APRIL 2019

CHRISTOPHER J. SWIFT
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

Dear Shareholders:

2018 was another great year for The Hartford. Our financial results were excellent despite elevated catastrophe losses for the second consecutive year, demonstrating our ability to operate with discipline in a challenging market environment.

- Full year 2018 income from continuing operations, net of tax, available to common shareholders was $1.5 billion, or $4.06 per diluted share
- Net income return on equity (ROE) was 13.7%
- Core earnings* were $1.6 billion, or $4.33 per diluted share, up 58% over 2017
- Core earnings ROE* was 11.6% for the year, well in excess of our cost of capital

It also was a year of many significant accomplishments, including the close of the Talcott sale, the continued integration of Aetna's U.S. group life and disability business, and the announcement of our agreement to acquire global specialty insurance company The Navigators Group, Inc.

The investments we've made over the last several years in people, processes, data and technology are making The Hartford an easier company to do business with. Customers and distribution partners have recognized the benefits of these investments, including enhanced digital capabilities, broader product offerings and an expanded risk appetite. We made notable progress on our innovation agenda by deepening our data science capabilities, launching our Small Business Innovation Lab in New York City and purchasing Y-Risk, a company specializing in the sharing and on-demand economy.

THE HARTFORD

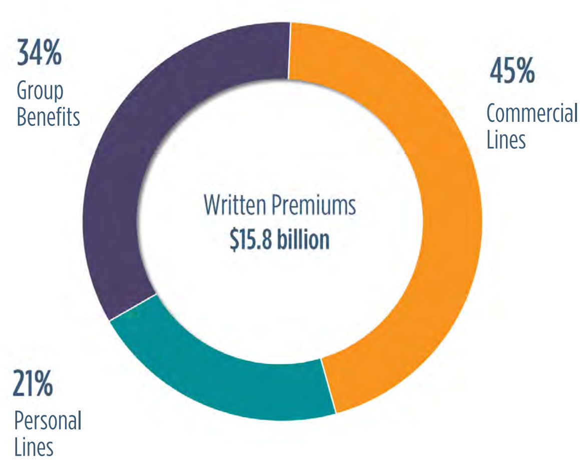
Given our strong financial position and outlook, we announced a new share repurchase authorization, totaling $1.0 billion, for use through year-end 2020. While we will continue to invest in the capabilities needed to sustain profitable growth, share repurchases are an important tool for returning excess capital to shareholders when our business generates more capital than we can prudently put to work.

In addition to our excellent financial and strategic results, I am proud that The Hartford is consistently recognized for our diverse and inclusive workforce, our strong and ethical culture, and for using our collective resources to make communities better, stronger, safer and more sustainable.

PROPERTY AND CASUALTY

The Hartford's property and casualty businesses performed very well in 2018. P&C net income and core earnings were both about $1.2 billion, up 29% and 37%, respectively, over 2017, despite a second consecutive year of high catastrophe losses industry-wide. While we're generally pleased with how our overall book of business and risk management program performed given 2018's CAT events, we continue to evolve our catastrophe risk management strategies based on recent years' experience, with increased focus on exposure from wildfire and tornado/hail events. This includes refinement of our loss models, exposure limits, underwriting guidelines and risk transfer arrangements. As we have diversified our insurance businesses, we've made significant investments in technology, underwriting, claims and customer service. We have a national distribution footprint and strong competitive advantages as a leader in the small and medium-sized business sectors.

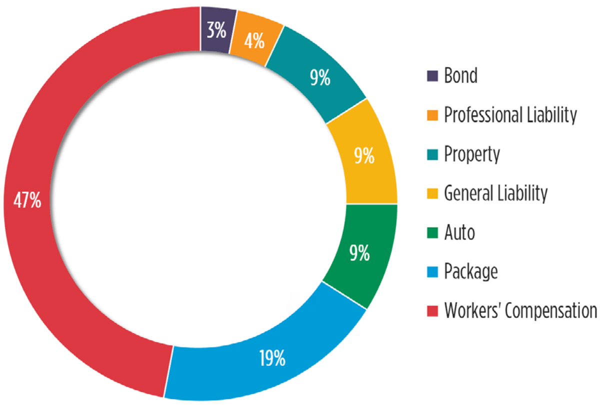
2018 PREMIUMS



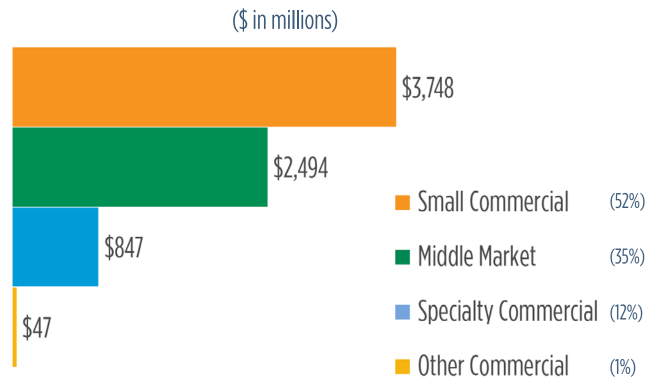
The Navigators Group acquisition, which we expect to close in early April 2019, achieves key strategic and financial objectives for The Hartford. Leading agents and brokers are demanding deep expertise and comprehensive risk solutions across many industries from their carrier partners. The Navigators transaction expands our product suite and enhances our market position, particularly in specialty lines and industry verticals. It also broadens our geographic reach, which will help strengthen distribution relationships and improve our access to new business opportunities, accelerating the next stage of our journey as a market-leading Commercial Lines company. In addition, we expect this transaction to generate attractive and accretive financial returns over time as we realize the full potential of the combined operation.

Looking across our portfolio, The Hartford's market leading Small Commercial segment had an outstanding 2018, with an underlying combined ratio* of 87.0, which excludes catastrophes and prior year development, improving eight-tenths of a point from the prior year. Retentions remained strong and new business increased 7% to $637 million for the full year, aided by the Foremost renewal rights deal announced in early 2018.

DIVERSIFIED PREMIUM MIX



2018 WRITTEN PREMIUMS BY BUSINESS



Middle Market posted an underlying combined ratio of 96.1 for the year, essentially flat with 2017. Retentions remained solid, new business production of $553 million was up 14% versus the prior year and total written premium increased by 5%. Our investment in new industry verticals and efforts to improve our underwriting process are allowing our underwriters to focus on building a strong new business pipeline while making appropriate risk decisions, contributing to these positive results.

Specialty Commercial reported an underlying combined ratio of 97.5, three-tenths of a point better than 2017, driven by an improved expense ratio. Total written premium was up 2%. Bond delivered consistent underwriting results and 4% written premium growth. Financial Products delivered strong written premium growth of 8%.

Personal Lines' underlying combined ratio* improved 1.8 points from prior year to 91.2, driven by better results in both auto and home. Overall results, however, reflected severe wildfire losses, hurricane activity and tornado/hail events. We are pleased with Personal Lines' new business growth and remain confident we can build on this momentum in 2019. As profitability initiatives over the last few years have improved underlying results, we are now focusing on enhancing product capabilities to serve the growing 50+ population via our AARP partnership.

GROUP BENEFITS

Group Benefits had another outstanding year with net income of $340 million and core earnings* of $427 million, up 16% and 82%, respectively, from 2017, with a net income margin of 5.6% and a core earnings margin* of 7%. Earnings were well above our original outlook due to favorable disability loss cost trends and higher limited partnership income. With the integration of the Aetna business on schedule and exceeding sales and expense targets, we are further strengthening our market leadership position.

HARTFORD FUNDS

Results in our Hartford Funds business were excellent, with core earnings* increasing 37% for the year, reflecting a lower corporate tax rate, and higher net income and average daily assets under management. Although markets were down in the fourth quarter, our investment performance remained strong, with 68% of our funds beating peers on a five-year basis. This independent business continues its strong capital generation.

STRATEGY FOR SUSTAINED SUCCESS

REALIZE THE FULL POTENTIAL OF OUR PRODUCT CAPABILITIES AND UNDERWRITING EXPERTISE	BECOME AN EASIER COMPANY TO DO BUSINESS WITH	ATTRACT AND RETAIN TALENT NEEDED FOR LONG-TERM SUCCESS

In 2012, we began a transformation away from capital-market sensitive lines of business and toward underwriting-centric businesses with strong market positions and capital generation. Our transformation comprised both organic and inorganic investment in capabilities needed to meet the changing needs and expectations of agents and customers. As a result, The Hartford's businesses have stronger market positions, with excellent margins and opportunities for continued profitable growth.

- Commercial Lines: Leader in the highly attractive small and mid-sized business sectors, #9 in U.S. commercial lines, #7 pro forma with Navigators[1,2]
- Group Benefits: #2 provider of life and disability protection to 20 million individuals through their employers[3]
- Personal Lines: 35 year partnership with AARP, focused on 50 year old+ demographic, #4 in direct personal lines[1]
- Hartford Funds: A high-return business with a unique sub-advisory business model. As of 12/31/18, 51% of funds were rated 4 or 5 stars by Morningstar[4]

[1] *Per A.M. Best, based on 2017 direct written premiums*
[2] *Pro forma for commercial lines includes 2017 U.S. direct written premiums for both The Hartford and The Navigators Group, Inc.*
[3] *Per LIMRA, based on in-force premiums as of Dec. 31, 2017*
[4] *Hartford Funds formerly known as Mutual Funds*

We have built or acquired the product capabilities and underwriting expertise we need to win in the marketplace. Now, our focus is turned toward realizing their full value. This includes deepening our distribution relationships and meeting a broader array of customer needs, while achieving and ultimately exceeding our financial goals for the recent Group Benefits acquisition and the pending acquisition of Navigators.

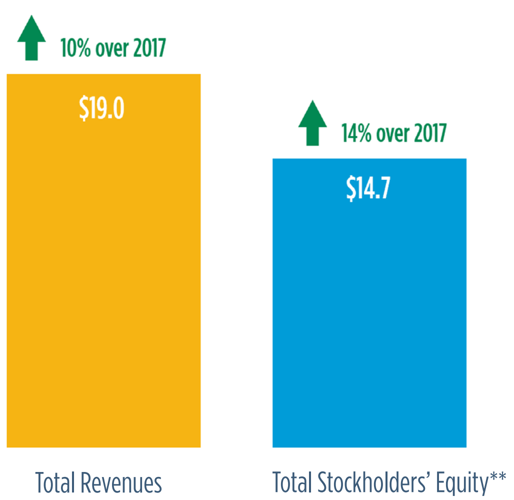
Our strategic goals emphasize ongoing investment in data and technology that will make us an easier company to do business with, which we measure through improved customer value metrics, such as net promoter scores. We are continuing to expand agent and customer facing digital capabilities, increasing our use of digital data to improve risk selection, and using robotics and artificial intelligence to improve speed and our quality of execution.

We continue to invest in our employees and take pride in our ability to attract, retain and develop the industry's best talent, enhance our industry-leading position in diversity and inclusion and sustain our ethical culture. We strive to maintain top quartile engagement and enablement scores in our on-going employee surveys.

These strategic goals support our financial goals:

- Generate core earnings ROE in excess of our cost of equity capital
    - 2018 core earnings ROE[5] of 11.6%, up significantly from 6.7% (7.8% adjusted[6]) in 2017, the strongest core earnings ROE in more than a decade, and well in excess of our cost of equity capital
- Drive shareholder value creation (SVC[7]) through growth of Book Value per Share (BVPS ex. AOCI) and common stockholder dividends paid over time
    - Diluted BVPS (ex. AOCI) was $39.40 at Dec. 31, 2018, up 12%, primarily due to net income in excess of stockholder dividends
    - $379 million of common dividends were paid in 2018, up 11% over 2017
    - Including dividends paid per share, SVC of 15% in 2018
- Balanced deployment of capital, including investing in our businesses for both growth and financial strength, as well as returning capital to shareholders

FINANCIAL HIGHLIGHTS



FY 2018
($ in billions)

[5] *Core earnings ROE is calculated by dividing (a) core earnings for the prior four fiscal quarters by (b) average common stockholders' equity, excluding AOCI*
[6] *Adjustment reduced Dec. 31, 2016 beginning equity by approximately $4.2 billion for loss on discontinued operations of $2.9 billion, pension transfer charge of $488 million and tax charge of $877 million.*
[7] *Shareholder value creation (SVC) in a period is defined as the change in BVPS (ex. AOCI) plus common stockholder dividends paid during the period, divided by BVPS (ex. AOCI) at beginning of period*
*** Total Stockholders' Equity excludes AOCI*

PERSPECTIVES ON THE INDUSTRY AND ECONOMY

The U.S. economy remains in a relatively strong position compared to Europe and other parts of the world, however we expect some slowdown of the U.S. economy in 2019. Across the insurance marketplace, we continue to see varied competitive conditions based on line of business, geography and industry, and ongoing distributor consolidation.

In workers' compensation, favorable loss trends are driving rate decreases, while increasing loss trends in commercial auto continue to require rate increases. Catastrophe risk also is evolving, driven by heightened hurricane activity in the eastern part of the U.S. and intensified wildfire activity in the west. I am confident that, with the depth of our underwriting skill and the strength of our capital position, we are well-positioned to adapt in this dynamic environment.

Longer-term, we anticipate the insurance industry will be fundamentally reshaped, driven largely by technology's direct and indirect impacts. Advancements in data, analytics and automation are streamlining our value chain, reducing expense, increasing response speed and dramatically improving our understanding of risk. Technologies such as smart cars, connected devices and wearables are redefining the underlying risk landscape, reducing traditional sources of loss while increasing the risks associated with a more complex, connected world. Moreover, technology is transforming entire sectors of our economy, such as the auto industry, which will result in different customer needs and potentially different end customers. And, the structure of the insurance industry itself will evolve, as the continued growth of alternative capital and third-party tools and capabilities combine to lower the bar to entry. In the face of all these changes, the future of industry leadership will depend less on the ability to assume risk, and more upon delivering products and services that reduce risk and manage underlying complexity to deliver a simple, seamless customer experience.

Some of these trends are occurring rapidly, while others will take many years to play out. Regardless of how quickly change occurs, we will be ready. We regularly explore new methods for applying data and analytics and emerging technological advances to enhance our entire value chain, from product and distribution to underwriting and claims. And we are committed to building new capabilities for our changing world. That is why we formed an Insurtech Ventures team, a Small Business Innovation Lab and an Internet-of-Things Innovation Lab; developed an interdisciplinary team focused on health-related services; and acquired a managing general underwriter specializing in the sharing and on-demand economy.

Industry-leading companies also will be at the forefront of understanding, managing and mitigating the risks associated with climate change by reducing their own energy dependence, increasing their "green" product offerings, helping insureds mitigate risk, and promoting appropriate building standards and land use planning. The Hartford has been an insurance leader in recognizing that climate change is a very real risk to policyholders, businesses and the overall economy. We are proud to have cut our company's greenhouse gas emissions by 66% since 2007, and we plan to further reduce our carbon footprint by at least 2.1% annually, resulting in a minimum decrease of an additional 25% by 2027.

CONTRIBUTING TO SOCIETY

We believe that making a sustainable and positive impact on society is an essential element of our long-term success. In 2018, we introduced a go-forward sustainability strategy built around measurable five-year goals intended to contribute positively to the world around us while simultaneously creating long-term shareholder value. Our strategy focuses on the environment, our workforce and the communities where we live and work.

We've deepened our company's sustainability commitment knowing that people increasingly want to do business with, work for and invest in companies that contribute as much to society as they do to the bottom line. I am proud that The Hartford and its 18,500 employees use our collective talent and resources to make communities better, stronger and safer.

REDUCING OUR IMPACT ON THE ENVIRONMENT

Reduce our carbon footprint by at least 2.1% a year by 2022

PROMOTING A DIVERSE AND INCLUSIVE WORKPLACE THAT IS FAIRLY COMPENSATED

We will rank in the top quartile in the insurance industry for representation of women and people of color through three levels of reporting to the CEO by 2022

DOING WELL BY DOING GOOD

We will positively impact the lives of 10 million people from 2018 to 2022 through increased community investments and ongoing enterprise and employee donations and volunteerism

We believe that by empowering others to achieve their full potential we unlock our own. This responsibility requires an ongoing dialogue with our stakeholders to understand their concerns and address some of today's most pressing issues.

For instance, as a leading workers' compensation and disability insurance provider, we've seen the heartbreaking human toll of the opioid epidemic on individuals, families, communities, employers and our economy. A third of Americans have been prescribed opioid painkillers and opioids are so addictive that research suggests 1 in 5 people who start a 10-day supply become longer-term users. Drawing upon our unique perspective, we're focused on preventing opioid misuse – because it's the right thing to do for our business and for society.

Over the past decade, we have created a comprehensive opioid management strategy that has appropriately lowered the number of opioid prescriptions for our claimants by 43 percent since 2015 while still providing injured workers and disabled individuals access to necessary medication. Employers large and small can make a difference, and we are encouraging other business leaders to join us in fighting the opioid epidemic by focusing efforts in three areas: culture change, education and action.

- Culture change is needed to end the silence, stigma and shame. Within The Hartford, we've encouraged employees to talk about the issue and how it personally impacts their families.

- Education to understand the risks with opioids and how to mitigate those risks is an important aspect of addiction prevention, which is why we've partnered with Shatterproof to provide free opioid and addiction education via our website.

- Taking action is an important focus area, and we are working to support public policy solutions that address the crisis. We've also provided our employees and workers' compensation and disability claimants with free prescription disposal bags.

As The Hartford invests in more digital capabilities, a need has emerged within the company for more digital developers. In 2018, with a focus on building an engaging culture and developing our talent with a commitment to diversity, the company introduced the HartCode Academy, a "developer boot camp" program to invest in retraining our workforce. The program addresses a talent scarcity of women in developer roles and allows participants at the conclusion of training to immediately begin their new careers as entry-level developers on teams across the country.

As an employer, customer and neighbor, The Hartford is committed to the economic vitality of Connecticut's capital city and our hometown. In 2018, we announced that over the next five years, we are prepared to invest more than $30 million in education, community support services and neighborhood revitalization to help drive a sustainable resurgence of the City of Hartford and provide its inhabitants with a culture and environment in which they can thrive.

BUILDING ON OUR MOMENTUM IN 2019

With another excellent year behind us, I am optimistic about the future of our company and the opportunities that await us in 2019. We have a clear and consistent strategy and I am confident that we will continue to create long-term value for our shareholders, customers, employees, distribution partners and our communities.

I am pleased with the progress we made in 2018 in our P&C, Group Benefits and Mutual Funds businesses and I am certain that we can sustain this momentum because of our talented employees, especially those working in our front line operations, claims and sales organizations. These individuals are the face of The Hartford and the hard work they do every day to earn the trust and confidence of the people we serve is the foundation for our success in the next 200 years.

Moreover, we've achieved this progress while concurrently living our values. I take great pride in leading a company that is committed to operating with a focus on character, sustainability and doing what's right every day.

These values are deeply ingrained and provide the foundation for the refreshed brand platform we launched last month, which includes new advertising that features our iconic stag. This brand platform is much more than a marketing campaign. It unites all of us at The Hartford around a shared purpose – underwriting human achievement – rooted in a conviction that people can accomplish amazing things with the right encouragement and support. It also defines how we do this, by providing individuals and businesses with the protection they need to pursue their ambitions, seize opportunity and prevail through unexpected challenges. I am confident that no company is better prepared to deliver on this promise, and to fully realize the opportunities that lie ahead, than The Hartford.

Sincerely,

Christopher J. Swift

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**DISCUSSION OF NON-GAAP FINANCIAL MEASURES The Hartford uses non-GAAP financial measures in this letter to assist investors in analyzing the company's operating performance for the periods presented herein. Because The Hartford's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing The Hartford's non-GAAP financial measures to those of other companies. Definitions and calculations of other financial measures used in this letter can be found below and in The Hartford's Investor Financial Supplement for fourth quarter 2018, which is available on The Hartford's website, https:// ir.thehartford.com.*

Some of the statements in this letter may be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. 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. These important risks and uncertainties include those discussed in our 2018 Annual Report on Form 10-K, subsequent Quarterly Reports on Forms 10-Q, and the other filings we make with the Securities and Exchange Commission. We assume no obligation to update this letter, which speaks as of the date issued.

From time to time, The Hartford may use its website to disseminate material company information. Financial and other important information regarding The Hartford is routinely accessible through and posted on our website at https://ir.thehartford.com. In addition, you may automatically receive email alerts and other information about The Hartford when you enroll your email address by visiting the "Email Alerts" section at https://ir.thehartford.com.

Net Income to Core Earnings Reconciliations - 2018				
[In $ Millions]	Consolidated	P&C	Group Benefits	Hartford Funds
Net income (loss) available to common stockholders	$1,801	$1,195	$340	$148
Less: Net realized capital gains (losses), excluded from core earnings, before tax	(118)	(57)	(51)	(4)
Less: Loss on extinguishment of debt, before tax	(6)	0	0	0
Less: Integration and transaction costs associated with acquired business, before tax	(47)	0	(47)	0
Less: Income tax benefit (expense)	75	22	11	1
Less: Income (loss) from discontinued operations, net of tax	322	0	0	0
Core earnings	$1,575	$1,230	$427	$151
Net Income ROE to Core Earnings ROE - Consolidated				
	2018	2017		
Net Income available to common stockholders ROE	13.7%	-20.6%		
Less: Net realized capital gains (losses) excluded from core earnings, before tax	-0.9%	1.1%		
Less: Pension settlement, before tax	0.0%	-4.9%		
Less: Income tax benefit (expense)	0.6%	-4.4%		
Less: Income (loss) from discontinued operations, after tax	2.5%	-18.9%		
Less: Integration and transaction costs associated with acquired business, before tax	-0.4%	-0.1%		
Less: Impact of AOCI, excluded from denominator of Core ROE	0.3%	-0.1%		
Core Earnings ROE	11.6%	6.7%		
Combined Ratio to Underlying Combined Ratio Reconciliations - 2018				
Commercial Lines	Small Commercial	Middle Market	Specialty Commercial	
Combined ratio	87.0	101.4	93.1	
Current accident year catastrophes	3.7	5.6	0.2	
Prior accident year development	(3.7)	(0.4)	(4.6)	
Underlying combined ratio	87.0	96.1	97.5	
Personal Lines	Personal Lines			
Combined ratio	106.3			
Current accident year catastrophes and prior accident year development	15.2			
Underlying combined ratio	91.2			
Net Income Margin to Core Earnings Margin - Group Benefits - 2018				
Net income margin	5.6%			
Less : Effect of net realized gains, after tax	-0.6%			
Less: Integration and transaction costs associated with acquired business, after tax	-0.6%			
Less : Effect of net realized gains, after tax	-0.2%			
Core earnings margin	7.0%			
Diluted BVPS ex. AOCI Reconciliation				
Book value per diluted share	$35.06			
Less: Per diluted share impact of AOCI	(4.34)			
Book value per diluted share, excluding AOCI	$39.40			