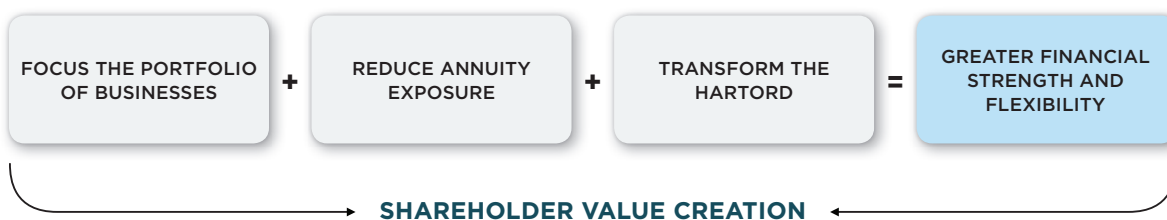




Dear Shareholders:

2012 was a year of strategic transformation and execution for The Hartford. The company has made considerable progress executing its strategy to profitably grow the ongoing businesses, reduce the size and risk of annuity liabilities, and transform into a more nimble, disciplined, and efficient company, with the goal of creating greater value for shareholders. In 2012, the company focused its business portfolio on property and casualty, group benefits, and mutual funds. All of these businesses have competitive market positions in which we are investing for profitable growth, strong capital-generating ability, and lower sensitivity to market fluctuations. During the year, the company strengthened the operating fundamentals by achieving targeted price increases and improving margins, while augmenting core competencies in disciplined underwriting, claims management, and distribution.

The Hartford's Strategy



In sharpening its focus, The Hartford stopped new sales of U.S. individual annuities in April 2012. We also announced and completed the sales of three life businesses within nine months, which generated approximately \$2.2 billion of statutory capital benefit. The transactions were concluded on favorable financial terms to strong strategic buyers that offered positions to employees of those businesses. The Hartford will eliminate all direct and indirect expenses from the sold businesses, 90 percent by year-end 2013, to ensure the company's ongoing businesses are not burdened with residual expense.

The Hartford also established an annuity runoff business segment named Talcott Resolution, which is focused on reducing the size and risk of the company's legacy annuity portfolio, while honoring all obligations to annuity contract holders. We are working with urgency to mitigate the variable annuity risk, with the ultimate goal of isolating or separating these liabilities from The Hartford.

We continued to improve our capital resources, which totaled \$16.6 billion at December 31. In the first half of 2012, The Hartford repurchased Allianz SE warrants and refinanced high-interest debt, originally issued in October 2008, to reduce interest expense and eliminate dilutive security. In February 2013, the company announced a two-year, \$1.5 billion capital management plan that will be accretive to shareholders. The Hartford intends to reduce outstanding debt by about \$1 billion, with the aim of bringing the company's debt levels in line with other leading property-and-casualty companies. In March 2013, the company completed cash tender offers for an aggregate principal amount of \$800 million of senior debt, and intends to repay approximately \$520 million of debt coming due over the next two years.

Along with strengthening the balance sheet, we have begun to execute a plan to repurchase \$500 million of equity securities over the next two years. The remaining capital from the sales of the life businesses will provide added flexibility to reduce risk in the legacy annuity blocks as opportunities arise.

In addition, the company's investment portfolio is healthy and well positioned to deal with economic uncertainty. The portfolio remains well-diversified, with investments across various sectors of the US fixed income markets and selected investments in non-US issuers. As of December 31, 2012, the portfolio has an A+ weighted average credit quality rating, and very little exposure to the European periphery.

Customers and partners have told us they welcome The Hartford's sharper focus and clear direction. They appreciate a company that is competing more confidently in the marketplace, deepening its knowledge of their needs, and investing in more innovative products, enhanced claims capabilities, and simpler processes to make interactions with The Hartford faster and easier.

The progress outlined above is the work of The Hartford's nearly 20,000 employees who understand and are fully committed to executing the company's strategy. From their shared commitment, a new culture of accountability and productivity is emerging. Employees are putting the company's interests ahead of their individual businesses or functions—something we call "One Hartford." Just as important, employees are upbeat and excited about the future. I am grateful for their dedication and engagement, and thank them for working so hard to execute the strategy and transform the company. I also appreciate the company's Board of Directors, whose wisdom and guidance were invaluable during a pivotal year of transformation.

Although proud of how much The Hartford accomplished in 2012, we are far from satisfied with the results. We are working to improve every part of the enterprise—the profitability of the businesses, the sensitivity of earnings to financial market risks, and the pace of innovation brought to market. In addition, The Hartford is determined to modernize its underwriting and claims management technology platforms, and become more efficient in serving existing customers and acquiring new ones.

Acknowledging the work that lies ahead, we are focused on execution, and remain confident in The Hartford's ability to strengthen its operating performance and grow shareholder value.

Driving Profitable Growth



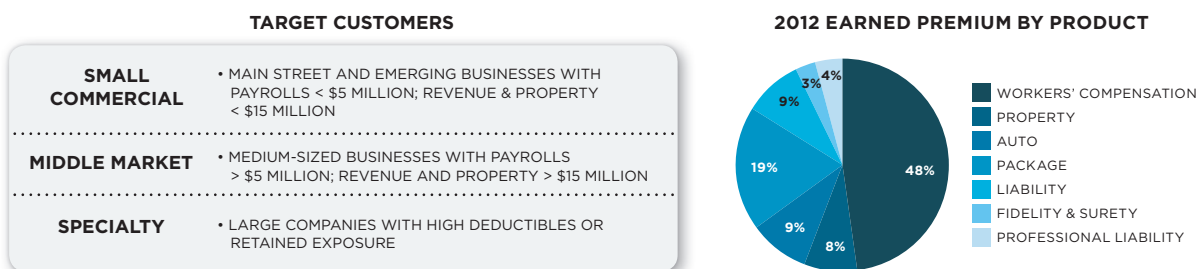
The Hartford entered 2013 as a leading property-and-casualty company with a major group benefits business, top-performing mutual funds, and an actively managed runoff business, Talcott Resolution. All of our businesses are executing initiatives to build shareholder value.

Property and Casualty Commercial

Property and Casualty (P&C) Commercial offers business insurance for companies of all sizes and is the sixth largest such operation in the U.S.¹ Its strengths include significant market positions, superior sales and underwriting capabilities, and top-tier claims and service management. The business is focused on improving margins and building on strengths in workers' compensation by diversifying the product line in property and general liability, and improving risk analytics.

P&C COMMERCIAL OFFERS INSURANCE FOR ALL SIZES OF BUSINESSES

6TH LARGEST P&C COMMERCIAL INSURANCE OPERATION IN THE US¹



1. PER A.M. BEST, BASED ON 2011 DIRECT WRITTEN PREMIUMS

One of The Hartford's strongest businesses is Small Commercial, with 2012 net written premium exceeding \$3 billion and more than one million policies in force. Creating forward momentum are tailored products and services, real-time customized underwriting, sophisticated pricing models, and broad small-business distribution partnerships. The Hartford's Small Commercial Call Centers have been recognized by J.D. Power and Associates for providing "An Outstanding Customer Service Experience." Given the nearly six million small businesses in the U.S.,² Small Commercial has abundant opportunity for growth.

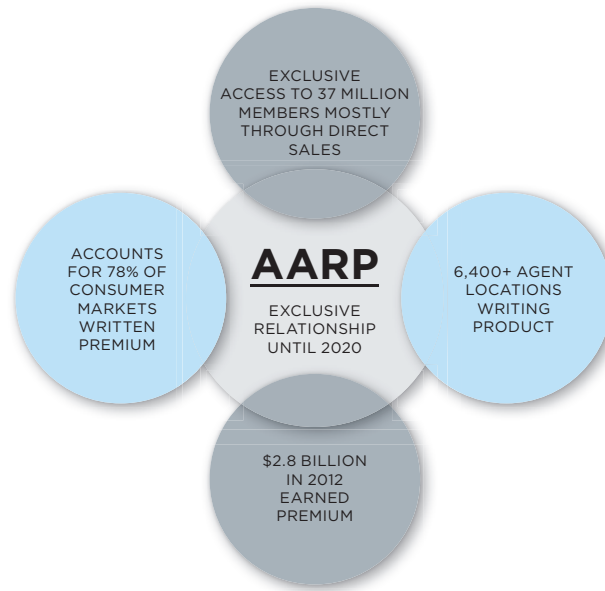
In our Middle Market unit, which serves businesses with payrolls above \$5 million, strong pricing analytics and market execution are driving margin improvement. We are developing a more balanced product portfolio by complementing our strengths in workers' compensation with new offerings for property and general liability.

Our Specialty Commercial business provides advanced, customized insurance and risk management solutions to large businesses that have more complex risks. For example, in National Accounts, where customers bear a significant portion of their own risk, nearly 95 percent of customers renewed with The Hartford in 2012, and the business grew in double digits at both the top and bottom lines. Specialty Commercial also provides a range of financial products such as management liability and employment practices liability for businesses of all sizes.

Consumer Markets

Consumer Markets provides auto, property, and umbrella insurance to individuals across the U.S., and has more than 3.3 million policies in force. With deep expertise in selling and servicing the "mature, preferred" market, The Hartford reaches customers through multiple channels including direct sales to consumers, a distribution network of 14,000 independent agencies, and an exclusive auto-and-home insurance partnership with AARP, whose more than 37 million members represent one of the largest affinity organization in the U.S.³ This relationship is a competitive advantage, given the tens of millions of "baby boomers" age 50 or older, many of whom are becoming AARP members.

The Hartford's AARP Relationship is a Competitive Advantage



To achieve its goal of above-industry revenue growth and profitability, Consumer Markets is driving a lower-cost operating structure, improving pricing accuracy and competitiveness, broadening the target market to adjacent segments, and providing a distinct customer experience. The Hartford achieved the “Highest in Customer Satisfaction with the Auto Insurance Purchase Experience” ranking from J.D. Power and Associates, a study that measures new auto customers’ overall satisfaction with their purchase experience.⁴

Consumer Markets is working to increase the number of member policies through its AARP Direct channel as well as its AARP Agency distribution channel. To date, we have authorized more than 6,400 agent locations to write the AARP product, responding to the preference of most members to shop for insurance through a local agent.

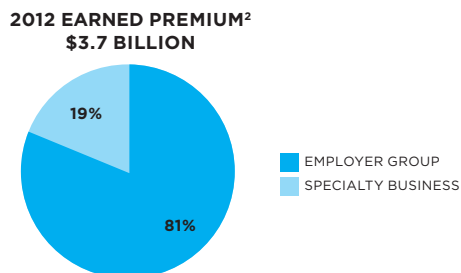
Group Benefits

The Hartford’s Group Benefits business is a market leader in providing employer-paid and voluntary life, disability and accident insurance. The business is the second largest group disability and sixth largest group life operation in the U.S., and has distinctive strengths such as disciplined underwriting, sophisticated pricing models, and a single-company solution for leave management.

We are focused on improving the margins of the business through rate increases and underwriting discipline. Along with improving profit margins, Group Benefits is focused on increasing The Hartford’s share of the voluntary (employee-paid) benefits market by offering a broader suite of products. In January 2013, the company launched DisabilityFlex, which enables employees to customize their income protection by making choices about benefit amount, start date, and duration.

GROUP BENEFITS: A MARKET LEADER IN GROUP LIFE & DISABILITY PRODUCTS AND SERVICES

2ND LARGEST GROUP DISABILITY AND 6TH LARGEST GROUP LIFE OPERATION IN THE US¹



PRODUCTS

- GROUP LIFE, DISABILITY, AD&D
- EMPLOYER PAID AND VOLUNTARY
- RETIREE HEALTH—MEDICAL & PRESCRIPTIONS
- REINSURANCE—EXCESS LIFE & PRIVATE LABEL DISABILITY
- ABSENCE / LEAVE MANAGEMENT SERVICES

¹IN-FORCE PREMIUM PER LIMRA AS OF JUNE 30, 2012

²REPRESENTS FULLY INSURED ONGOING PREMIUM, EXCLUDING BUYOUTS

The Hartford Mutual Funds

The Hartford Mutual Funds, which has investment solutions appropriate for any market cycle, ended the year with assets under management of nearly \$62 billion. During 2012, the business completed the transition of investment management for its fixed income funds to Wellington Management, one of the world's top institutional money managers, and relocated its headquarters to Radnor, Penn.

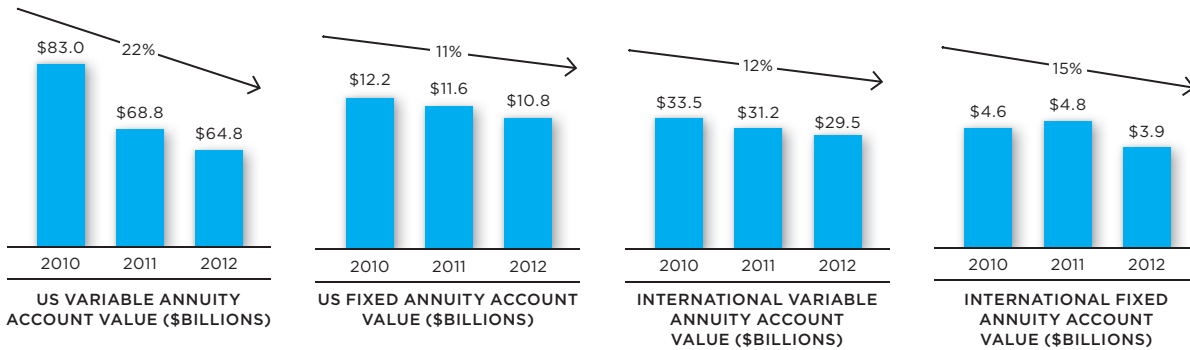
For the full year, the performance of our funds improved substantially, with nearly 80 percent ranked in the top half of their Morningstar peers.⁵ In addition, The Hartford Mutual Funds ranked No. 3 in the Barron's/Lipper Fund Family one-year performance listing, thanks to a strong showing in U.S. equities with funds like Hartford Capital Appreciation and Hartford Growth Opportunities.

Working with Wellington Management, The Hartford Mutual Funds is focused on delivering strong investment performance, increasing sales force productivity, and expanding distribution and product breadth, while continuing to grow assets under management.

Talcott Resolution (Run-Off Life Insurance Businesses)

Talcott Resolution is managing approximately 1.7 million contracts with account values of approximately \$163 billion. Its mission is to reduce the size and risk of the annuity book of business, while honoring The Hartford's obligations to its annuity contract holders.

Talcott Resolution: Actively Managing the Runoff of this Business



When customers choose to surrender their policies, the size of The Hartford’s individual annuity business declines. The Talcott Resolution team has been evaluating contract holder initiatives and other actions to reduce the risk embedded in these liabilities. As an initial step, the company is offering certain U.S. policyholders the opportunity to fully surrender their contracts and receive an amount greater than or equal to their current account value. We believe this Enhanced Surrender Value program will be attractive to certain policyholders, thereby reducing the company’s risk associated with these contracts.

Current market conditions, such as the weakening of the yen against the dollar and the Euro, and the strong results posted by global equity markets, have positive implications for The Hartford, and have significantly reduced the net amount at risk and improved the economics of the U.S. and Japan variable annuity blocks. The company’s goal is to maximize shareholder value by effectively managing the run-off of these liabilities and reducing the amount of capital needed to support them. Improving market conditions may make it more attractive for policyholders to take actions, such as surrender or annuitization, and should also create more opportunities to explore risk transfer transactions with third parties.

Advancing The Hartford’s Transformation

Advancing the Transformation and Building Shareholder Value



Along with driving the profitable growth of the businesses and shrinking the size and risk of Talcott Resolution, The Hartford is determined to advance its transformation in other ways by:

- Investing \$1.4 billion over four years to build new capabilities, such as a more agile, flexible, and scalable IT infrastructure;
- Strengthening operational effectiveness by making the company’s processes work better and more efficiently;
- Leveraging the company’s extensive data in an integrated and sophisticated way for deeper insights into customer needs; and
- Enhancing the company’s performance culture.

Successful transformation is propelled by employees who accept full accountability for achieving results. In late 2012, The Hartford developed a clear and compelling statement of where the transformational activity is ultimately leading—a long-term vision that clarifies direction, strengthens employee engagement, and sets a new standard of excellence.

To develop the vision, we asked hundreds of teammates from all levels and parts of the business to share their views on what The Hartford stands for, what they take pride in, and what the company should aspire to. Senior leaders considered their perspectives as we shaped a vision to help The Hartford reach its full potential, while staying true to the company's mission and values. The Hartford's vision is:

The Hartford will be an exceptional company celebrated for financial performance, character and customer value.

For The Hartford, being an “exceptional” company means having a singular culture and customer value proposition, being indispensable to the industry, and setting the standard for great performance. We will strive first to be celebrated for “financial performance,” a threshold for outstanding public companies. While we have continued work to make this a reality, our employees know their roles in profitably growing our businesses, increasing productivity, and delivering a superior return to shareholders.

Next, we want to be celebrated for our “character.” We mean not only unwavering integrity and trustworthiness, but also making good decisions quickly, creating a diverse and inclusive work environment, engaging with the community, and contributing to a cleaner environment. The leadership team and I want The Hartford to be a place where people can succeed because of their differences, not in spite of them. Exemplifying the company's culture of service and community engagement, Hartford teammates once again gave generously of their time, energy, and money to support causes and organizations about which they are passionate.

In 2012, Newsweek ranked The Hartford the greenest company in the U.S. financial services industry for the second year in a row. The company is also a 2012/2013 member of the Dow Jones Sustainability North America Index, which tracks the performance of leading companies based on economic, environmental, and social criteria. In addition, The Hartford has been recognized as a “Best Place to Work for Lesbian, Gay, Bisexual and Transgender Equality” by Human Rights Campaign.

Finally, our goal is to be celebrated for “customer value.” For The Hartford, that means delivering on our promises to customers (as we have for more than 200 years), anticipating the needs of customers and partners, developing innovative solutions that make a difference in their lives and businesses, and providing such a compelling experience that customers promote the company to friends and colleagues.

The Hartford's Brand

One of the company's strongest assets is its brand, which stands above all for integrity, stability, and longevity. The Hartford is a positive, forward-looking insurance company for businesses and individuals who are determined to be prepared and protected so they can prevail when the unexpected happens, and achieve success on their terms.

In March 2013, we launched a national marketing campaign that celebrates the unflappable determination, strong work ethic, and entrepreneurial spirit of American businesses—and small firms in particular. The campaign will run throughout the year with the theme of “Play On,” evoking the notion of prevailing through change and adversity, which is what The Hartford and its customers are known for.

2013 Economic Outlook

Overall, the P&C industry typically tracks GDP growth, with insurance demand closely following general economic activity. In 2013, The Hartford expects U.S. GDP growth to average 2 to 2.5 percent, gaining momentum in the second half. The company is watching the housing sector closely, since sustained improvement in its fundamentals would be a likely catalyst for greater economic growth. In addition, interest rates continue to be at or near historically low levels. A sustained low-interest-rate environment would continue to pressure the company's net investment income and could result in lower margins. In response to these macro factors, The Hartford will continue pricing and underwriting discipline and improving its processes to make the company work better and more efficiently.

Positioned for Greater Shareholder Value

By staying focused on executing the strategy to drive profitable growth in the business portfolio, reduce the size and risk of annuity liabilities, and transform into a more disciplined, nimble, and efficient company, we are confident in our ability to generate superior financial returns for shareholders. In important ways, The Hartford is a new company that is energized by our progress, determined to improve continuously, and optimistic about the future.

Sincerely,



Liam E. McGee
Chairman, President
and Chief Executive Officer

Certain statements made in this letter to shareholders 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 our 2012 Annual Report on Form 10-K, in our Quarterly Reports on Form 10-Q and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this letter to shareholders, which speaks as of today's date.

About The Hartford

With more than 200 years of expertise, The Hartford (NYSE: HIG) is a leader in property and casualty insurance, group benefits and mutual funds. The company is widely recognized for its service excellence, sustainability practices, trust and integrity. More information on the company and its financial performance is available at www.thehartford.com.

¹ According to A.M. Best, direct written premium in 2011, BEST'S REVIEW, August 2012

² According to U.S. Small Business Administration for small firms with employees, http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf

³ According to AARP, <http://www.aarp.org/about-aarp/?intcmp=HP-LN-sec14-pos1>

⁴ The Hartford received the highest numerical score in the proprietary J.D. Power and Associates 2012 Insurance Shopping Study.SM Study based on 16,171 total responses, ranking 24 providers and measuring the opinions of consumers shopping for a new auto insurance policy. Proprietary study results are based on experiences and perceptions of members surveyed January and February 2012. Your experiences may vary. jdpower.com

⁵ Based on an analysis of Lipper fund data done by The Hartford.