

INVESTOR FINANCIAL SUPPLEMENT

March 31, 2018



On December 3, 2017, The Hartford entered into an agreement to sell its life and annuity run-off business (formerly known as Talcott Resolution). As a result, the assets and liabilities of this business have been accounted for as held for sale and operating results of the life and annuity business are now included in discontinued operations for all periods presented.

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As of April 24, 2018

	A.M. Best	Standard & Poor's	Moody's
Insurance Financial Strength Ratings:			
Hartford Fire Insurance Company	A+	A+	A1
Hartford Life and Accident Insurance Company	A	A	A2
Maxum Casualty Insurance Company	A+	NR	NR
Maxum Indemnity Company	A+	NR	NR

- Hartford Fire Insurance Company ratings are on stable outlook at A.M. Best, Moody's, and Standard and Poor's

- Hartford Life and Accident Insurance Company ratings are on stable outlook at A.M. Best, Moody's, and Standard and Poor's

- Maxum Casualty Insurance Company ratings are on stable outlook at A.M. Best

- Maxum Indemnity Company ratings are on stable outlook at A.M. Best

Other Ratings:

The Hartford Financial Services Group, Inc.:

Senior debt	a-	BBB+	Baa2
Commercial paper	AMB-1	A-2	P-2
Junior subordinated debentures	bbb	BBB-	Baa3

- Hartford Financial Services Group, Inc. senior debt and junior subordinated debentures are on stable outlook at A.M. Best, Standard and Poor's and under review for upgrade at Moody's.

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COMMON STOCK

Common stock and warrants of The Hartford Financial Services Group, Inc. are traded on the New York Stock Exchange under the symbols "HIG" and "HIG/WS", respectively.

This report is for information purposes only. It should be read in conjunction with documents filed by The Hartford Financial Services Group, Inc. with the U.S. Securities and Exchange Commission, including, without limitation, the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
INVESTOR FINANCIAL SUPPLEMENT
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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CONSOLIDATED FINANCIAL RESULTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
HIGHLIGHTS					
Net income (loss)	\$ 597	\$ (3,703)	\$ 234	\$ (40)	\$ 378
Core earnings *	\$ 461	\$ 293	\$ 130	\$ 303	\$ 288
Total revenues	\$ 4,691	\$ 4,587	\$ 4,192	\$ 4,214	\$ 4,169
Total assets	\$216,666	\$225,260	\$224,901	\$226,562	\$226,094
PER SHARE AND SHARES DATA					
Basic earnings per common share					
Income (loss) from continuing operations	\$ 1.20	\$ (1.56)	\$ 0.40	\$ (0.42)	\$ 0.82
Net income (loss)	\$ 1.67	\$ (10.37)	\$ 0.65	\$ (0.11)	\$ 1.02
Core earnings *	\$ 1.29	\$ 0.82	\$ 0.36	\$ 0.83	\$ 0.78
Diluted earnings per common share					
Income (loss) from continuing operations	\$ 1.18	\$ (1.56)	\$ 0.40	\$ (0.42)	\$ 0.80
Net income (loss)	\$ 1.64	\$ (10.37)	\$ 0.64	\$ (0.11)	\$ 1.00
Core earnings *	\$ 1.27	\$ 0.81	\$ 0.35	\$ 0.81	\$ 0.76
Weighted average common shares outstanding (basic)	357.5	357.0	360.2	366.0	371.4
Dilutive effect of stock compensation	4.4	4.8	4.5	3.8	4.2
Dilutive effect of warrants	2.0	2.1	2.3	2.5	3.0
Weighted average common shares outstanding and dilutive potential common shares (diluted)	363.9	363.9	367.0	372.3	378.6
Common shares outstanding	358.1	356.8	357.5	362.8	369.2
Book value per common share	\$ 36.70	\$ 37.82	\$ 48.20	\$ 47.65	\$ 46.07
Per common share impact of accumulated other comprehensive income [1]	\$ (0.67)	\$ 1.86	\$ 1.63	\$ 1.36	\$ (0.56)
Book value per common share (excluding AOCI) *	\$ 37.37	\$ 35.96	\$ 46.57	\$ 46.29	\$ 46.63
Book value per diluted share	\$ 36.06	\$ 37.11	\$ 47.33	\$ 46.84	\$ 45.25
Per diluted share impact of AOCI	\$ (0.65)	\$ 1.82	\$ 1.61	\$ 1.34	\$ (0.55)
Book value per diluted share (excluding AOCI) *	\$ 36.71	\$ 35.29	\$ 45.72	\$ 45.50	\$ 45.80
Common shares outstanding and dilutive potential common shares	364.5	363.6	364.1	369.1	375.9
RETURN ON EQUITY ("ROE") [2]					
Net income (loss) ROE	(19.3)%	(20.6)%	2.7%	3.9%	5.4%
Core earnings ROE *	7.8 %	6.7 %	5.9%	6.9%	5.1%

[1] Accumulated other comprehensive income ("AOCI") represents after-tax unrealized gain (loss) on available-for-sale securities, other than temporary impairment losses recognized in AOCI, net gain (loss) on cash-flow hedging instruments, foreign currency translation adjustments and pension and other postretirement adjustments.

[2] For reconciliations of net income (loss) ROE to core earnings ROE, see Appendix, page 33.

* Denotes financial measure not calculated in accordance with generally accepted accounting principles (non-GAAP).

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Earned premiums	\$ 3,927	\$ 3,801	\$ 3,447	\$ 3,455	\$ 3,438
Fee income	323	313	291	286	278
Net investment income	451	394	404	395	410
Realized capital gains (losses):					
Total other-than-temporary impairment ("OTTI") losses	(2)	(4)	(4)	(4)	(3)
OTTI losses recognized in other comprehensive income	2	—	3	2	2
Net OTTI losses recognized in earnings	—	(4)	(1)	(2)	(1)
Other net realized capital gains (losses)	(30)	64	27	57	25
Total net realized capital gains (losses)	(30)	60	26	55	24
Other revenues	20	19	24	23	19
Total revenues	4,691	4,587	4,192	4,214	4,169
Benefits, losses and loss adjustment expenses	2,695	2,692	2,638	2,420	2,424
Amortization of deferred acquisition costs ("DAC")	342	342	341	345	344
Insurance operating costs and other expenses	1,037	1,042	952	1,650	919
Interest expense	80	78	79	79	80
Amortization of other intangible assets	18	11	1	1	1
Total benefits, losses and expenses	4,172	4,165	4,011	4,495	3,768
Income (loss) before income taxes	519	422	181	(281)	401
Income tax expense (benefit)	91	980	36	(129)	98
Income (loss) from continuing operations, after tax	428	(558)	145	(152)	303
Income (loss) from discontinued operations, after tax	169	(3,145)	89	112	75
Net income (loss)	597	(3,703)	234	(40)	378
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(30)	59	25	53	23
Less: Pension settlement, before tax	—	—	—	(750)	—
Less: Integration and transaction costs associated with acquired business, before tax [1]	(12)	(17)	—	—	—
Less: Income tax benefit (expense) [2]	9	(893)	(10)	242	(8)
Less: Income (loss) from discontinued operations, after tax [3]	169	(3,145)	89	112	75
Core earnings	\$ 461	\$ 293	\$ 130	\$ 303	\$ 288

[1] Integration and transaction costs related to the Group Benefits acquisition made in October 2017.

[2] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

[3] The three months ended March 31, 2018 and December 31, 2017 included an estimated gain on sale of \$62 and loss on sale of \$3.3 billion, respectively, related to the pending sale of the Company's life and annuity run-off business.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
OPERATING RESULTS BY SEGMENT

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net income (loss):					
Commercial Lines	\$ 298	\$ 286	\$ 90	\$ 258	\$ 231
Personal Lines	89	(74)	8	24	33
P&C Other Operations	17	7	18	20	24
Property & Casualty ("P&C")	404	219	116	302	288
Group Benefits	54	109	71	69	45
Mutual Funds	34	33	26	24	23
Sub-total	492	361	213	395	356
Corporate [1]	105	(4,064)	21	(435)	22
Net income (loss)	\$ 597	\$ (3,703)	\$ 234	\$ (40)	\$ 378
Core earnings (losses):					
Commercial Lines	\$ 302	\$ 282	\$ 81	\$ 238	\$ 224
Personal Lines	89	(46)	7	20	32
P&C Other Operations	17	4	18	18	21
P&C	408	240	106	276	277
Group Benefits	85	67	66	61	40
Mutual Funds	34	37	26	24	23
Sub-total	527	344	198	361	340
Corporate	(66)	(51)	(68)	(58)	(52)
Core earnings	\$ 461	\$ 293	\$ 130	\$ 303	\$ 288

[1] Includes discontinued operations from the Company's life and annuity run-off business accounted for as held for sale.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CONSOLIDATING BALANCE SHEETS

	PROPERTY & CASUALTY		GROUP BENEFITS		MUTUAL FUNDS		CORPORATE [1]		CONSOLIDATED	
	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017
Investments										
Fixed maturities, available-for-sale, at fair value	\$ 25,032	\$ 25,571	\$ 10,145	\$ 10,489	\$ 38	\$ 49	\$ 709	\$ 855	\$ 35,924	\$ 36,964
Fixed maturities, at fair value using the fair value option	28	30	10	11	—	—	—	—	38	41
Equity securities, at fair value	869	—	68	—	32	—	154	—	1,123	—
Equity securities, available-for-sale, at fair value	—	749	—	79	—	27	—	157	—	1,012
Mortgage loans	2,356	2,315	865	860	—	—	—	—	3,221	3,175
Limited partnerships and other alternative investments	1,414	1,375	235	213	—	—	—	—	1,649	1,588
Other investments	82	85	10	11	—	—	—	—	92	96
Short-term investments	1,217	1,268	364	398	182	146	622	458	2,385	2,270
Total investments	30,998	31,393	11,697	12,061	252	222	1,485	1,470	44,432	45,146
Cash	144	156	44	12	23	8	17	4	228	180
Premiums receivable and agents' balances	3,554	3,511	440	399	—	—	—	—	3,994	3,910
Reinsurance recoverables [2]	3,453	3,476	242	236	—	—	344	349	4,039	4,061
DAC	601	594	53	47	9	9	—	—	663	650
Deferred income taxes	104	51	(65)	(103)	6	6	1,170	1,210	1,215	1,164
Goodwill	157	157	723	723	180	180	230	230	1,290	1,290
Property and equipment, net	826	837	115	118	—	—	77	79	1,018	1,034
Other intangible assets	73	28	603	620	11	11	—	—	687	659
Other assets	954	897	562	365	89	111	944	857	2,549	2,230
Assets held for sale	—	—	—	—	—	—	156,551	164,936	156,551	164,936
Total assets	\$ 40,864	\$ 41,100	\$ 14,414	\$ 14,478	\$ 570	\$ 547	\$ 160,818	\$ 169,135	\$ 216,666	\$ 225,260
Unpaid losses and loss adjustment expenses	\$ 23,715	\$ 23,775	\$ 8,498	\$ 8,512	\$ —	\$ —	\$ —	\$ —	\$ 32,213	\$ 32,287
Reserves for future policy benefits [2]	—	—	444	441	—	—	234	272	678	713
Other policyholder funds and benefits payable [2]	—	—	481	492	—	—	319	324	800	816
Unearned premiums	5,408	5,282	42	40	—	—	—	—	5,450	5,322
Debt	—	—	—	—	—	—	5,168	4,998	5,168	4,998
Other liabilities	1,766	2,061	876	774	213	197	2,165	2,156	5,020	5,188
Liabilities held for sale	—	—	—	—	—	—	154,194	162,442	154,194	162,442
Total liabilities	\$ 30,889	\$ 31,118	\$ 10,341	\$ 10,259	\$ 213	\$ 197	\$ 162,080	\$ 170,192	\$ 203,523	\$ 211,766
Common stockholders' equity, excluding AOCI	9,627	9,267	4,010	3,998	357	350	(612)	(784)	13,382	12,831
AOCI, after tax	348	715	63	221	—	—	(650)	(273)	(239)	663
Total stockholders' equity	9,975	9,982	4,073	4,219	357	350	(1,262)	(1,057)	13,143	13,494
Total liabilities and equity	\$ 40,864	\$ 41,100	\$ 14,414	\$ 14,478	\$ 570	\$ 547	\$ 160,818	\$ 169,135	\$ 216,666	\$ 225,260

[1] Includes discontinued operations from the Company's life and annuity run-off business accounted for as held for sale.

[2] Corporate includes reserves and reinsurance recoverables for life and annuity business retained by the Company.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CAPITAL STRUCTURE

	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
DEBT					
Short-term debt	\$ 413	\$ 320	\$ 320	\$ 320	\$ 320
Senior notes	3,172	3,096	3,093	3,092	3,091
Junior subordinated debentures	1,583	1,582	1,582	1,582	1,583
Total debt	\$ 5,168	\$ 4,998	\$ 4,995	\$ 4,994	\$ 4,994
STOCKHOLDERS' EQUITY					
Common stockholders' equity, excluding AOCI	\$ 13,382	\$ 12,831	\$ 16,648	\$ 16,794	\$ 17,216
AOCI	(239)	663	585	494	(207)
Total stockholders' equity	\$ 13,143	\$ 13,494	\$ 17,233	\$ 17,288	\$ 17,009
CAPITALIZATION					
Total capitalization, including AOCI, after tax	\$ 18,311	\$ 18,492	\$ 22,228	\$ 22,282	\$ 22,003
Total capitalization, excluding AOCI, after tax	\$ 18,550	\$ 17,829	\$ 21,643	\$ 21,788	\$ 22,210
DEBT TO CAPITALIZATION RATIOS					
Total debt to capitalization, including AOCI	28.2%	27.0%	22.5%	22.4%	22.7%
Total debt to capitalization, excluding AOCI	27.9%	28.0%	23.1%	22.9%	22.5%
Total rating agency adjusted debt to capitalization [1] [2]	29.9%	28.8%	24.3%	25.2%	25.0%
FIXED CHARGE COVERAGE RATIOS					
Total earnings to total fixed charges [3]	7.1:1	3.1:1	2.2:1	1.7:1	5.7:1

[1] The leverage calculation reflects adjustments related to the Company's defined benefit plans' unfunded pension liability and the Company's rental expense on operating leases for a total adjustment of \$1.0 billion and \$1.2 billion for the three months ended March 31, 2018 and 2017, respectively.

[2] Reflects 25% equity credit for the Company's outstanding junior subordinated debentures.

[3] Calculated as year to date total earnings divided by year to date total fixed charges. Total earnings represent income from continuing operations before income taxes and total fixed charges, less undistributed earnings from limited partnerships and other alternative investments. Total fixed charges include interest expense, rent expense, capitalized interest and amortization of debt issuance costs.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
STATUTORY CAPITAL TO GAAP STOCKHOLDERS' EQUITY RECONCILIATION
March 31, 2018

	P&C	GROUP BENEFITS
U.S. statutory net income [1]	\$ 434	\$ 92
U.S. statutory capital [2]	\$ 7,774	\$ 2,112
U.S. GAAP adjustments:		
DAC	601	53
Non-admitted deferred tax assets [3]	120	171
Deferred taxes [4]	(570)	(408)
Goodwill	111	723
Other Intangible Assets	68	603
Non-admitted assets other than deferred taxes	625	145
Asset valuation and interest maintenance reserve	—	266
Benefit reserves	(48)	78
Unrealized gains on investments	480	34
Other, net	814	296
U.S. GAAP stockholders' equity	\$ 9,975	\$ 4,073

[1] Statutory net income is for the three months ended March 31, 2018.

[2] For reporting purposes, statutory capital and surplus is referred to collectively as "statutory capital".

[3] Represents the limitations on the recognition of deferred tax assets under U.S. statutory accounting principles ("U.S. STAT").

[4] Represents the tax timing differences between U.S. GAAP and U.S. STAT.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	AS OF				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Fixed maturities net unrealized gain [1]	\$ 1,349	\$ 2,121	\$ 1,774	\$ 1,696	\$ 1,355
Equities net unrealized gain [1]	—	94	66	59	58
OTTI losses recognized in AOCI	(5)	(3)	(4)	(3)	(4)
Net gain on cash flow hedging instruments	(24)	18	43	57	58
Total net unrealized gain	\$ 1,320	\$ 2,230	\$ 1,879	\$ 1,809	\$ 1,467
Foreign currency translation adjustments	32	34	27	13	8
Pension and other postretirement adjustment	(1,591)	(1,601)	(1,321)	(1,328)	(1,682)
Total AOCI [2]	\$ (239)	\$ 663	\$ 585	\$ 494	\$ (207)

- [1] On January 1, 2018, the Company adopted new accounting guidance that resulted in the reclassification from AOCI to retained earnings of \$88 of stranded tax effects related to tax reform and \$93 of net unrealized gains, after tax, related to equity securities.
- [2] AOCI includes AOCI balances related to the life and annuity run-off business held for sale which totaled \$892 and \$1.0 billion as of March 31, 2018 and December 31, 2017, respectively. At closing of the sale, the Company's shareholders' equity will be reduced by the amount of AOCI of the life and annuity run-off business.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PROPERTY & CASUALTY
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Written premiums	\$ 2,658	\$ 2,550	\$ 2,626	\$ 2,631	\$ 2,710
Change in unearned premium reserve	88	(89)	(18)	(19)	88
Earned premiums	2,570	2,639	2,644	2,650	2,622
Fee income	19	20	20	20	21
Losses and loss adjustment expenses					
Current accident year before catastrophes	1,537	1,615	1,672	1,646	1,612
Current accident year catastrophes	103	179	352	155	150
Prior accident year development	(32)	(42)	(1)	(10)	12
Total losses and loss adjustment expenses	1,608	1,752	2,023	1,791	1,774
Amortization of DAC	328	328	329	331	330
Underwriting expenses	470	510	496	467	465
Amortization of other intangible assets	1	2	1	1	1
Dividends to policyholders	4	24	4	3	4
Underwriting gain (loss)*	178	43	(189)	77	69
Net investment income	322	281	303	302	310
Net realized capital gains (losses)	(9)	57	16	42	17
Net servicing and other income	5	6	9	4	5
Income before income taxes	496	387	139	425	401
Income tax expense	92	168	23	123	113
Net income	404	219	116	302	288
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(8)	56	16	41	17
Less: Income tax benefit (expense) [2]	4	(77)	(6)	(15)	(6)
Core earnings	\$ 408	\$ 240	\$ 106	\$ 276	\$ 277
ROE					
Net income [1]	11.9 %	10.7 %	5.0 %	7.5 %	4.5 %
Less: Net realized capital gains (losses), excluded from core earnings, before tax	1.4 %	1.7 %	0.3 %	0.1 %	— %
Less: Loss on reinsurance transaction, before tax	— %	— %	(7.5)%	(7.5)%	(7.7)%
Less: Income tax benefit (expense) [2]	(1.2)%	(1.4)%	2.5 %	3.1 %	3.2 %
Less: Impact of AOCI, excluded from core earnings ROE	(0.6)%	(0.7)%	(1.0)%	(1.2)%	(0.6)%
Core earnings [1]	12.3 %	11.1 %	10.7 %	13.0 %	9.6 %

[1] Net income ROE and core earnings ROE for Property & Casualty assumes a portion of debt and interest expense accounted for within Corporate is allocated to Property & Casualty. For further information, see Appendix, page 33.

[2] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

* Denotes financial measure not calculated in accordance with generally accepted accounting principles (non-GAAP).

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PROPERTY & CASUALTY
UNDERWRITING RATIOS AND RESULTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
UNDERWRITING GAIN (LOSS)	\$ 178	\$ 43	\$ (189)	\$ 77	\$ 69
UNDERWRITING RATIOS					
Losses and loss adjustment expenses					
Current accident year before catastrophes	59.8	61.2	63.2	62.1	61.5
Current accident year catastrophes	4.0	6.8	13.3	5.8	5.7
Prior accident year development [1]	(1.2)	(1.6)	—	(0.4)	0.5
Total losses and loss adjustment expenses	62.6	66.4	76.5	67.6	67.7
Expenses	30.4	31.1	30.5	29.4	29.6
Policyholder dividends	0.2	0.9	0.2	0.1	0.2
Combined ratio	93.1	98.4	107.1	97.1	97.4
Current accident year catastrophes and prior accident year development	2.8	5.2	13.3	5.4	6.2
Underlying combined ratio *	90.3	93.2	93.9	91.6	91.2

[1] The following table summarizes unfavorable (favorable) prior accident year development.

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Auto liability - Commercial Lines	\$ (5)	\$ (3)	\$ —	\$ —	\$ 20
Homeowners	(12)	(14)	—	—	—
Professional and general liability	10	2	—	—	10
Package business	8	(3)	(22)	—	—
Bond	—	22	20	—	(10)
Commercial property	(13)	(3)	1	(7)	1
Workers' compensation	(25)	(50)	(9)	—	(20)
Workers' compensation discount accretion	10	7	5	8	8
Catastrophes	(3)	(4)	1	(10)	(3)
Uncollectible reinsurance	—	(15)	—	—	—
Other reserve re-estimates	(2)	19	3	(1)	6
Total prior accident year development	\$ (32)	\$ (42)	\$ (1)	\$ (10)	\$ 12

* Denotes financial measure not calculated in accordance with generally accepted accounting principles (non-GAAP).

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMMERCIAL LINES
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Written premiums	\$ 1,851	\$ 1,727	\$ 1,702	\$ 1,706	\$ 1,821
Change in unearned premium reserve	140	(7)	(21)	(14)	133
Earned premiums	1,711	1,734	1,723	1,720	1,688
Fee income	9	9	9	9	10
Losses and loss adjustment expenses					
Current accident year before catastrophes	971	990	1,009	994	968
Current accident year catastrophes	69	(21)	270	63	71
Prior accident year development [1]	(19)	(34)	(3)	—	15
Total losses and loss adjustment expenses	1,021	935	1,276	1,057	1,054
Amortization of DAC	257	255	253	252	249
Underwriting expenses	324	352	348	324	323
Amortization of other intangible assets	—	1	—	—	—
Dividends to policyholders	4	24	4	3	4
Underwriting gain (loss)	114	176	(149)	93	68
Net servicing income (loss)	—	(1)	1	1	—
Net investment income	258	225	241	240	243
Net realized capital gains (losses)	(8)	47	13	32	11
Other income (expenses)	2	1	(1)	—	1
Income before income taxes	366	448	105	366	323
Income tax expense	68	162	15	108	92
Net income	298	286	90	258	231
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(6)	45	12	32	11
Less: Income tax benefit (expense) [2]	2	(41)	(3)	(12)	(4)
Core earnings	\$ 302	\$ 282	\$ 81	\$ 238	\$ 224

[1] For further information, see Commercial Lines Income Statements (continued), page 11.

[2] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMMERCIAL LINES
INCOME STATEMENTS (CONTINUED)

Prior accident year development included the following unfavorable (favorable) reserve development:

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Auto liability	\$ (5)	\$ (3)	\$ —	\$ —	\$ 20
Professional liability	2	1	—	—	—
Package business	8	(3)	(22)	—	—
General liability	8	1	—	—	10
Bond	—	22	20	—	(10)
Commercial property	(13)	(3)	1	(7)	1
Workers' compensation	(25)	(50)	(9)	—	(20)
Workers' compensation discount accretion	10	7	5	8	8
Catastrophes	(8)	1	1	(2)	—
Uncollectible reinsurance	—	(15)	—	—	—
Other reserve re-estimates	4	8	1	1	6
Total prior accident year development	\$ (19)	\$ (34)	\$ (3)	\$ —	\$ 15

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMMERCIAL LINES
UNDERWRITING RATIOS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
UNDERWRITING GAIN (LOSS)	\$ 114	\$ 176	\$ (149)	\$ 93	\$ 68
UNDERWRITING RATIOS					
Losses and loss adjustment expenses					
Current accident year before catastrophes	56.8	57.1	58.6	57.8	57.3
Current accident year catastrophes	4.0	(1.2)	15.7	3.7	4.2
Prior accident year development	(1.1)	(2.0)	(0.2)	—	0.9
Total losses and loss adjustment expenses	59.7	53.9	74.1	61.5	62.4
Expenses	33.4	34.5	34.4	33.0	33.3
Policyholder dividends	0.2	1.4	0.2	0.2	0.2
Combined ratio	93.3	89.9	108.6	94.6	96.0
Current accident year catastrophes and prior accident year development	2.9	(3.2)	15.5	3.7	5.1
Underlying combined ratio	90.4	93.0	93.2	90.9	90.9
COMBINED RATIOS BY LINE OF BUSINESS					
SMALL COMMERCIAL					
Combined ratio	89.0	83.9	101.5	90.4	91.7
Current accident year catastrophes	3.4	(1.2)	15.9	3.2	4.7
Prior accident year development	(1.8)	(2.7)	(3.5)	—	(0.3)
Underlying combined ratio	87.5	87.8	89.2	87.2	87.3
MIDDLE MARKET					
Combined ratio	98.1	94.2	119.7	99.8	100.4
Current accident year catastrophes	6.6	(1.5)	21.1	5.5	5.2
Prior accident year development	(0.8)	(3.2)	1.5	(0.5)	1.4
Underlying combined ratio	92.2	98.9	97.0	94.9	93.8
SPECIALTY COMMERCIAL					
Combined ratio	98.2	100.5	99.4	97.6	101.3
Current accident year catastrophes	—	—	—	0.2	—
Prior accident year development	0.7	0.9	0.8	1.5	3.9
Underlying combined ratio	97.5	99.6	98.6	95.9	97.5

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMMERCIAL LINES
SUPPLEMENTAL DATA

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
WRITTEN PREMIUMS					
Small Commercial	\$ 996	\$ 882	\$ 905	\$ 936	\$ 986
Middle Market	616	628	584	566	592
Specialty Commercial	227	206	201	192	232
National Accounts	97	87	84	71	99
Financial Products	63	61	59	58	61
Bond	48	51	51	52	53
Other Specialty	19	7	7	11	19
Other	12	11	12	12	11
Total	\$ 1,851	\$ 1,727	\$ 1,702	\$ 1,706	\$ 1,821
EARNED PREMIUMS					
Small Commercial	\$ 914	\$ 923	\$ 919	\$ 914	\$ 890
Middle Market	581	594	585	587	583
Specialty Commercial	204	206	208	207	203
National Accounts	84	85	84	85	86
Financial Products	59	60	62	60	60
Bond	50	51	51	51	47
Other Specialty	11	10	11	11	10
Other	12	11	11	12	12
Total	\$ 1,711	\$ 1,734	\$ 1,723	\$ 1,720	\$ 1,688
STATISTICAL PREMIUM INFORMATION (YEAR OVER YEAR)					
New Business Premium					
Small Commercial	\$ 166	\$ 155	\$ 140	\$ 147	\$ 154
Middle Market	\$ 141	\$ 137	\$ 112	\$ 107	\$ 128
Renewal Price Increases [1]					
Standard Commercial Lines - Written	2.5%	2.8%	3.5%	3.4%	3.2%
Standard Commercial Lines - Earned	3.3%	3.3%	3.0%	2.6%	2.4%
Policy Count Retention					
Small Commercial	82%	83%	83%	83%	85%
Middle Market	78%	79%	76%	75%	80%
Policies in Force (in thousands)					
Small Commercial	1,263	1,272	1,274	1,278	1,281
Middle Market	66	66	67	66	66

[1] Excludes Maxum, middle market specialty programs and livestock lines of business.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PERSONAL LINES
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Written premiums	\$ 807	\$ 823	\$ 924	\$ 925	\$ 889
Change in unearned premium reserve	(52)	(82)	3	(5)	(45)
Earned premiums	859	905	921	930	934
Fee income	10	11	11	11	11
Losses and loss adjustment expenses					
Current accident year before catastrophes	566	625	663	652	644
Current accident year catastrophes	34	200	82	92	79
Prior accident year development [1]	(13)	(25)	2	(10)	(4)
Total losses and loss adjustment expenses	587	800	747	734	719
Amortization of DAC	71	73	76	79	81
Underwriting expenses	143	155	145	140	137
Amortization of other intangible assets	1	1	1	1	1
Underwriting gain (loss)	67	(113)	(37)	(13)	7
Net servicing income	4	5	4	4	3
Net investment income	40	34	36	35	36
Net realized capital gains (losses)	—	6	2	5	2
Other income (expenses)	(1)	—	3	(1)	(1)
Income (loss) before income taxes	110	(68)	8	30	47
Income tax expense	21	6	—	6	14
Net income (loss)	89	(74)	8	24	33
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(1)	7	2	5	2
Less: Income tax benefit (expense) [2]	1	(35)	(1)	(1)	(1)
Core earnings (losses)	\$ 89	\$ (46)	\$ 7	\$ 20	\$ 32

[1] For further information, see Personal Lines Income Statements (continued), page 15.

[2] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PERSONAL LINES
INCOME STATEMENTS (CONTINUED)

Prior accident year development included the following unfavorable (favorable) reserve development:

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Auto liability	\$ —	\$ —	\$ —	\$ —	\$ —
Homeowners	(12)	(14)	—	—	—
Catastrophes	5	(5)	—	(8)	(3)
Other reserve re-estimates, net	(6)	(6)	2	(2)	(1)
Total prior accident year development	\$ (13)	\$ (25)	\$ 2	\$ (10)	\$ (4)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PERSONAL LINES
UNDERWRITING RATIOS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
UNDERWRITING GAIN (LOSS)	\$ 67	\$ (113)	\$ (37)	\$ (13)	7
UNDERWRITING RATIOS					
Losses and loss adjustment expenses					
Current accident year before catastrophes	65.9	69.1	72.0	70.1	69.0
Current accident year catastrophes	4.0	22.1	8.9	9.9	8.5
Prior accident year development	(1.5)	(2.8)	0.2	(1.1)	(0.4)
Total losses and loss adjustment expenses	68.3	88.4	81.1	78.9	77.0
Expenses	23.9	24.1	22.9	22.5	22.3
Combined ratio	92.2	112.5	104.0	101.4	99.3
Current accident year catastrophes and prior accident year development	2.5	19.3	9.1	8.8	8.1
Underlying combined ratio	89.8	93.1	94.9	92.6	91.2
PRODUCT					
Automobile					
Combined ratio	93.1	101.7	106.3	100.8	97.5
Current accident year catastrophes	0.5	0.7	4.8	2.3	1.4
Prior accident year development	(1.6)	(0.7)	—	(0.6)	(0.4)
Underlying combined ratio	94.2	101.7	101.6	99.1	96.6
Homeowners					
Combined ratio	89.8	137.4	97.9	103.4	103.4
Current accident year catastrophes	12.0	71.9	18.6	28.0	24.9
Prior accident year development	(1.1)	(7.3)	0.4	(2.1)	(0.4)
Underlying combined ratio	78.9	72.8	78.9	77.6	78.9

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PERSONAL LINES
SUPPLEMENTAL DATA

		THREE MONTHS ENDED				
		Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
DISTRIBUTION						
WRITTEN PREMIUMS						
AARP Direct		\$ 654	\$ 644	\$ 735	\$ 729	\$ 687
AARP Agency		67	79	79	80	86
Other Agency		77	90	100	104	105
Other		9	10	10	12	11
Total		\$ 807	\$ 823	\$ 924	\$ 925	\$ 889
EARNED PREMIUMS						
AARP Direct		\$ 681	\$ 709	\$ 713	\$ 711	\$ 708
AARP Agency		77	83	88	89	92
Other Agency		92	102	108	117	123
Other		9	11	12	13	11
Total		\$ 859	\$ 905	\$ 921	\$ 930	\$ 934
PRODUCT LINE						
WRITTEN PREMIUMS						
Automobile		\$ 581	\$ 578	\$ 636	\$ 638	\$ 645
Homeowners		226	245	288	287	244
Total		\$ 807	\$ 823	\$ 924	\$ 925	\$ 889
EARNED PREMIUMS						
Automobile		\$ 600	\$ 634	\$ 644	\$ 652	\$ 654
Homeowners		259	271	277	278	280
Total		\$ 859	\$ 905	\$ 921	\$ 930	\$ 934

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
PERSONAL LINES
SUPPLEMENTAL DATA (CONTINUED)

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
STATISTICAL PREMIUM INFORMATION (YEAR OVER YEAR)					
New Business Premium					
Automobile	\$ 37	\$ 35	\$ 37	\$ 38	\$ 42
Homeowners	\$ 9	\$ 9	\$ 11	\$ 12	\$ 12
Renewal Written Price Increases					
Automobile	9.7%	11.1%	11.8%	10.4%	10.3%
Homeowners	9.5%	9.0%	8.5%	9.1%	8.9%
Renewal Earned Price Increases					
Automobile	10.7%	10.8%	10.1%	9.1%	8.2%
Homeowners	8.9%	8.8%	8.7%	8.5%	8.2%
Policy Count Retention					
Automobile	80%	80%	80%	81%	82%
Homeowners	82%	83%	83%	83%	82%
Premium Retention					
Automobile	85%	87%	87%	88%	88%
Homeowners	89%	89%	89%	90%	88%
Policies in Force (in thousands)					
Automobile	1,641	1,702	1,768	1,839	1,905
Homeowners	1,008	1,038	1,071	1,109	1,144

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
P&C OTHER OPERATIONS
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Losses and loss adjustment expenses					
Prior accident year development	\$ —	\$ 17	\$ —	\$ —	\$ 1
Total losses and loss adjustment expenses	—	17	—	—	1
Underwriting expenses	3	3	3	3	5
Underwriting loss	(3)	(20)	(3)	(3)	(6)
Net investment income	24	22	26	27	31
Net realized capital gains (losses)	(1)	4	1	5	4
Other income	—	1	2	—	2
Income before income taxes	20	7	26	29	31
Income tax expense	3	—	8	9	7
Net income	17	7	18	20	24
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(1)	4	2	4	4
Less: Income tax benefit (expense) [1]	1	(1)	(2)	(2)	(1)
Core earnings	\$ 17	\$ 4	\$ 18	\$ 18	\$ 21

[1] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
GROUP BENEFITS
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Earned premiums	\$ 1,357	\$ 1,162	\$ 803	\$ 805	\$ 816
Fee income	44	34	19	19	19
Net investment income	121	103	95	88	95
Net realized capital gains (losses)	(25)	4	9	13	8
Total revenues	1,497	1,303	926	925	938
Benefits, losses and loss adjustment expenses	1,085	910	614	628	651
Amortization of DAC	10	9	8	8	8
Insurance operating costs and other expenses [1]	321	298	204	193	220
Amortization of other intangible assets	17	9	—	—	—
Total benefits, losses and expenses	1,433	1,226	826	829	879
Income before income taxes	64	77	100	96	59
Income tax expense (benefit)	10	(32)	29	27	14
Net income	54	109	71	69	45
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(26)	4	7	13	7
Less: Integration and transaction costs associated with acquired business, before tax	(12)	(17)	—	—	—
Less: Income tax benefit (expense) [2]	7	55	(2)	(5)	(2)
Core earnings	\$ 85	\$ 67	\$ 66	\$ 61	\$ 40
Margin					
Net income margin [3]	3.6%	8.4%	7.7%	7.5%	4.9%
Core earnings margin [3] *	5.6 %	5.2 %	7.2 %	6.7 %	4.3 %
ROE					
Net income [4]	10.9%	10.5%	11.6%	11.0%	10.7%
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(0.1)%	1.2 %	1.7 %	2.2 %	2.4 %
Less: Integration costs	(1.2)%	(0.7)%	— %	— %	— %
Less: Income tax benefit (expense) [2]	2.3 %	1.8 %	(0.6)%	(0.8)%	(0.9)%
Less: Impact of AOCI, excluded from core earnings ROE	(0.4)%	(0.4)%	(1.5)%	(1.5)%	(1.0)%
Core earnings [4]	10.3%	8.6%	12.0%	11.1%	10.2%

[1] The three months ended March 31, 2017 includes state guaranty fund assessments of \$20, before tax, related to the liquidation of a life and health insurance company.

[2] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

[3] Excluding the state guaranty fund assessment related to the liquidation of a life and health insurance company, net income and core earnings margins for the three months ended March 31, 2017 are 6.3% and 5.8%, respectively.

[4] Net income ROE and core earnings ROE for Group Benefits assumes a portion of debt and interest expense accounted for within Corporate is allocated to Group Benefits. For further information, see Appendix, page 33.

* Denotes financial measure not calculated in accordance with generally accepted accounting principles (non-GAAP).

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
GROUP BENEFITS
SUPPLEMENTAL DATA

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
PREMIUMS					
Fully insured ongoing premiums					
Group disability	\$ 633	\$ 539	\$ 368	\$ 360	\$ 364
Group life	664	567	382	391	386
Other	60	55	53	51	55
Total fully insured ongoing premiums	1,357	1,161	803	802	805
Total buyouts [1]	—	1	—	3	11
Total premiums	\$ 1,357	\$ 1,162	\$ 803	\$ 805	\$ 816
SALES (GROSS ANNUALIZED NEW PREMIUMS)					
Fully insured ongoing sales					
Group disability	\$ 260	\$ 77	\$ 43	\$ 32	\$ 87
Group life	160	22	20	33	115
Other	34	4	5	2	9
Total fully insured ongoing sales	454	103	68	67	211
Total buyouts [1]	—	1	—	3	11
Total sales	\$ 454	\$ 104	\$ 68	\$ 70	\$ 222
RATIOS, EXCLUDING BUYOUTS					
Group disability loss ratio	74.9%	72.9%	73.0%	78.9%	82.9%
Group life loss ratio	80.9%	80.2%	77.7%	74.2%	73.1%
Total loss ratio	77.4%	76.1%	74.7%	76.1%	77.7%
Expense ratio [2] [3]	24.0%	25.0%	25.8%	24.5%	27.7%

[1] Takeover of open claim liabilities and other non-recurring premium amounts.

[2] Integration and transaction costs related to the Group Benefits acquisition made in November 2017 are not included in the expense ratio.

[3] The three months ended March 31, 2017 includes state guaranty fund assessment totaling 2.5 pts related to the liquidation of a life and health insurance company.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
MUTUAL FUNDS
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Investment management fees	\$ 181	\$ 179	\$ 172	\$ 162	\$ 155
Shareholder servicing fees	21	21	24	27	24
Other revenue	57	58	56	58	59
Total revenues	259	258	252	247	238
Sub-advisory expense	66	65	63	60	56
Employee compensation and benefits	29	27	28	28	28
Distribution and service	91	91	90	90	89
General, administrative and other	30	19	31	31	30
Total expenses	216	202	212	209	203
Income before income taxes	43	56	40	38	35
Income tax expense	9	23	14	14	12
Net income	\$ 34	\$ 33	\$ 26	\$ 24	\$ 23
Less: Income tax expense	—	(4)	—	—	—
Core earnings	\$ 34	\$ 37	\$ 26	\$ 24	\$ 23
Daily average total Mutual Funds segment AUM	\$117,301	\$113,830	\$109,640	\$105,625	\$101,114
Return on assets (bps, after tax) [1]					
Net income	11.9	11.5	9.5	9.2	9.2
Core earnings	11.9	12.8	9.5	9.2	9.2
ROE					
Net income [2]	44.3 %	40.9 %	34.3 %	33.0 %	32.0%
Less: Income tax expense	(1.6)%	(1.6)%	— %	— %	— %
Less: Impact of AOCI, excluded from core earnings ROE	0.2 %	(0.1)%	(0.3)%	(0.3)%	— %
Core earnings [2]	45.7 %	42.6 %	34.6 %	33.3 %	32.0%

[1] Represents annualized earnings divided by daily average assets under management, as measured in basis points ("bps") which represents one hundredth of one percent.

[2] Net income ROE and core earnings ROE for Mutual Funds assumes a portion of debt and interest expense accounted for within Corporate is allocated to Mutual Funds. For further information, see Appendix, page 33.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
MUTUAL FUNDS
ASSET VALUE ROLLFORWARD
ASSETS UNDER MANAGEMENT BY ASSET CLASS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Equity Funds					
Beginning balance	\$ 63,740	\$ 61,163	\$ 58,047	\$ 54,683	\$ 50,826
Sales	4,175	3,060	3,630	4,076	3,987
Redemptions	(3,749)	(3,276)	(2,944)	(3,269)	(3,587)
Net flows	426	(216)	686	807	400
Change in market value and other	536	2,793	2,430	2,557	3,457
Ending balance	\$ 64,702	\$ 63,740	\$ 61,163	\$ 58,047	\$ 54,683
Fixed Income Funds					
Beginning balance	\$ 14,401	\$ 14,454	\$ 14,286	\$ 13,973	\$ 13,301
Sales	1,002	771	866	1,079	1,930
Redemptions	(1,030)	(966)	(861)	(900)	(1,406)
Net flows	(28)	(195)	5	179	524
Change in market value and other	5	142	163	134	148
Ending balance	\$ 14,378	\$ 14,401	\$ 14,454	\$ 14,286	\$ 13,973
Multi-Strategy Investments Funds [1]					
Beginning balance	\$ 20,469	\$ 19,571	\$ 18,923	\$ 18,142	\$ 17,171
Sales	1,000	993	868	1,093	1,301
Redemptions	(914)	(751)	(792)	(765)	(892)
Net flows	86	242	76	328	409
Change in market value and other	(418)	656	572	453	562
Ending balance	\$ 20,137	\$ 20,469	\$ 19,571	\$ 18,923	\$ 18,142
Exchange-traded Products ("ETP") AUM					
Beginning balance	\$ 480	\$ 409	\$ 325	\$ 278	\$ 209
Net flows	194	42	60	33	22
Change in market value and other	(8)	29	24	14	47
Ending balance	\$ 666	\$ 480	\$ 409	\$ 325	\$ 278
Mutual Fund and ETP AUM					
Beginning balance	\$ 99,090	\$ 95,597	\$ 91,581	\$ 87,076	\$ 81,507
Sales - mutual fund	6,177	4,824	5,364	6,248	7,218
Redemptions - mutual fund	(5,693)	(4,993)	(4,597)	(4,934)	(5,885)
Net flows - ETP	194	42	60	33	22
Net flows - mutual fund and ETP	678	(127)	827	1,347	1,355
Change in market value and other	115	3,620	3,189	3,158	4,214
Ending balance	99,883	99,090	95,597	91,581	87,076
Life and annuity run-off business held for sale	15,614	16,260	16,127	16,098	16,123
Total Mutual Funds segment AUM	\$ 115,497	\$ 115,350	\$ 111,724	\$ 107,679	\$ 103,199

[1] Includes balanced, allocation, and alternative investment products.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CORPORATE
INCOME STATEMENTS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Fee income	\$ 2	\$ 2	\$ 1	\$ —	\$ 1
Net investment income	7	9	5	5	4
Net realized capital gains (losses)	4	(1)	1	—	(1)
Total revenues	13	10	7	5	4
Benefits, losses and loss adjustment expenses [1]	2	31	—	—	—
Insurance operating costs and other expenses [2]	15	(1)	26	16	18
Pension settlement	—	—	—	750	—
Interest expense	80	78	79	79	80
Total expenses	97	108	105	845	98
Loss from continuing operations before income taxes	(84)	(98)	(98)	(840)	(94)
Income tax expense (benefit)	(20)	821	(30)	(293)	(41)
Loss from continuing operations, net of tax	(64)	(919)	(68)	(547)	(53)
Income (loss) from discontinued operations, net of tax [3]	169	(3,145)	89	112	75
Net income (loss)	105	(4,064)	21	(435)	22
Less: Net realized capital gains (losses), excluded from core earnings, before tax	4	(1)	2	(1)	(1)
Less: Pension settlement, before tax	—	—	—	(750)	—
Less: Income tax benefit (expense) [4]	(2)	(867)	(2)	262	—
Less: Income (loss) from discontinued operations, after tax [3]	169	(3,145)	89	112	75
Core losses	\$ (66)	\$ (51)	\$ (68)	\$ (58)	\$ (52)

[1] Benefits incurred relates to life and annuity business retained by the Company.

[2] Includes stranded costs related to the life and annuity run-off business retained by the Company

[3] The three months ended March 31, 2018 and December 31, 2017 included an estimated gain on sale of \$62 and loss on sale of \$3.3 billion, respectively, related to the pending sale of the Company's life and annuity run-off business. The reduction in loss in the three months ended March 31, 2018 was largely due to the reclassification to retained earnings of \$193 of tax effects stranded in AOCI due to the accounting for tax reform, partially offset by \$107 of operating income from discontinued operations and the reclassification to retained earnings of \$10 of net unrealized gains, net of shadow DAC, on equity securities.

[4] Generally represents federal income tax benefit (expense) related to before tax items not included in core earnings.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
INVESTMENT INCOME BEFORE TAX
CONSOLIDATED

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net Investment Income					
Fixed maturities [1]					
Taxable	\$ 238	\$ 226	\$ 224	\$ 224	\$ 221
Tax-exempt	111	105	103	102	98
Total fixed maturities	349	331	327	326	319
Equity securities	6	10	4	5	5
Mortgage loans	33	33	31	30	30
Limited partnerships and other alternative investments [2]	73	29	48	39	58
Other [3]	8	10	13	11	15
Subtotal	469	413	423	411	427
Investment expense	(18)	(19)	(19)	(16)	(17)
Total net investment income	\$ 451	\$ 394	\$ 404	\$ 395	\$ 410
Annualized investment yield, before tax [4]	4.2%	3.8%	4.1%	4.1%	4.2%
Annualized limited partnerships and other alternative investment yield, before tax [4]	18.6%	7.3%	12.8%	10.1%	15.5%
Annualized investment yield, before tax, excluding limited partnership and other alternative investments [4] *	3.7%	3.7%	3.8%	3.8%	3.8%
Annualized investment yield, after tax [4]	3.5%	2.8%	3.0%	3.0%	3.1%
Average reinvestment rate [5]	3.8%	3.3%	3.4%	3.5%	3.5%
Average sales/maturities yield [6]	3.3%	3.3%	4.1%	3.7%	3.6%
Portfolio duration (in years) [7]	5.1	5.2	5.0	5.0	5.1

[1] Includes income on short-term bonds.

[2] Other alternative investments include an insurer-owned life insurance policy which is invested in hedge funds and other investments.

[3] Primarily represents income from derivatives that qualify for hedge accounting and are used to hedge fixed maturities.

[4] Represents annualized net investment income divided by the monthly average invested assets at amortized cost as applicable, excluding repurchase agreement and securities lending collateral, if any, and derivatives amortized cost.

[5] Represents the annualized yield on fixed maturities and mortgage loans that were purchased during the respective period. Excludes U.S. Treasury securities, cash equivalent securities, and repurchase agreement and securities lending collateral, if any.

[6] Represents the annualized yield on fixed maturities and mortgage loans that were sold, matured, or redeemed, including calls and pay-downs, during the respective period. Excludes U.S. Treasury securities, cash equivalent securities, and repurchase agreement and securities lending collateral, if any.

[7] Excludes certain short-term securities.

* Denotes financial measure not calculated in accordance with generally accepted accounting principles (non-GAAP).

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
INVESTMENT INCOME BEFORE TAX
PROPERTY & CASUALTY

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net Investment Income					
Fixed maturities [1]					
Taxable	\$ 163	\$ 158	\$ 169	\$ 169	\$ 168
Tax-exempt	82	81	81	81	78
Total fixed maturities	245	239	250	250	246
Equity securities	4	4	4	4	4
Mortgage loans	24	24	22	21	21
Limited partnerships and other alternative investments [2]	58	23	34	32	45
Other [3]	4	6	7	8	8
Subtotal	335	296	317	315	324
Investment expense	(13)	(15)	(14)	(13)	(14)
Total net investment income	\$ 322	\$ 281	\$ 303	\$ 302	\$ 310
Annualized investment yield, before tax [4]	4.3%	3.8%	4.0%	4.1%	4.2%
Annualized limited partnerships and other alternative investment yield, before tax [4]	17.0%	6.5%	10.4%	9.6%	13.6%
Annualized investment yield, before tax, excluding limited partnership and other alternative investments [4]	3.7%	3.7%	3.7%	3.8%	3.7%
Annualized investment yield, after tax [4]	3.5%	2.8%	2.9%	3.0%	3.1%
Average reinvestment rate [5]	3.7%	3.2%	3.4%	3.5%	3.7%
Average sales/maturities yield [6]	3.7%	3.6%	4.1%	3.8%	3.8%
Portfolio duration (in years) [7]	4.9	5.0	5.0	5.0	5.0

Footnotes [1] through [7] are explained on page 25.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
INVESTMENT INCOME BEFORE TAX
GROUP BENEFITS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net Investment Income					
Fixed maturities [1]					
Taxable	\$ 70	\$ 63	\$ 50	\$ 50	\$ 49
Tax-exempt	27	24	21	21	20
Total fixed maturities	97	87	71	71	69
Equity securities	1	1	—	—	—
Mortgage loans	9	9	9	9	10
Limited partnerships and other alternative investments [2]	15	6	14	7	13
Other [3]	4	4	5	4	6
Subtotal	126	107	99	91	98
Investment expense	(5)	(4)	(4)	(3)	(3)
Total net investment income	\$ 121	\$ 103	\$ 95	\$ 88	\$ 95
Annualized investment yield, before tax [4]	4.3%	3.8%	4.9%	4.5%	4.8%
Annualized limited partnerships and other alternative investment yield, before tax [4]	28.3%	12.2%	29.4%	13.3%	28.9%
Annualized investment yield, before tax, excluding limited partnership and other alternative investments [4] [8]	3.8%	3.7%	4.3%	4.3%	4.3%
Annualized investment yield, after tax [4]	3.5%	2.8%	3.5%	3.3%	3.5%
Average reinvestment rate [5]	3.9%	3.4%	3.6%	3.6%	3.6%
Average sales/maturities yield [6]	3.0%	2.9%	4.3%	3.9%	4.0%
Portfolio duration (in years) [7]	6.1	6.3	6.0	6.0	5.9

Footnotes [1] through [7] are explained on page 25.

[8] Beginning in the fourth quarter of 2017, the average yield reflects the fact that invested assets acquired as part of the acquisition of Aetna's group life and disability business on November 1, 2017 were recorded at the then current yields which are lower than the yields of the remainder of the Group Benefits segment invested assets.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NET INVESTMENT INCOME
CONSOLIDATED

Net Investment Income by Segment	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net Investment Income					
Commercial Lines	\$ 258	\$ 225	\$ 241	\$ 240	\$ 243
Personal Lines	40	34	36	35	36
P&C Other Operations	24	22	26	27	31
Total Property & Casualty	\$ 322	\$ 281	\$ 303	\$ 302	\$ 310
Group Benefits	121	103	95	88	95
Mutual Funds	1	1	1	—	1
Corporate	7	9	5	5	4
Total net investment income by segment	\$ 451	\$ 394	\$ 404	\$ 395	\$ 410
Net Investment Income From Limited Partnerships and Other Alternative Investments	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Total Property & Casualty	\$ 58	\$ 23	\$ 34	\$ 32	\$ 45
Group Benefits	15	6	14	7	13
Total net investment income from limited partnerships and other alternative investments [1]	\$ 73	\$ 29	\$ 48	\$ 39	\$ 58

[1] Amounts are included above in total net investment income by segment.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMPONENTS OF NET REALIZED CAPITAL GAINS (LOSSES)
CONSOLIDATED

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net Realized Capital Gains (Losses)					
Gross gains on sales	\$ 19	\$ 91	\$ 46	\$ 77	\$ 61
Gross losses on sales	(57)	(29)	(16)	(22)	(46)
Equity securities [1]	16	—	—	—	—
Net impairment losses	—	(4)	(1)	(2)	(1)
Valuation allowances on mortgage loans	—	(1)	—	—	—
Transactional foreign currency revaluation	1	—	—	8	6
Non-qualifying foreign currency derivatives	(3)	—	—	(7)	(7)
Other net gains (losses) [2] [3]	(6)	3	(3)	1	11
Total net realized capital gains (losses)	\$ (30)	\$ 60	\$ 26	\$ 55	\$ 24
Less: Net realized capital gains, included in core earnings, before tax	—	1	1	2	1
Total net realized capital gains (losses) excluded from core earnings, before tax	(30)	59	25	53	23
Less: Impacts of tax	(5)	22	10	20	8
Total net realized capital gains (losses) excluded from core earnings	\$ (25)	\$ 37	\$ 15	\$ 33	\$ 15

[1] Effective January 1, 2018, with adoption of new accounting guidance for equity securities at fair value, includes all changes in fair value and trading gains and losses for equity securities.

[2] Includes changes in value of non-qualifying derivatives, including credit derivatives and interest rate derivatives used to manage duration.

[3] Includes periodic net coupon settlements on credit derivatives which are included in core earnings.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
COMPOSITION OF INVESTED ASSETS
CONSOLIDATED

	Mar 31 2018		Dec 31 2017		Sept 30 2017		Jun 30 2017		Mar 31 2017	
	Amount [1]	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount [1]	Percent
Total investments	\$ 44,432	100.0%	\$ 45,146	100.0%	\$ 42,246	100.0%	\$ 42,085	100.0%	\$ 40,864	100.0%
Asset-backed securities	\$ 911	2.5 %	\$ 1,126	3.0 %	\$ 1,350	4.0 %	\$ 1,339	4.0 %	\$ 1,325	4.1 %
Collateralized debt obligations	1,144	3.2 %	1,260	3.4 %	1,402	4.1 %	1,446	4.3 %	1,262	3.9 %
Commercial mortgage-backed securities	3,311	9.2 %	3,336	8.9 %	2,969	8.7 %	2,907	8.7 %	2,814	8.7 %
Corporate	12,634	35.2 %	12,804	34.7 %	11,372	33.4 %	11,265	33.4 %	11,075	34.3 %
Foreign government/government agencies	1,082	3.0 %	1,110	3.0 %	984	2.9 %	922	2.7 %	845	2.6 %
Municipal [2]	11,544	32.1 %	12,485	33.8 %	11,203	32.9 %	11,074	32.8 %	10,608	32.9 %
Residential mortgage-backed securities	3,086	8.6 %	3,044	8.3 %	2,590	7.7 %	2,577	7.6 %	2,418	7.5 %
U.S. Treasuries	2,212	6.2 %	1,799	4.9 %	2,156	6.3 %	2,190	6.5 %	1,931	6.0 %
Total fixed maturities, available-for-sale	\$ 35,924	100.0%	\$ 36,964	100.0%	\$ 34,026	100.0%	\$ 33,720	100.0%	\$ 32,278	100.0%
U.S. government/government agencies	\$ 4,972	13.8 %	\$ 4,536	12.3 %	\$ 4,324	12.7 %	\$ 4,231	12.5 %	\$ 3,830	11.9 %
AAA	5,812	16.2 %	6,072	16.4 %	5,535	16.3 %	5,525	16.4 %	5,333	16.5 %
AA	6,942	19.3 %	7,810	21.1 %	7,211	21.2 %	7,355	21.8 %	6,966	21.6 %
A	8,873	24.7 %	8,919	24.1 %	7,906	23.2 %	7,610	22.6 %	7,227	22.4 %
BBB	7,839	21.8 %	7,931	21.5 %	7,350	21.6 %	7,172	21.2 %	7,010	21.6 %
BB	890	2.5 %	1,005	2.7 %	959	2.8 %	1,085	3.2 %	1,152	3.6 %
B	529	1.5 %	618	1.7 %	595	1.7 %	602	1.8 %	607	1.9 %
CCC	64	0.2 %	69	0.2 %	139	0.4 %	132	0.4 %	143	0.4 %
CC & below	3	— %	4	— %	7	0.1 %	8	0.1 %	10	0.1 %
Total fixed maturities, available-for-sale	\$ 35,924	100.0%	\$ 36,964	100.0%	\$ 34,026	100.0%	\$ 33,720	100.0%	\$ 32,278	100.0%

[1] Amount represents the value at which the assets are presented in the Consolidating Balance Sheets (page 4).

[2] Primarily comprised of \$8.5 billion in Property & Casualty and \$2.9 billion in Group Benefits as of March 31, 2018.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
INVESTED ASSET EXPOSURES
MARCH 31, 2018

	Cost or Amortized Cost	Fair Value	Percent of Total Invested Assets
Top Ten Corporate Fixed Maturity and Equity Exposures by Sector, Available-for-sale			
Financial services	\$ 3,059	\$ 3,048	6.9 %
Utilities	2,159	2,185	4.9 %
Consumer non-cyclical	1,730	1,722	3.9 %
Technology and communications	1,672	1,704	3.8 %
Capital goods	1,131	1,146	2.6 %
Energy [1]	1,105	1,118	2.5 %
Consumer cyclical	1,000	1,006	2.3 %
Basic industry	564	577	1.3 %
Transportation	530	532	1.2 %
Other	723	719	1.6 %
Total	\$ 13,673	\$ 13,757	31.0%
Top Ten Exposures by Issuer [2]			
New York State Dormitory Authority	\$ 297	\$ 309	0.7 %
New York City Transitional Finance Authority	268	281	0.6 %
Commonwealth of Massachusetts	230	244	0.6 %
State of California	204	217	0.5 %
Goldman Sachs Group Inc.	190	187	0.4 %
New York City Municipal Water Finance Authority	174	184	0.4 %
JP Morgan Chase & Co.	179	178	0.4 %
Massachusetts State Development Finance Agency	164	170	0.4 %
Apple Inc.	157	160	0.4 %
Morgan Stanley	155	154	0.3 %
Total	\$ 2,018	\$ 2,084	4.7%

[1] Excludes investments in foreign government, government agency securities or other fixed maturities that are correlated to energy exposure but are not direct obligations of or exposures to energy-related companies.

[2] Excludes U.S. government and government agency securities, mortgage obligations issued by government sponsored agencies, cash equivalent securities, and exposures resulting from derivative transactions.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

APPENDIX

BASIS OF PRESENTATION AND DEFINITIONS

All amounts are in millions, except for per share and ratio information unless otherwise stated. Amounts presented throughout this document have been rounded for presentation purposes.

The Hartford Financial Services Group, Inc. (the "Company", "we", or "our") currently conducts business principally in five reporting segments: Commercial Lines, Personal Lines, Property & Casualty Other Operations ("P&C Other Operations"), Group Benefits, and Mutual Funds, as well as a Corporate category.

Property & Casualty ("P&C") businesses consist of three reporting segments: Commercial Lines, Personal Lines and P&C Other Operations. Commercial Lines provides businesses with workers' compensation, property, automobile, liability, umbrella, marine and livestock coverages under several different products, primarily throughout the United States ("U.S."), within its standard commercial lines, which consists of the Company's small commercial and middle market lines of business. Additionally, within Commercial Lines, a variety of customized insurance products and risk management services including workers' compensation, automobile, general liability, professional liability, bond, and specialty casualty coverages are offered through the segment's specialty commercial lines. Personal Lines provides automobile, homeowners and personal umbrella coverages to individuals across the U.S., including a special program designed exclusively for members of AARP. P&C Other Operations includes certain property and casualty operations, managed by the Company, that have discontinued writing new business and substantially all of the Company's asbestos and environmental exposures.

Group Benefits provides group life, accident and disability coverage, group retiree health and voluntary benefits to individual members of employer groups and associations. Group Benefits offers disability underwriting, administration, claims processing and reinsurance to other insurers and self-funded employer plans. On November 1, 2017, Hartford Life and Accident Insurance Company (HLA), a wholly owned subsidiary of the Company, completed the acquisition of Aetna's U.S. group life and disability insurance business through a reinsurance transaction. Aetna's group life and disability revenue and earnings since the acquisition date are included in the operating results of the Company's Group Benefits reporting segment.

Mutual Funds provides investment management, administration, distribution and related services to investors through investment products in both domestic and international markets. Mutual fund and exchange-traded products are sold primarily through retail, bank trust and registered investment advisor channels.

Corporate includes discontinued operations from the Company's life and annuity run-off business accounted for as held for sale, reserves for structured settlement and terminal funding agreement liabilities retained, capital raising activities (including debt financing and related interest expense), purchase accounting adjustments related to goodwill and other expenses not allocated to the reporting segments.

Certain operating and statistical measures have been incorporated herein to provide supplemental data that indicate current trends in the Company's business. These measures include sales, deposits, net flows, account value, insurance in-force, premium retention, renewal earned and written price increases and policy count retention. Premium retention is defined as renewal premium written in the current period divided by total premium written in the prior period. Renewal earned price increases represent the portions of the prior and current period renewal written price increases that have been earned based on the period of time the underlying renewal policies have been in effect. Renewal written price increases for Commercial Lines represent the combined effect of rate changes, amount of insurance and individual risk pricing decisions per unit of exposure since the prior year on policies that renewed and includes the combined effect of rate changes, amount of insurance and other changes in exposure. For Personal Lines, renewal written price increases represent the total change in premium per policy since the prior year on those policies that renewed and includes the combined effect of rate changes, amount of insurance and other changes in exposure. For Personal Lines, other changes in exposure include, but are not limited to, the effect of changes in number of drivers, vehicles and incidents, as well as changes in customer policy elections, such as deductibles and limits.

Policy count retention represents the ratio of the number of policies renewed during the period divided by the number of policies from the previous policy term period.

The Company, along with others in the property and casualty insurance industry, uses underwriting ratios as measures of performance. The loss and loss adjustment expense ratio is the ratio of losses and loss adjustment expenses to earned premiums. The expense ratio is the ratio of underwriting expenses (amortization of deferred policy acquisition costs and insurance operating costs and expenses, including certain centralized services and bad debt expense) less fee income to earned premiums. The policyholder dividend ratio is the ratio of policyholder dividends to earned premiums. The combined ratio is the sum of the loss and loss adjustment expense ratio, the expense ratio and the policyholder dividend ratio. These ratios are relative measurements that describe the related cost of losses, expenses and policyholder dividends for every \$100 of earned premiums. A combined ratio below 100 demonstrates underwriting profit; a combined ratio above 100 demonstrates underwriting losses. The catastrophe ratio (a component of the loss ratio) represents the ratio of catastrophe losses to earned premiums. The prior accident year loss and loss adjustment expense ratio (a component of the loss ratio) represents the increase (decrease) in the estimated cost of settling catastrophe and non-catastrophe claims incurred in prior accident years as recorded in the current calendar year divided by earned premiums.

The Company, along with others in the insurance industry, uses underwriting ratios as measures of the Group Benefits segment's performance. The loss ratio is the ratio of benefits, losses and loss adjustment expenses to premiums and other considerations, excluding buyout premiums. The expense ratio is the ratio of insurance operating costs and other expenses to premiums and other considerations, excluding buyout premiums. Buyout premiums represent takeover of open claim liabilities and other non-recurring premium amounts.

DISCUSSION OF NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses non-GAAP and other financial measures in this Investor Financial Supplement to assist investors in analyzing the Company's operating performance. Because the Company's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing the Company's non-GAAP and other financial measures to those of other companies. Non-GAAP measures are indicated with an asterisk the first time they appear in this document.

The Company uses the non-GAAP financial measure core earnings as an important measure of the Company's operating performance. The Company believes that core earnings provides investors with a valuable measure of the underlying performance of the Company's businesses because it reveals trends in our insurance and financial services businesses that may be obscured by including the net effect of certain realized capital gains and losses, certain restructuring and other costs, integration and transaction costs in connection with an acquired business, pension settlements, loss on extinguishment of debt, gains and losses on reinsurance transactions, income tax benefit from reduction in deferred income tax valuation allowance, impact of tax reform on net deferred tax assets, and results of discontinued operations. Some realized capital 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 (net of tax) that tend to be highly variable from period to period based on capital market conditions. The Company believes, however, that some realized capital 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. Results from discontinued operations are excluded from core earnings for businesses held for sale because such results could obscure trends in our ongoing businesses that are valuable to our investors' ability to assess the Company's financial performance. Net income (loss) and income from continuing operations (during periods when the Company reports significant discontinued operations) are the most directly comparable U.S. GAAP measures to core earnings. Income from continuing operations is net income, excluding the income (loss) from discontinued operations. Core earnings should not be considered as a substitute for net income (loss) or income (loss) from continuing operations and does not reflect the overall profitability of the Company's business. Therefore, The Company believes that it is useful for investors to evaluate net income (loss), income (loss) from continuing operations and core earnings when reviewing the Company's performance. A reconciliation of net income to core earnings is set forth on page 2.

Core earnings per share is calculated based on the non-GAAP financial measure core earnings. The Company believes that the measure core earnings per share provides investors with a valuable measure of the Company's operating performance for many of the same reasons applicable to its underlying measure, core earnings. Net income per share is the most directly comparable U.S. GAAP measure. Core earnings per share should not be considered as a substitute for net income per share and does not reflect the overall profitability of the Company's business. Therefore, the Company believes that it is useful for investors to evaluate both net income per share and core earnings per share when reviewing our performance.

Book value per diluted share is a U.S. GAAP financial measure that represents a per share assessment of the value of a company's equity. It is calculated by dividing (a) common stockholders' equity by (b) common shares outstanding and dilutive potential common shares. The Company provides book value per diluted share to enable investors to assess the value of the Company's equity. Reconciliations of book value per common share and book value per diluted share to book value per common share, excluding AOCI and book value per diluted share, excluding AOCI, are set forth on page 1.

The Company provides different measures of the return on stockholders' equity ("ROE"). Core earnings ROE is calculated based on non-GAAP financial measures. Core earnings ROE is calculated by dividing (a) core earnings for the prior four fiscal quarters by (b) average common stockholders' equity, excluding AOCI. Net income ROE is the most directly comparable U.S. GAAP measure. Net income ROE is calculated by dividing (a) net income for the prior four fiscal quarters by (b) average common stockholders' equity, including AOCI. ROEs at the segment level and for consolidated, represent a levered view of ROE as debt financing and related interest expense are attributed to the businesses consistent with the overall average debt to capitalization ratios of the consolidated entity. The Company excludes AOCI in the calculation of core earnings ROE to provide investors with a measure of how effectively the Company is investing the portion of the Company's net worth that is primarily attributable to the Company's business operations. The Company provides investors with return-on-equity measures based on its non-GAAP core earnings financial measures for the reasons set forth in the related discussion above.

A reconciliation of Net income ROE to Core earnings ROE is set forth below:

	LAST TWELVE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Net income (loss) ROE	(19.3)%	(20.6)%	2.7 %	3.9 %	5.4 %
Less: Net realized capital gains (losses), excluded from core earnings, before tax	0.7 %	1.1 %	(0.2)%	(0.2)%	(0.3)%
Less: Loss on reinsurance transactions, before tax	— %	— %	(3.6)%	(3.6)%	(3.7)%
Less: Pension settlement, before tax	(5.0)%	(4.9)%	(4.2)%	(4.2)%	— %
Less: Integration and transaction costs associated with an acquired business	(0.2)%	(0.1)%	— %	— %	— %
Less: Income tax benefit (expense) on items not included in core earnings	(4.3)%	(4.4)%	3.2 %	3.5 %	2.4 %
Less: Income (loss) from discontinued operations, after tax	(18.4)%	(18.9)%	1.8 %	1.8 %	1.9 %
Less: Impact of AOCI, excluded from denominator of core earnings ROE	0.1 %	(0.1)%	(0.2)%	(0.3)%	— %
Core earnings ROE	7.8 %	6.7 %	5.9 %	6.9 %	5.1 %

The Company evaluates profitability of the individual P&C businesses primarily on the basis of underwriting gain (loss). Underwriting gain (loss) is a before tax measure that represents earned premiums less incurred losses, loss adjustment expenses and underwriting expenses and policyholder dividends. Underwriting gain (loss) is influenced significantly by earned premium growth and the adequacy of the Company's pricing. Underwriting profitability over time is also greatly influenced by the Company's pricing and underwriting discipline, which seeks to manage exposure to loss through favorable risk selection and diversification, its management of claims, its use of reinsurance and its ability to manage its expense ratio, which it accomplishes through its management of acquisition costs and other underwriting expenses. Net income (loss) is the most directly comparable U.S. GAAP measure. The Company believes that underwriting gain (loss) provides investors with a valuable measure of before tax profitability derived from underwriting activities, which are managed separately from the Company's investing activities. Reconciliations of underwriting gain (loss) to net income (loss) for the Company's P&C businesses are set forth on pages 8, 10, 14 and 19.

A catastrophe is a severe loss, resulting from natural or manmade events, including risks such as fire, earthquake, windstorm, explosion, terrorist attack and similar events. Each catastrophe has unique characteristics. Catastrophes are not predictable as to timing or loss amount in advance, and therefore their effects are not included in earnings or losses and loss adjustment expense reserves prior to occurrence. The Company believes that a discussion of the effect of catastrophes is meaningful for investors to understand the variability of periodic earnings.

Underlying combined ratio is a non-GAAP financial measure. Combined ratio is the most directly comparable GAAP measure. Underlying combined ratio represents the combined ratio before catastrophes and prior accident year development. The Company believes this ratio is an important measure of the trend in profitability since it removes the impact of volatile and unpredictable catastrophe losses and prior accident year loss and loss adjustment expense reserve development. A reconciliation of the combined ratio to the underlying combined ratio for Property & Casualty, Commercial Lines, and Personal Lines is set forth on pages 9, 12 and 16, respectively.

Core earnings margin is a non-GAAP financial measure that the Company uses to evaluate, and believes 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). Net income margin 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). Core earnings margin 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 both core earnings margin and net income margin when reviewing performance.

Return on Assets ("ROA"), core earnings, is a non-GAAP financial measure that the Company uses to evaluate, and believes is an important measure of the Mutual Funds segment's operating performance. ROA is the most directly comparable U.S. GAAP measure. The Company believes that ROA, core earnings, provides investors with a valuable measure of the performance of the Mutual Funds segment because it reveals trends in our businesses that may be obscured by the effect of realized gains (losses). ROA, core earnings, should not be considered as a substitute for ROA and does not reflect the overall profitability of our Mutual Funds business. Therefore, the Company believes it is important for investors to evaluate both ROA, core earnings, and ROA when reviewing the Mutual Funds segment performance. ROA, core earnings is calculated by dividing core earnings by a daily average AUM.

Net investment income, excluding limited partnerships is the amount of net investment income earned from invested assets excluding the net investment income related to limited partnerships and other alternative investments. The company believes that net investment income, excluding limited partnerships, provides investors with an important measure of the trend in investment earnings because it excludes the impact of the volatility in returns related to limited partnerships and other alternative investments.

CONSOLIDATED

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Total net investment income	\$ 451	\$ 394	\$ 404	\$ 395	\$ 410
Limited partnerships and other alternative investments	73	29	48	39	58
Net investment income excluding limited partnerships	\$ 378	\$ 365	\$ 356	\$ 356	\$ 352

PROPERTY & CASUALTY

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Total net investment income	\$ 322	\$ 281	\$ 303	\$ 302	\$ 310
Limited partnerships and other alternative investments	58	23	34	32	45
Net investment income excluding limited partnerships	\$ 264	\$ 258	\$ 269	\$ 270	\$ 265

GROUP BENEFITS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Total net investment income	\$ 121	\$ 103	\$ 95	\$ 88	\$ 95
Limited partnerships and other alternative investments	15	6	14	7	13
Net investment income excluding limited partnerships	\$ 106	\$ 97	\$ 81	\$ 81	\$ 82

Annualized investment yield, excluding limited partnerships is the annualized net investment income excluding limited partnerships and other alternative investments divided by the monthly average invested assets at amortized cost, excluding repurchase agreement and securities lending collateral, derivatives book value, and limited partnership and other alternative invested assets. The company believes that annualized net investment income, excluding limited partnerships, provides investors with an important measure of the trend in investment earnings because it excludes the impact of the volatility in returns related to limited partnerships and other alternative investments.

CONSOLIDATED

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Annualized investment yield	4.2%	3.8%	4.1%	4.1%	4.2%
Annualized investment yield on limited partnerships and other alternative investments	18.6%	7.3%	12.8%	10.1%	15.5%
Annualized investment yield excluding limited partnerships and other alternative investments	3.7%	3.7%	3.8%	3.8%	3.8%

PROPERTY & CASUALTY

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Annualized investment yield	4.3%	3.8%	4.0%	4.1%	4.2%
Annualized investment yield on limited partnerships and other alternative investments	17.0%	6.5%	10.4%	9.6%	13.6%
Annualized investment yield excluding limited partnerships and other alternative investments	3.7%	3.7%	3.7%	3.8%	3.7%

GROUP BENEFITS

	THREE MONTHS ENDED				
	Mar 31 2018	Dec 31 2017	Sept 30 2017	Jun 30 2017	Mar 31 2017
Annualized investment yield	4.3%	3.8%	4.9%	4.5%	4.8%
Annualized investment yield on limited partnerships and other alternative investments	28.3%	12.2%	29.4%	13.3%	28.9%
Annualized investment yield excluding limited partnerships and other alternative investments	3.8%	3.7%	4.3%	4.3%	4.3%