The Hartford's First Quarter 2024 Financial Results

The Hartford Financial Services Group, Inc. | April 25, 2024

THE HARTFORD

SAFE HARBOR STATEMENT

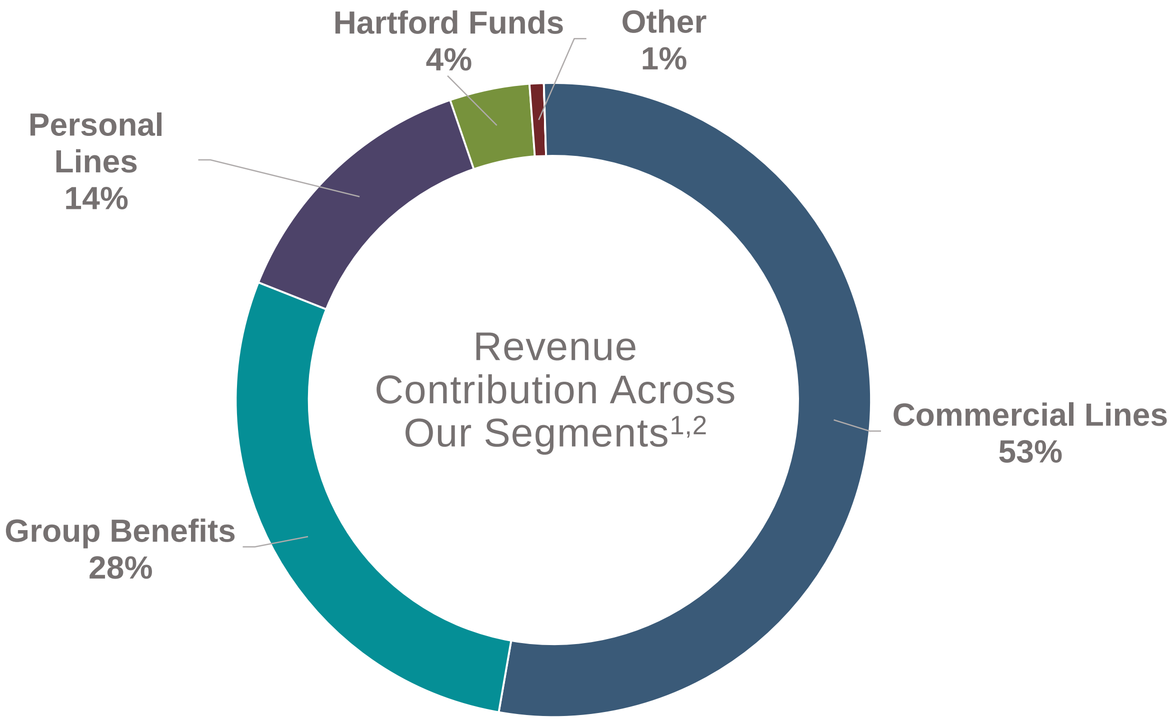
Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not 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 April 25, 2024, 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 April 25, 2024 and The Hartford's Investor Financial Supplement for first quarter 2024 which is 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 March 31, 2024
[2] "Other" includes revenue of $67 million for Property & Casualty Other Operations and $123 million for Corporate

FIRST QUARTER 2024 – DISCIPLINED EXECUTION

The Hartford delivered…

Growth:

- P&C net written premium growth of 9%, including 8% in Commercial Lines and 13% in Personal Lines
- Group Benefits fully insured ongoing premium growth of 2%

Profitability:

- Commercial Lines combined ratio of 90.1 and underlying combined ratio[1] of 88.4
- Group Benefits core earnings margin[1] of 6.1%

Balance sheet & capital management:

- Proactive capital management – repurchased $350 million of shares and paid $141 million in common stockholder dividends

Superior risk-adjusted returns:

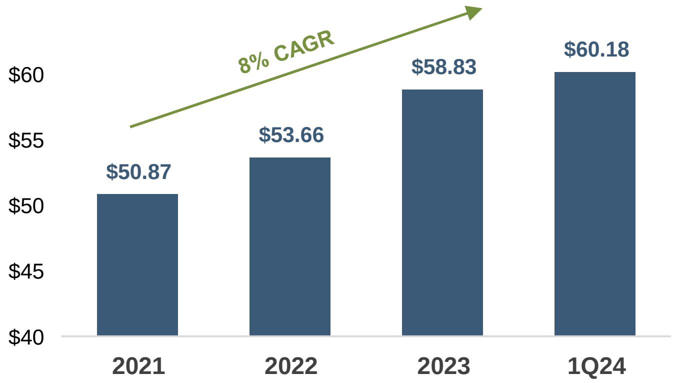
- 16.6% core earnings return on equity (ROE)[1,3]

High Quality Investment Portfolio:

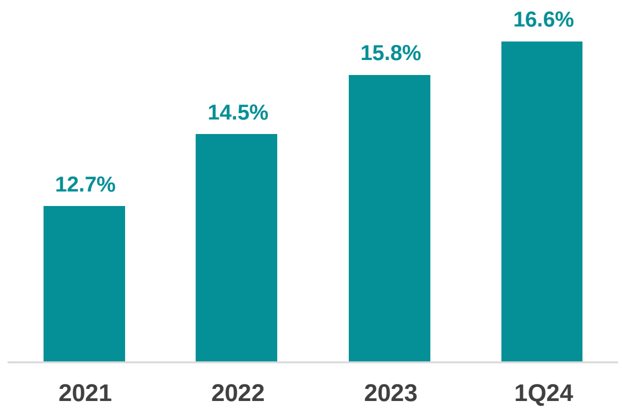
- A+ overall average credit rating with net investment income of $593 million, before tax, benefiting from the impact of reinvesting at higher rates, a higher level of invested assets and a higher yield on variable-rate securities

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

1Q24 CORE EARNINGS[1] OF $709 MILLION, EPS[1,2] OF $2.34, ROE[1,3] OF 16.6%

Core Earnings (loss) By Segment *($ in millions, except per share amounts)*	1Q24	1Q23	Change[4]
Commercial Lines	$546	$436	25%
Personal Lines	33	—	NM
P&C Other Operations	7	8	(13)%
Property & Casualty Total	**586**	**444**	**32%**
Group Benefits	107	90	19%
Hartford Funds	41	37	11%
Sub-total	**734**	**571**	**29%**
Corporate	(25)	(35)	29%
Core earnings	**709**	**536**	**32%**
Net realized gains (losses), before tax	30	(7)	NM
Restructuring and other costs, before tax	(1)	—	NM
Integration and other non-recurring M&A costs, before tax	(2)	(2)	—%
Change in deferred gain on retroactive reinsurance, before tax	24	-	NM
Income tax benefit (expense)	(12)	3	NM
Net income available to common stockholders	**748**	**530**	**41%**
Add back: Preferred stock dividends	5	5	—%
Net Income	**$753**	**$535**	**41%**
Core earnings per diluted share	**$2.34**	**$1.68**	**39%**
Net income available to common stockholders per diluted share	**$2.47**	**$1.66**	**49%**
Wtd. avg. diluted shares outstanding	302.6	318.6	(5)%
Common shares outstanding and dilutive potential common shares	301.3	316.4	(5)%
Book value per diluted share	$50.23	$44.27	13%
Book value per diluted share (excluding AOCI)[1]	$60.18	$54.55	10%
Net income ROE, last 12 months	18.5%	12.8%	5.7 pts
Core earnings ROE, last 12 months	16.6%	14.3%	2.3 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

THE HARTFORD

1Q24 KEY BUSINESS HIGHLIGHTS VS. 1Q23

PROPERTY & CASUALTY

Strong contribution from Commercial Lines with growth across the segment

Written premiums	Combined ratio (%)	Underlying combined ratio[1] (%)
$4.2B ▲ 9%	92.8 ▼ 2.9 pts	90.1 ▼ 0.3 pts

	Written premiums			Combined ratio (%)			Underlying combined ratio[1] (%)		
Commercial Lines	**$3.4B**	▲	**8%**	**90.1**	▼	**2.6 pts.**	**88.4**	▼	**0.1 pts.**
Small Commercial	$1.4B	▲	8%	89.0	▼	1.8 pts.	89.6	▲	0.1 pts.
Middle & Large Commercial	$1.0B	▲	9%	94.0	▼	3.6 pts.	89.2	▼	0.7 pts.
Global Specialty	$907M	▲	8%	87.8	▼	0.9 pts.	85.3	▲	0.1 pts.
Personal Lines	**$844M**	▲	**13%**	**101.6**	▼	**4.5 pts.**	**96.1**	▼	**0.9 pts.**
Auto[2]	$600M	▲	13%	103.9	▼	6.3 pts.	104.4	▼	0.7 pts.
Homeowners	$244M	▲	12%	96.2	▼	0.6 pts.	77.0	▼	1.9 pts

Group Benefits

Core earnings margin[1] of 6.1% and an increase in premiums deliver profitable growth

Fully Insured Ongoing Premiums	Core earnings margin	Life loss ratio (%)	Disability loss ratio (%)
$1.6B ▲ 2%	6.1% ▲ 0.9 pts.	82.6% ▼ 4.1 pts.	70.1% ▼ 0.3 pts.

[1] Denotes financial measure not calculated based on GAAP

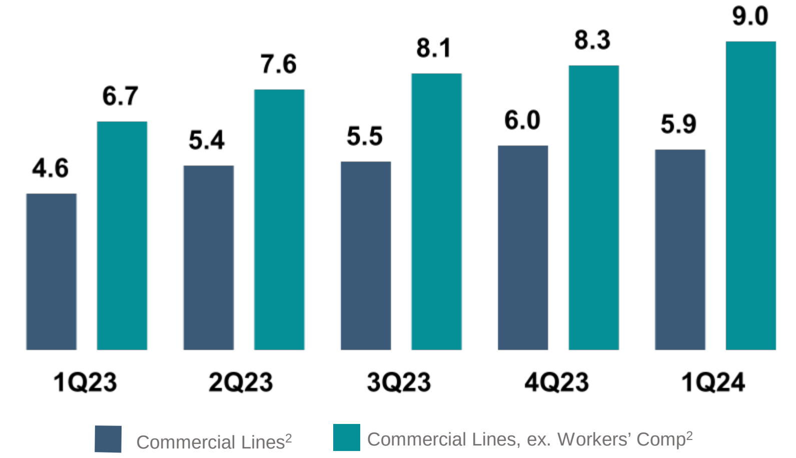
[2] Taking into consideration the adverse accident year development that was booked in the second quarter of 2023 for the first quarter of 2023, the first quarter underlying combined ratio of 105.1 would be 3.0 points higher

COMMERCIAL LINES

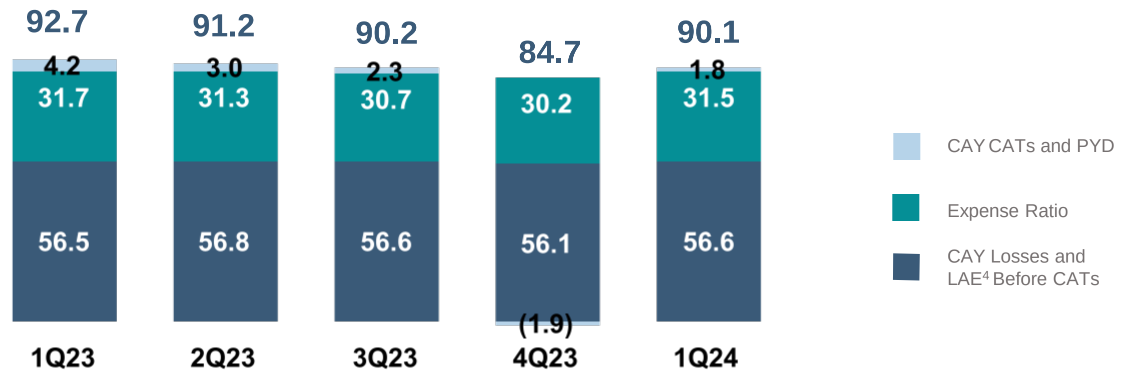
Strong contributions from each business continue to deliver profitable growth

- Written premiums of $3.4 billion in 1Q24 were up 8% from 1Q23 with increases across the segment, strong double-digit growth in new business, and the effect of renewal written price increases
- Excluding workers' compensation, renewal written price increases of 9.0% is up 70 bps from 4Q23. Workers' compensation renewal written pricing between 1Q24 and 4Q23 was relatively flat
- Combined ratio of 90.1 in 1Q24 compared to 92.7 in 1Q23 and underlying combined ratio[1] of 88.4 in 1Q24 compared to 88.5 in 1Q23
- Expense ratio of 31.5 improved 0.2 points from 1Q23, driven by the impact of higher earned premium

Commercial Lines Renewal Written Pricing %

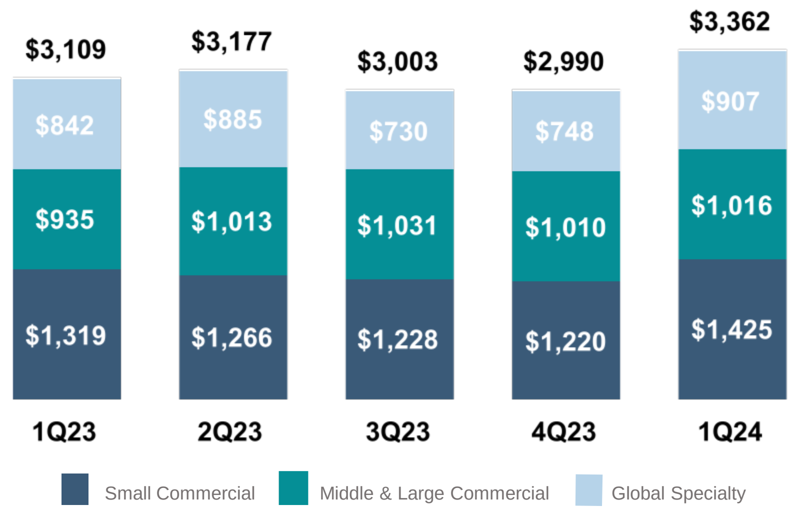


Commercial Lines Combined Ratio[3]



Commercial Lines Written Premiums[5]

($ in millions)



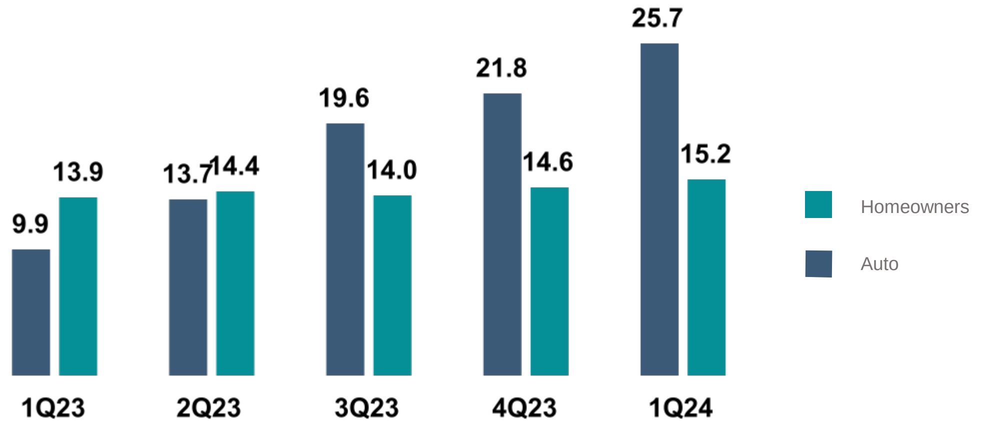
[1] Denotes financial measure not calculated based on GAAP
[2] Excludes Middle Market loss sensitive and programs businesses, Global Re, offshore energy policies, credit and political risk insurance policies, political violence and terrorism policies, and any business under which the managing agent of 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

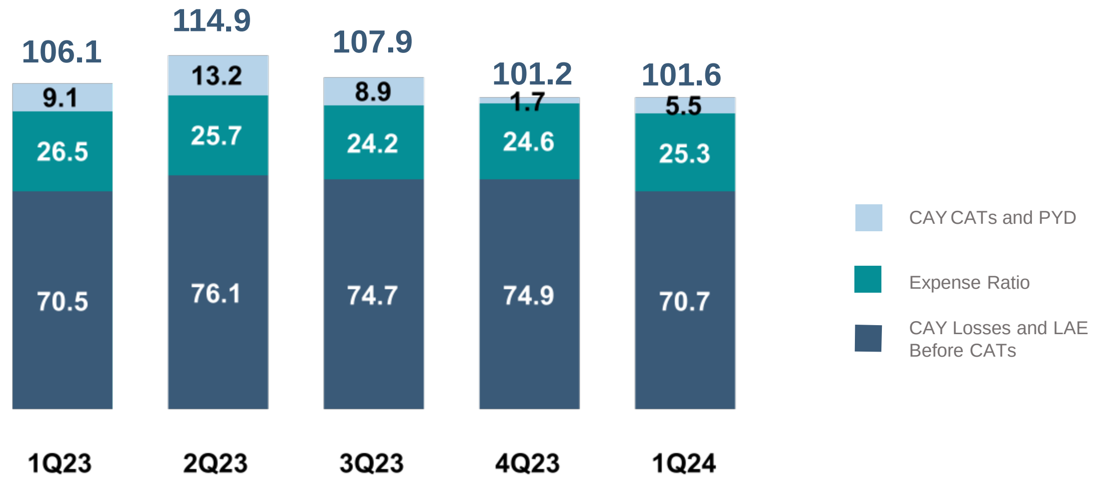
Double-digit rate actions being taken to address higher auto claim loss costs

- Written premiums of $844 million increased by 13% compared to 1Q23
- Renewal written price increase in auto of 25.7% in 1Q24 compared to 21.8% in 4Q23, and in home, 15.2% in 1Q24 compared to 14.6% in 4Q23
- Combined ratio of 101.6 in 1Q24 improved from 106.1 in 1Q23, primarily due to a change from unfavorable PYD of 2.7 points in 1Q23 to favorable PYD of 0.9 points in 1Q24 as well as a 0.9 point improvement in the underlying combined ratio
- Underlying combined ratio of 96.1 improved from 97.0 in 1Q23 primarily due to a 1.2 point improvement in the expense ratio and a lower non-CAT CAY homeowners loss ratio

Personal Lines Renewal Written Price Increase %

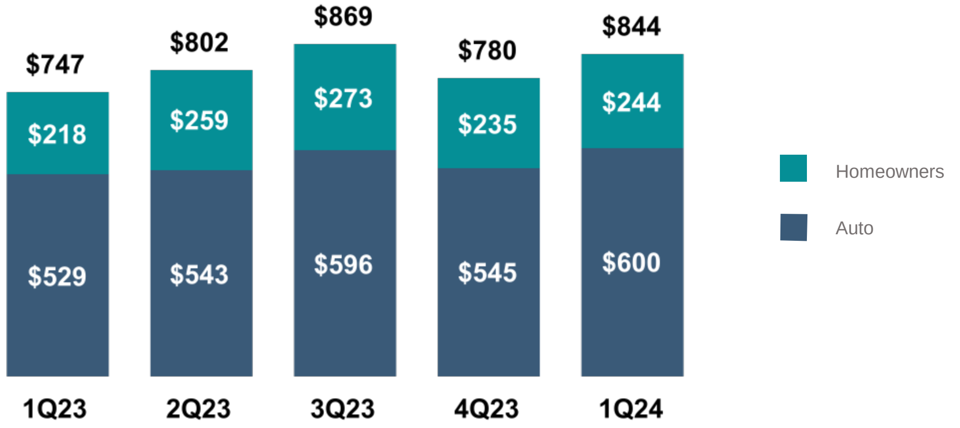


Personal Lines Combined Ratio



Written Premiums

($ in millions)

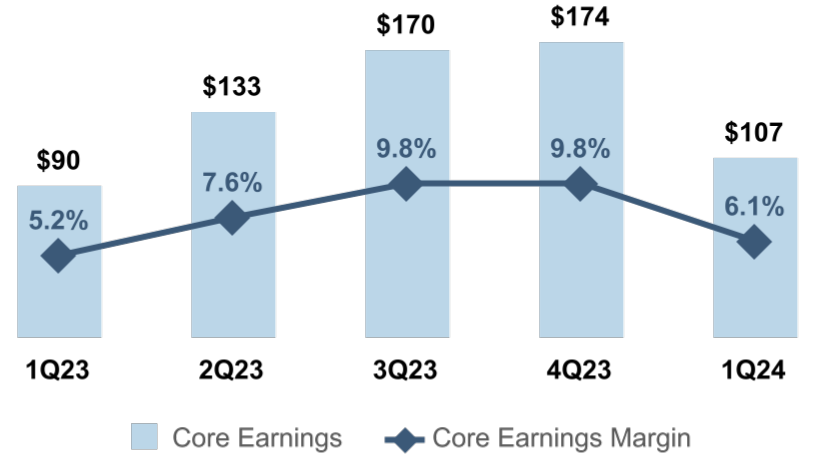


[1] Denotes financial measure not calculated based on GAAP

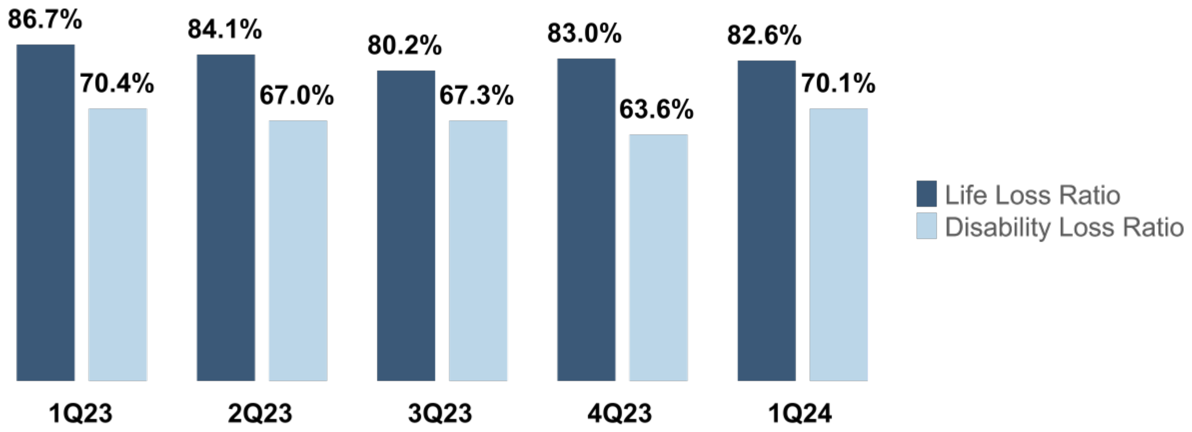
GROUP BENEFITS
Solid margins in 1Q24

- Core earnings margin[1] of 6.1% compared with 5.2% in 1Q23 reflecting improved life results, continued strong long-term disability results and higher net investment income
- The loss ratio of 73.5% improved 1.7 points from 1Q23 driven by improved mortality trends in group life and continued strong long-term disability claim recoveries, largely offset by higher incidence in Paid Family Leave and short-term disability products
- 1Q24 fully insured ongoing premiums increased 2%, including an increase in exposure on existing accounts, new business sales and strong but lower persistency compared to a year ago
- Expense ratio of 25.4% increased 0.7 points from 1Q23 primarily due to higher staffing costs, increased investments in technology, and higher commission expense, partially offset by the effect of higher earned premiums

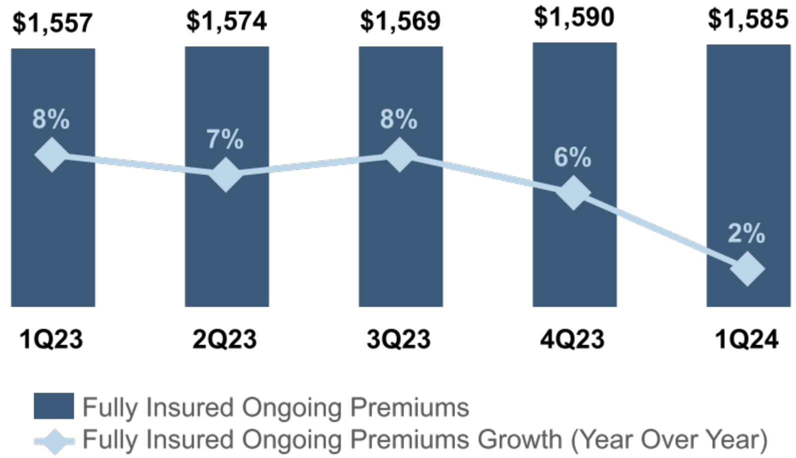
Core Earnings[1] and Core Earnings Margin
($ in millions)



Loss Ratio



Fully Insured Ongoing Premiums & Growth
($ in millions)



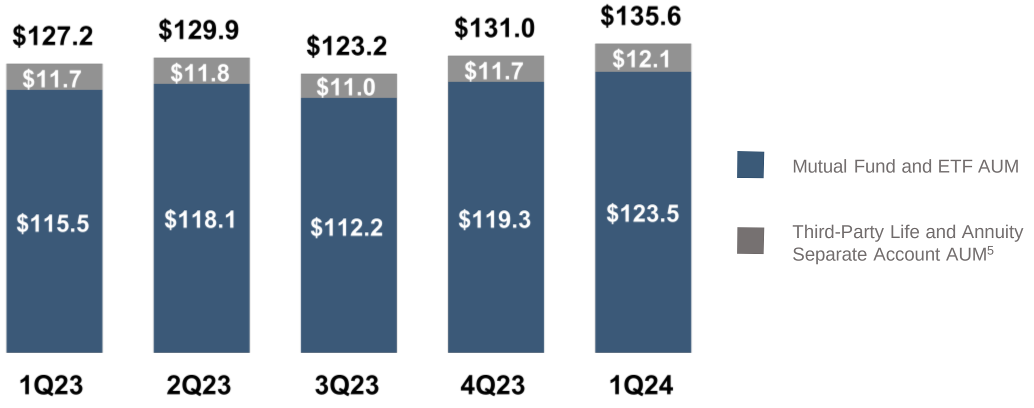
[1] Denotes financial measure not calculated based on GAAP

HARTFORD FUNDS

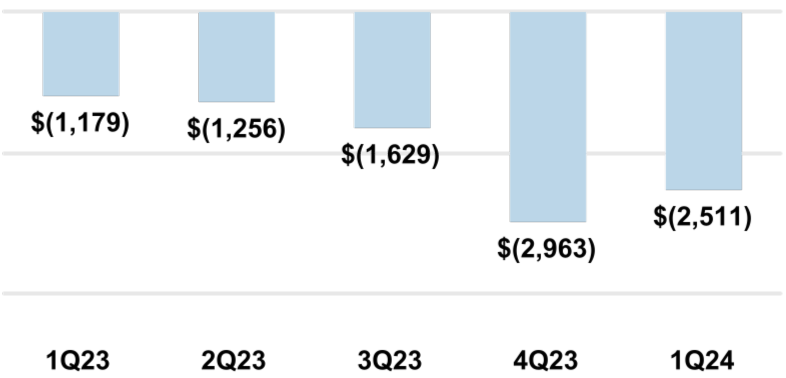
High return, fee generating business

- Core earnings[1] of $41 million in 1Q24 increased from $37 million in 1Q23 with an increase in fee income net of variable expenses, driven by higher daily average Hartford Funds AUM
- Mutual fund and Exchange-traded funds (ETF) net outflows of $2.5 billion in 1Q24, compared with net outflows of $1.2 billion in 1Q23
- 51% of overall funds are outperforming peers on a 1-year basis[3], 47% on a 3-year basis[3], 54% on a 5-year basis[3] and 68% on a 10-year basis[3]
- 42% of funds are rated 4 or 5 stars by Morningstar as of March 31, 2024
  - 83% 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 March 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

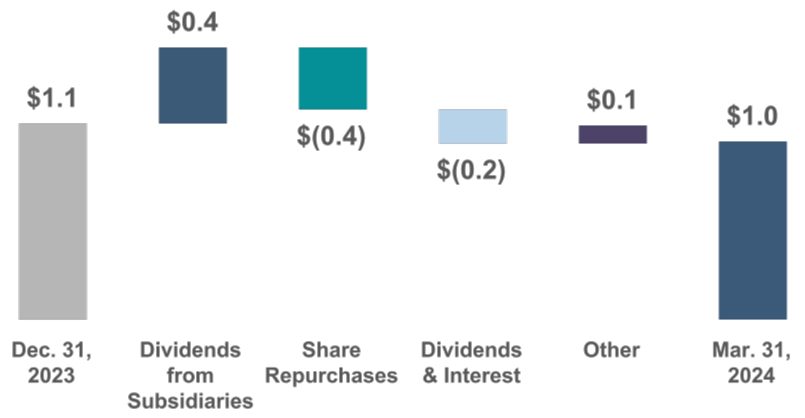
Core loss[1] of $25 million compared to a core loss of $35 million in 1Q23

Components of Corporate Core Losses

($ in millions)	1Q23	2Q23	3Q23	4Q23	1Q24
Net investment income, after tax	$8	$6	$10	$14	$13
Interest expense, after tax	(40)	(40)	(40)	(39)	(40)
Preferred stock dividends	(5)	(5)	(6)	(5)	(5)
All other[2,3], after tax	2	4	(16)	(6)	7
Corporate core losses	**$(35)**	**$(35)**	**$(52)**	**$(36)**	**$(25)**

Corporate Holding Company Resources

($ in billions)



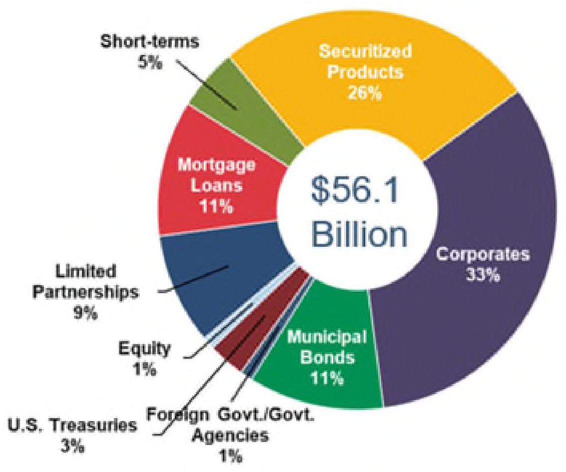
[1] Denotes financial measure not calculated based on GAAP
[2] Includes investment management fees and expenses related to managing third-party business, incurred losses related to run-off structured settlement and terminal funding agreement liabilities and other corporate expenses
[3] For the third quarter of 2023, includes an after tax $11 million capital-based state tax expense covering several years recorded in the 2023 period related to recently released guidance

THE INVESTMENT PORTFOLIO
High quality and diversified

- Net investment income of $593 million benefited from the impact of reinvesting at higher rates, a higher level of invested assets and a higher yield on variable-rate securities
- LP[1] annualized yield of 1.3%, or $16 million of net investment income, before tax, driven by reduced valuations on commercial real estate LP holdings and an absence of real estate JV equity sales
- High quality portfolio, approximately 96% of the credit portfolio is investment grade, with ~73% of fixed maturities rated A or better, and an overall average credit rating of A+
- Investment portfolio designed to generate attractive risk adjusted returns to support our financial goals and objectives

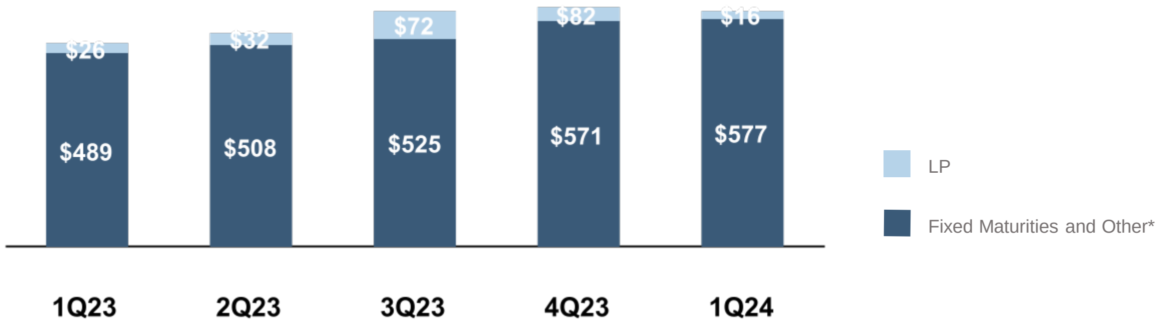
Invested Assets[3,4] by Sector

$56.1B as of March 31, 2024

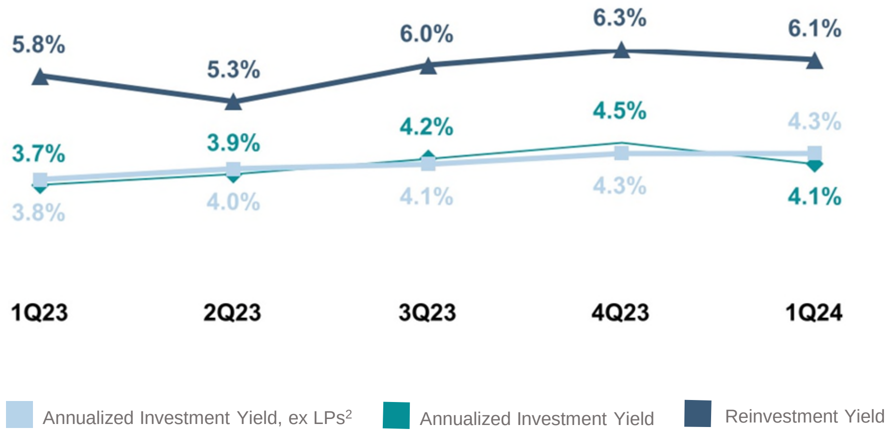


Net Investment Income

($ in millions)



Annualized Investment Yield, Before Tax



* Includes investment expenses of $24 million, $23 million, $22 million, $22 million and $27 million in 1Q23, 2Q23, 3Q23, 4Q23 and 1Q24 respectively

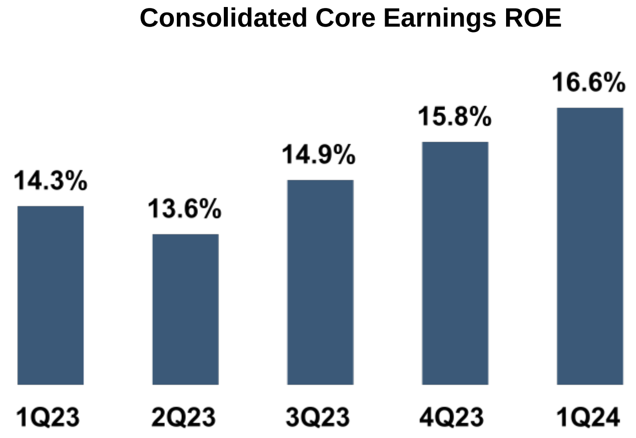
[1] Limited partnerships and other alternative investments

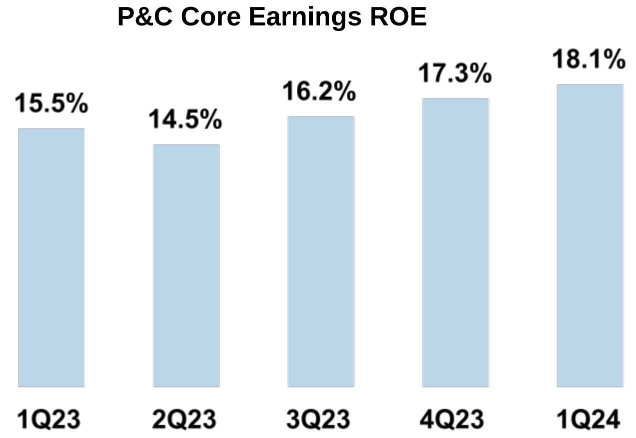
[2] Denotes financial measure not calculated based on GAAP

[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 16.6% IN 1Q24





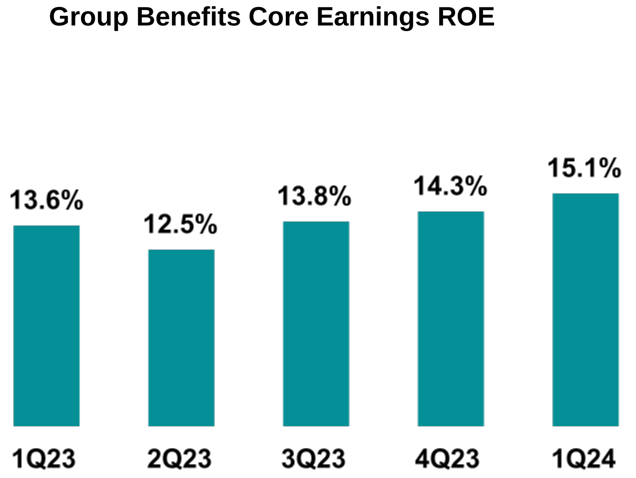
Net income ROE of 18.5% versus 12.8% in 1Q23

Core earnings ROE of 16.6% versus 14.3% in 1Q23

- 1Q24 trailing 12-month core earnings[1] increased 19% to $2.94 billion from $2.47 billion in 1Q23

Core earnings ROE remained strong

- P&C: 18.1% in 1Q24 versus 15.5% in 1Q23
- Group Benefits: 15.1% in 1Q24 versus 13.6% in 1Q23
- Hartford Funds: 39.7% in 1Q24 versus 42.8% in 1Q23

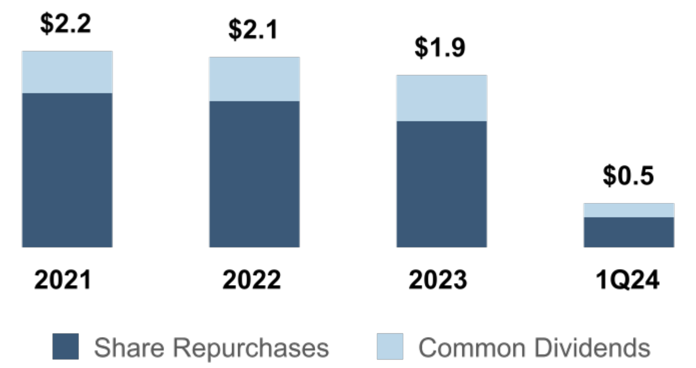


[1] Denotes financial measure not calculated based on GAAP

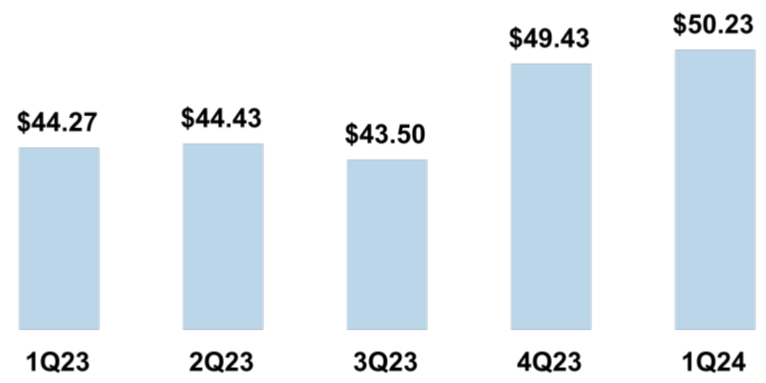
BVPS (EX. AOCI)[1] OF $60.18 AT MARCH 31, 2024

- Book value per diluted share of $50.23 increased from $49.43 at December 31, 2023, principally due to net income in excess of stockholder dividends
- In 1Q24, the company returned $491 million to stockholders including $350 million in share repurchases and $141 million in common stockholder dividends paid
- Including common stockholder dividends paid, SVC[2] was 14% over last 12 months

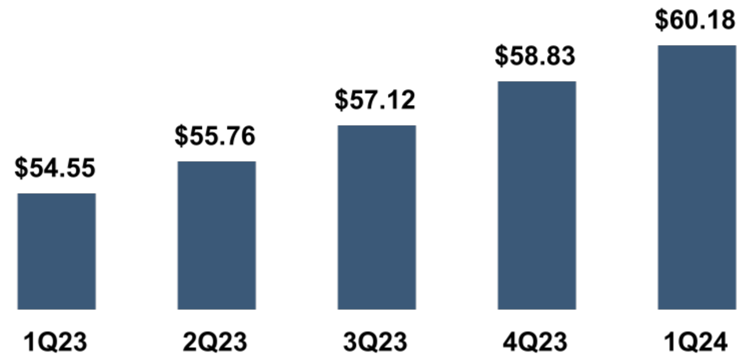
Capital Returned to Stockholders
($ in billions)



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

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 generate superior risk-adjusted returns

Accelerated Growth	Leading Risk-Adjusted Returns	Compelling Total Stockholder Return	Value Enhancement
Accelerate **profitable organic growth** across all businesses	Unwavering focus on **ROE performance**, driven by underwriting excellence	Consistent generator of **excess capital**, optimizing superior returns	**Ethical culture** supporting strategies to drive **sustainable value creation**
• Advancement of underwriting capabilities • Maximization of multi-channel distribution relationships • Leverage product breadth	• Balanced risk profile and underwriting discipline • Advanced analytics and data science • Continuous improvement and operating efficiency	• Investments in organic growth • Dividends • Share repurchases	• Ethics at the core of the business • Maintain outstanding sustainability track record • Implement strategies to navigate emerging risks and opportunities

Maximize Value Creation for All Stakeholders

APPENDIX

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 in the quarter, $24 million, before tax, was amortized in 1Q24 of the total $125 million, before tax, expected in 2024. $84 million, before tax, is expected in 2025.
- **$185 million**, before tax, deferred gain remaining on balance sheet as of March 31, 2024 ($209 million less $24 million amortization in 1Q24).

+

Asbestos & Environmental ADC (A&E ADC)

- Cumulatively ceded $1.438 billion, before tax, with $62 million of limit remaining.
- **$788 million**, before tax, has been recorded as a deferred gain within other liabilities as of March 31, 2024.
- Amortization of the deferred gain begins when The Hartford starts collecting recoveries:
  - Recoveries from NICO will be collected once The Hartford has paid cumulative A&E claims since December 31, 2016, above the $1.7 billion attachment point. Through March 31, 2024, $1.3 billion has been paid.
- Annual A&E review is conducted during the fourth quarter.

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Combined Deferred Gain

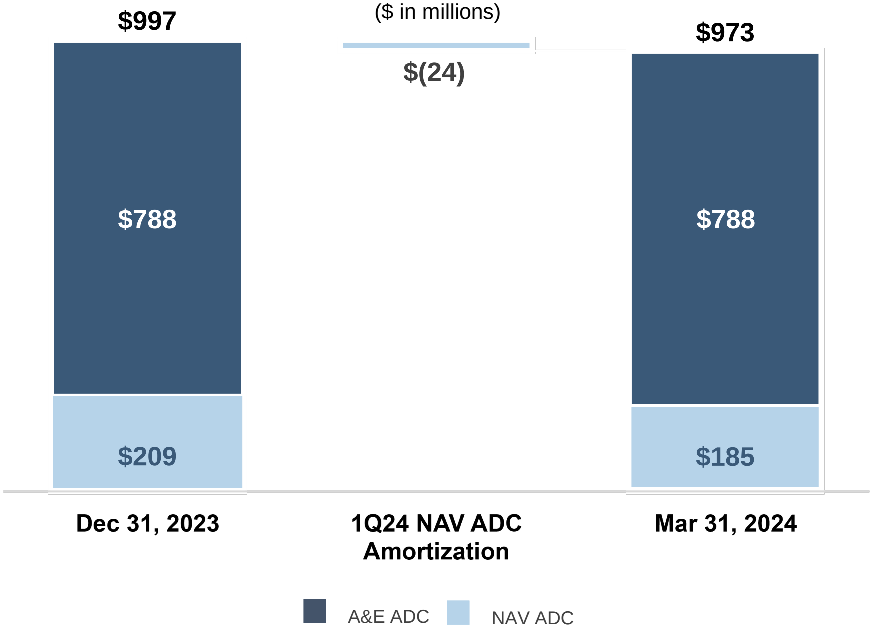
- **$973 million**, before tax, deferred gain on the balance sheet as of March 31, 2024 ($185 million NAV ADC + $788 million A&E ADC).

Financial Impacts of Deferred Gain Amortization

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

Combined Deferred Gain, before tax

($ in millions)



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 in The Hartford’s news release issued on April 25, 2024 and The Hartford’s Investor Financial Supplements for first quarter 2024, fourth quarter 2023 and fourth quarter 2022 which are available at the Investor Relations section of The Hartford’s website at https://ir.thehartford.com.