

# LETTER FROM OUR CHAIRMAN & CEO

Dear Fellow Shareholders:

2017 was an outstanding year for The Hartford, as we delivered strong results and expanded our leading positions in property and casualty insurance, group benefits and mutual funds. The acquisition of Aetna's U.S. group life and disability business topped the year's list of significant accomplishments. This deal made The Hartford both the second largest group life and disability carrier, and the second largest workers' compensation carrier in the U.S. Our data, analytics and expertise are now unmatched in the industry. Meanwhile, despite a competitive market and historically high catastrophe losses, Commercial Lines margins were strong, personal auto profitability greatly improved, and Group Benefits and Mutual Funds results were excellent. Our financial flexibility will improve following the close of the Talcott Resolution sale and we continue to invest in broader offerings and becoming a more efficient, customer-focused company.

Turning to 2018, an improving economy should support opportunities for profitable growth. Stronger employment trends and U.S. GDP growth are a positive for each of our businesses and the insurance industry overall. Higher interest rates should also benefit our investment results, providing an opportunity to invest at more attractive returns. The passage of tax reform and the rollback of regulations are clear pro-growth messages, as U.S. corporations respond to the biggest tax cut in the last 30 years. We intend to use a portion of the additional cash flow expected from tax reform to fast track our existing technology initiatives.

Consistent with our strategy, everything we do centers around the customer. We see new opportunities to create meaningful differentiation in customer value, risk selection, operating efficiencies and pricing. Our data and technology investments help us better serve our customers when they need us most. We use geocoding to plot policyholder locations in relation to impending natural disasters, analyze flood and elevation data, and model probable claims to pre-position staff on the ground to respond. In workers' compensation, our claims department uses data, analytics and education to identify addition risks and recommend alternative pain management treatments. Initiatives like these deliver value for customers and shareholders while contributing to the well-being of our society.

We know that as an employer, neighbor and steward of the environment, doing business extends beyond our product and service quality. That's why we are proud to be recognized by the Ethisphere Institute, Bloomberg Financial Services Gender Equality Index, Dow Jones Sustainability Index, and the Human Rights Campaign Corporate Equality Index, among others. We are also grateful to our employees who give their time, talent and generosity as community volunteers to help us achieve our five-year goal of making a positive impact in the lives of 7 million people by the end of 2020.

I am pleased with our business' performance, how we served customers during a historic natural catastrophe year, the strength of our balance sheet and investment results, and our employees' talent and character. We are well positioned to advance our strategy, and create long-term value for our shareholders, customers, employees and distribution partners.

Sincerely,



**Christopher J. Swift**

Chairman and Chief Executive Officer



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