

**The Hartford Financial Services Group, Inc.**

**February 3, 2022**

**THE HARTFORD'S FOURTH QUARTER AND FULL YEAR 2021  
FINANCIAL RESULTS AND 2022 KEY BUSINESS METRIC OUTLOOK**





## Safe harbor statement

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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 news release issued on February 3, 2022, The Hartford's Quarterly Reports on Form 10-Q, The Hartford's 2020 Annual Report on Form 10-K, and other filings we make with the U.S. 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 (GAAP). Information regarding these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in the appendix to this presentation, the news release issued on February 3, 2022 and The Hartford's Investor Financial Supplement for fourth quarter 2021 which is available at the Investor Relations section of The Hartford's website at <https://ir.thehartford.com>.

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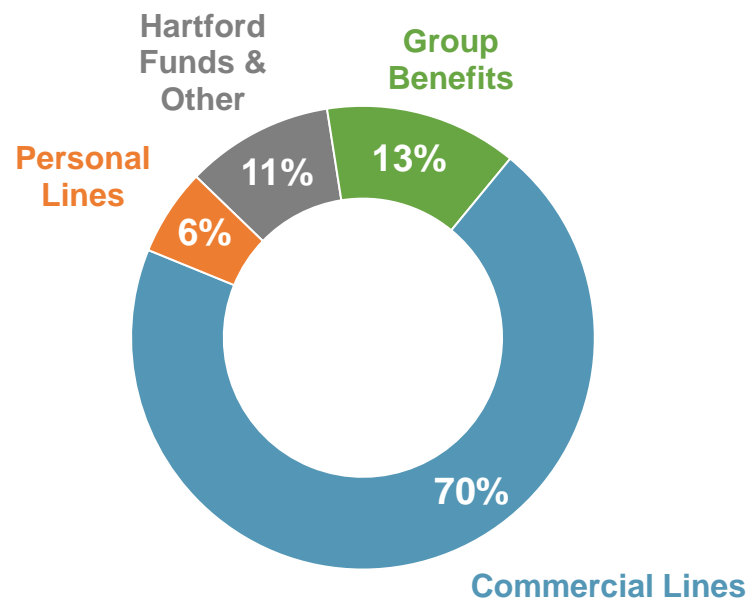
## The Hartford

*Diversified insurer with core strengths and market leadership*



- ▶ **Market leader** in desirable segments with high return characteristics
- ▶ Delivering consistently strong results across **diversified businesses** with significant contribution from investment portfolio
- ▶ Leveraging **core strengths** of underwriting excellence, risk management, claims, products and distribution
- ▶ Investing in **differentiating capabilities** to strengthen competitive advantage and grow
- ▶ **Ethics, people and performance** driven culture

### Earnings Contribution Across Our Segments<sup>1</sup>



*Unique portfolio of complementary underwriting businesses all contributing to our success*

1. Relative earnings contribution based on three-year projection for 2022-2024, excludes the corporate segment

## Fourth Quarter 2021 – Strong Execution

*The Hartford Delivered. . .*

### Growth:

- P&C net written premium growth of 11% including 14% in Commercial Lines

### Profitability:

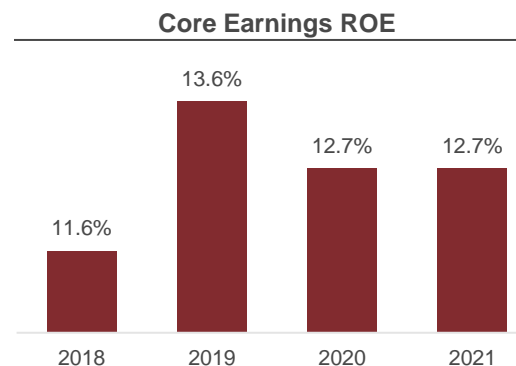
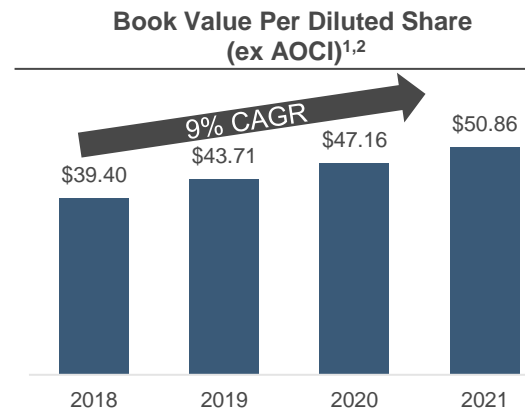
- P&C combined ratio of 92.1 improved 4.9 points from 4Q20
  - Commercial Lines underlying loss and loss adjustment expense ratio before COVID-19 incurred losses<sup>1</sup> of 56.5% improved 0.6 points from 4Q20
- Group Benefits core earnings margin<sup>1</sup> was (0.8%) which included 8.6 points of excess mortality and COVID-19 related short-term-disability impacts

### Balance sheet & capital management:

- Proactive capital management – repurchased \$500 million of shares in 4Q21 and \$1.7 billion in full year 2021. Paid \$120 million in common stockholder dividends in 4Q21 and \$485 million in full year 2021.

### Superior risk-adjusted returns:

- 12.7% core earnings return on equity (ROE)<sup>1,3</sup>



**Maximizing Value Creation for All Stakeholders**

1. Denotes financial measure not calculated based on GAAP

2. Accumulated other comprehensive income

3. ROE based on trailing 12-month average equity, ex. AOCI and trailing 12-month core operating earnings



## 4Q21 Core earnings<sup>1</sup> of \$697 million, EPS<sup>1,2</sup> of \$2.02, ROE<sup>1,3</sup> of 12.7%

Core Earnings By Segment (\$ in millions, except per share amounts)	4Q21	4Q20	Change <sup>4</sup>
Commercial Lines	\$622	\$444	40%
Personal Lines	70	164	(57)%
P&C Other Operations	(2)	(16)	88%
<b>Property &amp; Casualty Total</b>	<b>690</b>	<b>592</b>	<b>17%</b>
Group Benefits	(12)	49	NM
Hartford Funds	60	46	30%
<b>Sub-total</b>	<b>738</b>	<b>687</b>	<b>7%</b>
Corporate	(41)	(51)	20%
<b>Core earnings</b>	<b>697</b>	<b>636</b>	<b>10%</b>
Net realized gains, before tax	212	101	110%
Restructuring and other costs, before tax	(2)	(17)	88%
Integration and other non-recurring M&A costs, before tax	(5)	(11)	55%
Change in deferred gain on retroactive reinsurance, before tax	(173)	(215)	20%
Income tax benefit (expense)	(5)	38	NM
<b>Net income available to common stockholders</b>	<b>724</b>	<b>532</b>	<b>36%</b>
Add back: Preferred stock dividends	5	5	—%
<b>Net Income</b>	<b>729</b>	<b>537</b>	<b>36%</b>
<b>Core earnings per diluted share</b>	<b>\$2.02</b>	<b>\$1.76</b>	<b>15%</b>
<b>Net income available to common stockholders per diluted share</b>	<b>\$2.10</b>	<b>\$1.47</b>	<b>43%</b>
Wtd. avg. diluted shares outstanding	344.8	361.5	(5)%
Wtd. avg. common shares outstanding	338.8	358.4	(5)%
Book value per diluted share	\$51.36	\$50.39	2%
Book value per diluted share (excluding AOCI) <sup>1</sup>	\$50.86	\$47.16	8%
Net income ROE, last 12- months	13.1%	10.0%	3.1 pt
Core earnings ROE <sup>1</sup> , last 12 months	12.7%	12.7%	-

1. Denotes financial measure not calculated based on GAAP, 2. Earnings per diluted share (EPS), 3. Return on Equity (ROE) based on 12 month Average Equity and Core Operating Earnings, 4. The Hartford defines increases or decreases greater than or equal to 200%, or changes from a net gain to a net loss position, or vice versa, as "NM" or not meaningful



## FY Core earnings<sup>1</sup> of \$2.2 billion, EPS<sup>1,2</sup> of \$6.15, ROE<sup>1,3</sup> of 12.7%

Core Earnings By Segment (\$ in millions, except per share amounts)	FY21	FY20	Change <sup>4</sup>
Commercial Lines	\$1,631	\$998	63%
Personal Lines	362	722	(50)%
P&C Other Operations	18	(1)	NM
<b>Property &amp; Casualty Total</b>	<b>2,011</b>	<b>1,719</b>	<b>17%</b>
Group Benefits	153	382	(60)%
Hartford Funds	214	163	31%
<b>Sub-total</b>	<b>2,378</b>	<b>2,264</b>	<b>5%</b>
Corporate	(200)	(178)	(12)%
<b>Core earnings</b>	<b>2,178</b>	<b>2,086</b>	<b>4%</b>
Net realized gains (losses), before tax	505	(18)	NM
Restructuring and other costs, before tax	(1)	(104)	99%
Integration and other non-recurring M&A costs, before tax	(58)	(51)	(14)%
Change in deferred gain on retroactive reinsurance, before tax	(246)	(312)	21%
Income tax benefit (expense)	(34)	115	NM
<b>Net income available to common stockholders</b>	<b>2,344</b>	<b>1,716</b>	<b>37%</b>
Add back: Preferred stock dividends	21	21	—%
<b>Net Income</b>	<b>2,365</b>	<b>1,737</b>	<b>36%</b>
<b>Core earnings per diluted share</b>	<b>\$6.15</b>	<b>\$5.78</b>	<b>6%</b>
<b>Net income available to common stockholders per diluted share</b>	<b>\$6.62</b>	<b>\$4.76</b>	<b>39%</b>
Wtd. avg. diluted shares outstanding	354.1	360.6	(2)%
Wtd. avg. common shares outstanding	349.1	358.3	(3)%
Book value per diluted share	\$51.36	\$50.39	2%
Book value per diluted share (excluding AOCI) <sup>1</sup>	\$50.86	\$47.16	8%
Net income ROE, last 12- months	13.1%	10.0%	3.1 pt
Core earnings ROE <sup>1</sup> , last 12 months	12.7%	12.7%	-

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## 4Q21 Key Business Highlights vs. 4Q20

### Property & Casualty • Strong contribution from Commercial Lines delivers profitable growth

#### Written premiums

**\$3.2B** ▲ 11%

#### Combined ratio

**92.1** ▼ 4.9pts

#### Underlying combined ratio<sup>1</sup> (%)

**90.6** ▲ 1.6pts

<b>Commercial Lines</b>	<b>\$2.5B</b> ▲ 14%	<b>84.6</b> ▼ 7.2 pts.	<b>88.9</b> ▼ 1.8 pts.
Small Commercial	\$1.0B ▲ 17%	79.0 ▼ 1.2 pts.	88.0 ▲ 1.0 pts.
Middle & Large Commercial	\$847m ▲ 14%	83.5 ▼ 3.0 pts.	90.0 ▼ 3.0 pts.
Global Specialty	\$629m ▲ 11%	94.8 ▼ 0.3 pts.	88.8 ▼ 4.5 pts.
<b>Personal Lines</b>	<b>\$668m</b> ▼ (1%)	<b>93.9</b> ▲ 14.1 pts.	<b>95.9</b> ▲ 12.3 pts.
Auto	\$458m - -	102.4 ▲ 14.1 pts.	105.4 ▲ 15.8 pts.
Homeowners	\$210m ▼ (2%)	74.8 ▲ 14.5 pts.	75.1 ▲ 5.2 pts.

### Group Benefits

- Core earnings margin of (0.8%) includes approximately \$169 million, or 8.6 points, of excess mortality and COVID-19 related short-term disability impacts

#### Fully Insured Premiums

**\$1.4B** ▲ 5%

#### Core earnings margin<sup>1</sup>

**(0.8%)** ▼ 4.1 pts.

#### Core earnings margin excluding COVID-19 related impacts<sup>1</sup>

**7.8%** ▼ 3.9 pts.

#### Life loss ratio (%)

**105.0%** ▲ 3.0 pts.

#### Disability loss ratio (%)

**71.6%** ▲ 6.5 pts.

1. Denotes financial measure not calculated based on GAAP

## 2021 Key Business Highlights vs. 2020

### Property & Casualty • Strong contribution from Commercial Lines delivers profitable growth

**Written premiums**  
**\$12.9B** ▲ 9%

**Combined ratio**  
**96.3** ▼ 0.1pts

**Underlying combined ratio<sup>1</sup> (%)**  
**89.4** ▼ 3.0pts

<b>Commercial Lines</b>	<b>\$10.0B</b> ▲ 12%	<b>95.8</b> ▼ 4.6 pts.	<b>89.1</b> ▼ 6.4 pts.
Small Commercial	\$4.1B ▲ 11%	85.3 ▼ 4.7 pts.	86.7 ▼ 2.5 pts.
Middle & Large Commercial	\$3.3B ▲ 12%	95.7 ▼ 8.1 pts.	92.0 ▼ 8.9 pts.
Global Specialty	\$2.6B ▲ 13%	94.1 ▼ 8.5 pts.	88.9 ▼ 9.4 pts.
<b>Personal Lines</b>	<b>\$2.9B</b> ▼ (1%)	<b>90.7</b> ▲ 15.2 pts.	<b>89.9</b> ▲ 6.8 pts.
Auto	\$2.0B - -	92.9 ▲ 7.4 pts.	95.9 ▲ 7.9 pts.
Homeowners	\$911m ▼ (2%)	86.8 ▲ 32.6 pts.	76.5 ▲ 4.0 pts.

### Group Benefits

• Core earnings margin of 2.5% includes approximately \$614 million, or 7.8 points, of excess mortality and COVID-19 related short-term disability impacts

**Fully Insured Premiums**  
**\$5.5B** ▲ 4%

**Core earnings margin<sup>1</sup>**  
**2.5%** ▼ 3.9 pts.

**Core earnings margin excluding COVID-19 related impacts<sup>1</sup>**  
**10.3%** ▲ 0.8 pts.

**Life loss ratio (%)**  
**101.9%** ▲ 14.4 pts.

**Disability loss ratio (%)**  
**68.2%** ▲ 2.1 pts.

1. Denotes financial measure not calculated based on GAAP



## 2022 Outlook

	<u>Actual 2021</u>	<u>Outlook 2022</u> Nov. Investor Day	<u>Outlook 2022</u> Feb. 2022
<b>Commercial Lines</b>			
Written Premium Growth	12%	~ 4 - 5%	~ 4 - 5%
Combined Ratio <sup>1</sup>	95.8		90.0 - 92.0
Underlying Combined Ratio <sup>2</sup>	89.1	86.5 - 88.5	86.5 - 88.5
<b>Personal Lines</b>			
Written Premium Growth <sup>3</sup>	(1%)	Flat	Flat to slightly down
Combined Ratio	90.7		97.0 - 99.0
Underlying Combined Ratio <sup>2</sup>	89.9	90.0 - 92.0	90.0 - 92.0
Property & Casualty CAY Catastrophe Ratio <sup>4</sup>	5.3		4.1
<b>Group Benefits</b>			
Earned Premium and Fee Income Growth	3%	~ 2%	~ 2%
Core earnings margin (excluding COVID-19) <sup>5</sup>	10.3%	6 - 7%	6 - 7%
Core earnings margin (including COVID-19 of \$125 million to \$225 million before tax for 2022)	2.5%		3.1% - 5.4%

1. Commercial Lines combined ratio outlook includes an estimated 0.4 points for accretion of discount on workers' compensation reserves as PYD

2. Denotes financial measure not calculated based on GAAP

3. 2022 outlook before considering impact of the transition to 6-month policies which is expected to reduce written premium growth by ~1 point

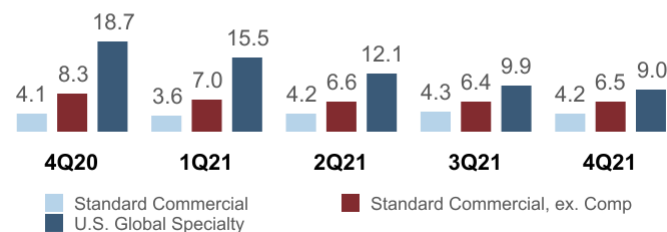
4. 2022 outlook for P&C CAY CATs of 4.1 points includes 3.2 points in Commercial Lines and 7.3 points in Personal Lines; actual catastrophes are likely to be different and will fluctuate quarterly due to seasonal variations.

5. Excludes excess mortality and disability losses related to direct and indirect impacts of the pandemic

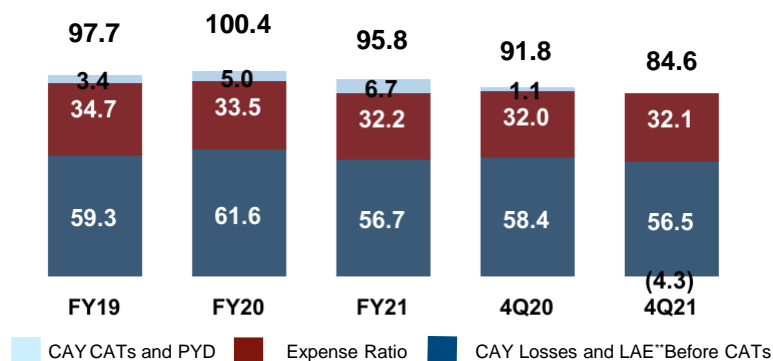
## Commercial Lines: Strong contributions from each business deliver profitable growth

- Written premiums of \$2.5 billion in 4Q21 increased 14% from 4Q20, reflecting an increase in insured exposure, higher new business and strong policy retention in Small Commercial.
- Mid-single digit to low double-digit renewal written price increases in all lines other than workers' compensation
- Combined ratio of 84.6 in 4Q21 improved 7.2 points from 4Q20 and underlying combined ratio of 88.9 improved 1.8 points from 4Q20
- Underlying loss and loss adjustment expense ratio before COVID-19 incurred losses<sup>1</sup> of 56.5% improved 0.6 points from 4Q20

### Commercial Lines Rate Increases



### Commercial Lines Combined Ratio \*

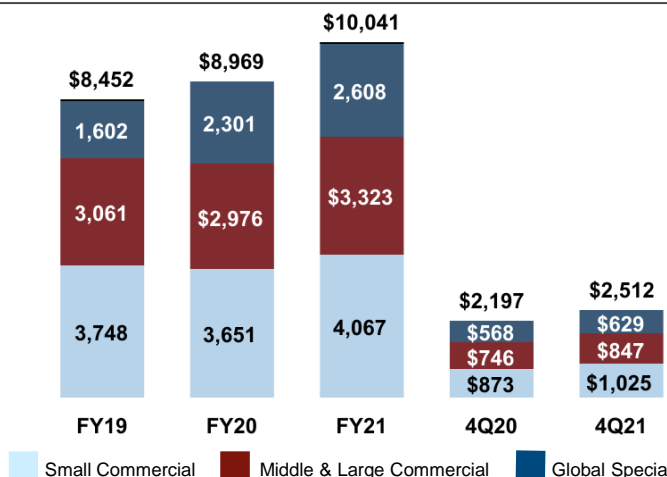


\* Combined ratio includes policyholder dividends ratio

\*\* Loss adjustment expense (LAE)

1. Denotes financial measure not calculated based on GAAP

### Commercial Lines Written Premiums\*\*\* (\$ in millions)

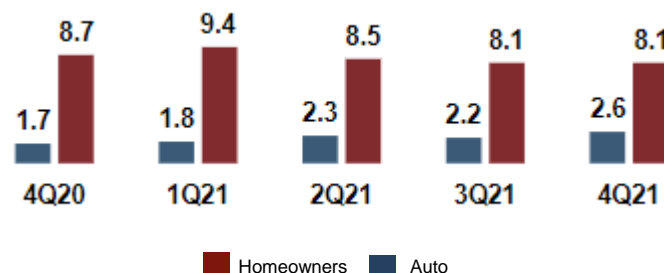


\*\*\*Commercial Lines written premiums include immaterial amounts from Other Commercial

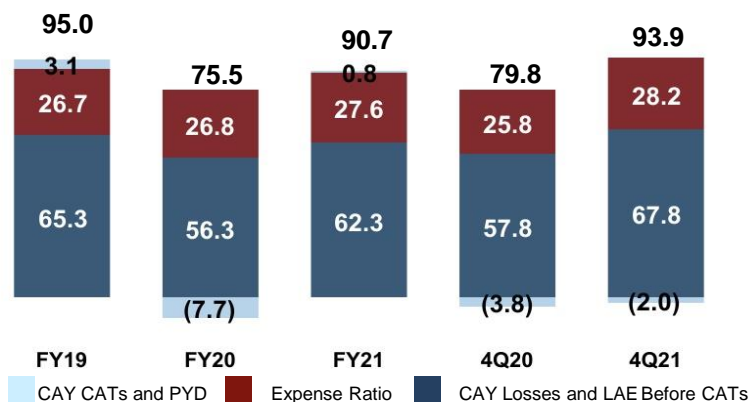
## Personal Lines: Margins impacted by higher auto claim frequency and elevated severity

- Written premiums of \$668 million in 4Q21 decreased by 1% from 4Q20
- Renewal written price increase of 2.6% in 4Q21 in auto compared to 1.7% in 4Q20 and 2.2% in 3Q21.
- Combined ratio of 93.9 in 4Q21, increased 14.1 points from 4Q20, driven by a higher underlying combined ratio and lower net favorable PYD
- Underlying combined ratio of 95.9 in 4Q21 increased 12.3 points compared to 4Q20 largely due to an increase in auto claim frequency and severity as well as a higher expense ratio

### Personal Lines Written Price Increases

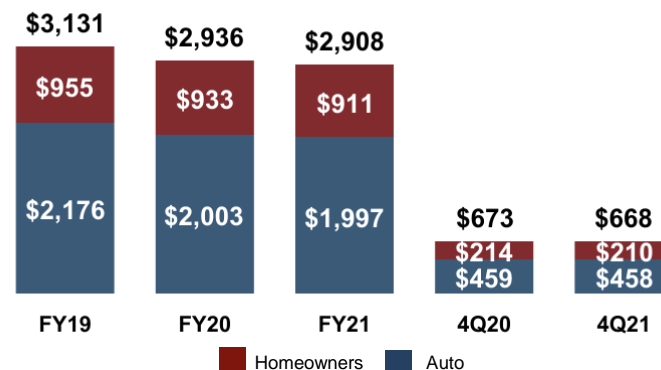


### Personal Lines Combined Ratio



### Written Premiums

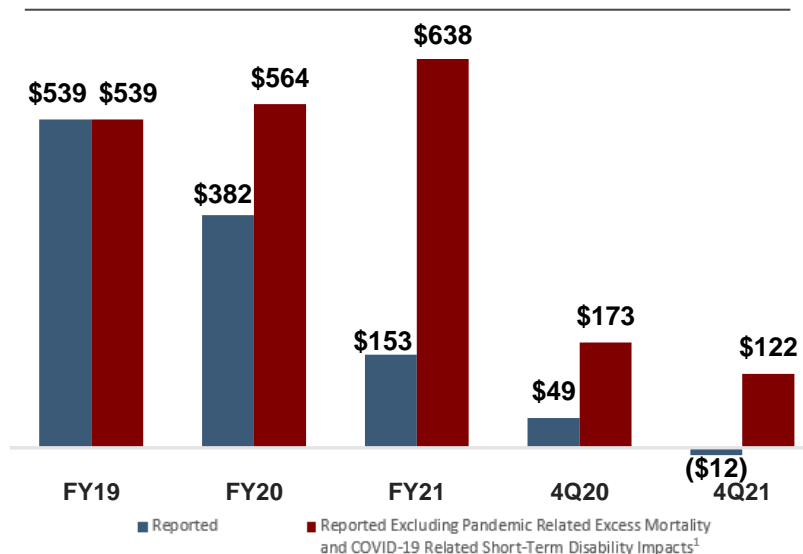
(\$ in millions)



## Group Benefits: Pandemic-driven excess mortality in 4Q21, however, solid performance in other areas of the business, including top line growth

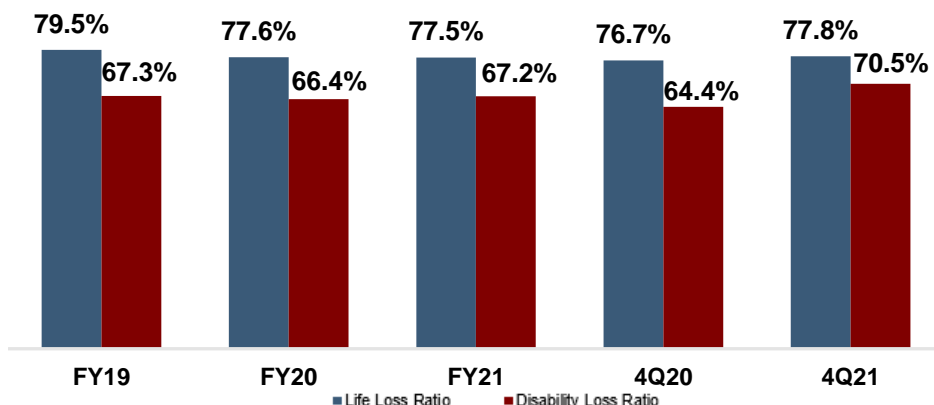
- Core earnings margin of (0.8%), including \$169 million, before tax, or approximately 8.6 points, of excess mortality and COVID-19 related short-term disability impacts
- Disability loss ratio elevated due to:
  - An increase in recent long-term disability incidence in the second half of 2021
  - Higher short-term disability incidence driven by the pandemic
- 4Q21 fully insured ongoing premiums increased 5% from 4Q20:
  - Sales and increased exposure on existing accounts
  - Continued strong book persistency over 90% and up over 1 point over prior year
- Expense ratio of 26.3% increased 1.7 points from 4Q20 due to an increase in compensation, increased claim costs to handle elevated claim levels resulting from the pandemic, technology spend and a reduction in the allowance for uncollectible premiums receivable in 4Q20, partially offset by Hartford Next program and higher earned premiums.

**Core Earnings<sup>1</sup>**  
(\$ in millions)

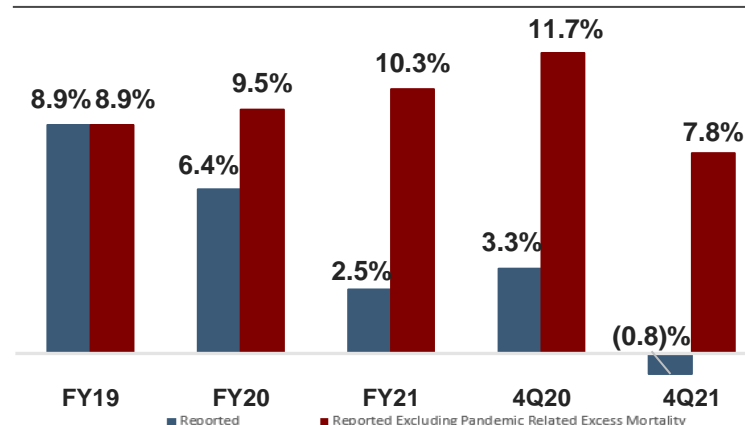


**Loss Ratio**

(Excluding Pandemic Related Excess Mortality and COVID-19 Related Short-Term Disability Impacts<sup>1</sup>)



**Core Earnings Margin<sup>1</sup>**



1. Denotes financial measure not calculated based on GAAP

## Group Benefits:

### COVID-19 Direct & Indirect Impacts including Excess Mortality Losses

	4Q21		FY 2021	
	Amount, before tax (\$ in millions)	Core Margin Impact (points) <sup>1</sup>	Amount, before tax (\$ in millions)	Core Margin Impact (points) <sup>1</sup>
Excess mortality primarily caused by direct and indirect impacts of COVID-19 for claims in 4Q21 and FY21	\$176	8.9	\$577	7.3
Decrease in estimate of excess mortality for first nine months of 2021	\$(16)	(0.8)	N/A	N/A
Increase in estimate of excess mortality for claims in 2020 accident year	\$1	0.1	\$6	0.1
<b>Total excess mortality</b>	<b>\$161</b>	<b>8.2</b>	<b>\$583</b>	<b>7.4</b>
COVID-19 related short-term disability claims	\$8	0.4	\$31	0.4
<b>Total COVID-19 related losses in Group Benefits</b>	<b>\$169</b>	<b>8.6</b>	<b>\$614</b>	<b>7.8</b>

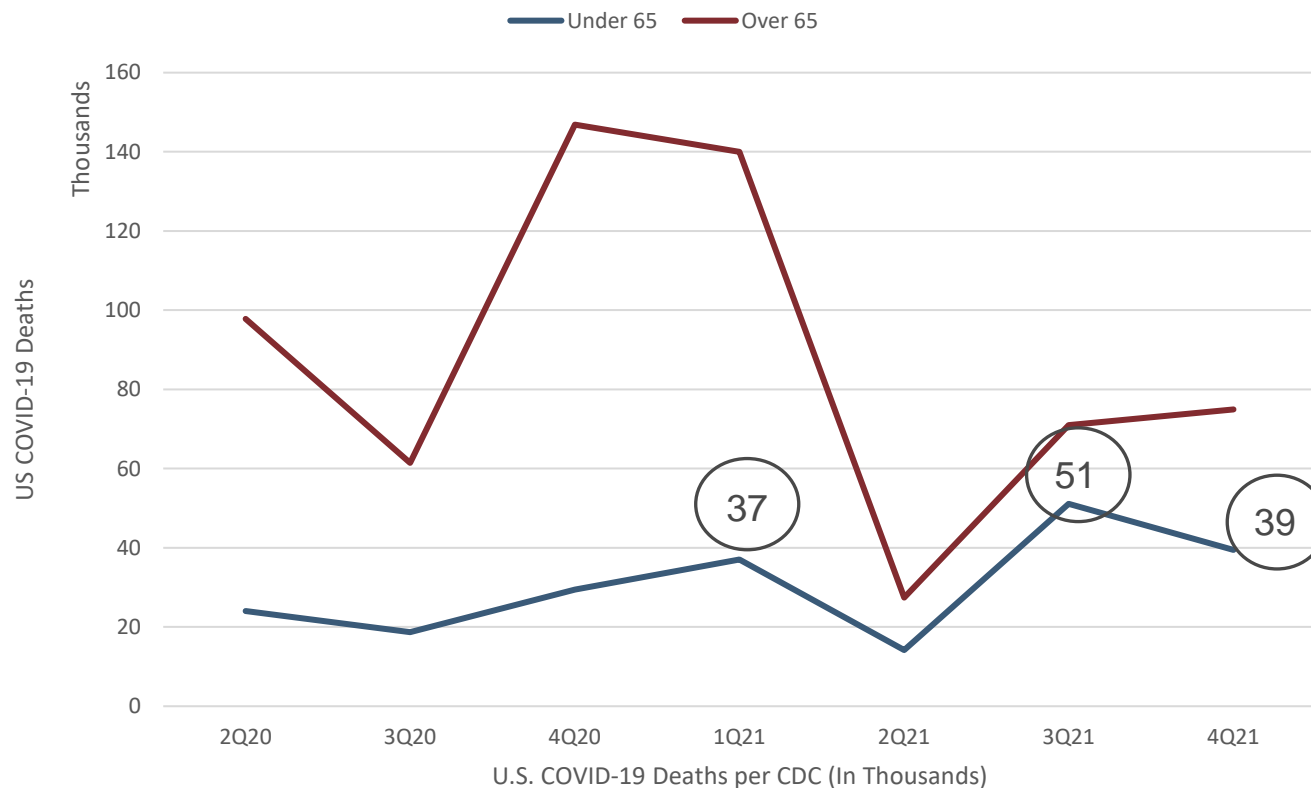
1. Based on Group Benefits revenues, excluding buyouts and net realized capital gains (losses), of \$1,555 million in 4Q21 and \$6,236 in FY 2021

Note – Subtotals may not foot due to rounding

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## US Deaths for ages under age 65 decreased slightly in 4Q21 versus 3Q21, but remain elevated relative to earlier periods in the pandemic

Comparison of CDC COVID-19 Deaths by Age – Reported<sup>1</sup>



- US COVID-19 deaths for Ages Under 65 were at an all time high in 3Q21 and remain elevated in 4Q21.
- Q421 is comparable to Q121 for Ages under 65, while it is considerably lower for Ages Over 65
- HIG Average claim Severity for Ages Under 65 is more than 4 times higher than for Ages Over 65

	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Under 65	24	19	29	37	14	51	39
65+	98	61	147	140	27	71	76
<b>Total</b>	<b>122</b>	<b>80</b>	<b>176</b>	<b>177</b>	<b>42</b>	<b>122</b>	<b>115</b>

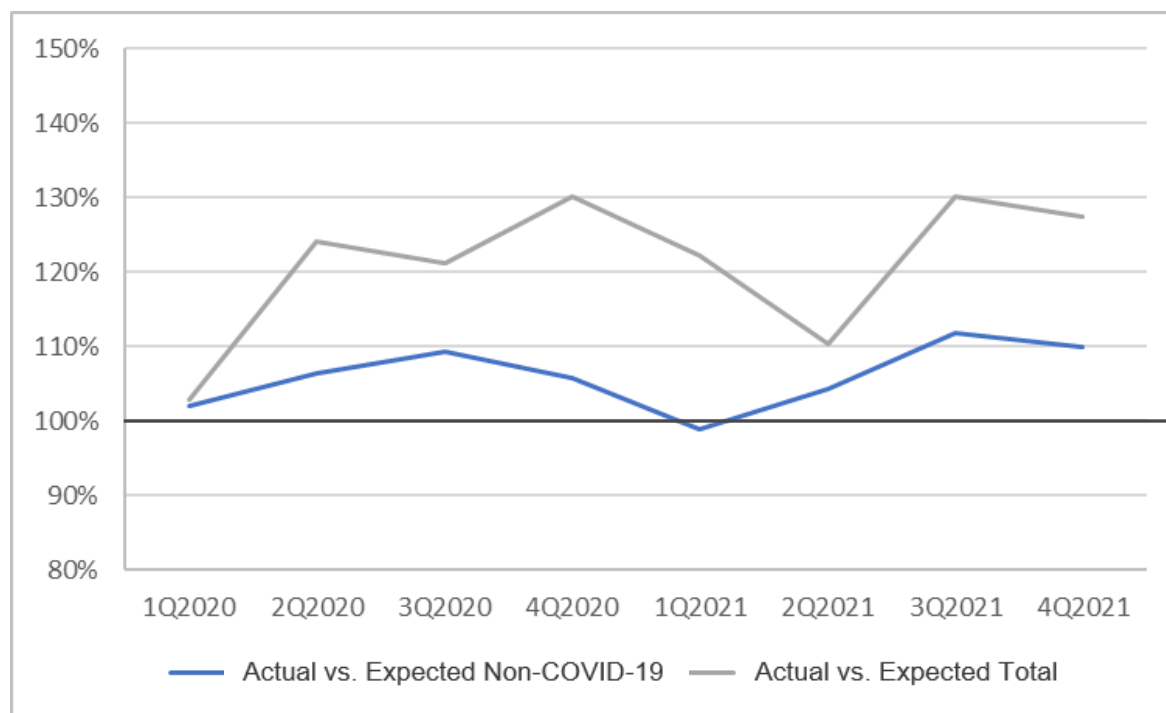
1. Reported deaths only. 4Q21 deaths will increase as more deaths are reported to the CDC. Deaths prior to 4Q21 are essentially fully reported and not expected to change.

\*Data Reported as of 1/31/2022, Source: <https://data.cdc.gov/NCHS/Provisional-COVID-19-Death-Counts-by-Sex-Age-and-S/9bhg-hcku>

## US non-COVID-19 excess mortality remains elevated, but down slightly from the all time high experienced in 3Q21



### CDC Actual vs. Expected Mortality by Quarter



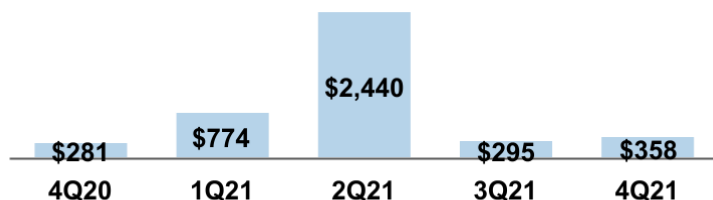
- Graph represents percentage of actual deaths over CDC's expected deaths by quarter
- US non-COVID-19 excess mortality remains very elevated, but down slightly from 3Q21.

1. Data as of 1/24/2022. Source: <https://data.cdc.gov/NCHS/Provisional-COVID-19-Death-Counts-by-Week-Ending-D/r8kw-7aab>  
2. Data has been completed based on historical CDC development patterns

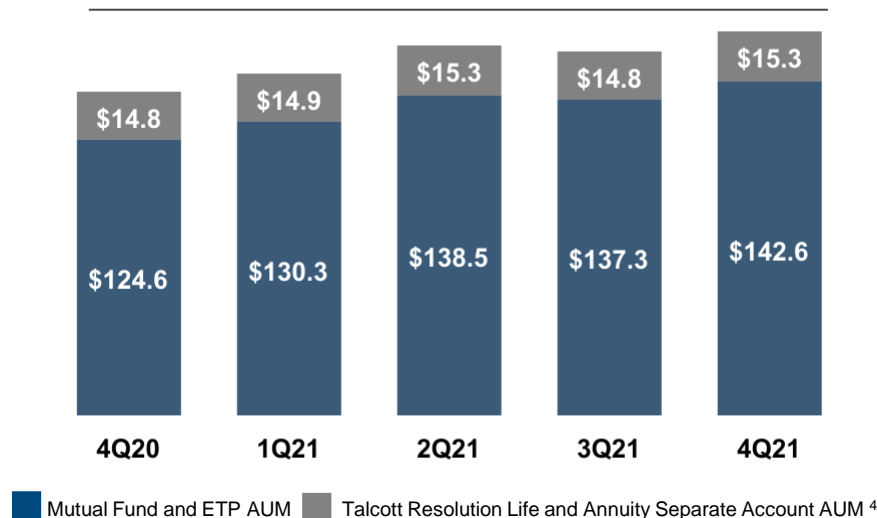
## Hartford Funds: High return, fee generating business

- Core earnings of \$60 million in 4Q21 compared to \$46 million in 4Q20 due to:
  - An increase in fee income resulting from a 20% increase in daily average AUM
  - Higher variable costs resulting from the increase in daily average AUM
- Mutual fund and Exchange-trade Products (ETP) net inflows of \$358 million in 4Q21, compared with net inflows of \$281 million in 4Q20

**Mutual Fund and ETP Net Flows<sup>1</sup>**  
(\$ in millions)

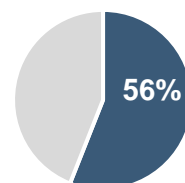


**Total AUM<sup>3</sup>**  
(\$ in billions)

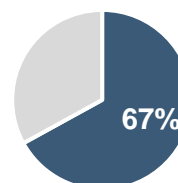


### Long-term Performance of Funds

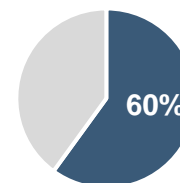
Overall funds outperforming peers  
on 3-y basis<sup>2</sup>



on 5-y basis<sup>2</sup>



Funds rated 4 or 5 stars by  
Morningstar (Dec 31, 2021)



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, 2021

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 loss of \$41 million compared to a core loss of \$51 million in 4Q20

### Components of Corporate Core Losses

(\$ in millions)	4Q20	1Q21	2Q21	3Q21	4Q21
Income (loss) from retained equity interest in Hopmeadow Holdings, after tax	\$(1)	\$(6)	\$(2)	\$—	\$—
Net investment income, after tax	6	2	3	2	14
Interest expense, after tax	(45)	(45)	(45)	(46)	(49)
Preferred stock dividends	(5)	(5)	(5)	(6)	(5)
All others <sup>1</sup> , after tax	(6)	(6)	(3)	3	(1)
<b>Corporate core losses</b>	<b>\$(51)</b>	<b>\$(60)</b>	<b>\$(52)</b>	<b>\$(47)</b>	<b>\$(41)</b>

### Corporate Holding Company Resources (\$ billion)

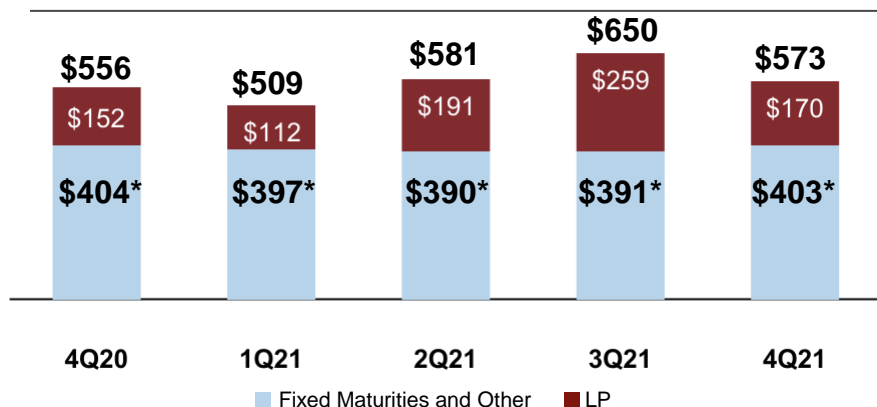


1. Includes fee income and expenses from managing invested assets of Hopmeadow Holdings and performing transition services, incurred losses related to run-off structured settlement and terminal funding agreement liabilities, stranded costs and other corporate expenses

## Total NII: \$573M including higher contributions from LPs<sup>1</sup>

- Higher returns on LPs drove the 3% increase in total net investment income
- Net investment income, excluding LPs<sup>2</sup> of \$403 million, before tax, was mostly flat from 4Q20 primarily due to a higher level of invested assets and greater income from non-routine items offset by reinvesting maturing book yields at lower market rates
- LP income rose \$18 million to \$170 million, before tax, from \$152 million, before tax, in 4Q20 reflecting higher cash distributions within private equity funds. Note: LPs are reported on a quarter lag

### Total Net Investment Income (\$ in millions)



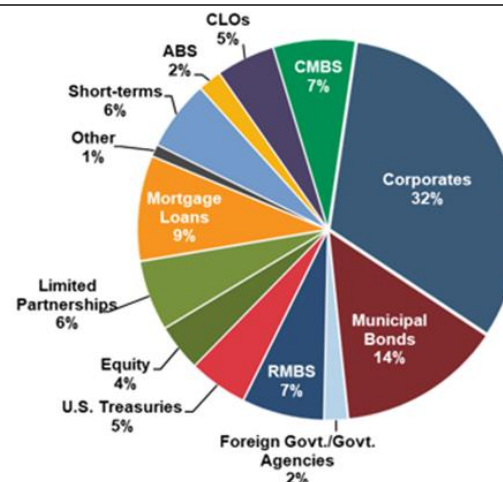
\* Total includes investment expenses of \$20 million, \$19 million, \$21 million, \$20 million and \$20 million in 4Q20, 1Q21, 2Q21, 3Q21 and 4Q21 respectively

1. Limited partnerships and other alternative investments

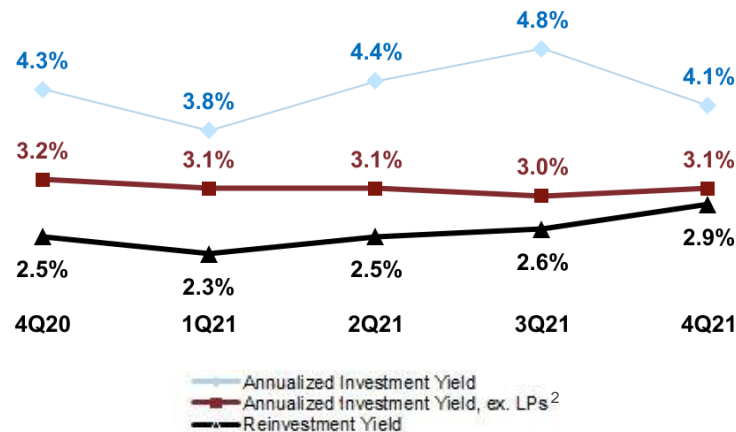
2. Denotes financial measure not calculated based on GAAP

3. Market value represents fixed and equity securities at fair value, mortgage loans at amortized cost and LPs based on underlying capital statements

### Invested Assets by Sector (\$57.7B Market Value<sup>3</sup> as of December 31, 2021)



### Annualized Investment Yield, Before Tax



## Core earnings ROE<sup>1</sup> of 12.7% in 4Q21

Net income ROE of 13.1% versus 10.0% in 4Q20

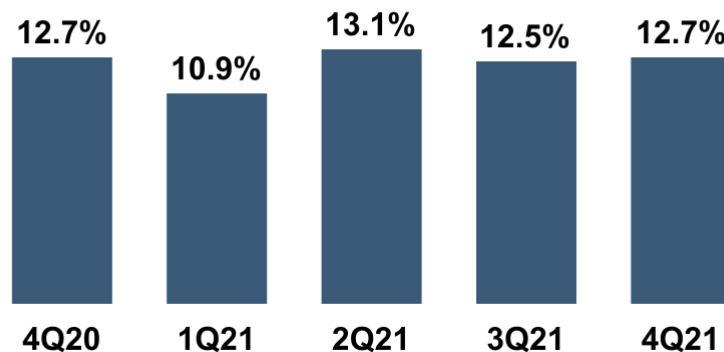
Core earnings ROE of 12.7% in the fourth quarter for both the 2021 and 2020 periods

- 4Q21 trailing 12-month core earnings increased 4% to \$2.2 billion from \$2.1 billion in 4Q20
- Increase in 12-month core earnings was offset by higher average stockholder equity ex. AOCI

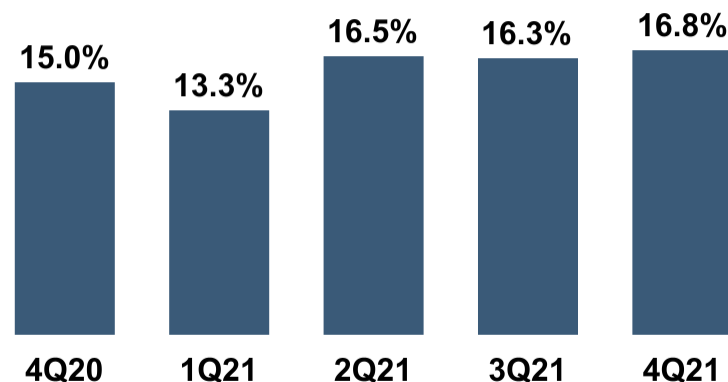
Core earnings ROE remained strong and increased in both P&C and Hartford Funds

- P&C: 16.8% in 4Q21 versus 15.0% in 4Q20
- Group Benefits: 3.1% in 4Q21 versus 9.6% in 4Q20
- Hartford Funds: 57.4% in 4Q21 versus 48.1% in 4Q20

### Consolidated Core Earnings ROE



### P&C Core Earnings ROE



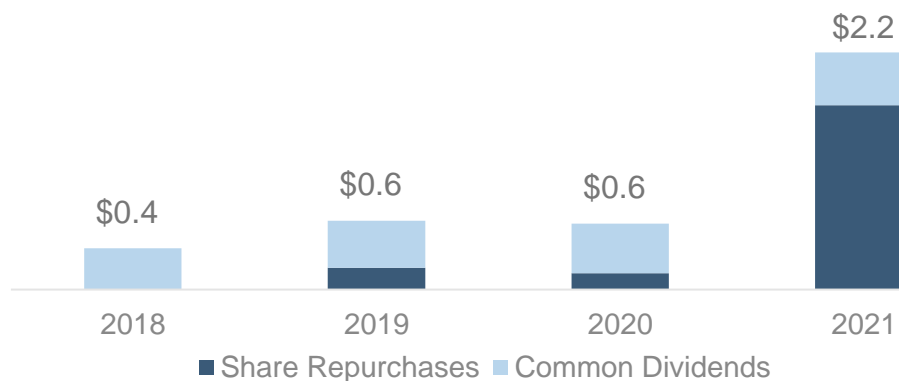
1. Denotes financial measure not calculated based on GAAP

## BVPS (ex. AOCI)<sup>1</sup> of \$50.86 at December 31, 2021 up 8% from the period year

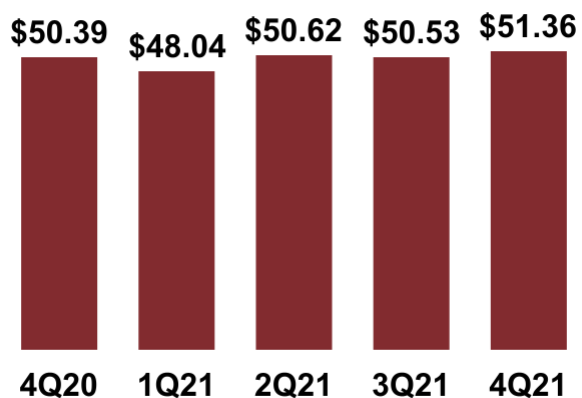
- In 4Q21, the company returned \$620 million to shareholders including \$500 million in share repurchases and \$120 million in common stockholder dividends paid
- For the year, the company has returned \$2.2 billion to shareholders including \$1.7 billion in share repurchases and \$485 million in common stockholder dividends paid
- Including common stockholder dividends paid, SVC was 11% over last 12 months

### Capital Returned to Shareholders

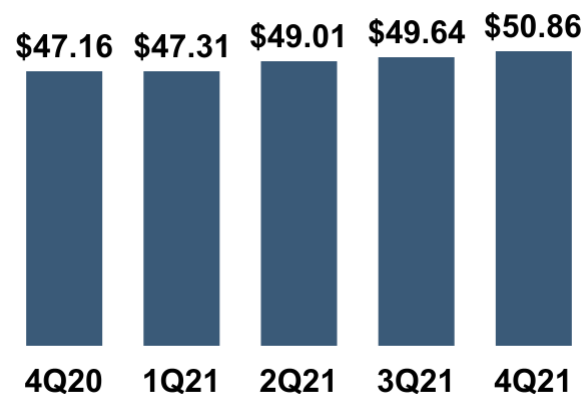
(\$ in billions)



### Book Value Per Diluted Share (BVPS)



### Book Value Per Diluted Share (ex. AOCI)



1. Denotes financial measure not calculated in GAAP

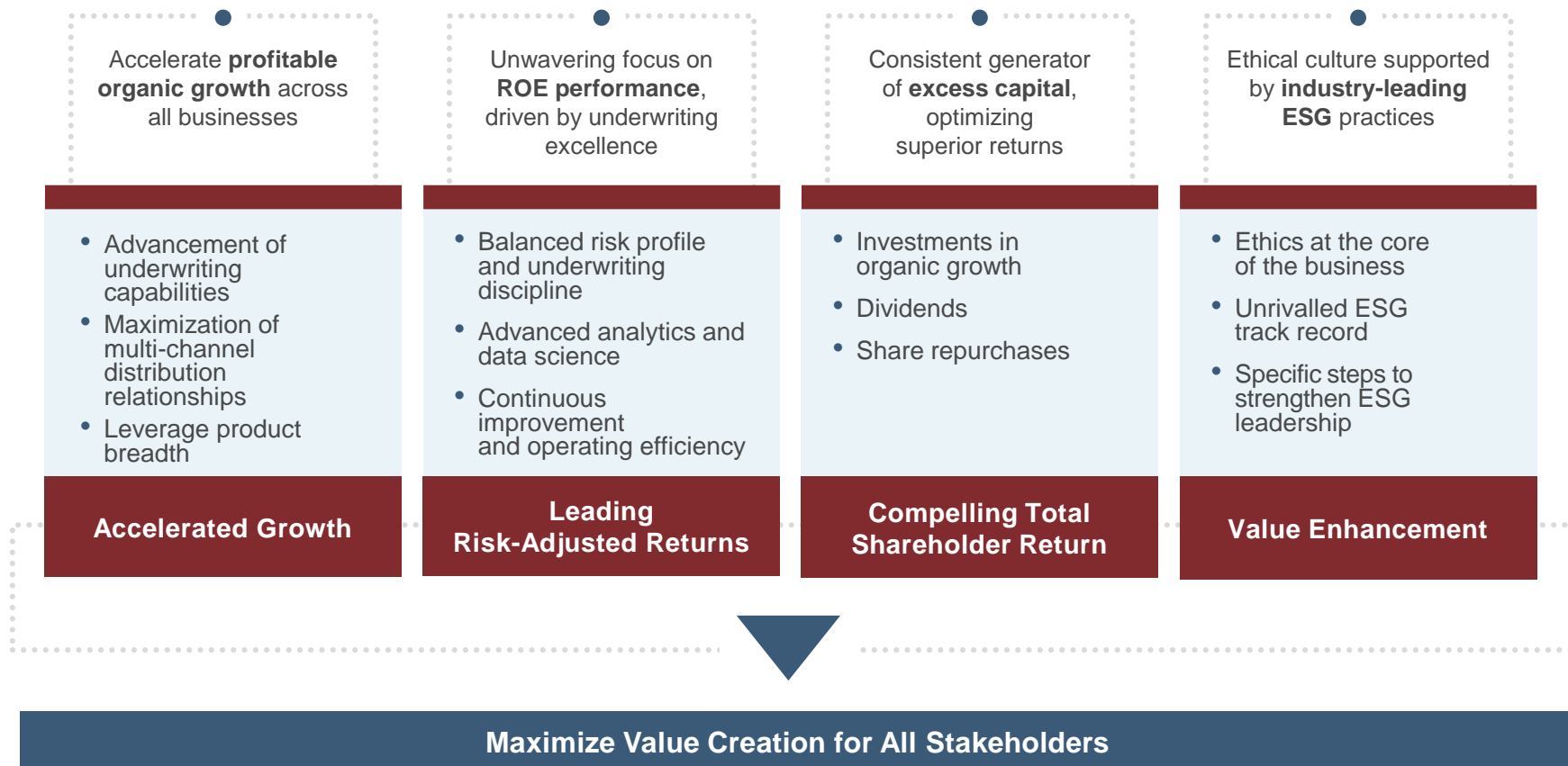
2. Shareholder value creation (SVC) in a period is defined as the change in BVPS (ex. AOCI) plus common stockholder dividends paid during the period, divided by BVPS (ex. AOCI) at beginning of period



## The Hartford's priorities: Our focused steps to produce desired outcomes

- ▶ Advance leading **underwriting capabilities** across our portfolio to offer expanded products and services
- ▶ Emphasize **digital, data and analytics, and data science** that enhance the customer experience and improve the underwriting and claims decision making
- ▶ Maximize **distribution channels and product breadth** to increase market share
- ▶ Optimize **organizational efficiency** with a focus on continuous improvement
- ▶ **Balance capital deployment** for organic growth, investments in the business, and return to shareholders through dividends and share repurchases
- ▶ Continue to advance **ESG leadership** in order to attract and retain top talent and enhance value to shareholders

## Shareholder value creation: a clear roadmap to generate superior risk-adjusted returns



## APPENDIX



## The Hartford's expected 2022 holding company resources

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- Expected sources of holding company resources in FY22 include:
  - Net P&C dividends of approximately \$1.3 billion - \$1.4 billion
  - Group Benefits dividends of approximately \$175 million - \$200 million
  - Hartford Funds dividends of approximately \$175 million - \$200 million
- FY22 holding company uses are expected to include:
  - The repurchase of shares under the \$3.0 billion repurchase program effective through December 31, 2022, with \$1.3 billion of authorization remaining as of December 31, 2021
  - Common and preferred dividends of \$546 million before share repurchases
  - Interest payments of approximately \$210 million
  - Junior subordinated debentures of \$600 million expected to be called at par in April of 2022



## 2022 property catastrophe treaties

### Primary Property Catastrophe Reinsurance Coverages as of January 1, 2022

(\$ in millions, except as otherwise indicated)

	Portion of losses reinsured	Portion of losses retained by The Hartford
<b>Per Occurrence Property Catastrophe Treaty from 1/1/2022 to 12/31/2022 [1] [2]</b>		
Losses of \$0 to \$100	None	100% retained
Losses of \$100 to \$350 for earthquakes and named hurricanes and tropical storms [3]	None	100% retained
Losses of \$100 to \$350 from one event other than earthquakes and named hurricanes and tropical storms (subject to a \$50 Annual Aggregate Deductible ("AAD")) [3]	70% of \$250 in excess of \$100	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 [4] (all perils)	90% of \$600 in excess \$500	10% co-participation
<b>Aggregate Property Catastrophe Treaty for 1/1/2022 to 12/31/2022 [5]</b>		
\$0 to \$700 of aggregate losses	None	100% retained
\$700 to \$900 of aggregate losses	100%	None
<b>Workers' Compensation Catastrophe Treaty for 1/1/2022 to 12/31/2022</b>		
Losses of \$0 to \$100 from one event	None	100% retained
Losses of \$100 to \$450 from one event [6]	80% of \$350 in excess of \$100	20% co-participation

1. These treaties do not cover the assumed reinsurance business which purchases its own retrocessional coverage.
2. In addition to the Per Occurrence Property Catastrophe Treaty, for Florida wind events, The Hartford has purchased the mandatory FHCF reinsurance for the annual period starting at June 1, 2021. 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 estimated at approximately 90% of \$52 in per event losses in excess of a \$21 retention (estimates are based on best available information at this time and are periodically updated as information is made available by Florida).
3. Named hurricanes and tropical storms are defined as any storm or storm system declared to be a hurricane or tropical storm by the US National Hurricane Center, US Weather Prediction Center, or their successor organizations (being divisions of the US National Weather Service).
4. Portions of this layer of coverage extend beyond a traditional one year term.
5. 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 or more risks involved in the same loss occurrence totaling at least \$500 thousand. All catastrophe losses, except assumed reinsurance business losses, apply toward satisfying the \$700 attachment point under the aggregate treaty.
6. 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.

## Hartford Next:

*Initiative is on track, with savings of \$540M in 2022 and \$625 in 2023*

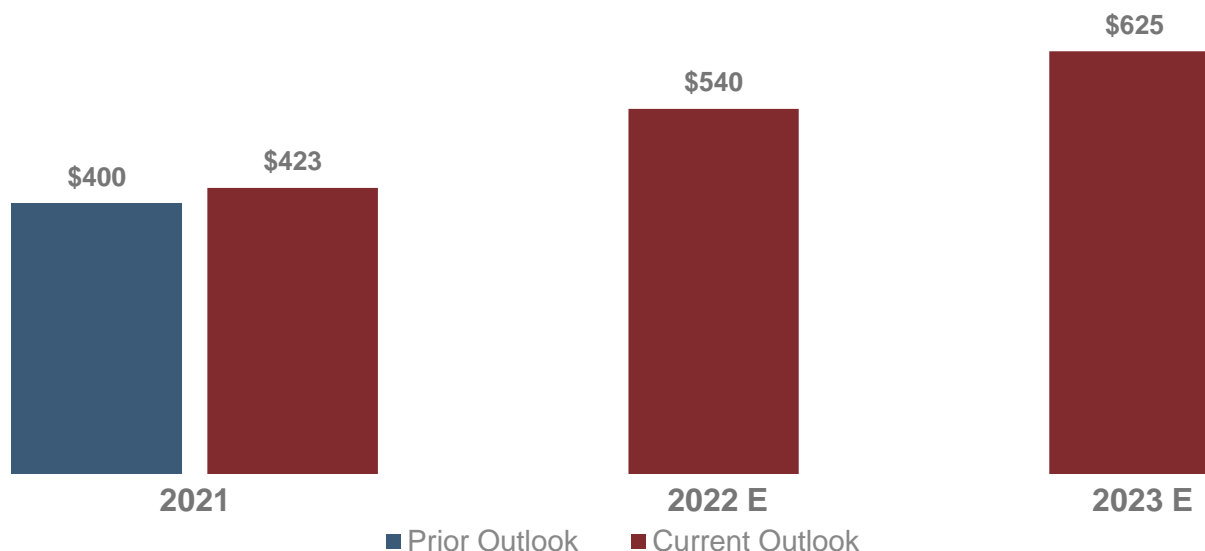
\$, millions

### Updated Hartford Next Assumptions

- Hartford Next savings ahead of previous estimate with expected savings in 2021 increasing from \$400M to \$423M
- Current estimated expenses for the program are \$401M, with impacts to core and non-core expenses, including ~\$57M of amortization and other costs to be incurred after 2023

### Updated Estimated Core Earnings Impact

	FY 2021	FY 2022E	FY 2023E
Savings	\$423	\$540	\$625
Core expenses	\$(63)	\$(64)	\$(38)
Core Earnings Improvement (p/t)	\$360	\$476	\$587
Core Earnings Improvement (a/t) <sup>1</sup>	\$284	\$376	\$464



1. After tax impact, assuming corporate tax rate of 21%.

## Discussion and Reconciliation of Non-GAAP Financial Measures





## Discussion and Reconciliation of Non-GAAP Financial Measures

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The Hartford uses non-GAAP financial measures in this presentation to assist investors in analyzing The Hartford's operating performance for the periods presented herein. Because The Hartford's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing The Hartford's non-GAAP financial measures to those of other companies. Definitions and calculations of non-GAAP and other financial measures used in this presentation can be found below, in The Hartford's news release issued on February 3, 2022, and The Hartford's Investor Financial Supplement for fourth quarter 2021, which are available on The Hartford's website, <https://ir.thehartford.com>.

A quantitative reconciliation of combined ratio to underlying combined ratio for Commercial Lines and Personal Lines and underlying combined ratio before COVID-19 losses for Commercial Lines is not calculable on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes, which are subject to significant variability from period to period. A quantitative reconciliation of net income margin to core earnings margin, or a reconciliation of net income margin to core earnings margin, excluding COVID-19 losses, for The Hartford is not calculable on a forward-looking basis because it is not possible to provide a reliable forecast of realized capital gains and losses, which typically vary substantially from period to period.

## Discussion and Reconciliation of Non-GAAP Financial Measures

**Core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts** - The Hartford uses the non-GAAP measure core earnings margin to evaluate, and believes it is an important measure of, the Group Benefits segment's operating performance. Core earnings margin is calculated by dividing core earnings by revenues, excluding buyouts and realized gains (losses). The Hartford also uses the non-GAAP measure core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts to evaluate Group Benefits' operating performance as it removes the impact of volatile and unpredictable COVID-19 related short-term disability and excess mortality losses. Net income margin, calculated by dividing net income by revenues, is the most directly comparable U.S. GAAP measure. The Company believes that core earnings margin provides investors with a valuable measure of the performance of Group Benefits because it reveals trends in the business that may be obscured by the effect of buyouts and realized gains (losses) as well as other items excluded in the calculation of core earnings. The Company believes that core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts provides investors with a valuable measure of the performance of Group Benefits because it reveals trends in the business that may be obscured by the effect of volatile and unpredictable COVID-19 related losses as well as the effect of buyouts and realized gains (losses), and other items excluded in the calculation of core earnings. Core earnings margin and core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts should not be considered as a substitute for net income margin and does not reflect the overall profitability of Group Benefits. Therefore, the Company believes it is important for investors to evaluate core earnings margin, core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts and net income margin when reviewing performance. A reconciliation of net income margin to core earnings margin and core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts is set forth below.

	GROUP BENEFITS THREE MONTHS ENDED		YEAR ENDED		
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020	Dec 31 2019
<b>Net income margin</b>	<b>2.6%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>6.4%</b>	<b>8.8%</b>
<b>Adjustments to reconcile net income margin to core earnings margin:</b>					
Net realized gains excluded from core earnings, before tax	(4.3%)	(1.1%)	(2.0%)	(0.4%)	(0.5%)
Integration and other non-recurring M&A costs, before tax	0.1%	0.2%	0.1 %	0.3 %	0.6 %
Income tax expense	0.8%	0.3%	0.5 %	— %	— %
Impact of excluding buyouts from denominator of core earnings margin	—%	—%	— %	0.1 %	— %
<b>Core earnings margin</b>	<b>(0.8)%</b>	<b>3.3 %</b>	<b>2.5 %</b>	<b>6.4 %</b>	<b>8.9 %</b>
Excess mortality and COVID-19 related short-term disability impacts, before tax	10.9 %	10.6 %	9.8 %	3.9 %	— %
Income tax benefit	(2.3)%	(2.2)%	(2.0)%	(0.8)%	— %
<b>Core earnings margin excluding pandemic related excess mortality and COVID-19 related short-term disability impacts</b>	<b>7.8 %</b>	<b>11.7 %</b>	<b>10.3 %</b>	<b>9.5 %</b>	<b>8.9 %</b>

## Discussion and Reconciliation of Non-GAAP Financial Measures

**Core earnings-** The Hartford uses the non-GAAP measure core earnings as an important measure of the Company's operating performance. The Hartford believes that 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 including the net effect of certain items. Therefore, the following items are excluded from core earnings:

- Certain realized gains and losses - Some realized 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 that tend to be highly variable from period to period based on capital market conditions. The Hartford believes, however, that some realized 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. These net realized gains and losses are directly related to an offsetting item included in the income statement such as net investment income.
- Restructuring and other costs - Costs incurred as part of a restructuring plan are not a recurring operating expense of the business.
- Loss on extinguishment of debt - Largely consisting of make-whole payments or tender premiums upon paying debt off before maturity, these losses are not a recurring operating expense of the business.
- Gains and losses on reinsurance transactions - Gains or losses on reinsurance, such as those entered into upon sale of a business or to reinsure loss reserves, are not a recurring operating expense of the business.
- Integration and other non-recurring M&A costs - These costs, including transaction costs incurred in connection with an acquired business, are incurred over a short period of time and do not represent an ongoing operating expense of the business.
- Change in loss reserves upon acquisition of a business - These changes in loss reserves are excluded from core earnings because such changes could obscure the ability to compare results in periods after the acquisition to results of periods prior to the acquisition.
- Deferred gain resulting from retroactive reinsurance and subsequent changes in the deferred gain - Retroactive reinsurance agreements economically transfer risk to the reinsurers and including the full benefit from retroactive reinsurance in core earnings provides greater insight into the economics of the business.
- Change in valuation allowance on deferred taxes related to non-core components of pre-tax income - These changes in valuation allowances are excluded from core earnings because they relate to non-core components of pre-tax income, such as tax attributes like capital loss carryforwards.
- Results of discontinued operations - These results are excluded from core earnings for businesses sold or held for sale because such results could obscure the ability to compare period over period results for our ongoing businesses.

In addition to the above components of net income available to common stockholders that are excluded from core earnings, preferred stock dividends declared, which are excluded from net income available to common stockholders, are included in the determination of core earnings. Preferred stock dividends are a cost of financing more akin to interest expense on debt and are expected to be a recurring expense as long as the preferred stock is outstanding.

Net income (loss) and net income (loss) available to common stockholders are the most directly comparable U.S. GAAP measures to core earnings. Core earnings should not be considered as a substitute for net income (loss) or net income (loss) available to common stockholders and does not reflect the overall profitability of the Company's business. Therefore, The Hartford believes that it is useful for investors to evaluate net income (loss), net income (loss) available to common stockholders, and core earnings when reviewing the Company's performance.

## Discussion and Reconciliation of Non-GAAP Financial Measures

**Core earnings excluding pandemic related excess mortality and COVID-19 related short-term disability impacts-** In addition to the non-GAAP Core Earnings measure noted on the previous slide, The Hartford believes that core earnings excluding pandemic related excess mortality and COVID-19 related short-term disability impacts provides investors with a valuable measure of the performance of the Company's ongoing businesses because it removes the impact of volatile and unpredictable COVID-19 related short-term disability and excess mortality losses on earnings. Therefore, in addition to the items excluded from core earnings listed on the previous slide, core earnings excluding pandemic related excess mortality and COVID-19 related short-term disability impacts excludes the after-tax impact of these COVID-19 related losses. A reconciliation of net income to core earnings and to core earnings excluding pandemic related excess mortality and COVID-19 related short-term disability impacts is set forth below.

	GROUP BENEFITS THREE MONTHS ENDED		YEAR ENDED		
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020	Dec 31 2019
<b>Net income</b>	<b>42</b>	<b>59</b>	<b>249</b>	<b>383</b>	<b>536</b>
<b>Adjustments to reconcile net income to core earnings:</b>					
Net realized losses (gains), excluded from core earnings, before tax	(70)	(17)	(129)	(20)	(33)
Integration and other non-recurring M&A costs, before tax	1	3	6	18	36
Income tax expense (benefit)	15	4	27	1	—
<b>Core earnings (losses)</b>	<b>\$ (12)</b>	<b>\$ 49</b>	<b>\$ 153</b>	<b>\$ 382</b>	<b>\$ 539</b>
Excess mortality and COVID-19 related short-term disability impacts, before tax	169	157	614	230	—
Income tax expense (benefit)	(35)	(33)	(129)	(48)	—
<b>Core earnings excluding pandemic related excess mortality and COVID-19 related short-term disability impacts</b>	<b>\$ 122</b>	<b>\$ 173</b>	<b>\$ 638</b>	<b>\$ 564</b>	<b>\$ 539</b>

## Discussion and Reconciliation of Non-GAAP Financial Measures

**Group life loss ratio excluding pandemic related excess mortality** - The Hartford utilizes this non-GAAP measure as a ratio of group life benefits, losses and loss adjustment expenses, excluding those related to buyout premiums, less pandemic related excess mortality divided by premiums and other considerations, excluding buyout premiums. The Company believes that the group life loss ratio excluding pandemic related excess mortality provides investors with an important measure of the trend in the group life business because it excludes the impact of volatile and unpredictable mortality arising from the COVID-19 pandemic. The most directly comparable U.S. GAAP measure is the group life loss ratio, calculated as the ratio of group life benefits, losses and loss adjustment expenses, excluding those related to buyout premiums, to premiums and other considerations, excluding buyout premiums. A reconciliation of the group life loss ratio to the group life loss ratio excluding pandemic related excess mortality is set forth below.

**Group disability loss ratio excluding COVID-19 related short-term disability impacts** - The Hartford utilizes this non-GAAP measure as a ratio of group disability benefits, losses and loss adjustment expenses, excluding COVID-19 related short-term disability impacts, to premiums and other considerations, excluding buyout premiums. The Company believes that the group disability loss ratio excluding COVID-19 related short-term disability impacts provides investors with an important measure of the trend in the group disability business because it excludes the impact of volatile and unpredictable short-term disability losses related to the COVID-19 pandemic. The most directly comparable U.S. GAAP measure is the group disability loss ratio, calculated as the ratio of group disability benefits, losses and loss adjustment expenses, excluding those related to buyout premiums, to premiums and other considerations, excluding buyout premiums. A reconciliation of the group disability loss ratio to the group disability loss ratio excluding COVID-19 related short-term disability impacts is set forth below.

	GROUP BENEFITS		YEAR ENDED		
	THREE MONTHS ENDED				
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020	Dec 31 2019
<b>Group life loss ratio</b>	105.0 %	102.0 %	101.9 %	87.5 %	79.5 %
Excess mortality and COVID-19 related short-term disability impacts	(27.2)%	(25.3)%	(24.4)%	(9.9)%	— %
<b>Group life loss ratio excluding pandemic related excess mortality</b>	77.8 %	76.7 %	77.5 %	77.6 %	79.5 %

	GROUP BENEFITS		YEAR ENDED		
	THREE MONTHS ENDED				
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020	Dec 31 2019
<b>Group disability loss ratio</b>	71.6 %	65.1 %	68.2 %	66.1 %	67.3 %
Excess mortality and COVID-19 related short-term disability impacts	(1.1)%	(0.7)%	(1.0)%	0.3 %	— %
<b>Group disability loss ratio excluding COVID-19 related short-term disability impacts</b>	70.5 %	64.4 %	67.2 %	66.4 %	67.3 %