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# EDITED TRANSCRIPT

HIG - Hartford Financial Services Group Inc at KBW Insurance Conference

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## CORPORATE PARTICIPANTS

**Beth Bombara** *The Hartford Financial Services Group, Inc. - CFO*

## CONFERENCE CALL PARTICIPANTS

**Meyer Shields** *Keefe, Bruyette & Woods - Analyst*

## QUESTIONS AND ANSWERS

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay. Thank you all. Good morning. We're going to get started now. By way of introduction, I'm Meyer Shields on the P&C equity research team at KBW. And we're very, very happy to have Beth Bombara, who's the CFO of The Hartford with us today. And also, Sabra Purtill and Sean Rourke are here from Investor Relations.

This is also going to follow the fireside chat format. And I'll start off with a few questions. At any point in time, please, if you've got something that I'm not addressing or that you're curious about, then don't hesitate to raise your hand because this is primarily intended to get you the information that you're looking for.

But, with that, I'm going to start off with sort of a very -- a superficially basic question, but probably goes a little bit deeper. And talk about, if you will, the ROE expectations that you've got for 2015, for 2016, maybe 2017 and steps that you're taking to get to the company goal.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Great. Absolutely. So, increasing our ROE has been a key objective for the company now for a while, and continues to be. And the way we've talked about it is getting to a point where our return on equity exceeds our cost of capital. And then, we've made -- continued to make a lot of progress in that regard. In the second quarter, we reported a 12 month rolling ROE of 9.6%.

Now, in all fairness, that had some favorable one-time items in it. We benefitted from very strong partnership returns, some favorable tax items. We did have an asbestos charge in there as well, so it wasn't all positive.

But, if you kind of normalize that ROE, it's probably about 8.9% if you took some of those favorable items out. So, from our perspective, an improvement from where we've been in the past.

We talked about at the beginning of this year that our expectation was for our ROE to be somewhere in the 8.7% to 9.2% range, and we do see ourselves falling within that range depending on how the rest of the year progresses, so a lot of progress.

And as we think about going forward, we have benefitted in the past from some of the capital management actions that we've taken, improvement in our underlying margins in our business. This has all led to expanding our ROE, and we continue to focus on growing that.

How much and what the basis point change will be from year to year is obviously going to depend on a variety of factors. In this environment, with low interest rates and with a very competitive pricing environment in our commercial markets business, we would tend to see that trajectory increase kind of be at the lower end of some of the estimates that we've given in the past. But, again, continuing to see progress along that -- on that path.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Within that, how should we think about interest rates affecting your cost of capital in terms of the comparison?



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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. So, interest rates, obviously when they're low, does have an impact on the cost of capital. And so, when we think about our objective of having our ROEs exceed our cost of capital, that obviously comes into play as well.

And when we look at, again, the 9.6% that we hit from a 12 month rolling average basis at the end of June compared to our cost of capital, we are pretty much -- we're pretty close to that. So, again, looking to continue that path. And you're right. Interest rates affects both sides of the equation.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Right. And it certainly does affect the returns.

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

So, let me take another interest rate related question, but this one's more indirect. And that's with regard to Talcott. We've seen, I think, an impressive and orderly diminishment of that book of business over time. What external factors can we look for that could legitimately affect investors' expectations of a full divesture or bigger block for that?

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. So, first on Talcott, we're very pleased with the progress that we've made on that book of business, shedding the Japan book, which is the most volatile aspect of that business. That business is really ring-fenced now in its own separate legal entities.

And as you know, we've been on a path now of actually being able to take capital out of Talcott. So, this year we've already taken out $1 billion, and we expect to take out another $500 million at the beginning of next year.

So, from our perspective right now in what we're doing, we see holding Talcott and continuing to look to how to extract capital. And continuing to reduce the size and risk of that would make a lot of sense. And that's -- doing a transaction that would result in -- would be dilutive to book value is not something that at this point we think is the appropriate action for us.

Now, things that might change that, one, as you linked to, is interest rates, because we do believe that that impacts valuation. And so, if interest rates were to rise, we do believe that that would provide us opportunities where that economic evaluation of holding versus selling would make more sense.

And then, you think about what we did with Japan, when we were going through that process and looking at the value we could get versus the risk profile of that business and keeping it, it was an easier decision to make as to now is the time to dispose of it. With the US book being just very different, we think that improving valuation would put us in a much better position to potentially think about disposing of that.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

When you -- I have to put this in the question and not say when you, but do you have a specific set of interest rate expectations built into your current plan of saying now it makes sense to hold it?





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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

So, as we look at things today and the valuation that we think we would get for it given interest rates, that goes into our calculation of holding it and continuing to extract capital. And then, as interest rates were to rise and our valuations would improve, we would look at that tradeoff to decide when the appropriate time might be to look at that.

I don't think I could give you like, say, an exact interest rate level to say, okay, then this would be -- absolutely we'd dispose of it. But, we have in the past talked about that -- at least having the 10 year have a three handle on it would, I think, begin to make those economics make more sense.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Good, and for more than 15 minutes, I assume.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

And for more than 15 minutes.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Right. Okay. Another interesting comment that came from the second quarter conference call was Chris's discussion of potential acquisitions, which I think was certainly a shift in terms of how you've been talking externally. So, first, that sounds like a legitimate sort of reflection of the successes so far in rebuilding Hartford, and second, actually an appetite for acquisitions. And I was hoping you could talk us through those two pieces.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes, absolutely. So, again, when we think about our strategy and what we're doing, we first start organically and being able to execute what we're doing with the capabilities that we have.

When we think about acquisitions, what we're talking about is that if there's opportunities for us to accelerate premium growth or accelerate the operating capabilities that we want, we would consider those.

And Chris' point on the conference call was to talk about the fact that in the past, given where we were, when we found ourselves with excess capital, the best use of that was returning to shareholders, paying down debt. And that was kind of the priority.

And really a lot of the comments on the conference call were pointing towards the fact that, as you said, we are a different company today in a much different position. And so, as we think about our use of excess capital in the future, finding opportunities that help us with our strategic objectives are going to be a priority.

If those don't exist, then of course we will look to other means to return capital to shareholders. But, we are in a different place, and that's what Chris was trying to convey on the call.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay, that's helpful. When you talked about advancing the premium growth strategy, I guess any way -- any number of ways to look at it, more personal lines, more of your core small commercial domestically, expanding into other countries, expanding into more specialty lines. Is there a prioritization of potential targets that you're thinking about?



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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

So, we really are across the board when we look at all of our businesses and what their objectives are. And I do recall that Chris went through quite a list of things that we would consider. Because all these things are things that we're looking at right now and trying to expand our internal capabilities on. So, as it relates to our commercial businesses and certain product lines that maybe we don't have the depth of experience that we want and capabilities.

And he referenced some of those industries that maybe we want to -- we would like to see ourselves participate in more, things like construction, real estate, those types of activities where we see there's potential for there to be growth in those sectors.

So, we think being able to have capabilities in those markets and with products that would be of interest to those consumers would help move along our commercial market strategy. In group benefits, we've talked about voluntary type products and things that are happening within that environment.

Personal lines, and

Chris was very clear. We're not looking to be a broad based personal lines company that is trying to market to all consumers. But, where we could expand some of our products that we think would be of benefit to our policyholder base, we would look for that as well. So, it really is through -- it's through a variety of lenses.

And to me, prioritization comes around looking at what opportunities might exist, what returns can one generate on those, and how do you make those tradeoffs. And so, to some extent, it comes down to what are the underlying economics associated with potentially doing an acquisition or a strategy of growing it all yourself, because that's kind of how we're looking at it.

On the international front, we're not looking to, quote unquote, plant flags in other countries. But, where we can find avenues to provide coverages to our US policyholders that have operations overseas, we would look for that as well.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

And I'm interpreting that as being predominantly commercial.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. Yes.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

All right. Let me just take a second to survey. Will? I don't mean to survey Will, but --.

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**Unidentified Audience Member**

All right. Thank you for your presentation. I was wondering if you can -- when you talk about if we don't find good opportunities, we revert back to what we had been doing with share repurchase and debt. Are there any metrics, any financial metrics you use for potential call it business expansion opportunities? And how can you guide shareholders to think about that?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes, a great question. So, the metrics that we look at and how we think about it I think really come down to very much fundamentals, which is looking at the returns that we can generate from those types of opportunities, the cash flows that come from that, and how that compares to other uses. And then, I think where -- the other factor that comes into that is then time period for payback on some of those types of activities.

And to me, I think that those areas that provide the most strategic benefit, that allow us to expand our capabilities, those are the things that maybe you reach for a little bit more than just kind of adding on to stuff that you already have.

And so, we really would look at it across the board. It's not as if we have a particular metric or hurdle rate that we have to achieve. But, again, I'll go back to our overall objective of having our return on equity exceed our cost of capital, growing our book value per share, all of those things are what we're trying to strive for. And so, any use of capital we evaluate through those lenses.

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**Unidentified Audience Member**

(Inaudible -- microphone inaccessible) is there a certain timeframe in terms of the earn back, within three years, four years, five years? I mean, ultimately you want to --.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. Yes. So, again, I don't want to declare a specific period, but I think the ranges that you're talking about are things that we think about.

And I would say that the expectation should be that, if we were to determine that a good use of our capital would be to do some type of acquisition or invest in our businesses differently, that you should expect that we will clearly articulate how we made that decision and what that return period would be and our expectation for what it does to the metrics that we're trying to drive.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay. When we look -- and it's easy for me to say that, but I realize that it's not easy in terms of actually accomplishing. But, when we look beyond earning your cost of capital and growing book value, there's also the concept of growth, which is maybe a longer term way of getting there. Can you go through maybe the usual business units and talk about what your organic expectations for growth are?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Sure. So, really across the board we do see opportunities for growth. I'll start with our commercial markets business. As you know, a leading writer of small business, and we think that our capabilities in that area allow us the opportunity to continue to grow in that space.

It's a business that we're very pleased with the returns that we generate, probably one of our highest returning P&C businesses. It is our highest returning P&C business, and so we continue to look for opportunities to expand our risk appetite in different classes of business that we write and so forth. And so, we see opportunities in that regard.

Middle market is also an area where we've seen a lot of improvement in our underlying trend. Though we've improved the profitability in that business, we've been expanding our capabilities. One of the things that we've talked a lot about in the past is the fact that we were predominantly a workers comp writer, and we have been bringing in capabilities that allowed us to expand in things like property and other areas that we're interested in.

And that really goes to some of the areas that Chris talked about on our conference call as far as where we see the potential for growth. If we can participate in those industries that we think are also going to grow, then we would see our premiums grow from there as well.



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In group benefits, in that business -- which, again, is a business that has gone through a lot of changes over the last several years and significantly improved the underlying profitability in that book of business, and feel very good about the returns that we're earning. In there, opportunities where we can provide coverage to smaller and midsize companies I think is an area of potential growth for us, as well as the whole voluntary market. And that's something that the team spends a lot of time looking at as well.

But, we are a very large player in that business. And we think that, with all of the re-underwriting that we've done and sort of fixing of the book that we're in a position now where we'd see growth. And actually in the second quarter was the first time that we did see absolute growth in top lines numbers without any but for this, but for that, but just the printed numbers showing growth.

And then, in consumer personal lines business, again, very strong penetration with our AARP membership demographic. And we think that there is opportunity to continue to expand in that market. We believe that we offer a very good product for the profile of that member. And looking to, again, enhance our underlying offerings and thinking about things that relate to our homeowners offerings and so forth that we also think could lead to additional growth.

So, really we have strategies across all of these businesses that are contributing to grow. I will say in our personal lines business, one area that we have been focused on is our nonmember agency book. And that has been for some time, and starting to take -- and we've started to take some actions and really looking at what business should we be doing with what agents and where does it best line up with our interests.

And so, we did see some dips in our revenue numbers because of that, but that was, again, intentional as we look at that book of business and what we're trying to achieve.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay. One of the mysteries that we've been dealing with over the course of the second quarter is that some companies are seeing pretty significant personal lines kind of deterioration and some aren't. And some of the external data seems to point to it, like there's been an uptick in traffic fatalities. Looking at Department of Transportation data, there are more miles being driven. But, again, the impact on individual companies has varied pretty significantly. I was hoping you could take a minute and sort of describe what you're seeing, recognizing, and this is key to the story, that you do have a specialized focus.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Right. And I think that is key. When you look to compare our results to others, is the profile of our book of business being largely AARP members, so an older, more mature profile, and whose driving habits tend sometimes to be different than the general population.

So, things like the fact that many of these folks are retired means that when there's bad weather, they don't need to go out so they can stay home. They're not driving. We've also not sent the same sensitivity to the gas prices and miles driven than maybe others have. So, we have not seen the frequency trends that others have seen.

We have seen throughout the first quarter a little bit of uptick in physical damage. And some of that we believe was a result of just processes that we could improve in our claims processes where we weren't getting the subrogation as quickly as we believe that we should have been. And so, that caused a little bit of that blip. We had been putting in a new claims system in that time period.

But, there's also the theories out there relative to cars just being more expensive to fix, so, all these safety features that are in cars now that should over time result in less in frequency.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Correct.



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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

When you hit a bumper that has a camera in it, it's a little more expensive to replace than a bumper without a camera in it, so those types of things as well.

But, overall, you're right. Our experience has been a little bit different from some others.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Is there a pricing opportunity in that? When you've got -- so, the names we're talking about are clearly Allstate and GEICO, to some extent, where they're targeting the entire marketplace. And if their rates -- and I'm simplifying but probably not too much. If their overall base rate levels need to come up, then that means that they'd be raising rates on the retiree portion of their book of business as well. Is that an opportunity that's out?

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

I mean, it depends, right? I mean, we've been raising rates as well, so we are trying to improve the overall profitability of the book. So, I think it's hard to say exactly how that will translate.

We do think that the targeted marketing that we do to that segment and what's important to them is just different. So, might it make someone decide to maybe look at a quote from us if they're getting a rate increase from somewhere else? Probably, but I think it's hard to really say at this point we'd see a meaningful uptick that we could point to that being the reason.

We believe that, at the end of the day, we have a product that is differentiated, that they have that affiliation with AARP, and it has been a very profitable book for us.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay, thanks. I'm going to turn after this one to see again if there are questions from the folks in the room. But, can we turn back to sort of a broader perspective on what you're seeing in terms of pricing beyond the auto side, for the consumer commercial and maybe group benefits?

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. So, I'll start with commercial. We do see it as a very competitive marketplace, that pricing does continue to -- some players being more aggressive than others. And we do think we're getting to a point as an industry where loss cost trends and price increases are either intersecting or close to intersecting.

For us, what that means is that overall with our book we're very pleased with the returns that we're generating and the improvement that we've seen in that book. There are areas where we do still believe that we can get price increases, most particularly in commercial auto where that part of the book has not been performing as well as we'd like to see it, and we have been getting price increases.

But, in other parts of the book, we really do see that price competition heating up. And so, for us, our focus is to continue to be disciplined, to continue to focus on retaining those accounts that we believe are most profitable.

And at the macro level, we just think in this environment it's hard to see an expectation of margins improving significantly from here, absent some change in loss cost from a frequency or severity perspective. So, it's something we obviously watch very closely and will continue to monitor.



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Our group benefits side, again, as we've discussed in the past, we've gone through a process of over the last several years of re-underwriting that book, getting rate back into the book. That area too continues to be competitive, but we are able to get the pricing that we need to maintain our profitability. And again, it's an environment that we'll just continue to watch because it is -- it's just competitive.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Right. Okay. But, not recklessly so?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

No, I wouldn't say in either side or we seeing it being reckless, but it is getting more aggressive. And it's just something that we will continue to monitor.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay. So, let me take a second and see if there are any questions in the room. Okay. And if there is going forward, then, again, please don't hesitate to just let me know.

In corporate structure, obviously you've been through an awful lot. Still somewhat unusual in terms of having, let's say, besides Talcott, the mutual funds business there. How do we think about that long term? In the short term, great capital generation, limited capital requirement, so that's all fine. Strategically, structurally, does it make sense to have that as part of the unit? And maybe we could ask the same question about group benefits. I'm not sure.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. So, mutual funds -- actually, I keep saying the same thing. But, we've really been on a path of fixing a lot of our businesses over the last several years, and mutual funds is no different.

So, that business has also gone through a lot of changes. And we are really starting to see the benefits of that in the positive net flows that we've had for the first half of the year. We've very pleased with the underlying earnings. It is in its own legal entity and provides access by the holding company to its dividend. There's no insurance company that it needs to go through or anything like that.

So, from our perspective, we see it as a very good generator of cash flow to the holding company, a high ROE business, and a business that continues to improve. Longer term what that means, I think right now we are where we are, and we constantly evaluate our portfolio of businesses. And we like mutual funds and where it sits today.

Group benefits, I know this is a question that we often get. We really do think of group benefits as an underwriting type business. So, for us, we see it fitting in very nicely with our P&C businesses. And I think most people can see that as well.

And again, the improvement that we've seen there we think that we'll continue to benefit from, and we like that business as well. So, overall our portfolio of businesses we're very happy with at the present.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay, that's fair. We touched on this earlier but I wanted to go a little bit deeper into it with regard to the profitability of the independent agent personal lines business. Do you have a sense of what it is that maybe should have been done differently or earlier on, and an update in terms of where you are now, where you'll be in six months?



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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

So, I don't think I could really comment on where we've been in the past. And it's been a part of our business that we've looked at several times. And I think as the new team in place, with Ray Sprague and some of the key talent that he's been able to attract to the company, I think they're looking at all aspects of that.

On the agency teams, I think what we're looking at closely is how do we make sure that we're doing business with agents where we believe that what they're trying to achieve for their clients and what we can deliver are aligned and we can do it in a competitive way.

So, we cannot be all things to all agents. We have a very profitable business that has many characteristics to it as far as the profile of the consumer in there in the AARP book. And we're really looking at how do we leverage that across the agency book as well. They're not trying to be all things to all players, because we don't believe that that would make sense for us.

So, you did see the results of some of the actions that we took in the second quarter. I think Doug talked about it at the second quarter as well, and I think was pretty clear to say that over the next several months, six months or so, you'll continue to hear us talk about what our strategy is there.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay. Is there an improving profile of the type of agent that you want, or is it really about the customers that the agents serve as the primary concern?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

So, it's really just looking at those agents and kind of the business that they're providing to us and the profitability of that. And so, when you have situations where you're working with agents and you're really not getting a lot of customers from and what you're getting is not necessarily fitting well within our book and profitable, that's really where we're looking at being more selective in that area.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Right. Okay. I'm going to take a second again and just see if --.

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**Unidentified Audience Member**

How do you view subordinated debt instruments in your capital structure? Do you view it as a further component? Are you getting enough rating agency credit due to expenses and things like that, and also the continued capital ability?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Sure. So, at the most macro level, we've talked about the fact that we are looking to continue to reduce our overall leverage. And we measure that using rating agency adjusted leverage ratios.

And so, when we look at that and we take all things into consideration, we have been paying down debt. We have been improving those metrics. And then, when we look out, we'll continue to focus on that.

So, for some of our subordinated debt where we do get equity credit for, right now it does fit in nicely within our structure and the cost associated with that makes sense to us. Our views of that over time may change as we look to continue to drive our leverage down.



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And we always talk about leverage. And so, the other piece of that which gets into the cost of some of those securities is the coverage ratios as well. And so, we will continue to evaluate that as we move forward.

Right now we've indicated that our plans on debt management are to pay down our maturing debt this November. And we have another security that's paid down but matures next October. And that's currently what's in our plan.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

One more sort of detailed question. That's within group benefits where so far you've been outperforming the guidance for the full year. Can we expect that in the back half of the year? Should we recalibrate our expectations, and any thoughts on 2016?

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Yes. So, for the back half of the year on group benefits, we probably are trending a little bit up from the original guidance that we provided, but there's been some seasonality in the results that we've seen to date. And so, I think really we're just going to have to see how third and fourth quarter play out. But, we are very pleased with the overall profitability that we're seeing and the improvements there.

Going into 2016, I prefer to wait until we talk about our 2016 outlook in February just to put it all out there. But, again, we are happy with the trend. It is in line with what our expectations are, and we're very focused on maintaining the margins that we are now seeing.

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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay, fantastic. Let me see one last time if there are questions.

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**Unidentified Audience Member**

Can you talk about your appetite for workers compensation (inaudible -- microphone inaccessible) part of your reserves? And I seem to recall that there was an emphasis to reduce the workers comp writings, how that's all performing and what are your current -- what your current thinking was.

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**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Great. Yes. So, as it relates to workers comp, what our objective has been is really not so much to reduce the amount of comp that we write, but to start writing other lines as well so on a percentage basis it becomes more balanced.

And if you look back several years ago, we really were on a path of almost becoming a mono-line workers comp company, because we weren't writing as much of some of the other lines. And so, a lot of the activities that have gone on in commercial markets to expand our capabilities in some things like property and so forth is all about that strategy.

But, it wasn't about reducing comp. It was just increasing other lines so that the percentage was more balanced.

As it relates to workers comp in general, in total feeling very good about how that book is performing. We definitely in some of the more recent years have benefitted from the loss trends that we've seen, and continue to monitor that book very closely.

As some of you may recall, several years ago we did have some issues with our comp book and it did result in some reserve strengthening that we had to take at that time. And so, since then we have, I think, improved the overall profitability, so feel very good about the business that we're putting on the books today.



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**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Then if I can follow up on that, right now would you say that you're comfortable with the business mix and that you think --?

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

We are happy with the progress we've been making. I think we would still like to continue to see us being able to write more in other lines as well, so it continues to be a focus. It kind of goes back to some of the earlier comments on capabilities and products and so forth, and being able to write across a variety of product lines.

**Meyer Shields** - *Keefe, Bruyette & Woods - Analyst*

Okay, fantastic. And if there's anything else? If not, please join me in thanking Beth. This was very informative. Thank you so much.

**Beth Bombara** - *The Hartford Financial Services Group, Inc. - CFO*

Thank you.

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