2025

Letter to Shareholders

The Hartford

April 2025

Christopher J. Swift
Chairman and
Chief Executive Officer

Dear Fellow Shareholders,

The Hartford's dedication to making a difference in the lives of our customers began 215 years ago and endures to this day. This commitment drives our unrelenting focus on protecting the financial security of individuals, families and businesses through innovative products, exceptional service and addressing the industry's most pressing issues. In 2024, we continued to provide the support our customers need to pursue their ambitions, seize opportunity, and overcome unexpected challenges. Our industry-leading financial results highlight the strength of our business, particularly our superior underwriting execution, extensive distribution relationships and unparalleled customer experience.

Delivering Results for Shareholders

Our determined pursuit of our goals and ongoing investments in the business have established The Hartford as a standout performer in the industry.

In 2024, we again delivered outstanding financial results:

- Full year core earnings[1] of $3.08 billion ($10.30 per diluted share) – an increase of 11% from $2.77 billion ($8.88 core earnings per diluted share) for full year 2023
- Net investment income of $2.57 billion – an increase of 12% from $2.30 billion for full year 2023
- Core earnings ROE[1,2] for the year of 16.7% – an increase of 0.9% from 15.8% for full year 2023
- Book value per diluted share of $55.09 – an increase of 11.5% from $49.43 for full year 2023
- Book value per diluted share[1] (ex. AOCI) of $64.95 – an increase of 10% from $58.83 for full year 2023

We have established a consistent track record of delivering exceptional results and continue to balance investment in our businesses with returning capital to our shareholders. Our thoughtful approach to capital management enables long-term shareholder value creation, while maintaining adequate capital in our operating companies that is recognized for financial strength by rating agencies. Additionally, we deliver a competitive dividend, which has increased for 10 years at a compounded annual growth rate of approximately 10%.

Beyond dividends, we also deployed excess capital for share repurchases, totaling approximately $10 billion since 2015. Our total return to shareholders of 226% over the last decade has outperformed the S&P Insurance Composite Index and many of our closest peers, all while delivering industry-leading ROEs.

[1] Denotes financial measure not calculated based on GAAP
[2] Return on common stockholders' equity

Business Highlights

Our business lines embrace innovation, creatively addressing issues and building new capabilities that enable us to seamlessly serve our customers. The Hartford's investments in underwriting excellence, technology, claims servicing and digital tools make it easier for our distribution partners to do business with us. Our growth trajectory also encourages our partners to expand their relationship with The Hartford, and with their support and advocacy we have deepened our impact in this space.

In January, we appointed A. Morris (Mo) Tooker as President of The Hartford, aligning all our property and casualty businesses and sales and distribution under his leadership. In addition, he is stewarding a number of enterprise-wide initiatives. Mo is an exceptional leader, highly regarded in the industry, with a remarkable reputation for strategic growth, customer-focused solutions, underwriting discipline and building a cohesive team culture.

Business Insurance

Small Business's investments in data, analytics and technology, product and underwriting execution, and strong sales team relationships allowed the business to swiftly and nimbly navigate market conditions. This capability is highlighted by the Keynova Group[3] recognizing us for the sixth consecutive year as the leading small business insurance carrier in overall digital capabilities. Reflecting this top ranking, Small Business achieved record-breaking written premium of $5.5 billion in 2024, including $1.1 billion in new business.

Middle & Large Business continues to demonstrate growth and underlying profitability, with a 16% increase in middle market new business in 2024, driven by robust growth across nearly all product lines. As a result of strategic investments in expanding product capabilities and enhancing the efficiency of the broker and agent experience, we are capitalizing on increased quote requests.

Global Specialty leaned into niche markets with high-margin characteristics and expanded its portfolio into new geographies with the opening of our Singapore office. Our competitive position, product options and solid renewal written pricing drove gross written premium growth and record new business in 2024.

Personal Insurance

We achieved excellent results in Homeowners and look to expand the distribution of Prevail, our digital platform, to serve a broader section of the market. We also have made significant progress toward restoring target profitability in Auto and are on track to do so by mid-2025.

Employee Benefits

Our core earnings margin[4] in 2024 demonstrates focused execution, a resilient economy, improved mortality trends and continued strong disability results. Through our Leave Lens and Absence Dashboard tools we streamlined absence management and administration, reflecting our focus on the customer and their needs at every decision point. Overall, the benefits landscape is evolving, and we expect the market to remain dynamic with digital transformation, product innovation and increasing customer demands.

Hartford Funds

Hartford Funds continues to build on its relationships with financial advisors and their clients through the evolution of its product platforms and distribution model. Core earnings[4] also increased year over year, primarily driven by higher average assets under management. Long-term fund performance remains strong.

[3] The Hartford's Small Commercial Digital Capabilities Rated Best In The Industry | The Hartford

[4] Denotes financial measure not calculated based on GAAP

Creating Value for Shareholders

The breadth and depth of our product offerings, supported by our expert underwriting and claims professionals, enables The Hartford to lead and differentiate ourselves in the market. Anchored by our strategic pillars and priorities, we are well positioned to generate long-term shareholder value.

Strategic Pillars and Priorities

- Advance underwriting excellence and expand our addressable market to help more customers protect what matters most
- Differentiate customer experience and transform end-to-end journeys to maintain our competitive advantage and keep customers at the center of every decision
- Drive organizational efficiency to create more leverage in our operations
- Maximize and develop future-ready talent to meet the challenges of today's market

Innovation and Growth Through the Lens of Artificial Intelligence, Technology and Customer

New capabilities, rapidly fueled by artificial intelligence (AI), will materially change how companies operate and create value. Over the past several years, we have digitized our processes, modernized the foundational elements of our technology infrastructure, and now, further investments in cloud, data and AI are creating a clear competitive advantage in our underwriting, claims and servicing capabilities. Our efforts to responsibly embed AI and GenAI across our businesses allows for greater agility and faster decision making, improving the experiences of our customers and distribution partners while augmenting the skill set of our employees.

Consistent Delivery of Strong Investment Results

The Hartford's investment portfolio is constructed to support the company's financial and strategic objectives. We believe the portfolio is durable and we are confident it will meet The Hartford's needs through a range of economic cycles. Hartford Investment Management Company (HIMCO), our fully owned subsidiary, manages the portfolio. With a strong understanding of The Hartford's risk appetite, HIMCO has constructed the portfolio with an average A+ credit rating and broad diversification across public and private asset classes.

Leading U.S. Market Positions

Leader – P&C Small Business

#1 Fully insured disability inforce[1]

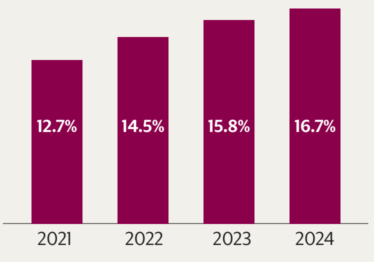
#2 Workers' compensation insurer, based on direct written premiums[2]

#3 Fully insured disability sales[1]

#3 Combined fully insured life and disability inforce[1]

#3 Commercial multi-peril carrier, based on direct written premiums[2]

Core Earnings ROE[3]



[1] Per LIMRA, Year-end 2023 Survey
[2] Per 2023 S&P Global Data
[3] Denotes financial measure not calculated based on GAAP

Protecting the Financial Security of Individuals, Families and Businesses

I have long held high regard for the competitive private market for insurance in which The Hartford competes today. It is a point of pride for me that we can bring our best to the market every day and prove we deserve our customers' business.

A healthy competitive insurance market helps ensure affordable coverage, incentivizes innovation and allows for matching price to risk. Recent economic factors, extreme weather, legal system abuse, and regulatory constraints have disrupted insurance markets, creating affordability and availability issues.

While regulation and policy choices are generally pursued with good intentions, constraints and mandates designed to effect quick fixes often have unintended consequences, like overreliance on residual markets. This in turn can lead to the very affordability and availability concerns that all participants want to avoid. In the long run, allowing competitive insurance markets to operate freely and fairly provides the most stability.

Insurance Affordability and Availability

Several factors, including U.S. inflation and the significant increase in costly natural disasters, compound the challenges homeowners face regarding the affordability and availability of insurance. Heightened insurance costs also can be attributed to rapid population growth in areas that have either traditionally been or are becoming catastrophe prone. As more homes are built and, due to inflation and other factors, these homes are increasingly expensive to rebuild, with consumers feeling the impact of higher insurance costs.

In states susceptible to extreme weather events, like California, many providers are prevented from becoming rate adequate and therefore exit the market. As an example, recent wildfires have highlighted the need for California to take urgent action to stabilize its FAIR Plan, its market of last resort. Given the increase in frequency and severity of extreme weather, a static regulatory environment could present an existential threat to the insurance industry and risk to the overall U.S. economy.

Additionally, legal system abuse has become a massive tax on American households and businesses, with widespread misleading advertising, questionable trial tactics, and third-party litigation funding contributing to a dramatic rise in the volume of cases involving attorneys, settlement values and nuclear verdicts. While we are seeing positive developments in some states and courts in third-party litigation funding, more reforms are needed to blunt the costs associated with legal system abuse and relieve pressure on the affordability and availability of insurance coverage.

Advocating for Insurance Industry Reforms

At The Hartford, we are proud to advocate for meaningful reforms related to affordability and availability. In addition, we believe strengthening more sustainable homes and communities would boost their resiliency. Widespread adoption of community-level mitigation measures, including stronger building codes and better land-use planning, is needed to reduce the increasing risks from natural disasters. Insurers must be permitted to use forward-looking models to project evolving risks in a changing environment.

We also support technology-enabled forecasting, including the use of AI and machine learning, data collection, analysis, hazard warning and notification systems. Understanding extreme weather and constantly incorporating it into our risk management and growth strategies helps our customers protect lives and livelihoods, while optimizing our risk return. The Hartford's Enterprise Risk Management team collaborates with climate and industry experts to integrate weather patterns, trends and climate data into our underwriting tools. This underwriting expertise is designed for resilience even in the face of multiple natural disasters in any given year, such as hurricanes, wildfires, winter storms and tornadoes.

Our advocacy on these critical issues will continue through our engagement with regulators, policymakers and customer outreach. We plan to effect real change, so that we can create a system by which all homeowners and businesses can enjoy the protections insurance offers.

Our Refreshed Brand and Putting Customers First

We are uniquely positioned to lead the industry forward as the pace of change persists, driving innovation, fostering growth and championing insurance reforms to better protect our customers and the financial security of all individuals, families and businesses.

To honor the company's rich history and demonstrate its nimble, modern, visionary spirit, The Hartford launched a refreshed brand in February 2025 that celebrates our strength. While the refreshed brand identity features a bold, contemporary look for our iconic stag logo, it also reiterates our commitment to build on the centuries of trust we have from the businesses, workers and people we support every day.

As part of the brand launch, we increased our annual philanthropy spending by more than 30% to help support small businesses, revitalize main streets in historic downtown neighborhoods and address mental health stigma in the workplace. This includes an expansion of The Hartford's Small Business Accelerator pilot with Main Street America, which creates commercial space and repurposes blighted storefronts to restore vibrancy to communities.

In closing, I am energized by the commitment to excellence and integrity I see every day from our employees, and in their steadfast pursuit of innovation to create new ways of more deeply serving our customers. With the investments made in our capabilities and driven by the passion and purpose of our outstanding talent, The Hartford is well positioned to continue to perform at an exceptional level and deliver value to our customers, colleagues, communities and shareholders.

Thank you for your support.

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 non-GAAP and other financial measures used in this letter can be found below, in The Hartford's news release issued on January 30, 2025, The Hartford's Quarterly Reports on Form 10-Q, The Hartford's 2024 Annual Report on Form 10-K, and other filings made with the U.S. Securities and Exchange Commission, which are available on The Hartford's website, https://ir.thehartford.com.

A quantitative reconciliation of net income margin to core earnings margin for Employee Benefits is not calculable on a forward-looking basis because it is not possible to provide a reliable forecast of realized gains and losses, which typically vary substantially from period to period.

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in The Hartford's news release issued on January 30, 2025, The Hartford's Quarterly Reports on Form 10-Q, The Hartford's 2024 Annual Report on Form 10-K, and other filings we make with the U.S. Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

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.

Core earnings

The Hartford uses the non-GAAP measure core earnings as an important measure of the Company's operating performance. The Hartford believes that core earnings provides investors with a valuable measure of the performance of the Company's ongoing businesses because it reveals trends in our insurance and financial services businesses that may be obscured by including the net effect of certain items. Therefore, the following items are excluded from core earnings:

- Certain realized gains and losses - Generally realized 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 that tend to be highly variable from period to period based on capital market conditions. The Hartford believes, however, that some realized 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.
- Restructuring and other costs - Costs incurred as part of a restructuring plan are not a recurring operating expense of the business.
- Loss on extinguishment of debt - Largely consisting of make-whole payments or tender premiums upon paying debt off before maturity, these losses are not a recurring operating expense of the business.
- Gains and losses on reinsurance transactions - Gains or losses on reinsurance, such as those entered into upon sale of a business or to reinsure loss reserves, are not a recurring operating expense of the business.
- Integration and other non-recurring M&A costs - These costs, including transaction costs incurred in connection with an acquired business, are incurred over a short period of time and do not represent an ongoing operating expense of the business.

- Change in loss reserves upon acquisition of a business - These changes in loss reserves are excluded from core earnings because such changes could obscure the ability to compare results in periods after the acquisition to results of periods prior to the acquisition.
- Deferred gain resulting from retroactive reinsurance and subsequent changes in the deferred gain - Retroactive reinsurance agreements economically transfer risk to the reinsurers and excluding the deferred gain on retroactive reinsurance and related amortization of the deferred gain from core earnings provides greater insight into the economics of the business.
- Change in valuation allowance on deferred taxes related to non-core components of before tax income - These changes in valuation allowances are excluded from core earnings because they relate to non-core components of before tax income, such as tax attributes like capital loss carryforwards.
- Results of discontinued operations - These results are excluded from core earnings for businesses sold or held for sale because such results could obscure the ability to compare period over period results for our ongoing businesses.

In addition to the above components of net income available to common stockholders that are excluded from core earnings, preferred stock dividends declared, which are excluded from net income, are included in the determination of core earnings. Preferred stock dividends are a cost of financing more akin to interest expense on debt and are expected to be a recurring expense as long as the preferred stock is outstanding.

Net income (loss) and net income (loss) available to common stockholders are the most directly comparable U.S. GAAP measures to core earnings. Core earnings should not be considered as a substitute for net income (loss) or net income (loss) available to common stockholders and does not reflect the overall profitability of the Company's business. Therefore, The Hartford believes that it is useful for investors to evaluate net income (loss), net income (loss) available to common stockholders and core earnings when reviewing the Company's performance. A reconciliation of net income available to common stockholders to core earnings is set forth below for the Company and a reconciliation of net income to core earnings is set forth below for Hartford Funds.

Years ended December 31,		
	2024	2023
Net income available to common stockholders	**$ 3,090**	**$ 2,483**
Adjustments to reconcile net income available to common stockholders to core earnings:		
Net realized losses, excluded from core earnings, before tax	56	152
Restructuring and other costs, before tax	2	6
Integration and other non-recurring M&A costs, before tax	8	8
Change in deferred gain on retroactive reinsurance, before tax	(83)	194
Income tax expense (benefit)	3	(76)
Core earnings	**$ 3,076**	**$ 2,767**

Hartford Funds Core Earnings Years ended December 31,		
	2024	2023
Net income	**$ 192**	**$ 174**
Adjustments to reconcile net income to core earnings:		
Net realized gains, excluded from core earnings, before tax	(12)	(10)
Income tax expense	2	1
Core earnings	**$ 182**	**$ 165**

Core earnings per diluted share

This non-GAAP per share measure is calculated using the non-GAAP financial measure core earnings rather than the GAAP measure net income. The Company believes that core earnings per diluted share provides investors with a valuable measure of the Company's operating performance for the same reasons applicable to its underlying measure, core earnings. Net income (loss) available to common stockholders per diluted common share is the most directly comparable GAAP measure. Core earnings per diluted share should not be considered as a substitute for net income (loss) available to common stockholders per diluted common 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 net income (loss) available to common stockholders per diluted common share and core earnings per diluted share when reviewing the Company's performance. A reconciliation of net income available to common stockholders per diluted share to core earnings per diluted share is set forth below.

Years ended December 31,		
	2024	2023
Net income available to common stockholders per diluted share	**$ 10.35**	**$ 7.97**
Adjustments made to reconcile net income available to common stockholders per diluted share to core earnings per diluted share:		
Net realized losses, excluded from core earnings, before tax	0.19	0.49
Restructuring and other costs, before tax	0.01	0.02
Integration and other non-recurring M&A costs, before tax	0.03	0.03
Change in deferred gain on retroactive reinsurance, before tax	(0.28)	0.62
Income tax benefit on items excluded from core earnings	–	(0.25)
Core earnings per diluted share	**$ 10.30**	**$ 8.88**

Core earnings return on equity

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) the non-GAAP measure core earnings for the prior four fiscal quarters by (b) the non-GAAP measure average common stockholders' equity, excluding AOCI. Net income ROE is the most directly comparable U.S. GAAP measure. 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 to investors return on equity measures based on its non-GAAP core earnings financial measure for the reasons set forth in the core earnings definition. A reconciliation of net income ROE to core earnings ROE is set forth below:

Last Twelve Months ended December 31,				
	2024	2023	2022	2021
Net income ROE	**19.9%**	**17.5%**	**11.7%**	**13.2%**
Adjustments to reconcile net income (loss) ROE to core earnings ROE:				
Net realized losses (gains) excluded from core earnings, before tax	0.4%	1.1%	4.1%	(2.8%)
Restructuring and other costs, before tax	– %	– %	0.1%	– %
Loss on extinguishment of debt, before tax	– %	– %	0.1%	– %
Integration and other non-recurring M&A costs, before tax	0.1%	0.1%	0.1%	0.3%
Change in deferred gain on retroactive reinsurance, before tax	(0.5%)	1.4%	1.5%	1.4%
Income tax benefit (expense) on items not included in core earnings	– %	(0.5%)	(1.3%)	0.2%
Impact of AOCI, excluded from denominator of core earnings ROE	(3.2%)	(3.8%)	(1.8%)	0.4%
Core earnings ROE	**16.7%**	**15.8%**	**14.5%**	**12.7%**

Book value per diluted share (excluding AOCI)

This is a non-GAAP per share measure that is calculated by dividing (a) common stockholders' equity, excluding AOCI, after tax, by (b) common shares outstanding and dilutive potential common shares. The Company provides this measure to enable investors to analyze the amount of the Company's net worth that is primarily attributable to the Company's business operations. The Company believes that excluding AOCI from the numerator is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates. Book value per diluted share is the most directly comparable U.S. GAAP measure. A reconciliation of book value per diluted share to book value per diluted share, excluding AOCI, is set forth below.

As of December 31,		
	2024	2023
Book value per diluted share	**$ 55.09**	**$ 49.43**
Per diluted share impact of AOCI	9.86	9.40
Book value per diluted share (excluding AOCI)	**64.95**	**58.83**

Core earnings margin

The Hartford uses the non-GAAP measure core earnings margin to evaluate, and believes it is an important measure of the Employee 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, calculated by dividing net income by revenues, 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 Employee Benefits because it reveals trends in the business that may be obscured by the effect of buyouts and realized gains (losses) as well as other items excluded in the calculation of core earnings. Core earnings margin should not be considered as a substitute for net income margin and does not reflect the overall profitability of Employee Benefits. Therefore, the Company believes it is important for investors to evaluate both core earnings margin and net income margin when reviewing performance.

Year ended December 31, 2024	
Net income margin	**7.9%**
Adjustments to reconcile net income margin to core earnings margin:	
Net realized losses, before tax	0.4%
Income tax benefit	(0.1)%
Core earnings margin	**8.2%**

The Hartford

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