

LETTER FROM OUR CHAIRMAN & CEO

Dear fellow shareholders:

I am proud of the successes we achieved in 2016 as we navigated through challenging market conditions. We delivered strong results in Commercial Lines and Group Benefits in the face of intensifying competition, through disciplined underwriting and by leveraging the fundamental strengths of our franchise. Our Mutual Funds business grew assets under management by over 6 percent, and we continued to efficiently manage the run-off of our legacy life and annuity operation.

Personal auto results, however, were disappointing due to higher auto liability loss costs, impacted by an increase in miles driven, distracted driving and higher mortality rates on the road. In response, we have taken a number of pricing, distribution and underwriting actions, and we are confident these actions will deliver improved profitability in 2017.

During the year, we took measures to address our legacy P&C exposures, which have generated substantial adverse development over the past several years. In addition, as good stewards of shareholder capital, we returned approximately \$1.7 billion to shareholders through equity repurchases and common dividends, and continued to reduce debt outstanding.

We delivered these results, while investing in the capabilities that will help us realize our strategic goals of becoming a broader, deeper risk player and a more efficient, customer-focused company. We entered the excess and surplus space, expanded our multi-national capabilities, launched a dedicated energy practice and expanded our suite of voluntary benefits products. As a result, we are now able to offer a total risk management solution to more of our customers. Investments in technology, data and digital capabilities have enabled us to better meet the needs and expectations of customers for speed and ease, while improving our own productivity - and we have only just begun.

At The Hartford, we recognize that a company's reputation for doing business the right way is essential to sustained success. We are honored to have received several accolades that highlight the strength of our character and integrity - including being named one of the "World's Most Ethical Companies" by the Ethisphere® Institute for the ninth time, being included in the Dow Jones Sustainability Indices for a fifth consecutive year, and in cities throughout the country, being rated by our employees as a Top Workplace.

Let me express how proud I am of what we accomplished in 2016, and offer my sincere thanks to our employees, agents, customers and investors, as well as my fellow directors, for their continued support and confidence. We have a clear strategy for the future that is focused on a core set of businesses with leading market positions. We have the benefit of a strong balance sheet, capital flexibility, a robust national distribution network, a trusted brand, and a highly engaged workforce. Our employee engagement scores consistently rank in the top quartile of global companies as measured by the IBM® Kenexa® Survey. All these factors put us in a strong position from which to grow and create shareholder value.

As we execute in 2017, we remain focused on increasing core earnings, return on equity, and book value per share by maintaining strong margins in Commercial Lines and Group Benefits and improving auto profitability. By staying true to our strategic objectives, operating efficiently, adapting quickly to the changing operating environment and maintaining our focus on meeting the needs of our customers, we are confident in our ability to create long-term value for our shareholders, customers and distribution partners.

Sincerely,



Christopher J. Swift

Chairman and Chief Executive Officer



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