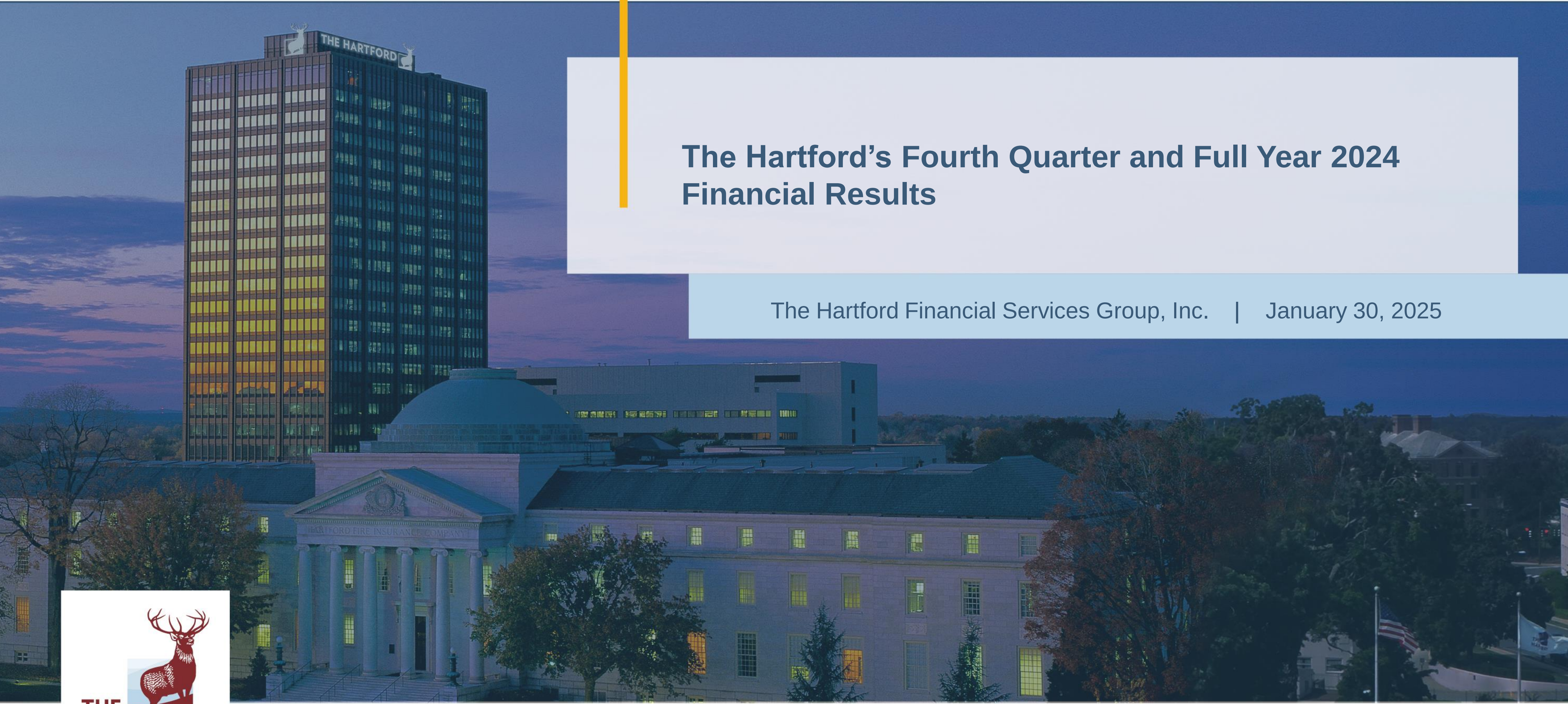
The Hartford’s Fourth Quarter and Full Year 2024 Financial Results

The Hartford Financial Services Group, Inc. | January 30, 2025



THE HARTFORD

SAFE HARBOR STATEMENT

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 2023 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.

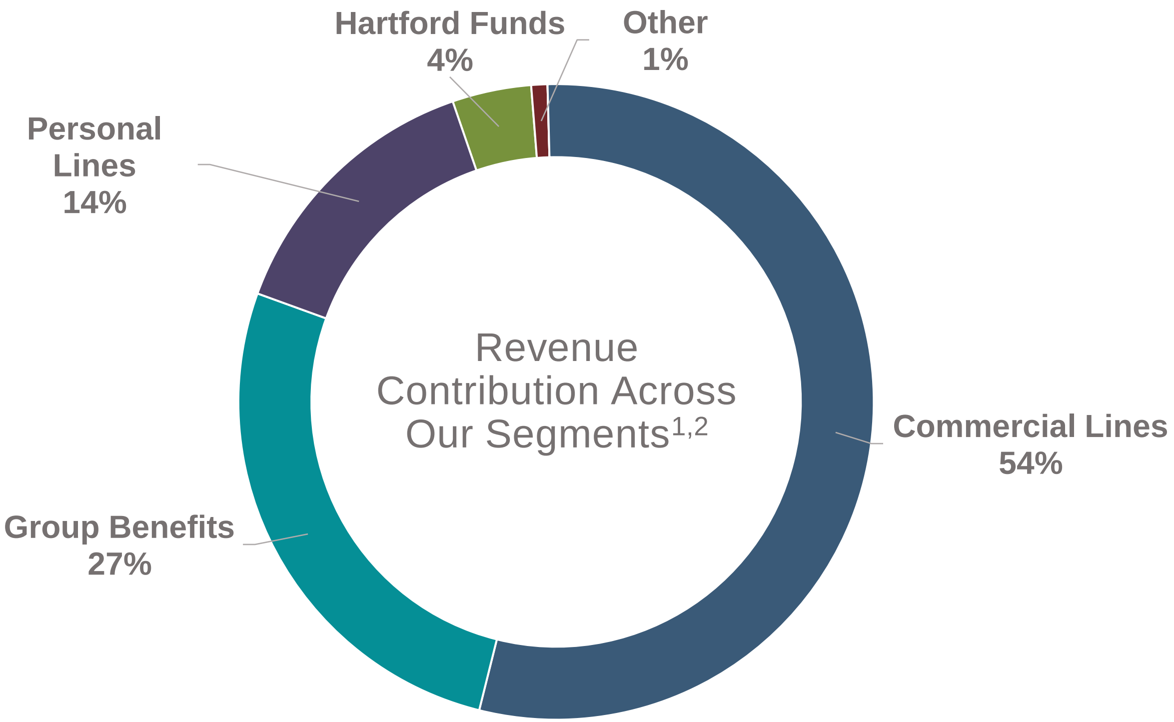
The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles (GAAP). Information regarding these non-GAAP financial measures is provided in the appendix to this presentation, the news release issued on January 30, 2025 and The Hartford's Investor Financial Supplement for fourth quarter 2024 and previous periods which are available at the Investor Relations section of The Hartford's website at **https://ir.thehartford.com**.

From time to time, The Hartford may use its website and/or social media channels 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**.

THE HARTFORD

Diversified insurer with core strengths and market leadership

- **Market leader** in desirable segments with high return characteristics
- Delivering consistently strong results across **diversified businesses** with significant contribution from investment portfolio
- Leveraging **core strengths** of underwriting excellence, risk management, claims, products and distribution
- Investing in **differentiating capabilities** to strengthen competitive advantage to enable profitable growth
- **Ethics, people and performance** driven culture



Unique portfolio of complementary underwriting businesses all contributing to our success.

[1] Revenue contribution is for the trailing 12-months for the period ended December 31, 2024
[2] "Other" includes revenue of $70 million for Property & Casualty Other Operations and $147 million for Corporate

2024 – ANOTHER YEAR OF DISCIPLINED EXECUTION

The Hartford delivered…

Growth:

- P&C net written premium growth of 7%, including 6% in Commercial Lines and 12% in Personal Lines in 4Q24
  - Full Year 2024 P&C net written premium growth of 10%, including 9% in Commercial Lines and 13% in Personal Lines

Profitability:

- Commercial Lines combined ratio of 87.4 and underlying combined ratio[1] of 87.1 in 4Q24
  - Full Year 2024 combined ratio of 89.9 and underlying combined ratio[1] of 87.9
- Group Benefits core earnings margin[1] of 7.8% in 4Q24
  - Full Year 2024 core earnings margin[1] of 8.2%

Balance sheet & capital management:

- Proactive capital management – repurchased $400 million of shares and paid $137 million in common stockholder dividends in 4Q24
- For the full year, the company has returned $2.1 billion to stockholders including $1.5 billion in share repurchases and $0.6 billion in common stockholder dividends paid

Superior risk-adjusted returns:

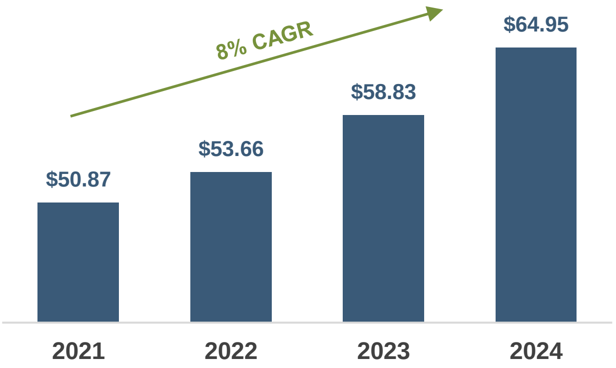
- 16.7% core earnings return on equity (ROE)[1,3]

High Quality Investment Portfolio:

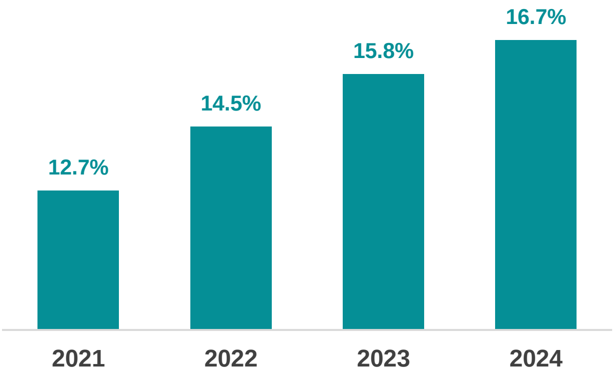
- A+ overall average credit rating with net investment income of $714 million, before tax, benefiting from a higher level of invested assets and the impact of reinvesting at higher rates
  - Full Year 2024 annualized portfolio yield, excluding limited partnerships[1,4] of 4.4% increased 40 bps from 2023

Maximizing Value Creation for All Stakeholders

Book Value Per Diluted Share (ex AOCI)[1,2]



Core Earnings ROE[1,3]



[1] Denotes financial measure not calculated based on GAAP
[2] Accumulated other comprehensive income
[3] ROE based on trailing 12-month average common equity, ex. AOCI and trailing 12-month core earnings
[4] Refers to annualized investment yield, before tax, excluding limited partnership and other alternative investments

4Q24 CORE EARNINGS[1] OF $865 MILLION, EPS[1,2] OF $2.94, ROE[1,3] OF 16.7%

Core Earnings (loss) By Segment *($ in millions, except per share amounts)*	4Q24	4Q23	Change[4]
Commercial Lines	$665	$723	(8)%
Personal Lines	155	36	NM
P&C Other Operations	(106)	(1)	NM
Property & Casualty Total	**714**	**758**	**(6)%**
Group Benefits	139	174	(20)%
Hartford Funds	51	39	31%
Sub-total	**904**	**971**	**(7)%**
Corporate	(39)	(36)	(8)%
Core earnings	**865**	**935**	**(7)%**
Net realized losses, before tax	(16)	(16)	—%
Restructuring and other costs, before tax	—	(2)	100%
Integration and other non-recurring M&A costs, before tax	(2)	(2)	—%
Change in deferred gain on retroactive reinsurance, before tax	(4)	(194)	98%
Income tax benefit	5	45	(89)%
Net income available to common stockholders	**848**	**766**	**11%**
Add back: Preferred stock dividends	5	5	—%
Net Income	**$853**	**$771**	**11%**
Core earnings per diluted share	**$2.94**	**$3.06**	**(4)%**
Net income available to common stockholders per diluted share	**$2.88**	**$2.51**	**15%**
Wtd. avg. diluted shares outstanding	294.2	305.1	(4)%
Common shares outstanding and dilutive potential common shares	292.5	303.3	(4)%
Book value per diluted share	$55.09	$49.43	11%
Book value per diluted share (excluding AOCI)[1]	$64.95	$58.83	10%
Net income ROE, last 12 months	19.9%	17.5%	2.4 pts
Core earnings ROE, last 12 months	16.7%	15.8%	0.9 pts

[1] Denotes financial measure not calculated based on GAAP
[2] Core earnings per diluted share (EPS)
[3] Core earnings ROE
[4] The Hartford defines increases or decreases greater than or equal to 200%, or changes from a net gain to a net loss position, or vice versa, as "NM" or not meaningful

FY CORE EARNINGS[1] OF $3.1 BILLION, EPS[1,2] OF $10.30, ROE[1,3] OF 16.7%

Core Earnings (loss) By Segment *($ in millions, except per share amounts)*	**FY 2024**	**FY 2023**	**Change[4]**
Commercial Lines	$2,296	$2,194	5%
Personal Lines	217	(29)	NM
P&C Other Operations	(75)	28	NM
Property & Casualty Total	**2,438**	**2,193**	**11%**
Group Benefits	578	567	2%
Hartford Funds	182	165	10%
Sub-total	**3,198**	**2,925**	**9%**
Corporate	(122)	(158)	23%
Core earnings	**3,076**	**2,767**	**11%**
Net realized losses, before tax	(56)	(152)	63%
Restructuring and other costs, before tax	(2)	(6)	67%
Integration and other non-recurring M&A costs, before tax	(8)	(8)	—%
Change in deferred gain on retroactive reinsurance, before tax	83	(194)	143%
Income tax benefit (expense)	(3)	76	(104)%
Net income available to common stockholders	**3,090**	**2,483**	**24%**
Add back: Preferred stock dividends	21	21	—%
Net Income	**$3,111**	**$2,504**	**24%**
Core earnings per diluted share	**$10.30**	**$8.88**	**16%**
Net income available to common stockholders per diluted share	**$10.35**	**$7.97**	**30%**
Wtd. avg. diluted shares outstanding	298.6	311.5	(4)%
Common shares outstanding and dilutive potential common shares	292.5	303.3	(4)%
Book value per diluted share	$55.09	$49.43	11%
Book value per diluted share (excluding AOCI)[1]	$64.95	$58.83	10%
Net income ROE, last 12 months	19.9%	17.5%	2.4 pts
Core earnings ROE, last 12 months	16.7%	15.8%	0.9 pts

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4Q24 KEY BUSINESS HIGHLIGHTS VS. 4Q23

PROPERTY & CASUALTY

Strong contribution from Commercial Lines with growth across the segment

	Written premiums			Combined ratio (%)			Underlying combined ratio[1] (%)		
Property & Casualty	**$4.0B**	▲	**7%**	**92.1**	▼	**1.6 pts**	**87.8**	▼	**1.4 pts**
Commercial Lines	**$3.2B**	▲	**6%**	**87.4**	▲	**2.7 pts.**	**87.1**	▲	**0.5 pts.**
Small Commercial	$1.3B	▲	9%	83.8	▼	0.2 pts.	86.7	▲	0.9 pts.
Middle & Large Commercial	$1.1B	▲	5%	93.9	▲	4.6 pts.	90.2	▼	0.1 pts.
Global Specialty	$0.8B	▲	3%	84.7	▲	5.1 pts.	83.6	▲	0.7 pts.
Personal Lines	**$871M**	▲	**12%**	**85.8**	▼	**15.4 pts.**	**90.2**	▼	**9.3 pts.**
Auto	$590M	▲	8%	98.3	▼	15.4 pts.	103.0	▼	10.5 pts.
Homeowners	$281M	▲	20%	57.8	▼	14.9 pts.	61.7	▼	5.6 pts

Group Benefits

Delivered core earnings margin[1] of 7.8% led by continued strong group life results

Fully Insured Ongoing Premiums			Core earnings margin			Life loss ratio (%)			Disability loss ratio (%)		
$1.6B	▲	**1%**	**7.8%**	▼	**2.0 pts.**	**79.9%**	▼	**3.1 pts.**	**66.9%**	▲	**3.3 pts.**

[1] Denotes financial measure not calculated based on GAAP

2024 KEY BUSINESS HIGHLIGHTS VS. 2023

PROPERTY & CASUALTY

Strong contribution from Commercial Lines with growth across the segment

Written premiums	Combined ratio (%)	Underlying combined ratio[1] (%)
$16.9B ▲ 10%	93.2 ▼ 1.7 pts	89.2 ▼ 1.0 pts

	Written premiums			Combined ratio (%)			Underlying combined ratio[1] (%)		
Commercial Lines	**$13.4B**	▲	**9%**	**89.9**	▲	**0.3 pts.**	**87.9**	▲	**0.1 pts.**
Small Commercial	$5.5B	▲	9%	88.2	–	0.0 pts.	88.1	▼	0.5 pts.
Middle & Large Commercial	$4.3B	▲	9%	95.2	▲	1.5 pts.	89.8	▲	0.5 pts.
Global Specialty	$3.5B	▲	9%	85.8	▼	0.2 pts.	84.8	▲	0.5 pts.
Personal Lines	**$3.6B**	▲	**13%**	**99.1**	▼	**8.4 pts.**	**94.1**	▼	**5.2 pts.**
Auto	$2.5B	▲	11%	103.3	▼	9.5 pts.	103.4	▼	6.4 pts.
Homeowners	$1.1B	▲	16%	90.1	▼	6.3 pts.	72.7	▼	3.2 pts

Group Benefits

Core earnings margin[1] of 8.2% and an increase in premiums deliver profitable growth

Fully Insured Ongoing Premiums	Core earnings margin	Life loss ratio (%)	Disability loss ratio (%)
$6.4B ▲ 2%	8.2% ▲ 0.1 pts.	78.7% ▼ 4.8 pts.	68.0% ▲ 0.9 pts.

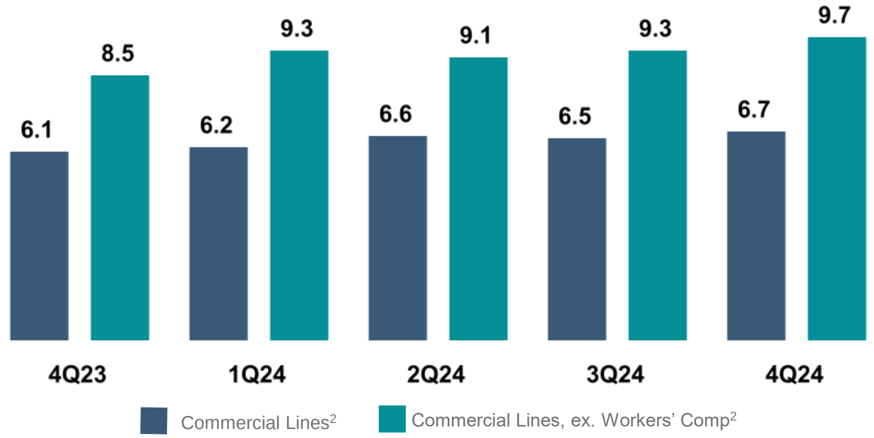
[1] Denotes financial measure not calculated based on GAAP

COMMERCIAL LINES

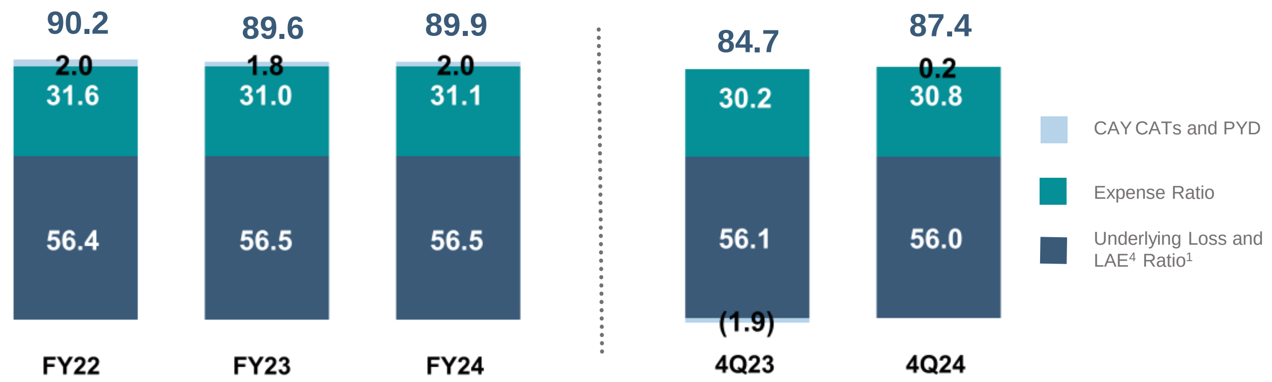
Strong contributions from each business continue to deliver profitable growth

- Written premiums of $3.2 billion in 4Q24 were up 6% from 4Q23 with increases across the segment, strong double-digit new business growth in Small Commercial, and the effect of renewal written price increases
- Excluding workers' compensation, renewal written price increases of 9.7% is up 40 bps from 3Q24. Workers' compensation renewal written pricing between 4Q24 and 3Q24 was slightly down
- Combined ratio of 87.4 in 4Q24 compared to 84.7 in 4Q23 and underlying combined ratio[1] of 87.1 in 4Q24 compared to 86.6 in 4Q23
- Underlying combined ratio of 87.1 increased from 86.6 in 4Q23 primarily due to a 0.6 point increase in the expense ratio, partially offset by a 0.1 point improvement in the underlying loss and loss adjustment expense ratio[1]

Commercial Lines Renewal Written Pricing %

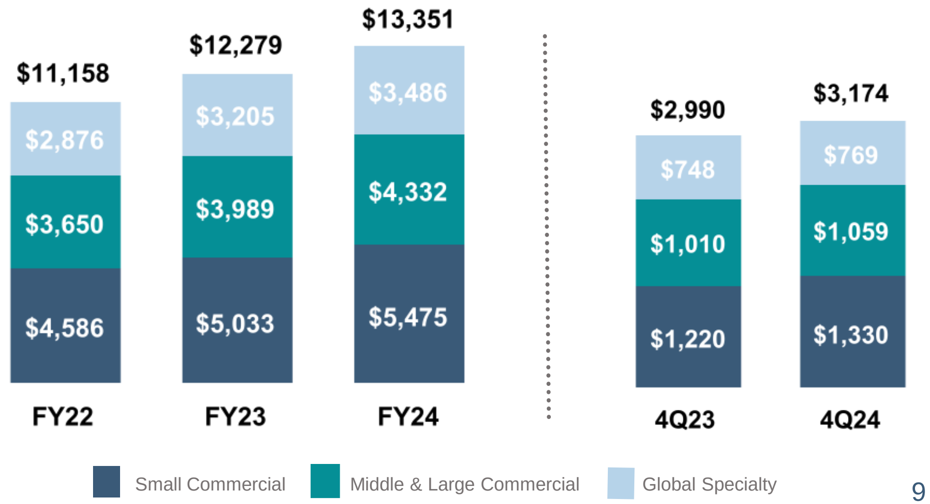


Commercial Lines Combined Ratio[3]



Commercial Lines Written Premiums[5]

($ in millions)



[1] Denotes financial measure not calculated based on GAAP

[2] Excludes Middle Market loss sensitive and programs businesses, Global Re, offshore energy policies, credit and political risk insurance policies, political violence and terrorism policies, and any business under which the managing agent of our Lloyd's Syndicate 1221 delegates underwriting authority to coverholders and other third parties

[3] Combined ratio includes policyholder dividends ratio

[4] Loss adjustment expense (LAE)

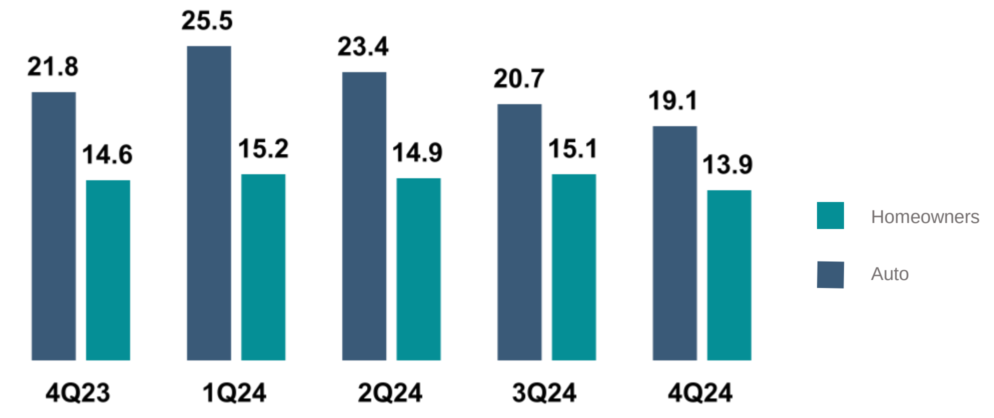
[5] Commercial Lines written premiums include immaterial amounts from Other Commercial

PERSONAL LINES

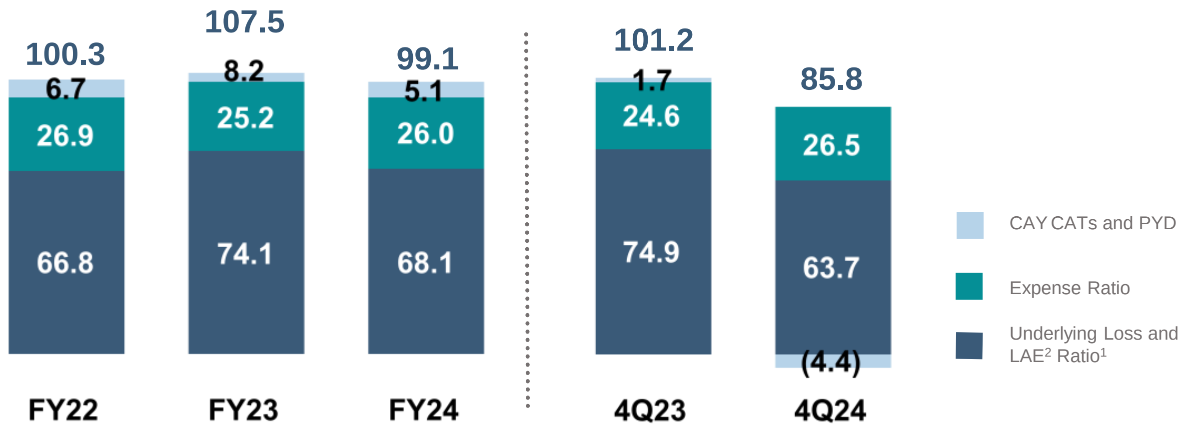
Significant improvement in the underlying combined ratio[1]

- Written premiums of $871 million increased by 12% compared to 4Q23
- Renewal written price increase in auto of 19.1% in 4Q24 compared to 20.7% in 3Q24, and in homeowners, 13.9% in 4Q24 compared to 15.1% in 3Q24
- Combined ratio of 85.8 improved from 101.2 in 4Q23, primarily due to an 11.2 point improvement in the underlying loss and loss adjustment expense ratio[1] and 4.9 points of more favorable PYD in 4Q24
- Underlying combined ratio[1] of 90.2 improved from 99.5 in 4Q23 primarily due to improvement in the underlying loss and loss adjustment expense ratio[1] in auto and homeowners

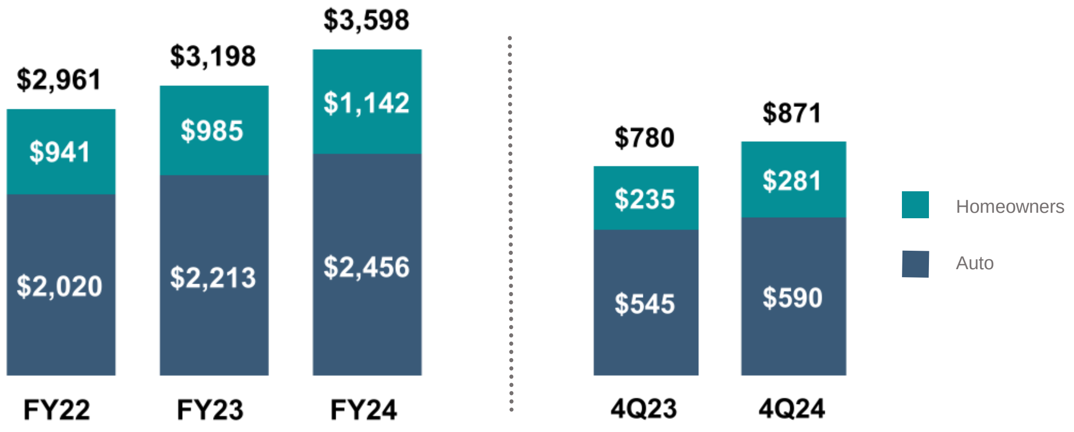
Personal Lines Renewal Written Price Increase %



Personal Lines Combined Ratio



Written Premiums
($ in millions)



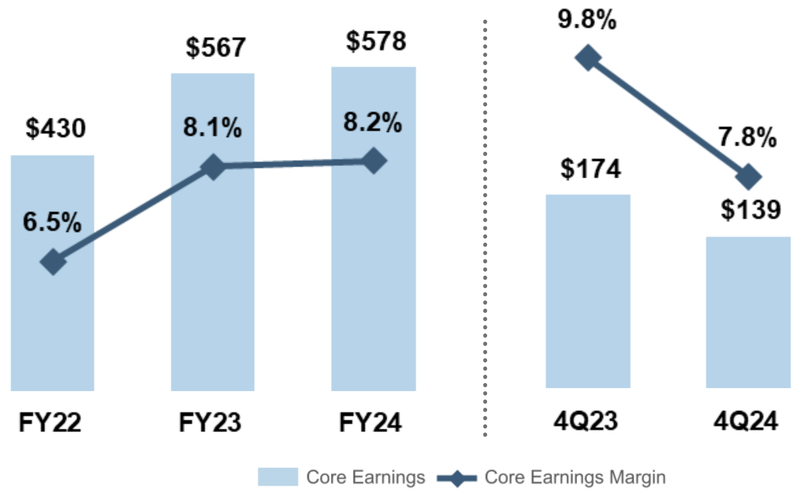
[1] Denotes financial measure not calculated based on GAAP
[2] Loss adjustment expense (LAE)

GROUP BENEFITS

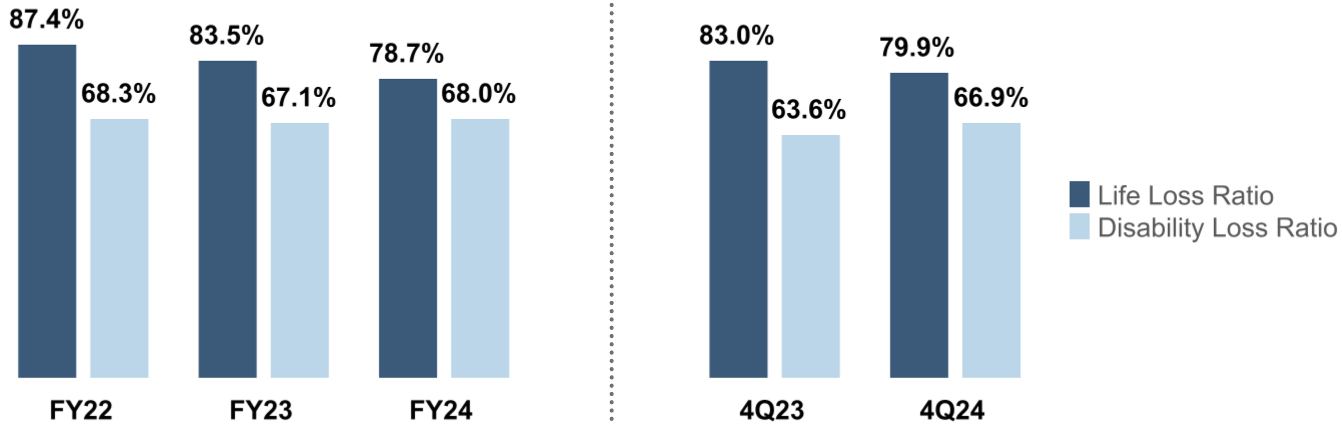
Strong results in 4Q24 with a core earnings margin[1] of 7.8%

- Core earnings margin[1] of 7.8% in 4Q24 benefitting from continued strong group life results, fully insured premium growth and higher net investment income
- Loss ratio of 70.6 in 4Q24 compared to 69.9 in 4Q23:
  - Group life loss ratio of 79.9 improved 3.1 points largely driven by lower mortality
  - Group disability loss ratio of 66.9 compared with 63.6 in fourth quarter 2023, driven by a higher loss ratio in paid family and medical leave products and the emergence of higher long-term disability incidence in 2024, after two years of all-time historically low incidence, partially offset by favorable long-term disability claim recoveries
- 4Q24 fully insured ongoing premiums increased 1%, including an increase in exposure on existing accounts, new business sales, and persistency in excess of 90%, though slightly below the prior year period

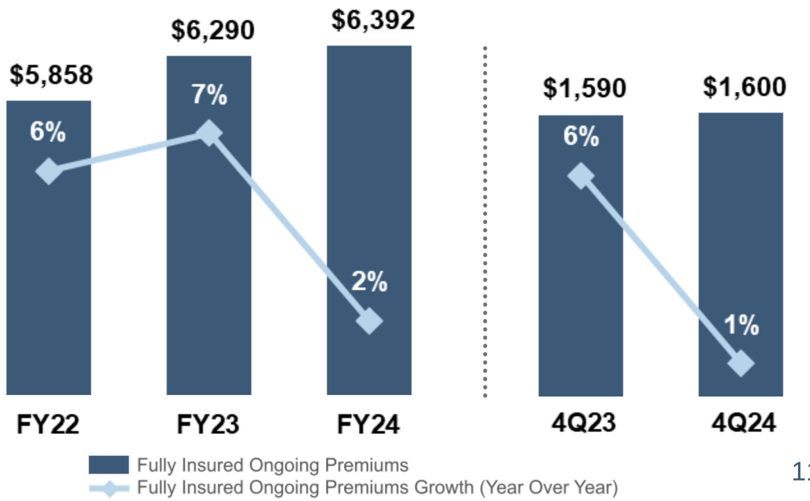
Core Earnings[1] and Core Earnings Margin
($ in millions)



Loss Ratio



Fully Insured Ongoing Premiums & Growth
($ in millions)



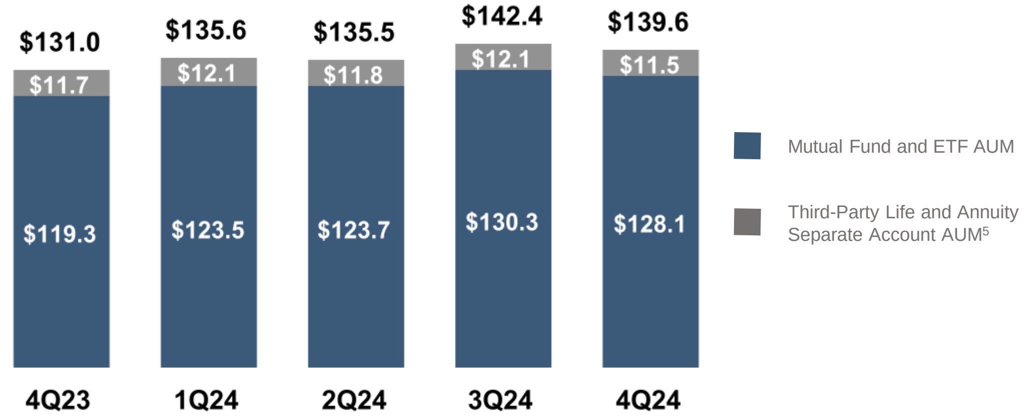
[1] Denotes financial measure not calculated based on GAAP

HARTFORD FUNDS

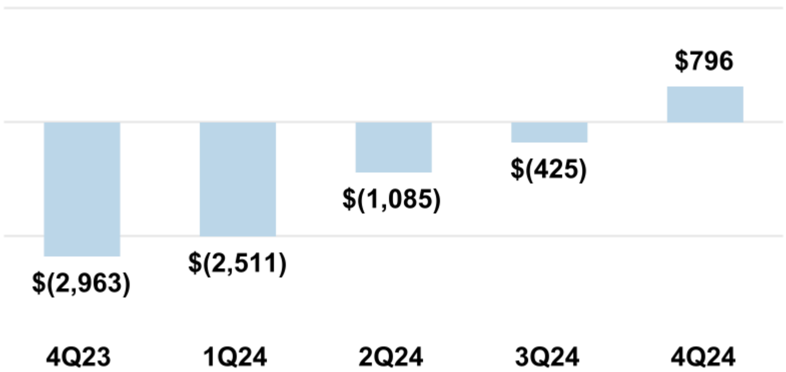
High return, fee generating business

- Core earnings[1] of $51 million in 4Q24 compared to $39 million in 4Q23
- Mutual fund and Exchange-traded funds (ETF) net inflows[2] of $0.8 billion in 4Q24, compared with net outflows of $3.0 billion in 4Q23
  - Net flows improved each of the last four quarters
- 64% of overall funds are outperforming peers on a 1-year basis[3], 55% on a 3-year basis[3], 58% on a 5-year basis[3] and 68% on a 10-year basis[3]
- 39% of funds are rated 4 or 5 stars by Morningstar as of December 31, 2024
  - 84% are rated 3 stars or better

Total AUM[4]
($ in billions)



Mutual Fund and ETF Net Flows[2]
($ in millions)



1 Denotes financial measure not calculated based on GAAP
2 Includes Mutual fund AUM (mutual funds sold through retail, bank trust, registered investment advisor and 529 plan channels) and ETFs. Excludes third-party Life and Annuity Separate Account
3 Hartford Funds (non HLS) and ETFs on Morningstar net of fees basis at December 31, 2024
4 Includes Mutual Fund, ETF and third-party life and annuity separate account AUM as of end of period
5 Represents AUM of the life and annuity business sold in May 2018 that are still managed by Hartford Funds

CORPORATE

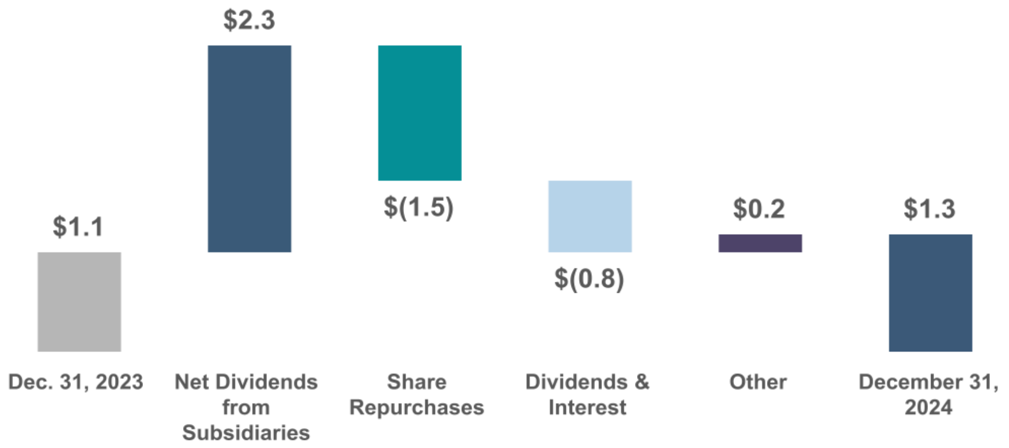
Core loss[1] of $39 million compared to a core loss of $36 million in 4Q23

Components of Corporate Core Losses

($ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24
Net investment income, after tax	$14	$13	$11	$14	$13
Interest expense, after tax	(39)	(40)	(40)	(39)	(40)
Preferred stock dividends	(5)	(5)	(5)	(6)	(5)
All others[2], after tax	(6)	7	2	5	(7)
Corporate core losses	**$(36)**	**$(25)**	**$(32)**	**$(26)**	**$(39)**

Corporate Holding Company Resources

($ in billions)



[1] Denotes financial measure not calculated based on GAAP

[2] Includes investment management fees and expenses related to managing third-party business, incurred losses related to run-off structured settlement and terminal funding agreement liabilities and other corporate expenses

THE HARTFORD

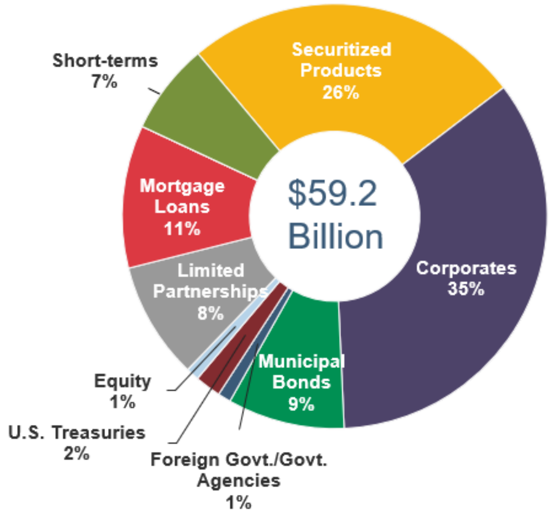
THE INVESTMENT PORTFOLIO

High quality and diversified

- Net investment income of $714 million increased from $653 million in 4Q23, benefiting from the impact of a higher level of invested assets and reinvesting at higher rates
- LP[1] annualized yield of 6.4%, or $79 million of net investment income, before tax
- High quality portfolio, ~95% of the credit portfolio is investment grade, with ~72% of fixed maturities rated A or better, and an average credit rating of A+
- Investment portfolio designed to generate attractive risk adjusted returns to support our financial goals and objectives

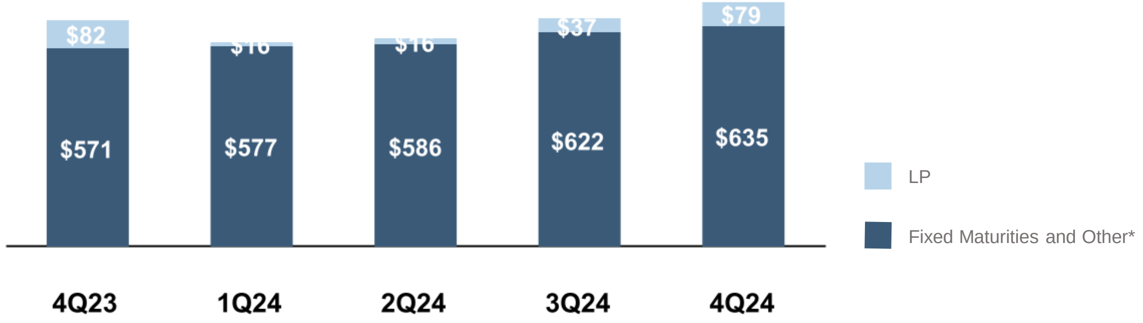
Invested Assets[3,4] by Sector

$59.2B as of December 31, 2024

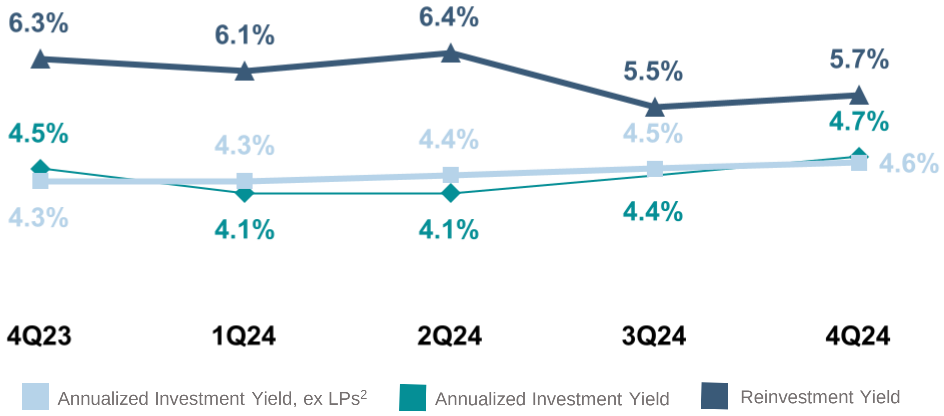


Net Investment Income

($ in millions)



Annualized Investment Yield, Before Tax



* Includes investment expenses of $22 million, $27 million, $23 million, $22 million and $27 million in 4Q23, 1Q24, 2Q24, 3Q24 and 4Q24 respectively

[1] Limited partnerships and other alternative investments

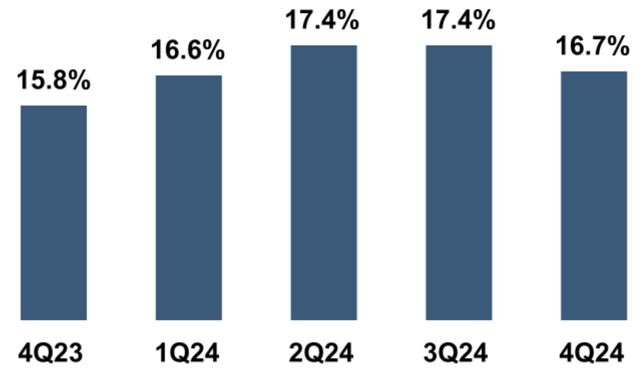
[2] Denotes financial measure not calculated based on GAAP

[3] Invested assets represents fixed and equity securities at fair value, mortgage loans at amortized cost and LPs based on underlying capital statements

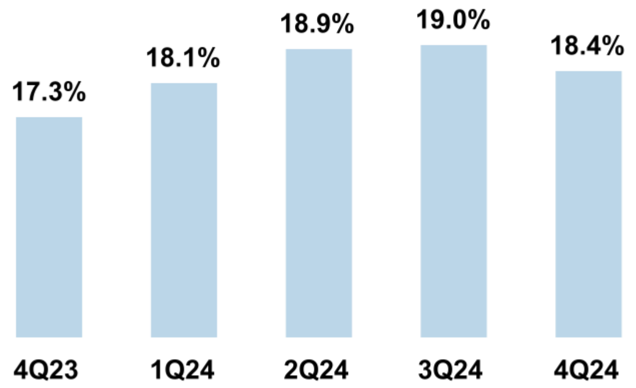
[4] Securitized Products include Fixed Maturities, FVO

CORE EARNINGS ROE[1] OF 16.7% IN 4Q24

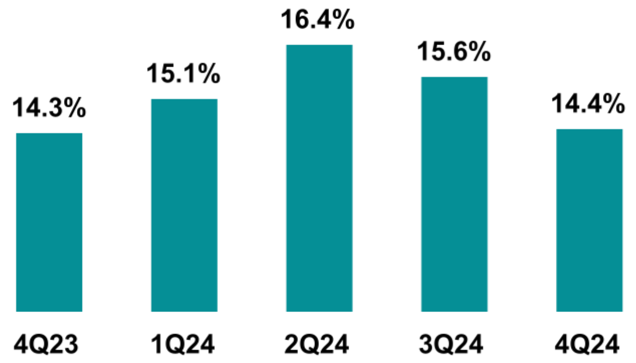
Consolidated Core Earnings ROE



P&C Core Earnings ROE



Group Benefits Core Earnings ROE



Net income ROE of 19.9% versus 17.5% in 4Q23

Core earnings ROE of 16.7% versus 15.8% in 4Q23

- Core earnings[1] for the year increased 11% to $3.08 billion from $2.77 billion in 2023

Core earnings ROE remained strong

- P&C: 18.4% in 4Q24 versus 17.3% in 4Q23
- Group Benefits: 14.4% in 4Q24 versus 14.3% in 4Q23
- Hartford Funds: 39.7% in 4Q24 versus 39.8% in 4Q23

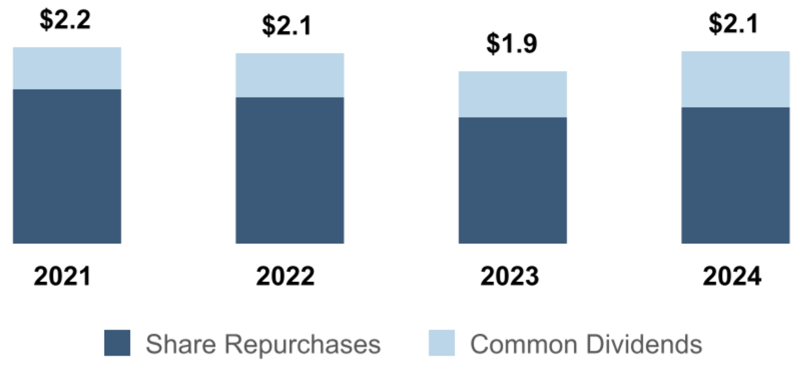
[1] Denotes financial measure not calculated based on GAAP

BVPS (EX. AOCI)[1] OF $64.95 AT DECEMBER 31, 2024

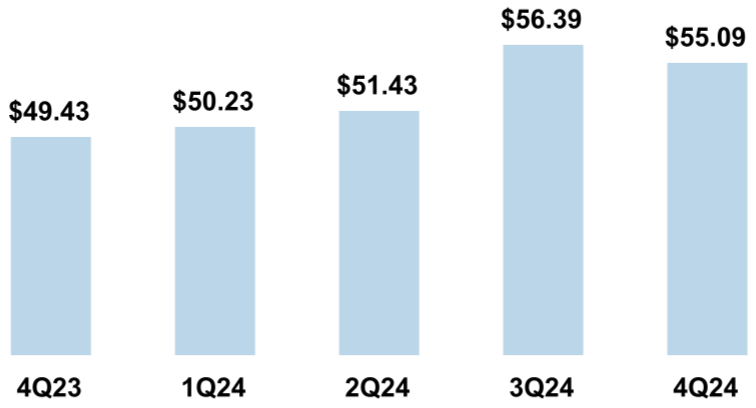
- Book value per diluted share of $55.09 increased from $49.43 at December 31, 2023, principally due to net income in excess of stockholder dividends, partially offset by the dilutive effect of share repurchases
- In 4Q24, the company returned $537 million to stockholders including $400 million in share repurchases and $137 million in common stockholder dividends paid
  - For the full year, the company has returned $2.1 billion to stockholders including $1.5 billion in share repurchases and $0.6 billion in common stockholder dividends paid
- Including common stockholder dividends paid, SVC[2] was 14% over last 12 months

Capital Returned to Stockholders

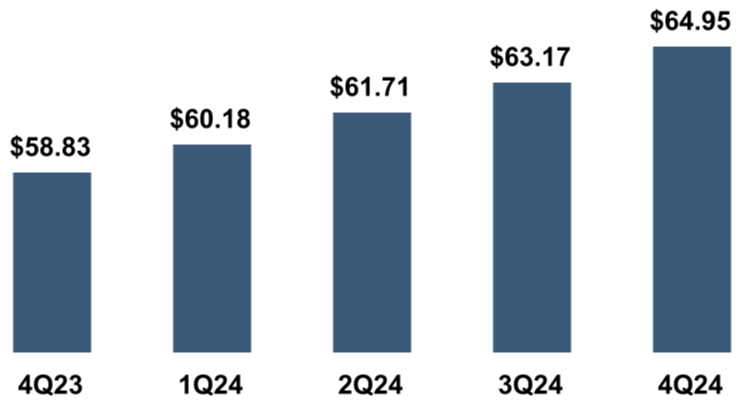
($ in billions)



Book Value Per Diluted Share (BVPS)



Book Value Per Diluted Share (ex. AOCI)



[1] Denotes financial measure not calculated based on GAAP

[2] Stockholder 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

THE HARTFORD'S PRIORITIES

Our focused strategies to produce desired outcomes

- Advance leading **underwriting capabilities** across our portfolio to offer expanded products and services
- Emphasize **digital, data and analytics, and data science** that enhance the customer experience and improve underwriting and claims decision making
- Maximize **distribution channels and product breadth** to increase market share
- Optimize **organizational efficiency** with a focus on continuous improvement
- **Balance of excess capital** for organic growth, investments in the business, and return to stockholders through dividends and share repurchases
- Continue to advance **sustainability** in order to attract and retain top talent and enhance value to stakeholders

STOCKHOLDER VALUE CREATION

A clear roadmap to continue to generate superior risk-adjusted returns

Accelerate **profitable organic growth** across all businesses

- Advancement of underwriting capabilities
- Maximization of multi-channel distribution relationships
- Leverage product breadth

Accelerated Growth

Unwavering focus on **ROE performance**, driven by underwriting excellence

- Balanced risk profile and underwriting discipline
- Advanced analytics and data science
- Continuous improvement and operating efficiency

Leading Risk-Adjusted Returns

Consistent generator of **excess capital**, optimizing superior returns

- Investments in organic growth
- Dividends
- Share repurchases

Compelling Total Stockholder Return

Ethical culture supporting strategies to drive **sustainable value creation**

- Ethics at the core of the business
- Maintain outstanding sustainability track record
- Implement strategies to navigate emerging risks and opportunities

Value Enhancement

Maximize Value Creation for All Stakeholders

APPENDIX

THE HARTFORD

THE HARTFORD'S EXPECTED 2025 HOLDING COMPANY RESOURCES

Expected sources of holding company resources in FY25 include:

- Net P&C dividends of approximately $1.7 billion
- Group Benefits dividends of approximately $590 million
- Hartford Funds dividends of approximately $150 million

Expected uses of holding company resources in FY25 include:

- The repurchase of shares under the $3.3 billion repurchase program effective through December 31, 2026, with $3.15 billion of authorization remaining as of December 31, 2024
- Common and preferred dividends of $626 million before share repurchases
- Interest payments of approximately $194 million

IMPACT OF DEFERRED GAIN AMORTIZATION

Navigators and Asbestos & Environmental Adverse Development Covers

Adverse Development Covers

Navigators ADC (NAV ADC)

- Cumulatively ceded full limit of $300 million, before tax.
- $209 million, before tax, total deferred gain recognized within other liabilities as of December 31, 2023.
- Based on cash recoveries received for the year ended December 31, 2024, $145 million, before tax, was amortized. $64 million, before tax, is expected in 2025.
- **$64 million**, before tax, deferred gain remaining on balance sheet as of December 31, 2024 ($209 million less $145 million amortization in the twelve-month period ended December 31, 2024).

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Asbestos & Environmental ADC (A&E ADC)

- Cumulatively ceded full limit of $1.5 billion, before tax.
- **$850 million**, before tax, has been recorded as a deferred gain within other liabilities as of December 31, 2024.
- Amortization of the deferred gain begins when The Hartford starts collecting recoveries:
  - Recoveries will be collected once The Hartford has paid cumulative A&E claims since December 31, 2016, above the $1.7 billion attachment point. Through December 31, 2024, $1.5 billion has been paid.
- Annual A&E review is conducted during the fourth quarter.

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Combined Deferred Gain

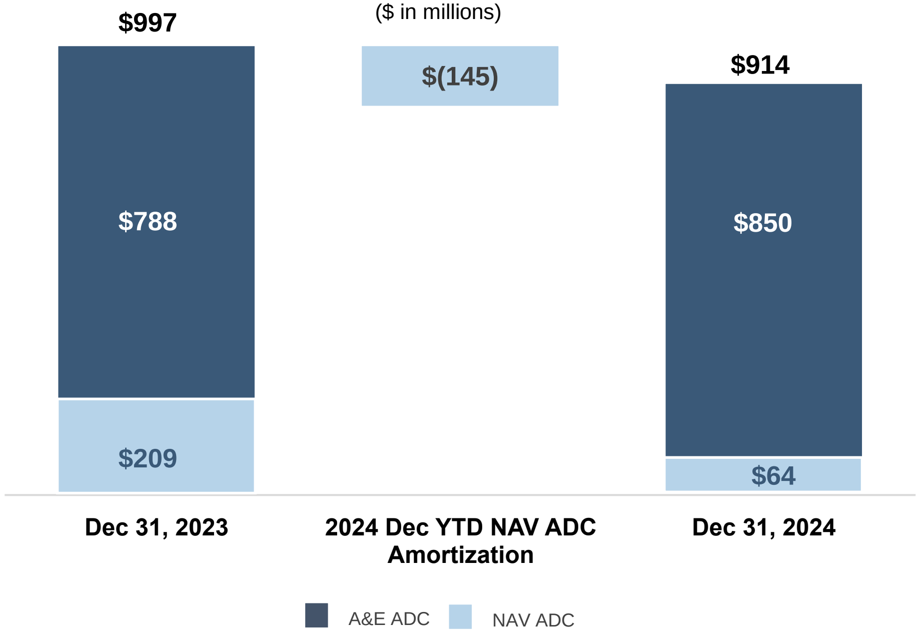
- **$914 million**, before tax, deferred gain on the balance sheet as of December 31, 2024 ($64 million NAV ADC + $850 million A&E ADC).

Financial Impacts of Deferred Gain Amortization

+ Increases Net income and Earnings per common share (EPS)
+ Increases Book value and BVPS
○ No impact to Core earnings or Core EPS
○ Recorded in the income statement as favorable, non-core prior year development (PYD)

Combined Deferred Gain, before tax

($ in millions)



2025 PROPERTY CATASTROPHE TREATIES

Primary Catastrophe Treaty Reinsurance Coverages as of January 1, 2025 [1]

	Portion of losses reinsured	Changes from 2024 program
Per Occurrence Property Catastrophe Treaty from 1/1/2025 to 12/31/2025 [1] [2]		
Losses of $0 to $200	None	No change
Losses of $200 to $350 for earthquakes and named hurricanes and tropical storms [3]	None	No change
Losses of $200 to $350 from one event other than earthquakes and named hurricanes and tropical storms [3]	40% of $150 in excess of $200	No change
Losses of $350 to $500 from one event (all perils)	75% of $150 in excess of $350	No change
Losses of $500 to $1.20 billion from one event [4] (all perils)	90% of $700 in excess of $500	No change
Per Occurrence Property Catastrophe Bond from 1/1/2025 to 12/31/2026 [5]		
Losses of $1.19 billion to $1.49 billion for tropical cyclone and earthquake events [6]	66.67% of $300 in excess of $1.19 billion	Previously $1.1 billion to $1.4 billion
Aggregate Property Catastrophe Treaty for 1/1/2025 to 12/31/2025 [7]		
$0 to $750 of aggregate losses	None	No change
$750 to $950 of aggregate losses	100%	No change
Workers' Compensation Catastrophe Treaty for 1/1/2025 to 12/31/2025		
Losses of $0 to $100 from one event	None	No change
Losses of $100 to $450 from one event [8]	80% of $350 in excess of $100	No change

[1] These agreements do not cover the assumed reinsurance business which purchases its own retrocessional coverage.
[2] In addition to the Per Occurrence Property Catastrophe Treaty, for Florida homeowners wind events, The Hartford has purchased the mandatory FHCF reinsurance for the annual period starting June 1, 2024. Retention and coverage varies by writing company. The writing company with the largest coverage under FHCF is Hartford Insurance Company of the Midwest, with coverage of $35 in per event losses in excess of a $19 retention (estimates are based on best available information at this time and are periodically updated as information is made available by Florida).
[3] Named hurricanes and tropical storms are defined as any storm or storm system declared to be a hurricane or tropical storm by the US National Hurricane Center, US Weather Prediction Center, or their successor organizations (being divisions of the US National Weather Service).
[4] Portions of this layer of coverage extend beyond a traditional one year term.
[5] The Company has property catastrophe protection in the form of catastrophe bonds issued through an indemnity agreement with Foundation Re IV Ltd. ("Foundation Re IV"), an independent Bermuda company registered as a special purpose insurer under the Bermuda Insurance Act 1978 and related rules and regulations. The agreement provides fully collateralized loss coverage on the Company's commercial and personal property and automobile physical damage in all 50 states of the United States of America, the District of Columbia and Puerto Rico from tropical cyclone and earthquake events.
[6] Tropical cyclones are defined as a storm or storm system that has been declared by National Weather Service or any division or agency thereof (including the National Hurricane Center or the Weather Prediction Center) or any of their successors to be a hurricane, tropical storm, or tropical depression.
[7] The aggregate treaty is not limited to a single event; rather, it is designed to provide reinsurance protection for the aggregate of all catastrophe events (up to $350 per event), either designated by the Property Claim Services office of Verisk or, for international business, net losses arising from two or more risks involved in the same loss occurrence totaling at least $500 thousand. All catastrophe losses, except assumed reinsurance business losses, apply toward satisfying the $750 attachment point under the aggregate treaty.
[8] In addition to the limits shown, the workers' compensation reinsurance includes a non-catastrophe, industrial accident layer, providing coverage for 80% of $25 in per event losses in excess of a $25 retention.

P&C PRIOR ACCIDENT YEAR DEVELOPMENT

Re-estimates of Prior Accident Year Reserves in 4Q24

Unfavorable (Favorable) Prior Accident Year Development	4Q24
Workers' compensation	$ (70)
Workers' compensation discount accretion	10
General liability	130
Marine	—
Package business	—
Commercial property	—
Professional liability	(20)
Bond	(34)
Assumed reinsurance	—
Automobile liability - Commercial Lines	21
Automobile liability - Personal Lines	(17)
Homeowners	(13)
Net asbestos and environmental reserves	141
Catastrophes	(49)
Uncollectible reinsurance	(19)
Other reserve re-estimates, net	17
Prior accident year development before change in deferred gain	**97**
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	4
Total prior accident year development	**$ 101**

[1] Change in deferred gain on retroactive reinsurance for the three months ended December 31, 2024, included a benefit for amortization of the Navigators ADC deferred gain of $58. The change in deferred gain for the three months ended December 31, 2024, also included $62 of adverse development on A&E reserves in excess of ceded premium paid.

Workers' compensation reserves were decreased primarily for accident years 2020 and prior, driven by lower than anticipated claim severity.

General liability reserves were increased in the 2015 to 2018 accident years primarily in response to higher than expected construction defects claims activity in those years. In addition, the incurred but not reported reserves for more recent accident years were increased as management has observed an increase in severity on reported claims above expectations and anticipates a higher claim severity trend on unreported claims.

Professional liability reserves decreased due to favorable development on directors and officers claims driven by the 2020 to 2022 accident years combined with favorable errors and omissions experience in the 2018 accident year, partially offset by deterioration in older accident years.

Bond reserves decreased due to favorable development on commercial and contract surety and fidelity bonds, driven primarily by accident years 2019 and prior.

Automobile liability reserves – Commercial Lines increased primarily due to adverse loss development within accident years 2022 and 2023, driven by higher severity than estimated.

Automobile liability reserves – Personal Lines were decreased primarily in response to better than anticipated accident years 2021 and 2022 claim severity for bodily injury liability claims.

Homeowners reserves were decreased primarily due to favorable severity impacting accident years 2022 and 2023.

Asbestos and environmental reserves were reviewed in fourth quarter 2024 resulting in a $203 increase in reserves before ADC reinsurance, including $167 for asbestos and $36 for environmental. The Company ceded to the A&E ADC $62, which is accounted for as a deferred gain on retroactive reinsurance, representing the amount of losses ceded to the ADC in excess of ceded premium paid and up to the cumulative limit of the A&E ADC of $1.5 billion, resulting in adverse development of $141 net of the ADC reinsurance.

Catastrophe reserves were decreased primarily within Commercial Lines driven by a reduction in reserves in accident years 2020 to 2022 related to favorable emergence related to various hail events, as well as favorable development in both Commercial Lines and Personal Lines in accident year 2022 related to Hurricane Ian.

Uncollectible Reinsurance was decreased related to the reduction in a previously established reserve for an A&E reinsurer that entered into liquidation proceedings.

Other reserve re-estimates, net were increased primarily due to an increase in unallocated loss and loss adjustment expense ("ULAE") reserves within P&C Other Operations driven by an increase in gross asbestos and environmental reserves, partially offset by a decrease in reserves due to lower severity than expected on Personal Lines automobile physical damage for accident year 2023.

DISCUSSION AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

DISCUSSION AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

The Hartford uses non-GAAP financial measures in this presentation to assist investors in analyzing The Hartford'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 presentation can be found below, in The Hartford's news release issued on January 30, 2025, The Hartford's Investor Financial Supplement for fourth quarter 2024 and previous periods which are available at the Investor Relations section of The Hartford's website at https://ir.thehartford.com.

Underlying loss and loss adjustment expense ratio

This non-GAAP financial measure is the cost of non-catastrophe loss and loss adjustment expenses incurred in the current accident year divided by earned premiums. The loss and loss adjustment expense ratio is the most directly comparable GAAP measure. Management believes that the underlying loss and loss adjustment expense ratio is a performance measure that is useful to investors as it removes the impact of volatile and unpredictable catastrophe losses and prior accident year development ("PYD"). A reconciliation of the loss and loss adjustment expense ratio to the underlying loss and loss adjustment expense ratio for Commercial Lines and Personal Lines is set forth below.

Commercial Lines

	YEAR ENDED Dec 31, 2022
Loss and loss adjustment expense ratio	**58.4**
Adjustment to reconcile loss and loss adjustment expense ratio to underlying loss and loss adjustment expense ratio:	
Current accident year catastrophes and prior accident year development	(2.0)
Underlying loss and loss adjustment expense ratio	**56.4**

Personal Lines

	YEAR ENDED Dec 31, 2022
Loss and loss adjustment expense ratio	**73.4**
Adjustment to reconcile loss and loss adjustment expense ratio to underlying loss and loss adjustment expense ratio:	
Current accident year catastrophes and prior accident year development	(6.7)
Underlying loss and loss adjustment expense ratio	**66.8**