solutions, and Japan

- ✓ Life operations core earnings rose 16% over 4Q06 to \$457 million
- ✓ Total Life assets under management (AUM) grew 14%, to \$372 billion as of December 31, 2007
 - AUM growth is coming from all product lines and markets with full year 2007 deposits of \$53 billion
 - Strong net flows and market appreciation drive AUM in Life's asset accumulation businesses
- ✓ Individual life insurance in force rose 9% over 4Q06
- ✓ Group benefits premiums up 1%, and core earnings rose 5 percent over 4Q06

Our three retirement plans acquisitions will provide increased scale, expanded capabilities and a broader geographic footprint



* Assets under administration. Assets under administration will have a lower return on assets than assets under management

** Includes both assets under management and assets under administration

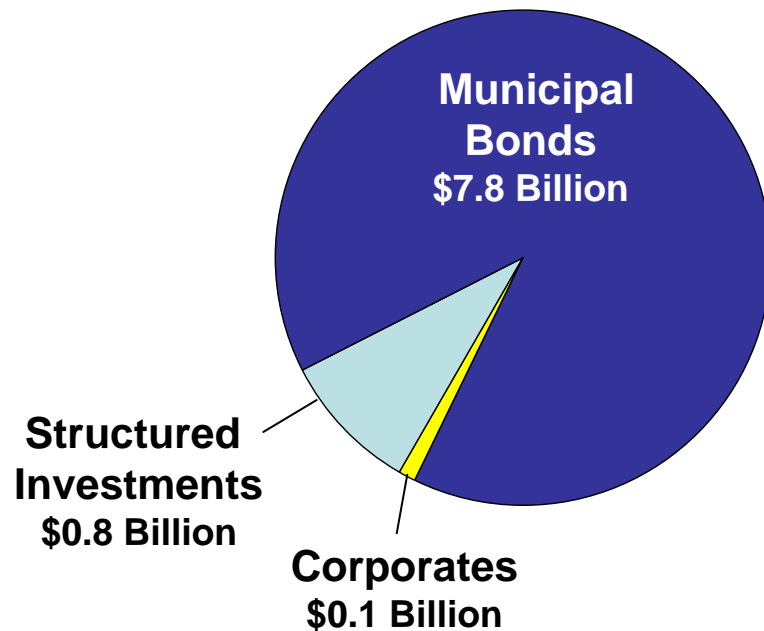
4Q net realized capital losses excluded from core earnings were \$431 million, before-tax and DAC

Net Realized Capital Gains (Losses)	
Before-tax and DAC, excluded from Core Earnings	
(\$ in millions)	
	<u>4Q</u>
Net gains and losses	\$ 64
Impairments	
Credit related	(240)
Other	(78)
Total impairments	(318)
Japanese fixed annuity contract hedges, net	15
GMWB derivatives, net	(27)
Other net gain (loss)	(165)
Total	\$ (431)

- ✓ After-tax and DAC, these losses were \$0.78 per diluted share
- ✓ Other than temporary impairments totaled \$318 million in the quarter
 - \$145 million of credit related ABS Sub-Prime impairments
 - Additional credit related impairments were primarily on investments in financial services and home builders
- ✓ GAAP and Statutory accounting differs significantly
 - We will record a net gain under statutory accounting
 - Our \$1.5 billion capital margin is in place at year-end

Our exposure to monoline insurers predominately relates to our high quality municipal bond portfolio

\$8.7 Billion Exposure* to Monoline Wraps

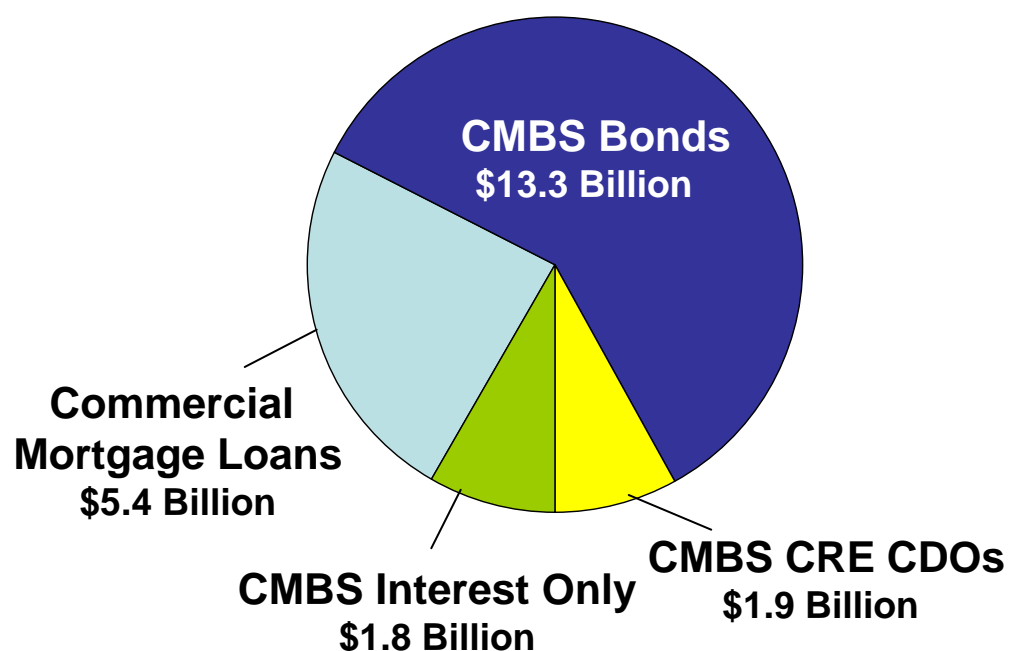


- ✓ Overall credit quality of \$13.5 billion municipal bond portfolio is AA+
 - Over half of the portfolio is insured
 - Credit quality of portfolio excluding effect of insurance is AA-
 - 95% of underlying issuer credit for wrapped bonds is rated A- or better
- ✓ We underwrite the underlying credit; do not rely on wrap insurance
- ✓ The underlying credit quality of the wrapped structured investments is primarily investment grade
- ✓ Our direct exposure to monoline insurers is about \$140 million

* Total investment portfolio of \$94.9 Billion excluding trading securities.

We have a well diversified portfolio of commercial mortgage-backed securities and whole loans

\$22.4 Billion in Total Commercial Real Estate Investments*



- ✓ 99% of our CMBS portfolio is investment grade, supported by significant subordination levels
- ✓ Commercial mortgage delinquencies remain near historic lows
- ✓ Cumulative CMBS loss rates are currently at historically low levels of 0.43%
 - Typically, BBB-rated CMBS can withstand 10x current loss levels before incurring an economic loss

* Total investment portfolio of \$94.9 Billion excluding trading securities.

SFAS 157 modifies SFAS 133 by requiring fair value to be consistent with “exit value”

- Most of the guaranteed minimum withdrawal benefits offered with our variable annuity contracts are accounted for as embedded derivatives under SFAS 133
- SFAS 133 valuation requires margins for risk only if those margins are observable. SFAS 157 “exit value” requires the inclusion of margins for risk even if those margins are not observable
- Market risk margins for several key valuation assumptions are not observable in a liquid market. After consideration of other external market information, where available, we added unobservable and estimated margins for risk for:
 - ✓ Policyholder behavior
 - ✓ Illiquidity
 - ✓ Basis differences
 - ✓ Credit standing
- The Company estimates the impact of adopting SFAS 157 will be a charge to net income of approximately \$200-\$300 million in the first quarter of 2008
- Current guidance on core earnings incorporates the SFAS 157 impact of higher ascribed fees on new business issued in 2008

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Appendix



Total Residential Mortgage Backed Securities (RMBS) – \$7.4 Billion

Book Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
Agency	\$ 3,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,889	52%
Non-Agency and Other Prime	239	-	-	26	10	-	275	4%
Alt-A	279	69	18	-	-	-	366	5%
Sub-prime - Second Lien [1]	-	143	63	26	10	18	260	4%
Sub-prime - First Lien	726	202	1,431	155	34	55	2,603	35%
CDO	5	-	11	-	-	-	16	0%
Total	\$ 5,138	\$ 414	\$ 1,523	\$ 207	\$ 54	\$ 73	\$ 7,409	100%
% of Total	69%	5%	21%	3%	1%	1%	100%	

Market Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
Agency	\$ 3,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,922	55%
Non-Agency and Other Prime	239	-	-	25	9	-	273	4%
Alt-A	272	69	16	-	-	-	357	5%
Sub-prime - Second Lien [1]	-	123	56	26	3	9	217	3%
Sub-prime - First Lien	676	180	1,264	127	30	48	2,325	33%
CDO	5	-	10	-	-	-	15	0%
Total	\$ 5,114	\$ 372	\$ 1,346	\$ 178	\$ 42	\$ 57	\$ 7,109	100%
% of Total	72%	5%	19%	2%	1%	1%	100%	

[1] Second lien collateral composed primarily of loans to prime and alt-a borrowers.

Sub-Prime First Lien by Vintage^[1] – \$2.6 Billion

Book Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
2003 & Prior	\$ 59	\$ 34	\$ 207	\$ 113	\$ 8	\$ 8	\$ 429	16%
2004	123	10	358	2	2	-	495	19%
2005	113	-	735	8	-	14	870	34%
2006	219	140	60	2	3	8	432	17%
2007	212	18	71	30	21	25	377	14%
Total	\$ 726	\$ 202	\$ 1,431	\$ 155	\$ 34	\$ 55	\$ 2,603	100%
% of Total	28%	8%	55%	6%	1%	2%	100%	

Market Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
2003 & Prior	\$ 59	\$ 34	\$ 193	\$ 95	\$ 7	\$ 7	\$ 395	17%
2004	120	10	324	2	1	-	457	20%
2005	107	-	660	5	-	14	786	34%
2006	200	124	48	2	2	2	378	16%
2007	190	12	39	23	20	25	309	13%
Total	\$ 676	\$ 180	\$ 1,264	\$ 127	\$ 30	\$ 48	\$ 2,325	100%
% of Total	29%	8%	55%	5%	1%	2%	100%	

^[1] Vintage year represents the year the pool of loans was originated

Average subordination, excluding AAA wrapped securities, is approximately 39%.

Sub-prime Second Lien by Vintage^[1] – \$260 Million

Book Value As of December 31, 2007

(\$ In millions)	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
2005	\$ -	\$ 61	\$ -	\$ 10	\$ 18	\$ 89	34%
2006	93	2	-	-	-	95	37%
2007	50	-	26	-	-	76	29%
Total	\$ 143	\$ 63	\$ 26	\$ 10	\$ 18	\$ 260	100%
% of Total	55%	24%	10%	4%	7%	100%	

Market Value As of December 31, 2007

(\$ In millions)	AAA Wrapped	AA	A	BBB	BB and Below	Total	% of Total
2005	\$ -	\$ 54	\$ -	\$ 3	\$ 9	\$ 66	30%
2006	84	2	-	-	-	86	40%
2007	39	-	26	-	-	65	30%
Total	\$ 123	\$ 56	\$ 26	\$ 3	\$ 9	\$ 217	100%
% of Total	57%	26%	12%	1%	4%	100%	

^[1] Vintage year represents the year the pool of loans was originated

Average subordination, excluding AAA wrapped securities, is approximately 47%.

Total Commercial Mortgage Backed Securities (CMBS) – \$17.6 Billion

Book Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	BB and Below	Total	% of Total
Bonds	\$ 8,995	\$ 1,939	\$ 1,826	\$ 784	\$ 97	\$ 13,641	77%
Interest only	1,741	-	-	-	-	1,741	10%
CRE CDOs	1,350	438	369	86	-	2,243	13%
Total	\$ 12,086	\$ 2,377	\$ 2,195	\$ 870	\$ 97	\$ 17,625	100%
% of total	69%	13%	12%	5%	1%	100%	

Market Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	BB and Below	Total	% of Total
Bonds	\$ 8,920	\$ 1,869	\$ 1,768	\$ 694	\$ 95	\$ 13,346	78%
Interest only	1,831	-	-	-	-	1,831	11%
CRE CDOs	1,155	356	277	66	-	1,854	11%
Total	\$ 11,906	\$ 2,225	\$ 2,045	\$ 760	\$ 95	\$ 17,031	100%
% of total	70%	13%	12%	4%	1%	100%	

- Fundamentals within the CMBS sector remain solid as vacancy and rent growth rates are stable and loss rates remain near historic lows. However, if the general economy continues to deteriorate into a recession loss rates would likely increase and trend toward historic norms.
- Over 99% of our CMBS portfolio is investment grade rated with over 80% rated AA and above
- Approximately 90% of the underlying collateral in our CMBS portfolio is investment grade quality.

CMBS Bonds by Vintage^[1] – \$13.6 Billion

Book Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	BB and Below	Total	% of Total
2003 & Prior	\$ 2,666	\$ 495	\$ 289	\$ 30	\$ 46	\$ 3,526	26%
2004	709	89	130	23	-	951	7%
2005	1,280	479	404	85	24	2,272	17%
2006	2,975	415	763	456	24	4,633	34%
2007	1,365	461	240	190	3	2,259	16%
Total	\$ 8,995	\$ 1,939	\$ 1,826	\$ 784	\$ 97	\$ 13,641	100%
% of Total	66%	14%	13%	6%	1%	100%	

Market Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	BB and Below	Total	% of Total
2003 & Prior	\$ 2,702	\$ 502	\$ 292	\$ 32	\$ 49	\$ 3,577	27%
2004	708	87	128	21	-	944	7%
2005	1,258	454	389	76	21	2,198	16%
2006	2,910	395	739	400	22	4,466	34%
2007	1,342	431	220	165	3	2,161	16%
Total	\$ 8,920	\$ 1,869	\$ 1,768	\$ 694	\$ 95	\$ 13,346	100%
% of Total	67%	14%	13%	5%	1%	100%	

^[1] Vintage year represents the year the pool of loans was originated

CMBS – Commercial Real Estate Collateralized Debt Obligations (CRE CDOs) by Vintage^[1] – \$2.2 Billion

Book Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	Total	% of Total
2003 & Prior	\$ 361	\$ 119	\$ 44	\$ 8	\$ 532	24%
2004	97	32	12	2	143	6%
2005	120	30	10	2	162	7%
2006	521	136	222	51	930	42%
2007	251	121	81	23	476	21%
Total	\$ 1,350	\$ 438	\$ 369	\$ 86	\$ 2,243	100%
% of Total	60%	20%	16%	4%	100%	

Market Value As of December 31, 2007

(\$ in millions)	AAA	AA	A	BBB	Total	% of Total
2003 & Prior	\$ 288	\$ 95	\$ 36	\$ 6	\$ 425	23%
2004	77	25	9	2	113	6%
2005	99	24	8	1	132	7%
2006	472	112	160	40	784	42%
2007	219	100	64	17	400	22%
Total	1,155	356	277	66	1,854	100%
% of Total	62%	19%	15%	4%	100%	

^[1] Vintage year represents the year the underlying loans in the pool were originated

Asset-Backed Securities (ABS) Consumer Loans – \$2.4 Billion

Book Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped ^[4]	AA	A	BBB	BB and Below	Total	% of Total
Credit card ^[1]	\$ 166	\$ -	\$ 19	\$ 162	\$ 610	\$ -	\$ 957	39%
Auto ^[2]	225	49	27	151	198	42	692	29%
Student loan ^[3]	211	102	333	140	-	-	786	32%
Total	\$ 602	\$ 151	\$ 379	\$ 453	\$ 808	\$ 42	\$ 2,435	100%
% of total	25%	6%	15%	19%	33%	2%	100%	

Market Value As of December 31, 2007

(\$ In millions)	AAA	AAA Wrapped ^[4]	AA	A	BBB	BB and Below	Total	% of Total
Credit card ^[1]	\$ 166	\$ -	\$ 19	\$ 162	\$ 591	\$ -	\$ 938	40%
Auto ^[2]	221	49	27	148	192	39	676	28%
Student loan ^[3]	204	93	317	133	-	-	747	32%
Total	\$ 591	\$ 142	\$ 363	\$ 443	\$ 783	\$ 39	\$ 2,361	100%
% of total	25%	6%	15%	19%	33%	2%	100%	

[1] 13% of the exposure was issued by lenders that lend primarily to sub-prime borrowers.

[2] 11% of the exposure was issued by lenders that lend primarily to sub-prime borrowers.

[3] Approximately half of this exposure is guaranteed by the Federal Family Education Loan Program, with the remainder comprised of loans with an average FICO score of over 700.

[4] Credit quality excluding rating effect of monoline insurance is AA.