UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission File Number 1-13754

THE HANOVER INSURANCE GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**04-3263626**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

440 Lincoln Street, Worcester, Massachusetts 01653
(Address of principal executive offices) (Zip Code)

(508) 855-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, $.01 par value	THG	New York Stock Exchange
7 5/8% Senior Debentures due 2025	THG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock was 35,983,721 as of July 30, 2024.

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PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)

(In millions, except per share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues				
Premiums	**$ 1,473.2**	$ 1,411.7	**$ 2,921.8**	$ 2,791.7
Net investment income	**90.4**	87.6	**180.1**	166.3
Net realized and unrealized investment gains (losses):				
Net realized gains (losses) from sales and other	**(30.4)**	0.1	**(31.7)**	(1.0)
Net change in fair value of equity securities	**1.1**	(1.1)	**7.6**	(8.2)
Impairments on investments:				
Credit-related impairments	**(3.5)**	(1.7)	**(3.2)**	(6.2)
Losses on intent to sell securities	**(1.7)**	—	**(1.7)**	(10.3)
	(5.2)	(1.7)	**(4.9)**	(16.5)
Total net realized and unrealized investment losses	**(34.5)**	(2.7)	**(29.0)**	(25.7)
Fees and other income	**7.6**	7.8	**14.9**	15.8
Total revenues	**1,536.7**	1,504.4	**3,087.8**	2,948.1
Losses and expenses				
Losses and loss adjustment expenses	**1,007.6**	1,139.9	**1,942.8**	2,157.3
Amortization of deferred acquisition costs	**303.5**	292.7	**602.5**	581.5
Interest expense	**8.6**	8.6	**17.1**	17.1
Other operating expenses	**165.7**	153.9	**328.8**	300.4
Total losses and expenses	**1,485.4**	1,595.1	**2,891.2**	3,056.3
Income (loss) from continuing operations before income taxes	**51.3**	(90.7)	**196.6**	(108.2)
Income tax expense (benefit):				
Current	**17.0**	(14.8)	**45.7**	(12.6)
Deferred	**(6.1)**	(5.9)	**(5.0)**	(13.6)
Total income tax expense (benefit)	**10.9**	(20.7)	**40.7**	(26.2)
Income (loss) from continuing operations	**40.4**	(70.0)	**155.9**	(82.0)
Discontinued operations (net of taxes):				
Income from discontinued life businesses	**0.1**	—	**0.1**	—
Income from discontinued Chaucer business	**—**	0.8	**—**	0.8
Net income (loss)	**$ 40.5**	$ (69.2)	**$ 156.0**	$ (81.2)
Earnings per common share:				
Basic:				
Income (loss) from continuing operations	**$ 1.12**	$ (1.96)	**$ 4.34**	$ (2.30)
Discontinued operations (net of taxes):				
Income from discontinued life businesses	**0.01**	—	**0.01**	—
Income from discontinued Chaucer business	**—**	0.02	**—**	0.03
Net income (loss) per share	**$ 1.13**	$ (1.94)	**$ 4.35**	$ (2.27)
Weighted average shares outstanding	**36.0**	35.7	**35.9**	35.7
Diluted:				
Income (loss) from continuing operations	**$ 1.11**	$ (1.96)	**$ 4.30**	$ (2.30)
Discontinued operations (net of taxes):				
Income from discontinued life businesses	**0.01**	—	**—**	—
Income from discontinued Chaucer business	**—**	0.02	**—**	0.03
Net income (loss) per share	**$ 1.12**	$ (1.94)	**$ 4.30**	$ (2.27)
Weighted average shares outstanding	**36.3**	35.7	**36.3**	35.7

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

(In millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net income (loss)	**$ 40.5**	$ (69.2)	**$ 156.0**	$ (81.2)
Other comprehensive income (loss), net of tax:				
Available-for-sale securities:				
Changes in net unrealized gains (losses) on investment securities:				
Having no credit losses recognized in the Consolidated Statements of Income (Loss)	**3.8**	(66.6)	**(30.1)**	26.7
Having credit losses recognized in the Consolidated Statements of Income (Loss)	**2.2**	0.4	**2.0**	1.4
Total available-for-sale securities	**6.0**	(66.2)	**(28.1)**	28.1
Pension and postretirement benefits:				
Net change in net actuarial loss	**1.3**	1.6	**2.7**	3.2
Long-duration insurance contracts:				
Net change in market risk	**0.8**	1.4	**1.8**	(0.7)
Total other comprehensive income (loss), net of tax	**8.1**	(63.2)	**(23.6)**	30.6
Comprehensive income (loss)	**$ 48.6**	$ (132.4)	**$ 132.4**	$ (50.6)

The accompanying notes are an integral part of these interim consolidated financial statements.

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THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In millions, except share data)	June 30, 2024	December 31, 2023
Assets		
Investments:		
Fixed maturities, at fair value (amortized cost of $8,680.0 and $8,573.9)	**$ 8,059.1**	$ 7,985.3
Equity securities, at fair value	**138.5**	130.9
Other investments	**785.8**	796.9
Total investments	**8,983.4**	8,913.1
Cash and cash equivalents	**337.6**	316.1
Accrued investment income	**62.3**	58.2
Premiums and accounts receivable, net	**1,813.7**	1,705.6
Reinsurance recoverable on paid and unpaid losses and unearned premiums	**2,037.5**	2,056.1
Deferred acquisition costs	**634.7**	620.8
Deferred income tax asset	**183.8**	173.3
Goodwill	**178.8**	178.8
Other assets	**556.1**	504.0
Assets of discontinued businesses	**84.3**	86.6
Total assets	**$ 14,872.2**	$ 14,612.6
Liabilities		
Loss and loss adjustment expense reserves	**$ 7,463.1**	$ 7,308.1
Unearned premiums	**3,168.4**	3,102.5
Expenses and taxes payable	**735.2**	775.9
Reinsurance premiums payable	**59.2**	64.3
Debt	**783.7**	783.2
Liabilities of discontinued businesses	**110.4**	113.0
Total liabilities	**12,320.0**	12,147.0
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, par value $0.01 per share; 20.0 million shares authorized; none issued	**—**	—
Common stock, par value $0.01 per share; 300.0 million shares authorized; 60.5 million shares issued	**0.6**	0.6
Additional paid-in capital	**1,951.9**	1,939.2
Accumulated other comprehensive loss	**(540.8)**	(517.2)
Retained earnings	**3,003.4**	2,909.4
Treasury stock at cost (24.5 million and 24.7 million shares)	**(1,862.9)**	(1,866.4)
Total shareholders' equity	**2,552.2**	2,465.6
Total liabilities and shareholders' equity	**$ 14,872.2**	$ 14,612.6

The accompanying notes are an integral part of these interim consolidated financial statements.

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THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

(In millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Preferred Stock				
Balance at beginning and end of period	**$ —**	$ —	**$ —**	$ —
Common Stock				
Balance at beginning and end of period	**0.6**	0.6	**0.6**	0.6
Additional Paid-in Capital				
Balance at beginning of period	**1,941.3**	1,913.6	**1,939.2**	1,913.1
Employee and director stock-based awards and other	**10.6**	9.4	**12.7**	9.9
Balance at end of period	**1,951.9**	1,923.0	**1,951.9**	1,923.0
Accumulated Other Comprehensive Income (Loss), net of tax				
Net Unrealized Appreciation (Depreciation) on Investments:				
Balance at beginning of period	**(496.9)**	(547.1)	**(462.8)**	(641.4)
Net appreciation (depreciation) on available-for-sale securities	**6.0**	(66.2)	**(28.1)**	28.1
Balance at end of period	**(490.9)**	(613.3)	**(490.9)**	(613.3)
Defined Benefit Pension and Postretirement Plans:				
Balance at beginning of period	**(53.4)**	(62.5)	**(54.8)**	(64.1)
Net amount recognized as net periodic benefit cost	**1.3**	1.6	**2.7**	3.2
Balance at end of period	**(52.1)**	(60.9)	**(52.1)**	(60.9)
Long Duration Insurance Contracts:				
Balance at beginning of period	**1.4**	1.9	**0.4**	4.0
Net change in market risk	**0.8**	1.4	**1.8**	(0.7)
Balance at end of period	**2.2**	3.3	**2.2**	3.3
Total accumulated other comprehensive loss	**(540.8)**	(670.9)	**(540.8)**	(670.9)
Retained Earnings				
Balance at beginning of period	**2,993.9**	2,951.6	**2,909.4**	2,992.9
Net income (loss)	**40.5**	(69.2)	**156.0**	(81.2)
Dividends to shareholders	**(31.0)**	(29.4)	**(62.0)**	(58.7)
Balance at end of period	**3,003.4**	2,853.0	**3,003.4**	2,853.0
Treasury Stock				
Balance at beginning of period	**(1,864.2)**	(1,869.1)	**(1,866.4)**	(1,871.4)
Net shares reissued at cost under employee stock-based compensation plans	**1.3**	1.3	**3.5**	3.6
Balance at end of period	**(1,862.9)**	(1,867.8)	**(1,862.9)**	(1,867.8)
Total shareholders' equity	**$ 2,552.2**	$ 2,237.9	**$ 2,552.2**	$ 2,237.9

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In millions)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash Flows From Operating Activities		
Net income (loss)	**$ 156.0**	$ (81.2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Net realized and unrealized investment losses	**29.2**	25.5
Net amortization and depreciation	**1.6**	4.0
Stock-based compensation expense	**14.8**	15.3
Amortization of defined benefit plan costs	**3.4**	4.0
Deferred income tax benefit	**(5.2)**	(13.5)
Change in deferred acquisition costs	**(13.9)**	(1.6)
Change in premiums receivable, net of reinsurance premiums payable	**(113.2)**	(73.2)
Change in loss, loss adjustment expense and unearned premium reserves	**220.1**	366.9
Change in reinsurance recoverable	**18.6**	(32.8)
Change in expenses and taxes payable	**(59.9)**	(89.1)
Other, net	**(53.3)**	(80.0)
Net cash provided by operating activities	**198.2**	44.3
Cash Flows From Investing Activities		
Proceeds from disposals and maturities of fixed maturities	**1,100.2**	363.1
Proceeds from disposals of equity securities and other investments	**34.5**	14.3
Purchase of fixed maturities	**(1,204.3)**	(443.4)
Purchase of equity securities and other investments	**(34.4)**	(45.2)
Capital expenditures	**(4.8)**	(6.8)
Net cash used in investing activities	**(108.8)**	(118.0)
Cash Flows From Financing Activities		
Proceeds from exercise of employee stock options	**6.9**	4.2
Dividends paid to shareholders	**(61.1)**	(57.9)
Other financing activities	**(9.8)**	(10.0)
Net cash used in financing activities	**(64.0)**	(63.7)
Net change in cash and cash equivalents	**25.4**	(137.4)
Net change in cash related to discontinued operations	**(3.9)**	—
Cash and cash equivalents, beginning of period	**316.1**	305.0
Cash and cash equivalents, end of period	**$ 337.6**	$ 167.6

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements of The Hanover Insurance Group, Inc. and its subsidiaries ("THG" or the "Company") have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the requirements of Form 10-Q. Certain financial information that is provided in annual financial statements, but is not required in interim reports, has been omitted.

The interim consolidated financial statements of THG include the accounts of The Hanover Insurance Company and Citizens Insurance Company of America, THG's principal property and casualty companies, and other insurance and non-insurance subsidiaries. These legal entities conduct their operations through several business segments discussed in Note 8 – "Segment Information." All intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of the Company's management, the accompanying interim consolidated financial statements reflect all adjustments, consisting of normal recurring items, necessary for a fair presentation of the financial position and results of operations. The results of operations for the six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the Company's 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 22, 2024.

2. New Accounting Pronouncements

Recently Issued Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This Update requires entities to disclose an annual tabular rate reconciliation, using both percentages and currency amounts, broken out into specific categories, to the extent those items exceed a specified threshold. In addition, all entities are required to disclose annual income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions, and for individual jurisdictions when the amount is at least five percent of total income tax payments, net of refunds received. This Update is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. This guidance may be implemented either on a prospective or retrospective basis. The Company does not expect implementation of this guidance to have a material effect on its financial position or results of operations, as the Update is disclosure related.

In November 2023, the FASB issued ASC Update No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This Update requires entities to disclose significant segment expenses and other segment items on an annual and interim basis, and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires entities to disclose the title and position of the Chief Operating Decision Maker ("CODM"), and an explanation of how the CODM uses the reported measures of segment profit or loss. The Update does not change how entities identify operating segments, aggregate them, or apply the quantitative thresholds to determine reportable segments. This Update is effective for annual reporting periods beginning after December 15, 2023, and interim reporting periods beginning after December 15, 2024, with early adoption permitted. The guidance should be applied retrospectively to all prior periods presented in the financial statements. The Company does not expect implementation of this guidance to have a material effect on its financial position or results of operations, as the Update is disclosure related.

3. Investments

A. Fixed maturities

The amortized cost and fair value of available-for-sale fixed maturities were as follows:

(in millions)	June 30, 2024 Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and government agencies	**$ 530.9**	**$ —**	**$ 530.9**	**$ 0.4**	**$ 59.2**	**$ 472.1**
Foreign governments	**1.6**	**—**	**1.6**	**0.1**	**—**	**1.7**
Municipals	**1,176.5**	**—**	**1,176.5**	**1.6**	**130.5**	**1,047.6**
Corporates	**3,925.7**	**(0.8)**	**3,924.9**	**12.5**	**219.3**	**3,718.1**
Residential mortgage-backed	**1,747.1**	**—**	**1,747.1**	**2.3**	**155.2**	**1,594.2**
Commercial mortgage-backed	**690.3**	**—**	**690.3**	**—**	**60.5**	**629.8**
Other asset-backed	**608.7**	**—**	**608.7**	**0.3**	**13.4**	**595.6**
Total fixed maturities	**$ 8,680.8**	**$ (0.8)**	**$ 8,680.0**	**$ 17.2**	**$ 638.1**	**$ 8,059.1**

(in millions)	December 31, 2023 Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and government agencies	$ 512.9	$ —	$ 512.9	$ 1.4	$ 51.7	$ 462.6
Foreign governments	2.2	—	2.2	—	—	2.2
Municipals	1,309.3	—	1,309.3	5.5	129.6	1,185.2
Corporates	4,053.8	(1.9)	4,051.9	22.9	225.1	3,849.7
Residential mortgage-backed	1,435.6	—	1,435.6	5.5	130.2	1,310.9
Commercial mortgage-backed	890.3	—	890.3	0.1	72.2	818.2
Other asset-backed	371.7	—	371.7	0.7	15.9	356.5
Total fixed maturities	$ 8,575.8	$ (1.9)	$ 8,573.9	$ 36.1	$ 624.7	$ 7,985.3

The Company deposits funds with various state and governmental authorities. For a discussion of the Company's deposits with state and governmental authorities, see also Note 2 – "Investments" in the Notes to Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K.

The amortized cost and fair value by maturity periods for fixed maturities are shown in the following table. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, or the Company may have the right to put or sell the obligations back to the issuers.

(in millions)	June 30, 2024 Amortized Cost, Net of Allowance for Credit Losses	Fair Value
Due in one year or less	**$ 297.4**	**$ 294.5**
Due after one year through five years	**2,659.5**	**2,556.2**
Due after five years through ten years	**2,427.9**	**2,173.9**
Due after ten years	**249.1**	**214.9**
	5,633.9	**5,239.5**
Mortgage-backed and other asset-backed securities	**3,046.1**	**2,819.6**
Total fixed maturities	**$ 8,680.0**	**$ 8,059.1**

B. Fixed maturity securities in an unrealized loss position

The following tables provide information about the Company's available-for-sale fixed maturity securities that were in an unrealized loss position at June 30, 2024 and December 31, 2023, including the length of time the securities have been in an unrealized loss position:

	June 30, 2024					
	12 months or less		Greater than 12 months		Total	
(in millions)	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Investment grade:						
U.S. Treasury and government agencies	$ 1.0	$ 88.9	$ 58.2	$ 348.1	$ 59.2	$ 437.0
Municipals	0.8	61.6	129.7	909.7	130.5	971.3
Corporates	4.4	565.8	204.4	2,441.2	208.8	3,007.0
Residential mortgage-backed	6.3	532.8	148.9	893.3	155.2	1,426.1
Commercial mortgage-backed	0.1	18.1	60.4	609.2	60.5	627.3
Other asset-backed	0.6	182.2	12.8	226.9	13.4	409.1
Total investment grade	13.2	1,449.4	614.4	5,428.4	627.6	6,877.8
Below investment grade:						
Corporates	2.0	57.6	8.5	60.7	10.5	118.3
Commercial mortgage-backed	—	—	—	0.9	—	0.9
Total below investment grade	2.0	57.6	8.5	61.6	10.5	119.2
Total fixed maturities	$ 15.2	$ 1,507.0	$ 622.9	$ 5,490.0	$ 638.1	$ 6,997.0

	December 31, 2023					
	12 months or less		Greater than 12 months		Total	
(in millions)	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Investment grade:						
U.S. Treasury and government agencies	$ 0.6	$ 62.2	$ 51.1	$ 331.0	$ 51.7	$ 393.2
Foreign governments	—	—	—	2.0	—	2.0
Municipals	2.5	72.5	127.1	935.2	129.6	1,007.7
Corporates	1.3	159.9	214.9	2,870.2	216.2	3,030.1
Residential mortgage-backed	1.2	139.3	129.0	865.4	130.2	1,004.7
Commercial mortgage-backed	0.2	14.0	72.0	770.0	72.2	784.0
Other asset-backed	0.1	28.1	15.8	260.2	15.9	288.3
Total investment grade	5.9	476.0	609.9	6,034.0	615.8	6,510.0
Below investment grade:						
Corporates	2.5	33.8	6.4	66.2	8.9	100.0
Commercial mortgage-backed	—	—	—	0.9	—	0.9
Total below investment grade	2.5	33.8	6.4	67.1	8.9	100.9
Total fixed maturities	$ 8.4	$ 509.8	$ 616.3	$ 6,101.1	$ 624.7	$ 6,610.9

The Company views gross unrealized losses on fixed maturities as non-credit related and through its assessment of unrealized losses has determined that these securities will recover, allowing the Company to realize the anticipated long-term economic value. The Company currently does not intend to sell, nor does it expect to be required to sell these securities before recovery of their amortized cost. The Company employs a systematic methodology to evaluate declines in fair value below amortized cost for fixed maturity securities. In determining impairments, the Company evaluates several factors and circumstances, including the issuer's overall financial condition; the issuer's credit and financial strength ratings; the issuer's financial performance, including earnings trends and asset quality; any specific events which may influence the operations of the issuer; the general outlook for market conditions in the industry or geographic region in which the issuer operates; and the degree to which the fair value of an issuer's securities is below the Company's amortized cost. The Company also considers any factors that might raise doubt about the issuer's ability to make contractual payments as they come due and whether the Company expects to recover the entire amortized cost basis of the security.

C. Proceeds from sales

The proceeds from sales of available-for-sale fixed maturities and gross realized gains and gross realized losses on those sales were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Proceeds from sales	**$ 638.6**	$ 59.0	**$ 666.4**	$ 86.6
Gross gains	**1.8**	0.8	**1.9**	0.9
Gross losses	**32.8**	0.6	**34.3**	2.0

D. Impairments (Recoveries)

For the three and six months ended June 30, 2024, the Company recognized net impairments of $5.2 million and $4.9 million, respectively, consisting primarily of $3.6 million on mortgage loans and $1.7 million on intent to sell fixed maturities. For the three months ended June 30, 2023, the Company recognized net impairments of $1.7 million, consisting of estimated credit losses of $1.3 million on mortgage loans and $0.4 million on fixed maturity securities. For the six months ended June 30, 2023, the Company recognized net impairments of $16.5 million, consisting primarily of $10.3 million of losses on intent to sell fixed maturities and $5.4 million of estimated credit losses on mortgage loans.

At June 30, 2024 and December 31, 2023, the allowance for credit losses on mortgage loans was $8.6 million and $10.0 million respectively, and the allowance for credit losses on available-for-sale debt securities was $0.8 million and $1.9 million, respectively.

The following table provides a rollforward of the allowance for credit losses on mortgage loans:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Allowance for credit losses as of the beginning of the period	**$ 9.7**	$ 7.2	**$ 10.0**	$ 3.2
Reductions for writedowns	**(3.0)**	—	**(3.0)**	—
Reductions for disposals	**—**	—	**(0.3)**	—
Additional credit losses on investments for which an allowance was previously recognized	**1.9**	1.3	**1.9**	5.4
Recoveries	**—**	—	**—**	(0.1)
Allowance for credit losses as of the end of the period	**$ 8.6**	$ 8.5	**$ 8.6**	$ 8.5

The methodology and significant inputs used to measure the amount of credit losses were as follows:

Mortgage loans – the Company estimated losses by applying expected loss rates, which are based on historical data. Embedded in expected loss rates are mortgage risk ratings and risk factors associated with property type such as office, retail, lodging, multi-family and industrial. Risk ratings, based on property characteristics and metrics including the geographic market, are predominantly driven by estimates of loan-to-value and debt service coverage ratios. Ratings may be adjusted to reflect current conditions and to incorporate reasonable and supportable forecasts, such as volatility of cash flows and valuation.

Fixed maturities, Corporate bonds – the Company utilized a financial model that derives expected cash flows based on probability-of-default factors by credit rating and asset duration, and loss-given-default factors based on security type. These factors are based on historical data provided by an independent third-party rating agency. In addition, other qualitative market data relevant to the realizability of contractual cash flows may be considered, including current conditions and reasonable and supportable forecasts.

E. Equity securities

The following table provides pre-tax net unrealized gains (losses) on equity securities. There were no realized gains or losses from sales of equities for the three or six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Net unrealized gains (losses) recognized during the period on equity securities still held	**$ 1.1**	$ (1.1)	**$ 7.6**	$ (8.2)

4. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, i.e., exit price, in an orderly transaction between market participants. The Company emphasizes the use of observable market data whenever available in determining fair value. Fair values presented for certain financial instruments are estimates which, in many cases, may differ significantly from the amounts that could be realized upon immediate liquidation. A hierarchy of the three broad levels of fair value is as follows, with the highest priority given to Level 1 as these are the most observable, and the lowest priority given to Level 3:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data, including model-derived valuations.

Level 3 – Unobservable inputs that are supported by little or no market activity.

When more than one level of input is used to determine fair value, the financial instrument is classified as Level 2 or Level 3 according to the lowest level input that has a significant impact on the fair value measurement.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and have not changed since last year.

Fixed Maturities

Level 1 securities generally include U.S. Treasury issues and other securities that are highly liquid, and for which quoted market prices are available. Level 2 securities are valued using pricing for similar securities and pricing models that incorporate observable inputs including, but not limited to, yield curves and issuer spreads. Level 3 securities include issues for which little observable data can be obtained, primarily due to the illiquid nature of the securities, and for which significant inputs used to determine fair value are based on the Company's own assumptions.

The Company utilizes third-party pricing services for the valuation of the majority of its fixed maturity securities and receives one quote per security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value and such values are classified as Level 1. Since fixed maturities other than U.S. Treasury securities generally do not trade on a daily basis, the pricing services prepare estimates of fair value for those securities using pricing techniques based on a market approach. Inputs into the fair value pricing common to all asset classes include: benchmark U.S. Treasury security yield curves; reported trades of identical or similar fixed maturity securities; broker/dealer quotes of identical or similar fixed maturity securities and structural characteristics such as maturity date, coupon, mandatory principal payment dates, frequency of interest and principal payments, and optional redemption features. Inputs into the fair value applications that are unique by asset class include, but are not limited to:

- U.S. government agencies – determination of direct versus indirect government support and whether any contingencies exist with respect to the timely payment of principal and interest.
- Foreign governments – estimates of appropriate market spread versus underlying related sovereign treasury curve(s) dependent on liquidity and direct or contingent support.
- Municipals – overall credit quality, including assessments of the level and variability of: sources of payment such as income, sales or property taxes, levies or user fees; credit support such as insurance; state or local economic and political base; natural resource availability; and susceptibility to natural or man-made catastrophic events such as hurricanes, earthquakes or acts of terrorism.
- Corporate fixed maturities – overall credit quality, including assessments of the level and variability of: economic sensitivity; liquidity; corporate financial policies; management quality; regulatory environment; competitive position; ownership; restrictive covenants; and security or collateral.
- Residential mortgage-backed securities – estimates of prepayment speeds based upon: historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies; and delinquency/default trends; and in the case of non-agency collateralized mortgage obligations, severity of loss upon default and length of time to recover proceeds following default.
- Commercial mortgage-backed securities – overall credit quality, including assessments of the value and supply/demand characteristics of: collateral type such as office, retail, residential, lodging, or other; geographic concentration by region, state, metropolitan statistical area and locale; vintage year; historical collateral performance including defeasance, delinquency, default and special servicer trends; and capital structure support features.

- Other asset-backed securities – overall credit quality, including assessments of the underlying collateral type such as corporate loans, credit card receivables, automobile loan receivables and equipment lease receivables; geographic diversification; vintage year; historical collateral performance including delinquency, default and casualty trends; economic conditions influencing use rates and resale values; and contract structural support features.

Generally, all prices provided by the pricing services, except actively traded securities with quoted market prices, are reported as Level 2.

The Company holds privately placed fixed maturity securities and certain other fixed maturity securities that do not have an active market and for which the pricing services cannot provide fair values. The Company determines fair values for these securities using either matrix pricing, which utilizes the market approach, or broker quotes. The Company will use observable market data as inputs into the fair value techniques, as discussed in the determination of Level 2 fair values, to the extent it is available, but is also required to use a certain amount of unobservable judgment due to the illiquid nature of the securities involved. Unobservable judgment reflected in the Company's matrix model accounts for estimates of additional spread required by market participants for factors such as issue size, credit stress, structural complexity, high bond coupon, or other unique features. These matrix-priced securities are reported as Level 2 or Level 3, depending on the significance of the impact of unobservable judgment on the security's value. Additionally, the Company may obtain non-binding broker quotes, which are reported as Level 3.

Equity Securities

Level 1 consists of publicly traded securities, including exchange-traded funds, valued at quoted market prices. Level 2 includes securities that are valued using pricing for similar securities and pricing models that incorporate observable inputs. Level 3 consists of common or preferred stock of private companies for which observable inputs are not available.

The Company utilizes a third-party pricing service for the valuation of the majority of its equity securities and receives one quote for each equity security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value and such values are classified as Level 1. The Company holds certain equity securities that have been issued by privately-held entities that do not have an active market and for which the pricing service cannot provide fair values. The Company estimates fair value for these securities based on prices from recent financing rounds, which may be adjusted for liquidity and other factors, or based on the issuer's book value and market multiples, and reports them as Level 3. Additionally, the Company may obtain non-binding broker quotes, which are reported as Level 3.

Other Investments

Other investments primarily include limited partnerships not subject to the equity method of accounting and mortgage participations. The fair values of limited partnerships not subject to the equity method of accounting are based on the net asset value ("NAV") provided by the general partner, adjusted for recent financial information, and are excluded from the fair value hierarchy.

The estimated fair values of the financial instruments were as follows:

	June 30, 2024		December 31, 2023	
(in millions)	Carrying Value	Market Value	Carrying Value	Market Value
Financial Assets carried at:				
Fair Value through AOCI:				
Fixed maturities	**$ 8,059.1**	**$ 8,059.1**	$ 7,985.3	$ 7,985.3
Fair Value through Net Income:				
Equity securities	**138.5**	**138.5**	130.9	130.9
Other investments	**110.1**	**110.1**	118.4	118.4
Amortized Cost/Cost:				
Other investments	**387.6**	**366.8**	413.1	393.5
Cash and cash equivalents	**337.6**	**337.6**	316.1	316.1
Total financial instruments	**$ 9,032.9**	**$ 9,012.1**	$ 8,963.8	$ 8,944.2
Financial Liabilities carried at:				
Amortized Cost:				
Debt	**$ 783.7**	**$ 735.4**	$ 783.2	$ 727.5

The Company has processes designed to ensure that the values received from its third-party pricing services are accurately recorded, that the data inputs and valuation approaches and techniques utilized are appropriate and consistently applied, and that the assumptions are reasonable and consistent with the objective of determining fair value. The Company reviews the pricing services' policies describing its methodology, processes, practices and inputs, including various financial models used to value securities. For assets carried at fair value, the Company performs a review of the fair value hierarchy classifications and of prices received from its pricing services on a quarterly basis. Also, the Company reviews the portfolio pricing, including a process for which securities with changes in prices that exceed a defined threshold are verified to independent sources, if available. If upon review, the Company is not satisfied with the validity of a given price, a pricing challenge would be submitted to the applicable pricing service along with supporting documentation for its review. The Company does not adjust quotes or prices obtained from the pricing services unless the pricing service agrees with the Company's challenge. During the first six months of 2024 and 2023, the Company did not adjust any prices received from its pricing services.

Changes in the observability of valuation inputs may result in a reclassification of certain financial assets or liabilities within the fair value hierarchy. As previously discussed, the Company utilizes third party pricing services for the valuation of the majority of its fixed maturities and equity securities. The pricing services have indicated that they will only produce an estimate of fair value if there is objectively verifiable information to produce a valuation. If a pricing service discontinues pricing an investment, the Company will use observable market data to the extent it is available, but may also be required to make assumptions for market-based inputs that are unavailable due to market conditions.

The following tables provide, for each hierarchy level, the Company's investment assets that were measured at fair value on a recurring basis.

	June 30, 2024			
(in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturities:				
U.S. Treasury and government agencies	**$ 472.1**	**$ 337.4**	**$ 134.7**	**$ —**
Foreign governments	**1.7**	**—**	**1.7**	**—**
Municipals	**1,047.6**	**—**	**1,039.7**	**7.9**
Corporates	**3,718.1**	**—**	**3,718.1**	**—**
Residential mortgage-backed, U.S. agency backed	**1,376.1**	**—**	**1,376.1**	**—**
Residential mortgage-backed, non-agency	**218.1**	**—**	**218.1**	**—**
Commercial mortgage-backed	**629.8**	**—**	**623.1**	**6.7**
Other asset-backed	**595.6**	**—**	**595.6**	**—**
Total fixed maturities	**8,059.1**	**337.4**	**7,707.1**	**14.6**
Equity securities	**138.5**	**130.8**	**—**	**7.7**
Other investments	**3.8**	**—**	**—**	**3.8**
Total investment assets at fair value	**$ 8,201.4**	**$ 468.2**	**$ 7,707.1**	**$ 26.1**

	December 31, 2023			
(in millions)	Total	Level 1	Level 2	Level 3
Fixed maturities:				
U.S. Treasury and government agencies	$ 462.6	$ 324.3	$ 138.3	$ —
Foreign governments	2.2	—	2.2	—
Municipals	1,185.2	—	1,176.6	8.6
Corporates	3,849.7	—	3,849.6	0.1
Residential mortgage-backed, U.S. agency backed	1,168.7	—	1,168.7	—
Residential mortgage-backed, non-agency	142.2	—	142.2	—
Commercial mortgage-backed	818.2	—	811.2	7.0
Other asset-backed	356.5	—	356.5	—
Total fixed maturities	7,985.3	324.3	7,645.3	15.7
Equity securities	130.9	123.3	—	7.6
Other investments	3.8	—	—	3.8
Total investment assets at fair value	$ 8,120.0	$ 447.6	$ 7,645.3	$ 27.1

Limited partnerships measured at fair value using the NAV based on an ownership interest in partners' capital have not been included in the hierarchy tables. At June 30, 2024 and December 31, 2023, the fair values of these investments were $106.3 million and $114.6 million, respectively, less than 2% of total investment assets.

The following tables provide, for each hierarchy level, the Company's estimated fair values of financial instruments that were not carried at fair value:

(in millions)	June 30, 2024 Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 337.6	$ 337.6	$ —	$ —
Other investments	366.8	—	6.1	360.7
Total financial instruments	$ 704.4	$ 337.6	$ 6.1	$ 360.7
Liabilities:				
Debt	$ 735.4	$ —	$ 735.4	$ —

(in millions)	December 31, 2023 Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 316.1	$ 316.1	$ —	$ —
Other investments	393.5	—	6.1	387.4
Total financial instruments	$ 709.6	$ 316.1	$ 6.1	$ 387.4
Liabilities:				
Debt	$ 727.5	$ —	$ 727.5	$ —

The following tables provide a reconciliation for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

	Fixed Maturities					
(in millions)	Municipals	Corporates	Commercial mortgage-backed	Total	Equities and Other	Total Assets
Three Months Ended June 30, 2024						
Balance April 1, 2024	$ 8.2	$ —	$ 6.8	$ 15.0	$ 11.4	$ 26.4
Total gains:						
Included in net realized and unrealized investment gains (losses)	—	—	—	—	0.1	0.1
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	—	—	0.1	0.1	—	0.1
Settlements	(0.3)	—	(0.2)	(0.5)	—	(0.5)
Balance June 30, 2024	$ 7.9	$ —	$ 6.7	$ 14.6	$ 11.5	$ 26.1
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	$ —	$ —	$ 0.1	$ 0.1	$ —	$ 0.1
Three Months Ended June 30, 2023						
Balance April 1, 2023	$ 9.1	$ 0.1	$ 7.5	$ 16.7	$ 11.1	$ 27.8
Total gains (losses):						
Included in net realized and unrealized investment gains (losses)	—	—	—	—	0.1	0.1
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	—	—	(0.2)	(0.2)	—	(0.2)
Settlements	(0.3)	—	(0.1)	(0.4)	—	(0.4)
Balance June 30, 2023	$ 8.8	$ 0.1	$ 7.2	$ 16.1	$ 11.2	$ 27.3
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	$ —	$ —	$ (0.2)	$ (0.2)	$ —	$ (0.2)

(in millions)	Fixed Maturities: Municipals	Fixed Maturities: Corporates	Fixed Maturities: Commercial mortgage-backed	Fixed Maturities: Total	Equities and Other	Total Assets
Six Months Ended June 30, 2024						
Balance January 1, 2024	**$ 8.6**	**$ 0.1**	**$ 7.0**	**$ 15.7**	**$ 11.4**	**$ 27.1**
Transfers out of Level 3	**—**	**(0.1)**	**—**	**(0.1)**	**—**	**(0.1)**
Total gains (losses):						
Included in net realized and unrealized investment gains (losses)	**—**	**—**	**—**	**—**	**0.1**	**0.1**
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	**(0.1)**	**—**	**—**	**(0.1)**	**—**	**(0.1)**
Settlements	**(0.6)**	**—**	**(0.3)**	**(0.9)**	**—**	**(0.9)**
Balance June 30, 2024	**$ 7.9**	**$ —**	**$ 6.7**	**$ 14.6**	**$ 11.5**	**$ 26.1**
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	**$ (0.1)**	**$ —**	**$ —**	**$ (0.1)**	**$ —**	**$ (0.1)**
Six Months Ended June 30, 2023						
Balance January 1, 2023	$ 9.3	$ 0.1	$ 7.5	$ 16.9	$ 11.1	$ 28.0
Total gains:						
Included in net realized and unrealized investment gains (losses)	—	—	—	—	0.1	0.1
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	0.1	—	—	0.1	—	0.1
Settlements	(0.6)	—	(0.3)	(0.9)	—	(0.9)
Balance June 30, 2023	$ 8.8	$ 0.1	$ 7.2	$ 16.1	$ 11.2	$ 27.3
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	$ 0.1	$ —	$ —	$ 0.1	$ —	$ 0.1

There were no transfers between Level 2 and Level 3 for the three months ended June, 30, 2024 and 2023. During the six months ended June 30, 2024, a fixed maturity security was transferred from Level 3 to Level 2 because it was valued by a pricing service with observable inputs rather than being valued by the Company's internal matrix model. There were no transfers between Level 2 and Level 3 for the six months ended June, 30, 2023. The Company held no Level 3 liabilities for the six months ended June 30, 2024 and 2023.

The following table provides quantitative information about the significant unobservable inputs used by the Company in the fair value measurements of Level 3 assets.

(in millions)	Valuation Technique	Significant Unobservable Inputs	June 30, 2024: Fair Value	June 30, 2024: Range (Wtd Average)	December 31, 2023: Fair Value	December 31, 2023: Range (Wtd Average)
Fixed maturities:						
Municipals	Discounted cash flow	Discount for:	**$ 7.9**		$ 8.6	
		Small issue size		**6.1 - 6.8% (6.7%)**		6.1 - 6.8% (6.7%)
Corporates	Discounted cash flow	Discount for:			0.1	
		Small issue size	**—**	**—**		2.5% (2.5%)
		Above-market coupon				0.3% (0.3%)
Commercial mortgage-backed	Discounted cash flow	Discount for:	**6.7**		7.0	
		Small issue size		**3.0 - 3.1% (3.0%)**		3.0 - 3.1% (3.0%)
		Above-market coupon		**0.5% (0.5%)**		0.5% (0.5%)
		Lease structure		**0.3% (0.3%)**		0.3% (0.3%)
Equity securities	Market comparables	Net tangible asset	**1.3**	**N/A**	1.2	N/A
	Internal price based on financing round	Discount for:	**6.4**		6.4	
		Market liquidity		**27.0% (27.0%)**		27.0% (27.0%)
Other	Discounted cash flow	Discount rate	**3.8**	**16.8% (16.8%)**	3.8	16.8% (16.8%)

The weighted average of the unobservable inputs was weighted by the relative fair value of the securities to which the inputs were applied. Each unobservable input is based on the Company's subjective opinion and therefore inherently contains a degree of uncertainty. Where discounted cash flows were used in the valuation of fixed maturities, the internally-developed discount rate was adjusted by the significant unobservable inputs shown in the table. Increases (decreases) in any of these inputs in isolation would result in a lower (higher) fair value measurement. Increases (decreases) in unobservable inputs used in the valuation of equity securities would result in a higher (lower) fair value measurement. There were no interrelationships between these inputs which might magnify or mitigate the effect of changes in unobservable inputs on the fair value measurement.

5. Income Taxes

Income tax expense (benefit) for the six months ended June 30, 2024 and 2023 has been computed using estimated annual effective tax rates. These rates are revised, if necessary, at the end of each successive interim period to reflect current estimates of the annual effective tax rates.

The tax provision was comprised of a U.S. federal income tax expense of $40.7 million and a benefit of $26.2 million for the six months ended June 30, 2024 and 2023, respectively.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions, and have previously filed in foreign jurisdictions. The Company and its subsidiaries are subject to U.S. federal and state income tax examinations and foreign examinations for years after 2019.

6. Pension Plans

The components of net periodic pension cost for the defined benefit pension plans included in the Company's results of operations are as follows:

	Three Months Ended June 30,	
	2024	**2023**
(in millions)	**Pension Plans**	
Interest cost	**$ 5.1**	$ 5.4
Expected return on plan assets	**(5.0)**	(5.5)
Recognized net actuarial loss	**1.6**	2.0
Net periodic pension cost	**$ 1.7**	$ 1.9

	Six Months Ended June 30,	
	2024	**2023**
(in millions)	**Pension Plans**	
Interest cost	**$ 10.2**	$ 10.9
Expected return on plan assets	**(10.1)**	(11.0)
Recognized net actuarial loss	**3.3**	3.9
Net periodic pension cost	**$ 3.4**	$ 3.8

7. Other Comprehensive Income (Loss)

The following tables provide changes in other comprehensive income (loss).

	Three Months Ended June 30,					
	2024			2023		
(in millions)	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax
Changes in net unrealized gains (losses) on investment securities:						
Net unrealized losses arising during period for those having no credit losses in Consolidated Statement of Income (Loss)	**$ (27.2)**	**$ 5.7**	**$ (21.5)**	$ (84.2)	$ 17.7	$ (66.5)
Net unrealized gains arising during period for those having credit losses in Consolidated Statement of Income (Loss)	**2.9**	**(0.6)**	**2.3**	0.2	(0.1)	0.1
Amount of (gains) losses realized from sales and other recognized in Consolidated Statement of Income (Loss)	**30.6**	**(6.6)**	**24.0**	(0.1)	—	(0.1)
Amount of credit-related impairments (recoveries) recognized in the Consolidated Statement of Income (Loss)	**(0.1)**	**—**	**(0.1)**	0.4	(0.1)	0.3
Amount of additional impairment losses recognized in the Consolidated Statement of Income (Loss)	**1.7**	**(0.4)**	**1.3**	—	—	—
Net unrealized gains (losses)	**7.9**	**(1.9)**	**6.0**	(83.7)	17.5	(66.2)
Pension and postretirement benefits:						
Amortization of net actuarial losses recognized as net periodic benefit cost	**1.7**	**(0.4)**	**1.3**	2.0	(0.4)	1.6
Long-duration insurance contracts:						
Net change in market risk	**1.0**	**(0.2)**	**0.8**	1.8	(0.4)	1.4
Other comprehensive income (loss)	**$ 10.6**	**$ (2.5)**	**$ 8.1**	$ (79.9)	$ 16.7	$ (63.2)

	Six Months Ended June 30,					
	2024			2023		
(in millions)	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax
Changes in net unrealized gains (losses) on investment securities:						
Net unrealized gains (losses) arising during period for those having no credit losses in Consolidated Statement of Income (Loss)	**$ (71.1)**	**$ 14.9**	**$ (56.2)**	$ 23.5	$ (4.9)	$ 18.6
Net unrealized gains arising during period for those having credit losses in Consolidated Statement of Income (Loss)	**3.0**	**(0.7)**	**2.3**	1.0	(0.2)	0.8
Amount of losses realized from sales and other recognized in Consolidated Statement of Income (Loss)	**32.1**	**(7.3)**	**24.8**	1.0	(1.0)	—
Amount of credit-related impairments (recoveries) recognized in the Consolidated Statement of Income (Loss)	**(0.4)**	**0.1**	**(0.3)**	0.8	(0.2)	0.6
Amount of additional impairment losses recognized in the Consolidated Statement of Income (Loss)	**1.7**	**(0.4)**	**1.3**	10.3	(2.2)	8.1
Net unrealized gains (losses)	**(34.7)**	**6.6**	**(28.1)**	36.6	(8.5)	28.1
Pension and postretirement benefits:						
Amortization of net actuarial losses recognized as net periodic benefit cost	**3.4**	**(0.7)**	**2.7**	4.0	(0.8)	3.2
Long-duration insurance contracts:						
Net change in market risk	**2.3**	**(0.5)**	**1.8**	(0.9)	0.2	(0.7)
Other comprehensive income (loss)	**$ (29.0)**	**$ 5.4**	**$ (23.6)**	$ 39.7	$ (9.1)	$ 30.6

Reclassifications out of accumulated other comprehensive loss were as follows:

(in millions) Details about Accumulated Other Comprehensive Loss Components	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Affected Line Item in the Statement Where Net Income (Loss) is Presented
	Amount Reclassified from Accumulated Other Comprehensive Loss				
Net unrealized gains (losses) on investment securities	**$ (30.4)**	$ 0.1	**$ (31.9)**	$ (1.0)	Net realized gains (losses) from sales and other
	(1.6)	(0.4)	**(1.3)**	(11.1)	Impairments on investments
	(32.0)	(0.3)	**(33.2)**	(12.1)	Total before tax
	7.0	0.1	**7.6**	3.4	Income tax (expense) benefit
	(25.0)	(0.2)	**(25.6)**	(8.7)	Continuing operations; net of tax
	(0.2)	—	**(0.2)**	—	Income from discontinued life businesses
	(25.2)	(0.2)	**(25.8)**	(8.7)	Net of tax
Amortization of defined benefit pension and postretirement actuarial losses	**(1.7)**	(2.0)	**(3.4)**	(4.0)	Loss adjustment expenses and other operating expenses (1)
	0.4	0.4	**0.7**	0.8	Income tax (expense) benefit
	(1.3)	(1.6)	**(2.7)**	(3.2)	Continuing operations; net of tax
Net change in market risk	**0.2**	—	**0.5**	—	Income from discontinued life businesses
	—	—	**(0.1)**	—	Income tax (expense) benefit
	0.2	—	**0.4**	—	Discontinued operations; net of tax
Total reclassifications for the period	**$ (26.3)**	$ (1.8)	**$ (28.1)**	$ (11.9)	Benefit (expense) reflected in income (loss), net of tax

(1) The amount reclassified from accumulated other comprehensive loss for the pension and postretirement benefits was allocated approximately 40% to loss adjustment expenses and 60% to other operating expenses for the six months ended June 30, 2024 and 2023.

8. Segment Information

The Company’s primary business operations include insurance products and services provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers’ compensation, and other commercial coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Professional and Executive Lines, Specialty Property and Casualty (“Specialty P&C”), Marine, and Surety and Other. Specialty P&C includes coverages such as program business, which provides commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses, specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages. Included in the Other segment is Opus Investment Management, Inc. (“Opus”), which provided investment management services to THG, as well as institutions, pension funds, and other organizations. During the second quarter of 2024, the Company exited substantially all of Opus’ business operations serving unaffiliated entities. Investment management services provided by Opus to THG related to its investment-grade fixed maturities portfolio were also transferred to an external manager. The Other segment also includes earnings on holding company assets; holding company and other expenses, including certain costs associated with retirement benefits due to the Company’s former life insurance employees and agents; run-off voluntary assumed property and casualty pools and run-off direct asbestos and environmental, and product liability businesses. The separate financial information is presented consistent with the way results are regularly evaluated by the CODM in deciding how to allocate resources and in assessing performance.

The Company reports interest expense related to debt separately from the earnings of its reporting segments. This consists primarily of interest on the Company’s senior and subordinated debentures.

Management evaluates the results of its segments based on operating income (loss) before income taxes, excluding interest expense on debt. Operating income (loss) before income taxes excludes certain items which are included in net income (loss), such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income (loss) before income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income (loss) before interest expense and income taxes may be important components in understanding and assessing the Company's overall financial performance, management believes that the presentation of operating income (loss) before interest expense and income taxes enhances an investor's understanding of the Company's results of operations by highlighting net income (loss) attributable to the core operations of the business. However, operating income (loss) before income taxes should not be construed as a substitute for income (loss) before income taxes or income (loss) from continuing operations and operating income (loss) should not be construed as a substitute for net income (loss).

Summarized below is financial information with respect to the Company's reporting segments.

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating revenues:				
Core Commercial	**$ 580.0**	$ 556.4	**$ 1,151.0**	$ 1,101.1
Specialty	**352.8**	340.2	**695.3**	670.7
Personal Lines	**635.2**	606.8	**1,263.6**	1,194.6
Other	**3.2**	3.7	**6.9**	7.4
Total	**1,571.2**	1,507.1	**3,116.8**	2,973.8
Net realized and unrealized investment losses	**(34.5)**	(2.7)	**(29.0)**	(25.7)
Total revenues	**$ 1,536.7**	$ 1,504.4	**$ 3,087.8**	$ 2,948.1
Operating income (loss) before interest expense and income taxes:				
Core Commercial:				
Underwriting income (loss)	**$ 42.8**	$ 20.5	**$ 73.7**	$ (4.3)
Net investment income	**41.4**	39.7	**82.2**	75.8
Other expense	**(1.0)**	(0.1)	**(1.2)**	(0.2)
Core Commercial operating income	**83.2**	60.1	**154.7**	71.3
Specialty:				
Underwriting income	**22.0**	36.1	**60.9**	66.8
Net investment income	**20.5**	18.6	**40.8**	35.6
Other income (expense)	**0.1**	(0.3)	**(0.3)**	0.3
Specialty operating income	**42.6**	54.4	**101.4**	102.7
Personal Lines:				
Underwriting loss	**(58.6)**	(222.9)	**(67.7)**	(295.1)
Net investment income	**26.0**	26.4	**51.6**	49.0
Other income	**2.2**	2.4	**4.6**	5.4
Personal Lines operating loss	**(30.4)**	(194.1)	**(11.5)**	(240.7)
Other:				
Underwriting income	**—**	—	**—**	—
Net investment income	**2.5**	2.9	**5.5**	5.9
Other expense	**(2.5)**	(2.7)	**(5.0)**	(5.4)
Other operating income	**—**	0.2	**0.5**	0.5
Operating income (loss) before interest expense and income taxes	**95.4**	(79.4)	**245.1**	(66.2)
Interest on debt	**(8.6)**	(8.6)	**(17.1)**	(17.1)
Operating income (loss) before income taxes	**86.8**	(88.0)	**228.0**	(83.3)
Non-operating items:				
Net realized and unrealized investment losses	**(34.5)**	(2.7)	**(29.0)**	(25.7)
Other non-operating	**(1.0)**	—	**(2.4)**	0.8
Income (loss) from continuing operations before income taxes	**$ 51.3**	$ (90.7)	**$ 196.6**	$ (108.2)

The following table provides identifiable assets for the Company's segments and discontinued operations:

(in millions)	June 30, 2024	December 31, 2023
Property and Casualty	**$ 14,787.9**	$ 14,526.0
Assets of discontinued businesses	**84.3**	86.6
Total	**$ 14,872.2**	$ 14,612.6

The Company reviews the assets of its insurance subsidiaries collectively and does not allocate them among the Core Commercial, Specialty, Personal Lines and Other segments.

9. Stock-based Compensation

As of June 30, 2024, there were 2,349,535 and 1,229,903 shares available for grant under The Hanover Insurance Group 2022 Long-Term Incentive Plan and 2023 Employee Stock Purchase plan, respectively.

Compensation cost for the Company's stock-based awards and the related tax benefits were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Stock-based compensation expense	**$ 8.1**	$ 8.2	**$ 14.8**	$ 15.3
Tax benefit	**(1.7)**	(1.7)	**(3.1)**	(3.2)
Stock-based compensation expense, net of taxes	**$ 6.4**	$ 6.5	**$ 11.7**	$ 12.1

Stock Options

Information on the Company's stock option activity for the six months ended June 30, 2024 and 2023 is summarized below.

	Six Months Ended June 30,			
	2024		2023	
(in whole shares and dollars)	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	**1,137,042**	**$ 111.57**	1,080,852	$ 107.07
Granted	**150,731**	**134.26**	135,019	140.01
Exercised	**(83,055)**	**85.62**	(38,680)	93.71
Forfeited or cancelled	**(2,642)**	**134.99**	(9,579)	130.96
Outstanding, end of period	**1,202,076**	**116.16**	1,167,612	111.12

Restricted Stock Units

The Company currently issues time-based, market-based and performance-based restricted stock units to eligible employees, all of which generally vest after three years of continued employment.

The following table summarizes activity information about employee restricted stock units:

	Six Months Ended June 30,			
	2024		2023	
(in whole shares and dollars)	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Time-based restricted stock units:				
Outstanding, beginning of period	**376,626**	**$ 132.04**	378,256	$ 124.88
Granted	**157,137**	**133.28**	148,918	138.44
Vested	**(121,806)**	**116.09**	(129,811)	118.18
Forfeited	**(15,820)**	**135.10**	(10,495)	129.21
Outstanding, end of period	**396,137**	**137.31**	386,868	132.23
Performance-based and market-based restricted stock units:				
Outstanding, beginning of period	**120,504**	**$ 132.76**	119,163	$ 122.81
Granted	**53,336**	**132.27**	50,115	137.90
Vested	**(41,290)**	**112.36**	(44,781)	114.14
Forfeited	**(6,339)**	**108.06**	(3,919)	109.14
Outstanding, end of period	**126,211**	**140.47**	120,578	132.75

In the first six months of 2024 and 2023, the Company granted market-based awards totaling 25,414 shares and 21,789 shares, respectively, to certain members of senior management, which are included in the table above as performance and market-based restricted stock activity. The vesting of these stock units is based on the relative total shareholder return ("TSR") of the Company. This metric is generally based on relative TSR for a three-year period as compared to a pre-selected group of property and casualty companies. The fair value of market-based awards was estimated at the date of grant using a valuation model. These units have the potential to range from 0% to 150% of the shares disclosed. Included in the amount forfeited above in 2024 and 2023 are 6,339 shares and 2,836 shares, respectively, related to market-based awards that achieved a payout below 100%. These awards were forfeited in the first quarter of 2024 and 2023, respectively.

The Company also granted performance-based restricted stock units in 2024 and 2023, totaling 27,922 shares and 28,326 shares, respectively, which are based upon the Company's achievement of return on equity objectives. These units have the potential to range from 0% to 150% of the shares disclosed. Increases above the 100% target level are reflected as granted in the period after which performance-based stock unit goals are achieved. Decreases below the 100% target level are reflected as forfeited. Included in the amounts granted above in 2024 and 2023 are 2,615 shares and 5,961 shares, respectively, related to performance-based awards that achieved a payout in excess of 100%. These awards vested in the first quarter of 2024 and 2023, respectively.

10. Earnings Per Share and Shareholders' Equity Transactions

The following table provides weighted average share information used in the calculation of the Company's basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share data)	**2024**	**2023**	**2024**	**2023**
Basic shares used in the calculation of earnings per share	**36.0**	35.7	**35.9**	35.7
Dilutive effect of securities:				
Employee stock options	**0.1**	—	**0.2**	**—**
Non-vested stock grants	**0.2**	—	**0.2**	—
Diluted shares used in the calculation of earnings per share	**36.3**	35.7	**36.3**	35.7
Per share effect of dilutive securities on income (loss) from continuing operations	**$ (0.01)**	$ —	**$ (0.04)**	$ —
Per share effect of dilutive securities on net income (loss)	**$ (0.01)**	$ —	**$ (0.05)**	$ —

Diluted earnings per share for both the three and six months ended June 30, 2024 excludes 0.4 million shares of common stock issuable under the Company's stock compensation plans, because their effect would be antidilutive. Diluted earnings per share for the three and six months ended June 30, 2023 excludes 0.9 million and 0.8 million, respectively, shares of common stock issuable under the Company's stock compensation plans, because their effect would be antidilutive.

The Board of Directors authorized a stock repurchase program which provides for aggregate repurchases of the Company's common stock of up to $1.3 billion. Under this program, the Company had approximately $330 million available at June 30, 2024. Under the repurchase authorization, the Company may repurchase, from time to time, common stock in amounts, at prices and at such times as the Company deems appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs or other transactions. The Company is not required to purchase any specific number of shares or to make purchases by any certain date under this program.

11. Liabilities for Outstanding Claims, Losses and Loss Adjustment Expenses

Reserve Rollforward and Prior Year Development

The Company regularly updates its reserve estimates as new information becomes available and further events occur which may impact the resolution of unsettled claims. Reserve adjustments are reflected in results of operations as adjustments to losses and loss adjustment expenses ("LAE"). Often these adjustments are recognized in periods subsequent to the period in which the underlying policy was written and loss event occurred. These types of subsequent adjustments are described as loss and LAE "development." Such development can be either favorable or unfavorable to the Company's financial results and may vary by line of business. In this section, all amounts presented include catastrophe losses and LAE, unless otherwise indicated.

The table below provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

	Six Months Ended June 30,	
(in millions)	**2024**	**2023**
Gross reserve for losses and LAE, beginning of period	**$ 7,308.1**	$ 7,012.6
Reinsurance recoverable on unpaid losses	**1,795.0**	1,748.6
Net reserve for losses and LAE, beginning of period	**5,513.1**	5,264.0
Net incurred losses and LAE in respect of losses occurring in:		
Current year	**1,997.6**	2,162.0
Prior years	**(54.8)**	(4.7)
Total incurred losses and LAE	**1,942.8**	2,157.3
Net payments of losses and LAE in respect of losses occurring in:		
Current year	**686.1**	727.8
Prior years	**1,112.4**	1,151.3
Total payments	**1,798.5**	1,879.1
Net reserve for losses and LAE, end of period	**5,657.4**	5,542.2
Reinsurance recoverable on unpaid losses	**1,805.7**	1,771.1
Gross reserve for losses and LAE, end of period	**$ 7,463.1**	$ 7,313.3

As a result of continuing trends in the Company's business, reserves, including catastrophes, have been re-estimated for all prior accident years and were decreased by $54.8 million and $4.7 million in 2024 and 2023, respectively.

2024

For the six months ended June 30, 2024, net favorable loss and LAE development was $54.8 million, primarily as a result of net favorable development of $29.6 million in Core Commercial, $21.1 million in Specialty and $4.1 million in Personal Lines. The favorable development in Core Commercial was primarily due to favorable catastrophe development of $18.3 million, primarily due to lower than expected losses related to events from accident years 2021 through 2023, including several convective storms across multiple states, Winter Storm Elliot, hurricane Ian, and hurricane Ida. Additionally, and to a lesser extent, Core Commercial favorable development resulted from lower than expected non-catastrophe losses in each of the main lines of business: commercial multiple peril, commercial automobile, workers' compensation and other commercial lines. Lower than expected property losses of $23.3 million were partially offset by higher than expected losses in certain liability lines of $12.0 million. The favorable development in Specialty was primarily due to lower than expected non-catastrophe losses in the Professional and Executive Lines division general liability-claims made coverage, lower than expected catastrophe losses in the marine line from several 2021 and 2022 storms, and lower than expected catastrophe and non-catastrophe losses in the Specialty P&C division. Personal Lines net favorable development was primarily due to lower than expected non-catastrophe losses of $13.3 million in the personal automobile line within physical damage coverage. This was partially offset by higher than expected losses of $10.1 million in other personal lines within the standalone umbrella coverage.

2023

For the six months ended June 30, 2023, net favorable loss and LAE development was $4.7 million, primarily as a result of favorable development of $38.1 million in Specialty and net favorable development of $1.5 million in Core Commercial, partially offset by unfavorable development of $34.9 million in Personal Lines. The favorable development in Specialty was primarily due to lower than expected losses of $22.2 million in the Professional and Executive Lines division, primarily in accident years 2019 through 2022 and, to a lesser extent, lower than expected losses in the surety, marine, and Specialty P&C divisions. The net favorable development in Core Commercial was primarily due to lower than expected losses of $12.9 million, within the commercial multiple peril line primarily in accident year 2022 due to Winter Storm Elliott, and lower than expected losses of $12.0 million within the workers' compensation line primarily in accident years 2014 through 2022. The favorable development in Core Commercial was partially offset by higher than expected losses of $10.5 million in the commercial automobile line, primarily bodily injury and personal injury protection in accident years 2014 through 2020, and physical damage in accident year 2022 and, to a lesser extent, higher than expected losses in monoline property and general liability coverages. The unfavorable development in Personal Lines was primarily due to higher than expected losses of $18.4 million in the homeowners line, primarily in accident year 2022 due to Winter Storm Elliott, and higher than expected losses of $12.4 million within the personal automobile line. The higher than expected losses in the personal automobile line were primarily within bodily injury and property damage coverages in accident years 2021 and 2022, partially offset by lower than expected losses within personal injury protection coverages in accident years 2020 through 2022.

12. Commitments and Contingencies

Legal Proceedings

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such action or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on the Company's financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

Residual Markets

The Company is required to participate in residual markets in various states, which generally pertain to high risk insureds, disrupted markets or lines of business or geographic areas where rates are regarded as excessive. The results of the residual markets are not subject to the predictability associated with the Company's own managed business, and are significant to both the personal and commercial automobile lines of business.

13. Subsequent Events

There were no subsequent events requiring adjustment to the financial statements and no additional disclosure required in the notes to the consolidated financial statements.

PART I
ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

TABLE OF CONTENTS

Introduction

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist readers in understanding the interim consolidated results of operations and financial condition of The Hanover Insurance Group, Inc. and its subsidiaries ("THG"). Consolidated results of operations and financial condition are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). This discussion should be read in conjunction with the interim consolidated financial statements and related footnotes included elsewhere in this Quarterly Report on Form 10-Q and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 22, 2024.

Results of operations include the accounts of The Hanover Insurance Company ("Hanover Insurance") and Citizens Insurance Company of America ("Citizens"), our principal property and casualty companies, and certain other insurance and non-insurance subsidiaries.

The following discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this discussion and analysis, words such as: "believes," "anticipates," "expects," "projections," "outlook," "should," "could," "plan," "guidance," "likely," "on track to," "potential," "continue," "targeted," and similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We caution readers that accuracy with respect to forward-looking projections is difficult and subject to risks and uncertainties. Those risks and uncertainties, in some cases, have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from historical results and from those expressed in any of our forward-looking statements. For important factors that could cause actual results to differ materially from those contained in forward-looking statements, see "Risk Factors" in Part II – Item 1A of this Quarterly Report on Form 10-Q and in Part I – Item 1A of our 2023 Annual Report on Form 10-K.

Executive Overview

Business operations consist of four reporting segments: Core Commercial, Specialty, Personal Lines and Other.

Our strategy, which focuses on the independent agency distribution channel, supports THG's commitment to our select independent agents. It is designed to generate profitable growth by leveraging the strengths of our distribution approach, including expansion of our agency footprint in underpenetrated geographies, as warranted. As part of that strategy, we have increased our capabilities in specialty markets and made investments designed to develop growth solutions for our agency distribution channel that meet the needs of our customers. Our goal is to grow responsibly in all of our businesses, while managing volatility.

During the six months ended June 30, 2024, our net income was $156.0 million, compared to a net loss of $81.2 million for the six months ended June 30, 2023, an improvement of $237.2 million. This favorable change was primarily due to higher after-tax operating income.

Operating income before interest expense and income taxes (a non-GAAP financial measure; see also "Results of Operations – Consolidated – Non-GAAP Financial Measures") was $245.1 million for the six months ended June 30, 2024, compared to a loss of $66.2 million for the six months ended June 30, 2023, an improvement of $311.3 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results, and, to a lesser extent, higher net favorable development on prior years' loss reserves and higher net investment income. The higher catastrophe losses in the first six months of 2023 were primarily due to several convective storms across multiple states, with hail damage representing the majority of reported losses, primarily impacting our Personal Lines business.

Pre-tax catastrophe losses were $244.0 million for the six months ended June 30, 2024, compared to $436.6 million during the same period of 2023, a decrease of $192.6 million. Net favorable development on prior years' loss reserves was $27.8 million for the six months ended June 30, 2024, compared to $4.7 million for the six months ended June 30, 2023, an increase of $23.1 million.

Core Commercial

Core Commercial includes two businesses, small commercial and middle market, both of which focus on account business, including coverage for commercial multiple peril, commercial automobile, workers' compensation and other (monoline general liability, ancillary professional, commercial umbrella, and monoline property). Small commercial focuses on small businesses, with annual policy premiums generally up to $50,000. Middle market provides coverage to mid-sized businesses with annual policy premiums generally between $50,000 and $500,000. Middle market offers coverage in distinct industry segments, including technology, manufacturing, human services, retail, real estate, and others. We believe that our account-focused approach to the small commercial market and distinctiveness in the middle market, including our diversified portfolio of products, delivers significant value to agents and policyholders. We continue to pursue our core strategy of developing strong relationships with retail agents, enhancing franchise value through selective distribution, distinctive products and coverages, and through continued investment in products for additional industry segmentation.

Net premiums written increased 4.2% in the first six months of 2024, compared to the same period in 2023, primarily driven by renewal price increases, partially offset by lower retention driven by underwriting actions. Underwriting results increased in the first six months of 2024, primarily due to lower catastrophe losses and higher net favorable development on prior years' loss reserves. The competitive nature of the Core Commercial market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business.

Specialty

Specialty offers a comprehensive suite of products focused predominately on small to mid-sized businesses. This includes numerous specialized product areas that are organized into four distinct divisions – Professional and Executive Lines, Specialty Property and Casualty ("Specialty P&C"), Marine, and Surety and Other. We believe that this diverse set of Specialty products, distributed primarily through retail agents, supplemented by select specialists, helps to enhance our overall agent value and increase growth opportunities by providing agents easier access to placement solutions for Specialty needs, including those that complement Core Commercial accounts.

Net premiums written increased 6.5% in the first six months of 2024, compared to the same period in 2023, primarily due to renewal price increases. Underwriting results decreased slightly in the first six months of 2024 compared to the same period in 2023, primarily due to less favorable development on prior years' loss reserves and higher expenses, partially offset by lower current accident year losses. The competitive nature of the Specialty market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business.

Personal Lines

Personal Lines focuses on working with high quality, value-oriented agencies that deliver consultative selling to customers and stress the importance of account rounding, which is the conversion of single policy customers to accounts with multiple policies and/or additional coverages, to address customers' broader needs and objectives. Approximately 88% of our policies in force ("PIF") have been issued to customers with multiple policies and/or coverages with us. We are focused on seeking profitable growth opportunities, building a distinctive position in the market in order to meet our customers' needs, and diversifying geographically. We continue to seek appropriate rate increases that meet or exceed underlying loss cost trends, subject to regulatory and competitive considerations.

Net premiums written increased 1.8% in the first six months of 2024, compared to the same period in 2023, primarily due to renewal price increases, partially offset by decreased new business and lower retention. Underwriting results improved in the first six months of 2024, compared to the same period in 2023, primarily due to lower catastrophe losses, improvements in current accident year underwriting results, and favorable development on prior years' loss reserves.

Description of Segments

Primary business operations include insurance products and services currently provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers' compensation, and other commercial lines coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Professional and Executive Lines, Specialty P&C, Marine, and Surety and Other. Specialty P&C includes coverages such as program business (providing commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses), specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages, such as umbrella. Included in the "Other" segment is Opus Investment Management, Inc. ("Opus"), which provided investment management services to THG, as well as institutions, pension funds, and other organizations. During the second quarter of 2024, we exited substantially all of Opus' business operations serving unaffiliated entities. Investment management services provided by Opus to THG related to its investment-grade fixed maturities portfolio were also transferred to an external manager. The Other segment also includes earnings on holding company assets; holding company and other expenses, including certain costs associated with retirement benefits due to our former life insurance employees and agents; and our run-off voluntary assumed property and casualty pools, run-off direct asbestos and environmental, and product liability businesses.

We report interest expense on debt separately from the earnings of our reporting segments. This consists primarily of interest on our senior and subordinated debentures.

Results of Operations – Consolidated

Consolidated net income for the three months ended June 30, 2024 was $40.5 million, compared to a net loss of $69.2 million for the three months ended June 30, 2023, an improvement of $109.7 million. The favorable change year-over-year reflects higher after-tax operating income of $136.4 million, partially offset by an increase in after-tax net realized and unrealized investment losses of $25.2 million, primarily related to net realized losses from sales of fixed maturity securities and, to a lesser extent, from impairment losses on investments. Operating income before interest expense and income taxes was $95.4 million for the three months ended June 30, 2024, compared to a loss of $79.4 million for the three months ended June 30, 2023, an improvement of $174.8 million. This increase was primarily due to lower catastrophe losses in our Personal Lines and Core Commercial segments, and from improvements in current accident year underwriting results and, to a lesser extent, higher net favorable development on prior years' loss reserves, primarily in our Personal Lines segment.

Consolidated net income for the six months ended June 30, 2024 was $156.0 million, compared to a net loss of $81.2 million for the six months ended June 30, 2023, an improvement of $237.2 million. The favorable change year-over-year reflects higher after-tax operating income, partially offset by an increase in after-tax net realized and unrealized investment losses of $3.2 million. Operating income before interest expense and income taxes was $245.1 million for the six months ended June 30, 2024, compared to a loss of $66.2 million for the six months ended June 30, 2023, an improvement of $311.3 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results and, to a lesser extent, higher net favorable development on prior years' loss reserves and higher net investment income.

The following table reflects operating income (loss) before interest expense and income taxes for each reporting segment and a reconciliation to consolidated net income (loss) from operating income (loss) before interest expense and income taxes (a non-GAAP measure).

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Operating income (loss) before interest expense and income taxes:				
Core Commercial	**$ 83.2**	$ 60.1	**$ 154.7**	$ 71.3
Specialty	**42.6**	54.4	**101.4**	102.7
Personal Lines	**(30.4)**	(194.1)	**(11.5)**	(240.7)
Other	**—**	0.2	**0.5**	0.5
Operating income (loss) before interest expense and income taxes	**95.4**	(79.4)	**245.1**	(66.2)
Interest expense on debt	**(8.6)**	(8.6)	**(17.1)**	(17.1)
Operating income (loss) before income taxes	**86.8**	(88.0)	**228.0**	(83.3)
Income tax benefit (expense) on operating income (loss)	**(18.7)**	19.7	**(48.0)**	19.6
Operating income (loss)	**68.1**	(68.3)	**180.0**	(63.7)
Non-operating items:				
Net realized and unrealized investment losses	**(34.5)**	(2.7)	**(29.0)**	(25.7)
Other non-operating	**(1.0)**	—	**(2.4)**	0.8
Income tax benefit on non-operating items	**7.8**	1.0	**7.3**	6.6
Income (loss) from continuing operations, net of taxes	**40.4**	(70.0)	**155.9**	(82.0)
Discontinued operations (net of taxes):				
Income from discontinued life businesses	**0.1**	—	**0.1**	—
Income from discontinued Chaucer business	**—**	0.8	**—**	0.8
Net income (loss)	**$ 40.5**	$ (69.2)	**$ 156.0**	$ (81.2)

Non-GAAP Financial Measures

In addition to consolidated net income (loss), discussed above, we assess our financial performance based upon pre-tax "operating income (loss)," and we assess the operating performance of each of our four reporting segments based upon the pre-tax operating income (loss) generated by each segment. As reflected in the table above, operating income (loss) before interest expense and income taxes excludes interest expense on debt and certain other items, which we believe are not indicative of our core operations, such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income (loss) before interest expense and income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income (loss) before interest expense and income taxes are important components in understanding and assessing our overall financial performance, we believe a discussion of operating income (loss) before interest expense and income taxes enhances an investor's understanding of our results of operations by highlighting net income (loss) attributable to the core operations of the business. However, operating income (loss) before interest expense and income taxes, which is a non-GAAP measure, should not be construed as a substitute for income (loss) before income taxes or income (loss) from continuing operations and operating income (loss) should not be construed as a substitute for net income (loss).

Catastrophe losses and prior years' reserve development are significant components in understanding and assessing the financial performance of our business. Management reviews and evaluates catastrophes and prior years' reserve development separately from the other components of earnings. References to "current accident year underwriting results" exclude prior accident year reserve development and may also be presented "excluding catastrophes." Prior years' reserve development and catastrophes are not predictable as to timing or the amount that will affect the results of our operations and have an effect on each year's operating income and net income (loss). Management believes that providing certain financial metrics and trends excluding the effects of catastrophes and prior years' reserve development helps investors to understand the variability in periodic earnings and to evaluate the underlying performance of our operations. Discussion of catastrophe losses in this Management's Discussion and Analysis includes development on prior years' catastrophe reserves and, unless otherwise indicated, such development is excluded from discussions of prior year loss and loss adjustment expenses ("LAE") reserve development.

Results of Operations – Segments

The following is our discussion and analysis of the results of operations by reporting segment. The operating results are presented before interest expense, income taxes and other items, which management believes are not indicative of our core operations, including realized gains and losses, as well as unrealized gains and losses on equity securities, and the results of discontinued operations.

The following table summarizes the results of operations for the periods indicated:

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating revenues				
Net premiums written	**$ 1,521.1**	$ 1,446.8	**$ 2,975.1**	$ 2,868.3
Net premiums earned	**$ 1,473.2**	$ 1,411.7	**$ 2,921.8**	$ 2,791.7
Net investment income	**90.4**	87.6	**180.1**	166.3
Other income	**7.6**	7.8	**14.9**	15.8
Total operating revenues	**1,571.2**	1,507.1	**3,116.8**	2,973.8
Losses and operating expenses				
Losses and LAE	**1,007.6**	1,139.9	**1,942.8**	2,157.3
Amortization of deferred acquisition costs	**303.5**	292.7	**602.5**	581.5
Other operating expenses	**164.7**	153.9	**326.4**	301.2
Total losses and operating expenses	**1,475.8**	1,586.5	**2,871.7**	3,040.0
Operating income (loss) before interest expense and income taxes	**$ 95.4**	$ (79.4)	**$ 245.1**	$ (66.2)

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Operating income before interest expense and income taxes was $95.4 million for the three months ended June 30, 2024, compared to a loss of $79.4 million for the three months ended June 30, 2023, an improvement of $174.8 million. This increase was primarily due to lower catastrophe losses in our Personal Lines and Core Commercial segments and improvements in both current accident year underwriting results and favorable development on prior years' loss reserves, primarily in our Personal Lines segment. The higher catastrophe losses in the second quarter of 2023 were primarily due to several convective storms across multiple states, with hail damage representing the majority of reported losses, primarily impacting our Personal Lines business.

Net premiums written increased $74.3 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The increase in net premiums written was primarily due to renewal price increases.

Premium Production and Underwriting Results

The following tables summarize premiums written on a gross and net basis, net premiums earned, and loss and LAE (including catastrophe losses), expense, and combined ratios for our Core Commercial, Specialty and Personal Lines segments. Loss and LAE, catastrophe loss and combined ratios shown below include prior year reserve development. These items are not meaningful for our Other segment.

	Three Months Ended June 30, 2024						
(dollars in millions)	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	**$ 587.0**	**$ 513.4**	**$ 537.4**	**3.1**	**58.4**	**33.4**	**91.8**
Specialty	**409.8**	**352.1**	**330.5**	**6.7**	**56.4**	**36.7**	**93.1**
Personal Lines	**682.5**	**655.6**	**605.3**	**19.6**	**83.8**	**25.3**	**109.1**
Total	**$ 1,679.3**	**$ 1,521.1**	**$ 1,473.2**	**10.7**	**68.4**	**30.8**	**99.2**

	Three Months Ended June 30, 2023						
(dollars in millions)	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	$ 553.8	$ 486.8	$ 515.6	6.5	62.8	33.0	95.8
Specialty	381.5	325.4	319.8	2.8	53.1	35.3	88.4
Personal Lines	654.6	634.6	576.3	38.0	112.1	25.9	138.0
Total	$ 1,589.9	$ 1,446.8	$ 1,411.7	18.5	80.7	30.6	111.3

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The following table summarizes U.S. GAAP underwriting results for our Core Commercial, Specialty, Personal Lines and Other segments and reconciles them to operating income (loss) before interest expense and income taxes.

	Three Months Ended June 30,									
	2024					2023				
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total	Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	**$ 57.1**	**$ 32.8**	**$ 56.0**	**$ —**	**$ 145.9**	$ 54.5	$ 33.5	$ 5.6	$ —	$ 93.6
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	**2.1**	**11.3**	**4.0**	**—**	**17.4**	(0.7)	11.7	(9.3)	—	1.7
Prior year favorable (unfavorable) catastrophe development	**14.5**	**5.5**	**—**	**—**	**20.0**	5.0	4.0	(9.0)	—	—
Current year catastrophe losses	**(30.9)**	**(27.6)**	**(118.6)**	**—**	**(177.1)**	(38.3)	(13.1)	(210.2)	—	(261.6)
Underwriting profit (loss)	**42.8**	**22.0**	**(58.6)**	**—**	**6.2**	20.5	36.1	(222.9)	—	(166.3)
Net investment income	**41.4**	**20.5**	**26.0**	**2.5**	**90.4**	39.7	18.6	26.4	2.9	87.6
Fees and other income	**1.2**	**1.8**	**3.9**	**0.7**	**7.6**	1.1	1.8	4.1	0.8	7.8
Other operating expenses	**(2.2)**	**(1.7)**	**(1.7)**	**(3.2)**	**(8.8)**	(1.2)	(2.1)	(1.7)	(3.5)	(8.5)
Operating income (loss) before interest expense and income taxes	**$ 83.2**	**$ 42.6**	**$ (30.4)**	**$ —**	**$ 95.4**	$ 60.1	$ 54.4	$ (194.1)	$ 0.2	$ (79.4)

Core Commercial

Core Commercial net premiums written were $513.4 million for the three months ended June 30, 2024, compared to $486.8 million for the three months ended June 30, 2023. This $26.6 million increase in net premiums written was primarily driven by renewal price increases.

Core Commercial underwriting profit for the three months ended June 30, 2024 was $42.8 million, compared to $20.5 million for the three months ended June 30, 2023, an improvement in underwriting results of $22.3 million. Catastrophe losses for the three months ended June 30, 2024 were $16.4 million, compared to $33.3 million for the three months ended June 30, 2023, a decrease of $16.9 million. Net favorable development on prior years' loss reserves for the three months ended June 30, 2024 was $2.1 million, compared to net unfavorable development of $0.7 million for the three months ended June 30, 2023, a favorable change of $2.8 million.

Core Commercial current accident year underwriting profit, excluding catastrophes, was $57.1 million for the three months ended June 30, 2024, compared to $54.5 million for the three months ended June 30, 2023. The $2.6 million increase in underwriting results was primarily driven by lower current accident year losses, relative to earned premiums, in multiple lines of business.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases is affected by many factors, including regulatory activity and the competitive pricing environment, particularly within the workers' compensation line.

Specialty

Specialty net premiums written were $352.1 million for the three months ended June 30, 2024, compared to $325.4 million for the three months ended June 30, 2023. The $26.7 million increase in net premiums written was primarily due to renewal price increases.

Specialty underwriting profit for the three months ended June 30, 2024 was $22.0 million, compared to $36.1 million for the three months ended June 30, 2023, a decrease of $14.1 million. Catastrophe losses for the three months ended June 30, 2024 were $22.1 million, compared to $9.1 million for the three months ended June 30, 2023, an increase of $13.0 million. Net favorable development on prior years' loss reserves for the three months ended June 30, 2024 was $11.3 million, compared to $11.7 million for the three months ended June 30, 2023, a decrease of $0.4 million.

Specialty current accident year underwriting profit, excluding catastrophes, was $32.8 million for the three months ended June 30, 2024, compared to $33.5 million for the three months ended June 30, 2023. The $0.7 million decrease in underwriting results was primarily due to higher investment in business growth and employee performance-based compensation expenses, partially offset by lower current accident year losses, relative to earned premiums.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases is affected by many factors, including regulatory activity and the competitive pricing environment.

Personal Lines

Personal Lines net premiums written were $655.6 million for the three months ended June 30, 2024, compared to $634.6 million for the three months ended June 30, 2023. The $21.0 million increase in net premiums written was primarily driven by renewal price increases, partially offset by decreased new business and lower retention.

Net premiums written in the personal automobile line of business were $382.8 million for the three months ended June 30, 2024, compared to $368.1 million for the three months ended June 30, 2023, an increase of $14.7 million. Personal automobile PIF decreased by 7.6% since June 30, 2023. Net premiums written in the homeowners and other lines of business for the three months ended June 30, 2024 were $272.8 million, compared to $266.5 million for the three months ended June 30, 2023, an increase of $6.3 million. Homeowners PIF decreased by 6.9% since June 30, 2023.

Personal Lines underwriting loss for the three months ended June 30, 2024 was $58.6 million, compared to $222.9 million for the three months ended June 30, 2023, an improvement in underwriting results of $164.3 million. Catastrophe losses for the three months ended June 30, 2024 were $118.6 million, compared to $219.2 million for the three months ended June 30, 2023, a decrease of $100.6 million. Net favorable development on prior years' loss reserves for the three months ended June 30, 2024 was $4.0 million, compared to unfavorable development of $9.3 million for the three months ended June 30, 2023, a favorable change of $13.3 million.

Personal Lines current accident year underwriting profit, excluding catastrophes, was $56.0 million for the three months ended June 30, 2024, compared to $5.6 million for the three months ended June 30, 2023. The $50.4 million increase in underwriting results was primarily due to lower current accident year losses, relative to earned premiums, in our personal automobile and homeowners lines.

We have been taking actions to improve financial results and reduce volatility within our Personal Lines segment. These actions include increasing pricing, changing certain policy terms and conditions, and being more selective on new business quoting, where permissible, around certain geographies, driver and vehicle history, and building and roof condition type. We were able to obtain pricing increases of approximately 19% in our homeowners line and 18% in our personal automobile line during the second quarter of 2024 and believe that our ability to obtain pricing increases will continue. Consistent with our expectations, PIF declined in the second quarter of 2024, driven by lower new business, as our new business pricing is at levels at or above our renewal price increases. We expect our sequential PIF counts to continue to shrink throughout the year. Additionally, our Personal Lines net premiums written may be affected by price competition and the regulatory environment. These factors, along with the aforementioned actions, may also affect our ability to maintain and improve underwriting results.

Other

Our Other segment operating income was de minimis for the three months ended June 30, 2024, compared to $0.2 million for the three months ended June 30, 2023, a decrease of $0.2 million.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Operating income before interest expense and income taxes was $245.1 million for the six months ended June 30, 2024, compared to a loss of $66.2 million for the six months ended June 30, 2023, an improvement of $311.3 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results and, to a lesser extent, higher net favorable development on prior years' loss reserves and higher net investment income. The higher catastrophe losses in the first six months of 2023 were primarily due to several convective storms across multiple states, with hail damage representing the majority of reported losses, primarily impacting our Personal Lines business.

Net premiums written increased $106.8 million for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. The increase in net premiums written was primarily due to renewal price increases.

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Premium Production and Underwriting Results

The following tables summarize premiums written on a gross and net basis, net premiums earned, and loss (including catastrophe losses) and LAE, expense, and combined ratios for the Core Commercial, Specialty, and Personal Lines segments. Loss and LAE, catastrophe loss, and combined ratios shown below include prior year reserve development. These items are not meaningful for our Other segment.

	Six Months Ended June 30, 2024						
(dollars in millions)	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	**$ 1,247.0**	**$ 1,095.8**	**$ 1,066.3**	**3.5**	**59.5**	**33.3**	**92.8**
Specialty	**818.2**	**691.9**	**651.4**	**4.5**	**53.6**	**36.8**	**90.4**
Personal Lines	**1,239.9**	**1,187.4**	**1,204.1**	**14.8**	**79.6**	**25.4**	**105.0**
Total	**$ 3,305.1**	**$ 2,975.1**	**$ 2,921.8**	**8.4**	**66.5**	**30.8**	**97.3**

	Six Months Ended June 30, 2023						
(dollars in millions)	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	$ 1,187.9	$ 1,052.1	$ 1,023.0	9.5	67.3	32.9	100.2
Specialty	774.0	649.7	631.5	4.8	53.9	35.3	89.2
Personal Lines	1,205.3	1,166.5	1,137.2	27.2	99.3	26.0	125.3
Total	$ 3,167.2	$ 2,868.3	$ 2,791.7	15.6	77.3	30.6	107.9

The following table summarizes U.S. GAAP underwriting results for the Core Commercial, Specialty, Personal Lines and Other segments and reconciles them to operating income (loss) before interest expense and income taxes.

	Six Months Ended June 30,									
	2024					2023				
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total	Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	**$ 99.5**	**$ 77.6**	**$ 106.0**	**$ —**	**$ 283.1**	$ 97.1	$ 67.6	$ 34.6	$ —	$ 199.3
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	**11.3**	**12.4**	**4.1**	**—**	**27.8**	(4.2)	29.8	(20.9)	—	4.7
Prior year favorable (unfavorable) catastrophe development	**18.3**	**8.7**	**—**	**—**	**27.0**	5.7	8.3	(14.0)	—	—
Current year catastrophe losses	**(55.4)**	**(37.8)**	**(177.8)**	**—**	**(271.0)**	(102.9)	(38.9)	(294.8)	—	(436.6)
Underwriting profit (loss)	**73.7**	**60.9**	**(67.7)**	**—**	**66.9**	(4.3)	66.8	(295.1)	—	(232.6)
Net investment income	**82.2**	**40.8**	**51.6**	**5.5**	**180.1**	75.8	35.6	49.0	5.9	166.3
Fees and other income	**2.5**	**3.1**	**7.9**	**1.4**	**14.9**	2.3	3.6	8.4	1.5	15.8
Other operating expenses	**(3.7)**	**(3.4)**	**(3.3)**	**(6.4)**	**(16.8)**	(2.5)	(3.3)	(3.0)	(6.9)	(15.7)
Operating income (loss) before interest expense and income taxes	**$ 154.7**	**$ 101.4**	**$ (11.5)**	**$ 0.5**	**$ 245.1**	$ 71.3	$ 102.7	$ (240.7)	$ 0.5	$ (66.2)

Core Commercial

Core Commercial net premiums written were $1,095.8 million for the six months ended June 30, 2024 compared to $1,052.1 million for the six months ended June 30, 2023. This $43.7 million increase in net premiums written was primarily driven by renewal price increases, partially offset by lower retention driven by underwriting actions.

Core Commercial underwriting profit for the six months ended June 30, 2024 was $73.7 million, compared to an underwriting loss of $4.3 million for the six months ended June 30, 2023, a favorable change of $78.0 million. Catastrophe losses for the six months ended June 30, 2024 were $37.1 million, compared to $97.2 million for the six months ended June 30, 2023. Net favorable development on prior years' loss reserves for the six months ended June 30, 2024 was $11.3 million, compared to unfavorable development of $4.2 million for the six months ended June 30, 2023, a favorable change of $15.5 million.

Core Commercial current accident year underwriting profit, excluding catastrophes, was $99.5 million for the six months ended June 30, 2024, compared to $97.1 million for the six months ended June 30, 2023. This $2.4 million increase was primarily due to earned premium growth.

Specialty

Specialty net premiums written were $691.9 million for the six months ended June 30, 2024, compared to $649.7 million for the six months ended June 30, 2023. This $42.2 million increase was primarily due to renewal price increases.

Specialty underwriting profit for the six months ended June 30, 2024 was $60.9 million, compared to $66.8 million for the six months ended June 30, 2023, a decrease of $5.9 million. Catastrophe losses for the six months ended June 30, 2024 were $29.1 million, compared to $30.6 million for the six months ended June 30, 2023. Net favorable development on prior years' loss reserves for the six months ended June 30, 2024 was $12.4 million, compared to $29.8 million for the six months ended June 30, 2023, a decrease of $17.4 million.

Specialty current accident year underwriting profit, excluding catastrophes, was $77.6 million for the six months ended June 30, 2024, compared to $67.6 million for the six months ended June 30, 2023. This $10.0 million increase was primarily due to lower current accident year losses, relative to earned premiums, in our Specialty Property & Casualty division, partially offset by higher investment in business growth and employee performance-based compensation expenses.

Personal Lines

Personal Lines net premiums written were $1,187.4 million for the six months ended June 30, 2024, compared to $1,166.5 million for the six months ended June 30, 2023. This $20.9 million increase was primarily driven by renewal price increases, partially offset by decreased new business and lower retention.

Personal Lines underwriting loss for the six months ended June 30, 2024 was $67.7 million, compared to $295.1 million for the six months ended June 30, 2023, an improvement in underwriting results of $227.4 million. Catastrophe losses for the six months ended June 30, 2024 were $177.8 million, compared to $308.8 million for the six months ended June 30, 2023, a decrease of $131.0 million. Favorable development on prior years' loss reserves for the six months ended June 30, 2024 was $4.1 million, compared to unfavorable development of $20.9 million for the six months ended June 30, 2023, a favorable change of $25.0 million.

Personal Lines current accident year underwriting profit, excluding catastrophes, was $106.0 million for the six months ended June 30, 2024, compared to $34.6 million for the six months ended June 30, 2023. This $71.4 million increase was primarily due to lower current accident year losses, relative to earned premiums, in our personal automobile and homeowners lines.

Other

Our Other segment had operating income of $0.5 million for both the six months ended June 30, 2024 and June 30, 2023.

Reserve for Losses and Loss Adjustment Expenses

The table below provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

(in millions)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Gross reserve for losses and LAE, beginning of period	**$ 7,308.1**	$ 7,012.6
Reinsurance recoverable on unpaid losses	**1,795.0**	1,748.6
Net reserve for losses and LAE, beginning of period	**5,513.1**	5,264.0
Net incurred losses and LAE in respect of losses occurring in:		
Current year	**1,997.6**	2,162.0
Prior year non-catastrophe loss development	**(27.8)**	(4.7)
Prior year catastrophe loss development	**(27.0)**	—
Total incurred losses and LAE	**1,942.8**	2,157.3
Net payments of losses and LAE in respect of losses occurring in:		
Current year	**686.1**	727.8
Prior years	**1,112.4**	1,151.3
Total payments	**1,798.5**	1,879.1
Net reserve for losses and LAE, end of period	**5,657.4**	5,542.2
Reinsurance recoverable on unpaid losses	**1,805.7**	1,771.1
Gross reserve for losses and LAE, end of period	**$ 7,463.1**	$ 7,313.3

The table below summarizes the gross reserve for losses and LAE by line of business and division.

(in millions)	June 30, 2024	December 31, 2023
Commercial multiple peril	**$ 1,583.2**	$ 1,565.7
Workers' compensation	**761.1**	738.3
Commercial automobile	**514.9**	501.5
Other core commercial	**697.0**	662.9
Total Core Commercial	**3,556.2**	3,468.4
Specialty Property & Casualty	**856.5**	869.9
Professional and Executive Lines	**566.2**	551.1
Marine	**151.6**	130.9
Surety and Other	**80.2**	73.6
Total Specialty	**1,654.5**	1,625.5
Personal automobile	**1,669.0**	1,681.6
Homeowners and Other	**520.1**	467.2
Total Personal Lines	**2,189.1**	2,148.8
Total Other	**63.3**	65.4
Total loss and LAE reserves	**$ 7,463.1**	$ 7,308.1

Loss and LAE reserves in our "Other core commercial" lines include monoline general liability, commercial umbrella, and monoline property. "Specialty Property & Casualty" includes program business, specialty industrial and commercial property, excess and surplus lines, and specialty general liability coverage. "Professional and Executive Lines" includes professional and management liability, fidelity and crime, and other property and liability lines for healthcare firms. Loss and LAE reserves in our "Total Other" segment relate to our run-off voluntary assumed property and casualty reinsurance pools business and our run-off direct asbestos and environmental, and product liability businesses.

The following table summarizes prior year (favorable) unfavorable development for the periods indicated:

	Six Months Ended June 30,					
	2024			2023		
(in millions)	Non-Catastrophe Losses	Catastrophe Losses	Total	Non-Catastrophe Losses	Catastrophe Losses	Total
Core Commercial	**$ (11.3)**	**$ (18.3)**	**$ (29.6)**	$ 4.2	$ (5.7)	$ (1.5)
Specialty	**(12.4)**	**(8.7)**	**(21.1)**	(29.8)	(8.3)	(38.1)
Personal Lines	**(4.1)**	**—**	**(4.1)**	20.9	14.0	34.9
Other	**—**	**—**	**—**	—	—	—
Total prior year favorable development	**$ (27.8)**	**$ (27.0)**	**$ (54.8)**	$ (4.7)	$ —	$ (4.7)

It is not possible to know whether the factors that affected loss reserves in the first six months of 2024 will also occur in future periods. We encourage you to read our 2023 Annual Report on Form 10-K for more information about our reserving process and the judgments, uncertainties and risks associated therewith.

Catastrophe Loss Development

For the six months ended June 30, 2024, favorable catastrophe development was $27.0 million, primarily due to lower than expected losses related to events from accident years 2021 through 2023, including several convective storms across multiple states, Winter Storm Elliot, hurricane Ian, and hurricane Ida. For the six months ended June 30, 2023, total catastrophe loss development was not meaningful.

2024 Loss and LAE Development, excluding catastrophes

For the six months ended June 30, 2024, net favorable loss and LAE development, excluding catastrophes, was $27.8 million. Core Commercial favorable loss and LAE development was $11.3 million, with favorability in each of the main product lines: commercial multiple peril, commercial automobile, workers' compensation and other commercial lines. Lower than expected property losses of $23.3 million were partially offset by higher than expected losses in certain liability lines of $12.0 million. Specialty favorable loss and LAE development of $12.4 million was primarily due to lower than expected losses in our Professional and Executive Lines division general liability-claims made coverage and, to a lesser extent, lower than expected losses in our surety line. Personal Lines favorable development was primarily due to lower than expected losses of $13.3 million in our personal automobile line within physical damage coverage. This was partially offset by higher than expected losses of $10.1 million in other personal lines in our standalone umbrella coverage.

2023 Loss and LAE Development, excluding catastrophes

For the six months ended June 30, 2023, net favorable loss and LAE development, excluding catastrophes, was $4.7 million. Specialty favorable loss and LAE development of $29.8 million was primarily due to lower than expected losses of $22.8 million in our Professional and Executive Lines division, notably in accident years 2019 through 2022 and, to a lesser extent, lower than expected losses in our surety line. Personal Lines unfavorable loss and LAE development of $20.9 million was primarily due to higher than expected losses in our personal automobile line of $12.9 million, primarily within bodily injury and property damage coverages in accident years 2021 through 2022 and, to a lesser extent, higher than expected losses in our homeowners line. Core Commercial unfavorable loss and LAE development of $4.2 million was primarily due to higher than expected losses and LAE in our commercial automobile line of $10.9 million and, to a lesser extent, higher than expected losses in general liability coverages, partially offset by lower than expected losses in our workers' compensation line of $12.0 million.

Reinsurance Recoverables

Reinsurance recoverables were $2,037.5 million and $2,056.1 million at June 30, 2024 and December 31, 2023, respectively, of which $125.2 million and $162.0 million, respectively, represent billable recoverables. A reinsurance recoverable is billable after an eligible reinsured claim is paid by an insurer. Billable reinsurance recoverables related to the Michigan Catastrophic Claims Association (the "MCCA") were $54.1 million and $72.2 million at June 30, 2024 and December 31, 2023, respectively, and billable non-MCCA reinsurance recoverables totaled $71.1 million and $89.8 million at June 30, 2024 and December 31, 2023, respectively. At June 30, 2024 and December 31, 2023, billed balances outstanding greater than 90 days were not material.

Investments

Investment Results

Net investment income before income taxes was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2024**	**2023**	**2024**	**2023**
Fixed maturities	**$ 76.5**	$ 69.4	**$ 152.2**	$ 137.7
Limited partnerships	**1.4**	13.1	**10.6**	18.4
Mortgage loans	**3.9**	4.0	**7.6**	8.0
Equity securities	**0.8**	1.9	**1.6**	3.8
Other investments	**11.5**	2.7	**15.3**	5.2
Investment expenses	**(3.7)**	(3.5)	**(7.2)**	(6.8)
Net investment income	**$ 90.4**	$ 87.6	**$ 180.1**	$ 166.3
Earned yield, fixed maturities	**3.53 %**	3.31 %	**3.53 %**	3.29 %
Earned yield, total portfolio	**3.73 %**	3.73 %	**3.72 %**	3.53 %

The increase in net investment income for the three and six months ended June 30, 2024 was primarily due to the impact of higher interest rates and the continued investment of operational cashflows, partially offset by lower partnership income. Income from partnerships can vary significantly from period to period based on the performance in the underlying portfolios. Also, partnership income for the three and six months ended June 30, 2023 benefited from a real estate property sale in a tax credit partnership.

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Investment Portfolio

We held cash and investment assets diversified across several asset classes, as follows:

(dollars in millions)	June 30, 2024 Carrying Value	June 30, 2024 % of Total Carrying Value	December 31, 2023 Carrying Value	December 31, 2023 % of Total Carrying Value
Fixed maturities, at fair value	**$ 8,059.1**	**86.5 %**	$ 7,985.3	86.5 %
Limited partnerships and other investments	**438.2**	**4.7**	425.5	4.6
Mortgage and other loans	**347.6**	**3.7**	371.4	4.0
Equity securities, at fair value	**138.5**	**1.5**	130.9	1.5
Cash and cash equivalents	**337.6**	**3.6**	316.1	3.4
Total cash and investments	**$ 9,321.0**	**100.0 %**	$ 9,229.2	100.0 %

Cash and Investments

Total cash and investments increased $91.8 million, or 1.0%, for the six months ended June 30, 2024 as compared to December 31, 2023. The increase was primarily due to continued investment of cashflows from operations, partially offset by the funding of financing activities, including our dividend payments, and net market value depreciation.

The following table provides information about the investment types of our fixed maturities portfolio:

(in millions) Investment Type	June 30, 2024 Weighted Average Quality	Amortized Cost, Net of Allowance for Credit Losses	Fair Value	Net Unrealized Gain (Loss)	Change in Net Unrealized for the Year
U.S. Treasury and government agencies	**AA+**	**$ 530.9**	**$ 472.1**	**$ (58.8)**	**$ (8.5)**
Foreign governments	**BB**	**1.6**	**1.7**	**0.1**	**0.1**
Municipals:					
Taxable	**AA**	**1,146.2**	**1,017.1**	**(129.1)**	**(2.5)**
Tax-exempt	**AA**	**30.3**	**30.5**	**0.2**	**(2.3)**
Corporates	**BBB+**	**3,924.9**	**3,718.1**	**(206.8)**	**(4.6)**
Asset-backed:					
Residential mortgage-backed	**AA+**	**1,747.1**	**1,594.2**	**(152.9)**	**(28.2)**
Commercial mortgage-backed	**AA+**	**690.3**	**629.8**	**(60.5)**	**11.6**
Other asset-backed	**AA+**	**608.7**	**595.6**	**(13.1)**	**2.1**
Total fixed maturities	**A+**	**$ 8,680.0**	**$ 8,059.1**	**$ (620.9)**	**$ (32.3)**

The increase in net unrealized losses on fixed maturities was due to higher interest rates.

Amortized cost and fair value by rating category were as follows:

(dollars in millions) NAIC Designation	Rating Agency Equivalent Designation	June 30, 2024 Amortized Cost, Net of Allowance for Credit Losses	June 30, 2024 Fair Value	June 30, 2024 % of Total Fair Value	December 31, 2023 Amortized Cost, Net of Allowance for Credit Losses	December 31, 2023 Fair Value	December 31, 2023 % of Total Fair Value
1	Aaa/Aa/A	**$ 6,519.9**	**$ 6,027.8**	**74.8 %**	$ 6,109.6	$ 5,661.8	70.9 %
2	Baa	**1,738.4**	**1,612.5**	**20.0**	2,061.5	1,918.5	24.0
3	Ba	**202.6**	**203.2**	**2.5**	166.7	168.6	2.1
4	B	**169.4**	**170.3**	**2.1**	194.7	196.5	2.5
5	Caa and lower	**31.2**	**28.1**	**0.4**	24.8	22.6	0.3
6	In or near default	**18.5**	**17.2**	**0.2**	16.6	17.3	0.2
Total fixed maturities		**$ 8,680.0**	**$ 8,059.1**	**100.0 %**	$ 8,573.9	$ 7,985.3	100.0 %

Based on ratings by the National Association of Insurance Commissioners (“NAIC”), approximately 95% of the fixed maturity portfolio consisted of investment-grade securities at June 30, 2024 and December 31, 2023. The quality of our fixed maturity portfolio remains strong based on ratings, capital structure position, support through guarantees, underlying security, issuer diversification and yield curve position. Our U.S. Treasury and government agencies fixed maturities are directly or indirectly backed by the full faith and credit of the U.S. government. Our municipal bonds include revenue bonds and general obligations of state and local issuers. Corporate fixed maturities include publicly traded and privately placed securities in the industrial, financial, and utility sectors. Residential mortgage-backed securities are structured securities that are collateralized by residential real estate loans and are primarily U.S. agency-backed. Our commercial mortgage-backed securities are structured securities that are collateralized by commercial real estate loans and are well-diversified by geography, property type, expected maturity and vintage year. Our other asset-backed securities are structured securities that are primarily collateralized by consumer and corporate borrowings.

Our investment portfolio primarily consists of fixed maturity securities whose fair value is susceptible to market risk, including interest rate changes. See also "Quantitative and Qualitative Disclosures about Market Risk" included in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our 2023 Annual Report on Form 10-K. Duration is a measurement used to quantify our inherent interest rate risk and analyze invested assets relative to our reserve liabilities.

The duration of our fixed maturity portfolio is as follows:

(dollars in millions)	June 30, 2024			December 31, 2023		
Duration	Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value	Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value
0-2 years	**$ 1,860.6**	**$ 1,831.6**	**22.7 %**	$ 1,967.9	$ 1,935.6	24.2 %
2-4 years	**2,258.5**	**2,159.3**	**26.8**	2,351.6	2,265.8	28.4
4-6 years	**2,329.5**	**2,124.4**	**26.4**	2,180.4	2,024.2	25.4
6-8 years	**1,964.4**	**1,730.9**	**21.5**	1,756.3	1,499.6	18.8
8-10 years	**138.6**	**114.6**	**1.4**	168.0	139.1	1.7
10+ years	**128.4**	**98.3**	**1.2**	149.7	121.0	1.5
Total fixed maturities	**$ 8,680.0**	**$ 8,059.1**	**100.0 %**	$ 8,573.9	$ 7,985.3	100.0 %
Weighted average duration		**4.1**			3.9	

Our fixed maturity and equity securities are carried at fair value. Financial instruments, whose value was determined using significant management judgment or estimation, constituted less than 1% of the total assets we measured at fair value. See also Note 4 – "Fair Value" in the Notes to Interim Consolidated Financial Statements.

Limited partnerships and other investments consist primarily of our interest in corporate middle market and real estate limited partnerships. Corporate middle market limited partnerships may invest in senior or subordinated debt, preferred or common equity or a combination thereof, of privately-held middle market businesses. Real estate limited partnerships hold equity ownership positions in real properties and invest in debt secured by real properties. Our limited partnerships are generally accounted for under the equity method, or as a practical expedient using the fund's net asset value, with financial information provided by the partnership on a two- or three-month lag.

Mortgage and other loans consist primarily of commercial mortgage loan participations, which represent our interest in commercial mortgage loans originated by a third-party. We share, on a pro-rata basis, in all related cash flows of the underlying mortgage loans, which are primarily investment-grade quality and diversified by geographic area and property type.

Equity securities primarily consist of U.S. income-oriented large capitalization common stocks and a broadly diversified U.S. equity index exchange-traded fund.

Although we expect to invest new funds primarily in investment-grade fixed maturities, we have invested, and expect to continue to invest, a portion of funds in below investment-grade fixed maturities, limited partnerships, common equity securities and other investment assets.

Impairments

For the three and six months ended June 30, 2024, we recognized net impairments of $5.2 million and $4.9 million, respectively, consisting primarily of $3.6 million on mortgage loans and $1.7 million on intent to sell fixed maturities. For the three months ended June 30, 2023, we recognized net impairments of $1.7 million, consisting of estimated credit losses of $1.3 million on mortgage loans and $0.4 million on fixed maturity securities. For the six months ended June 30, 2023, we recognized net impairments of $16.5 million, consisting primarily of losses of $10.3 million on intent to sell fixed maturities in the banking sector, and $5.4 million of estimated credit losses on mortgage loans.

At June 30, 2024 and December 31, 2023, the allowance for credit losses on mortgage loans was $8.6 million and $10.0 million, respectively, and the allowance for credit losses on available-for-sale debt securities was $0.8 million and $1.9 million, respectively.

The carrying value of fixed maturity securities on non-accrual status at June 30, 2024, December 31, 2023, and June 30, 2023 was $14.8 million. At June 30, 2024, a mortgage loan with a carrying value of $5.5 million was also on non-accrual status. The effects on income of non-accruals for fixed maturity securities and mortgage loans for the six months ended June 30, 2024 and June 30, 2023, compared with amounts that would have been recognized in accordance with the original terms of the fixed maturities and mortgage loans, were not material. Any defaults in the fixed maturities or mortgage loan portfolios in future periods may negatively affect investment income.

Unrealized Losses

Gross unrealized losses on fixed maturities at June 30, 2024 were $638.1 million, an increase of $13.4 million compared to December 31, 2023, primarily attributable to higher interest rates. At June 30, 2024, gross unrealized losses consisted primarily of $219.3 million on corporate fixed maturities, $155.2 million on residential mortgage-backed securities, $130.5 million on municipals, $60.5 million on commercial mortgage-backed securities and $59.2 million on U.S. government securities. See Note 3 – "Investments" in the Notes to Interim Consolidated Financial Statements.

We view gross unrealized losses on fixed maturities as non-credit related since it is our assessment that these securities will recover, allowing us to realize their anticipated long-term economic value. Further, we do not intend to sell, nor is it more likely than not we will be required to sell, such debt securities before this expected recovery of amortized cost (See also "Liquidity and Capital Resources"). Inherent in our assessment are the risks that market factors may differ from our expectations; we may decide to subsequently sell a security for unforeseen business needs or an economic purpose; or changes in the credit assessment from our original assessment may lead us to determine that a sale at the current value would maximize recovery on such investments. To the extent that there are such adverse changes, an impairment would be recognized as a realized loss. Although unrealized losses on fixed maturities are not reflected in the results of financial operations until they are realized, the fair value of the underlying investment, which does reflect the unrealized loss, is reflected in our Consolidated Balance Sheets.

The following table sets forth gross unrealized losses for fixed maturities by maturity period at June 30, 2024 and December 31, 2023. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties, or we may have the right to put or sell the obligations back to the issuers.

(in millions)	June 30, 2024	December 31, 2023
Due in one year or less	**$ 3.5**	$ 4.6
Due after one year through five years	**109.1**	96.9
Due after five years through ten years	**260.8**	271.9
Due after ten years	**35.6**	33.0
	409.0	406.4
Mortgage-backed and other asset-backed securities	**229.1**	218.3
Total fixed maturities	**$ 638.1**	$ 624.7

Our investment portfolio and shareholders' equity can be significantly impacted by changes in market values of our securities. Market volatility could increase and defaults on fixed income securities could occur. As a result, we could incur additional realized and unrealized losses in future periods, which could have a material adverse impact on our results of operations and/or financial position.

During the second quarter of 2024, the U.S. economy continued its trend of economic resiliency. Strength in consumer spending and the labor market persisted despite inflation continuing to exceed the Federal Reserve's (the "Fed") two percent long-term target. The Fed held the federal funds target rate at a range of 5.25% to 5.50% and indicated that it does not expect to reduce the target range until it has greater confidence that inflation is moving toward its two percent target. Tighter financial conditions remain a challenge to the U.S. economy and may increase the likelihood of defaults on our fixed income investments, particularly with respect to non-investment grade debt securities. Geopolitical risks also create economic uncertainty, the extent of which is unknown. Although we perform rigorous credit analysis of our fixed income investments, it is difficult to foresee which issuers, industries or markets, if any, will be most affected. As a result, the value of our fixed maturity portfolio could change rapidly in ways we cannot currently anticipate, and we could incur additional realized and unrealized losses in future periods.

Other Items

Net income (loss) also included the following items:

	Three Months Ended June 30,					
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Discontinued Operations	Total
2024						
Net realized and unrealized investment losses	**$ (16.1)**	**$ (8.0)**	**$ (10.1)**	**$ (0.3)**	**$ —**	**$ (34.5)**
Other non-operating	**—**	**—**	**—**	**(1.0)**	**—**	**(1.0)**
Discontinued life businesses	**—**	**—**	**—**	**—**	**0.1**	**0.1**
2023						
Net realized and unrealized investment gains (losses)	$ (1.9)	$ (0.9)	$ (1.1)	$ 1.2	$ —	$ (2.7)
Discontinued Chaucer business	—	—	—	—	0.8	0.8

(in millions)	Six Months Ended June 30, Core Commercial	Specialty	Personal Lines	Other	Discontinued Operations	Total
2024						
Net realized and unrealized investment losses	**$ (13.5)**	**$ (6.7)**	**$ (8.5)**	**$ (0.3)**	**$ —**	**$ (29.0)**
Other non-operating	—	**—**	**—**	**(2.4)**	**—**	**(2.4)**
Discontinued life businesses	**—**	**—**	**—**	**—**	**0.1**	**0.1**
2023						
Net realized and unrealized investment losses	$ (12.3)	$ (5.8)	$ (7.6)	$ —	$ —	$ (25.7)
Other non-operating	—	—	0.2	0.6	—	0.8
Discontinued Chaucer business	—	—	—	—	0.8	0.8

We manage investment assets for our Core Commercial, Specialty, Personal Lines and Other segments based on the requirements of our combined property and casualty insurance companies. We allocate the investment income, expenses, and net realized and unrealized investment gains and losses to our Core Commercial, Specialty, Personal Lines and Other segments based on actuarial information related to the underlying businesses.

Net realized and unrealized investment losses were $34.5 million for the three months ended June 30, 2024, compared to $2.7 million for the three months ended June 30, 2023. For the three months ended June 30, 2024, net realized and unrealized investment losses were primarily due to $30.4 million of net realized losses from sales of investments and, to a lesser extent, from impairment losses on investments, including $3.5 million of credit-related impairments and $1.7 million of losses related to intent to sell securities, partially offset by changes in the fair value of equity securities. Net realized investment losses were primarily due to the sale of lower coupon fixed income securities, in consideration of expiring tax gains from 2021. For the three months ended June 30, 2023, net realized and unrealized investment losses were primarily due to credit-related impairment losses on investments and, to a lesser extent, the change in the fair value of equity securities.

Net realized and unrealized investment losses were $29.0 million for the six months ended June 30, 2024, compared to $25.7 million for the six months ended June 30, 2023. For the six months ended June 30, 2024, net realized and unrealized investment losses were primarily due to $31.7 million of net realized losses from sales of investments, primarily fixed maturities, and, to a lesser extent, from impairment losses on investments, including $3.2 million of credit-related impairments and $1.7 million of losses related to intent to sell securities. These investment losses were partially offset by changes in the fair value of equity securities of $7.6 million. For the six months ended June 30, 2023, net realized and unrealized investment losses were primarily due to impairment losses on investments, including $10.3 million of losses related to intent to sell securities and $6.2 million of credit-related impairments and, to a lesser extent, from changes in the fair value of equity securities of $8.2 million.

Income Taxes

We file a consolidated U.S. federal income tax return that includes our holding company and its domestic subsidiaries (including non-insurance operations).

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The provision for income taxes from continuing operations was an expense of $10.9 million compared to a benefit of $20.7 million for the three months ended June 30, 2024 and 2023, respectively. These amounts resulted in consolidated effective tax rates of 21.2% on pre-tax income for the three months ended June 30, 2024 and 22.8% on the pre-tax loss for the three months ended June 30, 2023. The provision for 2024 includes excess tax benefits related to stock-based compensation and benefits related to tax planning strategies implemented in prior years of $0.1 million and $0.2 million, respectively. Absent these items, the provision for income taxes would have been an expense of $11.2 million, or 21.8%, for the three months ended June 30, 2024.

The income tax provision on operating results was an expense of $18.7 million compared to a benefit of $19.7 million for the three months ended June 30, 2024 and 2023, respectively. These provisions resulted in an effective tax rate on operating income of 21.5% for the three months ended June 30, 2024 and 22.4% on operating losses for the three months ended June 30, 2023. The 2024 provision reflects the aforementioned excess tax benefits related to stock-based compensation of $0.1 million. Absent this item, the provision for income taxes would have been an expense of $18.8 million, or 21.7%, for the three months ended June 30, 2024.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The provision for income taxes from continuing operations was an expense of $40.7 million compared to a benefit of $26.2 million for the six months ended June 30, 2024 and 2023, respectively. These provisions resulted in consolidated effective federal tax rates of 20.7% on pre-tax income for the six months ended June 30, 2024 and 24.2% on the pre-tax loss for the six months ended June 30, 2023. These provisions include excess tax benefits related to stock-based compensation of $1.2 million and $1.0 million for the six months ended June 30, 2024 and 2023, respectively. In addition, these provisions reflect benefits related to tax planning strategies implemented in prior years of $0.6 million and $0.8 million for the six months ended June 30, 2024 and 2023, respectively. Absent these items, the provision for income taxes would have been an expense of $42.5 million, or 21.6%, and a benefit of $24.4 million, or 22.6%, for the six months ended June 30, 2024 and 2023, respectively.

The income tax provision on operating results was an expense of $48.0 million compared to a benefit of $19.6 million for the six months ended June 30, 2024 and 2023, respectively. These provisions resulted in an effective tax rate on operating income of 21.1% for the six months ended June 30, 2024 and 23.5% on operating losses for the six months ended June 30, 2023. These provisions include excess tax benefits related to stock-based compensation of $1.2 million and $1.0 million for the six months ended June 30, 2024 and 2023, respectively. Absent this item, the provisions for income taxes would have been an expense of $49.2 million, or 21.6%, and a benefit of $18.6 million, or 22.3%, for the six months ended June 30, 2024 and 2023, respectively.

Critical Accounting Estimates

Interim consolidated financial statements have been prepared in conformity with U.S. GAAP and include certain accounting policies that we consider to be critical due to the amount of judgment and uncertainty inherent in the application of those policies. While we believe that the amounts included in our consolidated financial statements reflect our best judgment, the use of different assumptions could produce materially different accounting estimates. As disclosed in our 2023 Annual Report on Form 10-K, we believe the following accounting estimates are critical to our operations and require the most subjective and complex judgment:

- Reserve for losses and loss expenses
- Reinsurance recoverable balances
- Pension benefit obligations
- Investment credit losses

For a more detailed discussion of these critical accounting estimates, see our 2023 Annual Report on Form 10-K.

Statutory Surplus of Insurance Subsidiaries

The following table reflects statutory surplus for our insurance subsidiaries:

(in millions)	June 30, 2024	December 31, 2023
Total Statutory Capital and Surplus	**$ 2,810.2**	$ 2,642.7

The statutory capital and surplus for our insurance subsidiaries increased $167.5 million during the first six months of 2024. This increase was primarily due to underwriting profits, partially offset by net realized and unrealized investment losses.

The NAIC prescribes an annual calculation regarding risk-based capital (“RBC”). RBC ratios for regulatory purposes are expressed as a percentage of the capital required to be above the Authorized Control Level (the “Regulatory Scale”); however, in the insurance industry, RBC ratios are widely expressed as a percentage of the Company Action Level. The following table reflects the Company Action Level, the Authorized Control Level and RBC ratios for Hanover Insurance (which includes Citizens and other insurance subsidiaries), as of June 30, 2024, expressed both on the Industry Scale (Total Adjusted Capital divided by the Company Action Level) and Regulatory Scale (Total Adjusted Capital divided by Authorized Control Level):

(dollars in millions)	Company Action Level	Authorized Control Level	RBC Ratio Industry Scale	RBC Ratio Regulatory Scale
The Hanover Insurance Company	**$ 1,377.9**	**$ 688.9**	**203 %**	**406 %**

Liquidity and Capital Resources

Liquidity is a measure of our ability to generate sufficient cash flows to meet the cash requirements of business operations. As a holding company, our primary ongoing source of cash is dividends from our insurance subsidiaries. However, dividend payments to us by our insurance subsidiaries are subject to limitations imposed by regulators, such as prior notice periods and the requirement that dividends in excess of a specified percentage of statutory surplus or prior years’ statutory earnings receive prior approval (so called “extraordinary dividends”). During the first six months of 2024, Hanover Insurance did not provide dividends to the holding company.

Sources of cash for our insurance subsidiaries primarily consist of premiums collected, investment income and maturing investments. Primary cash outflows are payments for losses and loss adjustment expenses, policy and contract acquisition expenses, other underwriting expenses, and investment purchases. Cash outflows related to losses and loss adjustment expenses can be variable because of uncertainties surrounding settlement dates for liabilities for unpaid losses and because of the potential for large losses, either individually or in the aggregate. We periodically adjust our investment policy to respond to changes in short-term and long-term cash requirements.

Net cash provided by operating activities was $198.2 million during the first six months of 2024, as compared to $44.3 million during the first six months of 2023, an increase of $153.9 million. The increase in cash provided was primarily due to lower loss and LAE payments made and an increase in premiums received during the first six months of 2024 compared to the same period in 2023, partially offset by higher income tax payments made in 2024.

Net cash used in investing activities was $108.8 million during the first six months of 2024, as compared to $118.0 million during the first six months of 2023. During the first six months of 2024 and 2023, cash used in investing activities primarily related to net purchases of fixed maturities.

Net cash used in financing activities was $64.0 million during the first six months of 2024, as compared to $63.7 million during the first six months of 2023. During the first six months of 2024 and 2023, cash used in financing activities primarily resulted from two quarterly dividend payments to our shareholders.

Dividends to common shareholders are subject to quarterly board approval and declaration. During the first six months of 2024, as declared by the Board, we paid two quarterly dividends, each for $0.85 per share, to our shareholders totaling $61.1 million. We believe that our holding company assets are sufficient to provide for future shareholder dividends should the Board of Directors declare them.

At June 30, 2024, THG, as a holding company, held approximately $268.2 million of fixed maturities and cash. We believe our holding company assets will be sufficient to meet our short-term obligations, which we expect to consist primarily of quarterly dividends to our shareholders (as and to the extent declared), interest on our senior and subordinated debentures, certain costs associated with benefits due to our former life employees and agents and, to the extent required, payments related to indemnification of liabilities associated with the sale of various subsidiaries. As discussed below, we have, and opportunistically may continue to, repurchase our common stock and debt. We do not expect that it will be necessary to dividend additional funds from our insurance subsidiaries in order to fund short-term holding company obligations; however, we may decide to do so.

We expect to continue to generate sufficient positive operating cash to meet all short-term and long-term cash requirements relating to current operations, including the funding of our qualified defined benefit pension plan. We believe that this plan is fully funded. The ultimate payment amounts for our benefit plan is based on several assumptions, including but not limited to, the rate of return on plan assets, the discount rate for benefit obligations, mortality experience, interest crediting rates, inflation and the ultimate valuation and determination of benefit obligations. Since differences between actual plan experience and our assumptions are almost certain, changes, both positive and negative, to our current funding status and ultimately our obligations in future periods are likely.

Our insurance subsidiaries maintain a high degree of liquidity within their respective investment portfolios in fixed maturity and short-term investments. Uncertainty in the financial markets continued to affect the value of investments currently held by THG and its subsidiaries, many of which remain in unrealized loss positions. We believe that the quality of the assets we hold will allow us to realize the long-term economic value of our portfolio, including the securities that are currently in an unrealized loss position. We do not anticipate the need to sell these securities to meet our insurance subsidiaries' cash requirements since we expect our insurance subsidiaries to generate sufficient operating cash to meet all short-term and long-term cash requirements relating to current operations. However, unforeseen business needs or other items may occur which could cause us to sell those securities in a loss position before their values fully recover, thereby resulting in the recognition of impairment charges in that time period.

The Board of Directors authorized a stock repurchase program which provides for aggregate repurchases of our common stock of up to $1.3 billion. Under the repurchase authorization, we may repurchase, from time to time, common stock in amounts, at prices and at such times as we deem appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs, or other transactions. We are not required to purchase any specific number of shares or to make purchases by any certain date under this program. During the first six months of 2024, we did not repurchase any shares under this program. As of June 30, 2024, we had repurchased 7.9 million shares under this $1.3 billion program and had approximately $330 million available for additional repurchases.

We maintain our membership in the Federal Home Loan Bank ("FHLB") to provide access to additional liquidity based on our holdings of FHLB stock and pledged collateral. At June 30, 2024, we had borrowing capacity of $131.1 million. There were no outstanding borrowings under this short-term facility at June 30, 2024; however, we have borrowed and may continue to borrow, from time to time, through this facility to provide short-term liquidity.

On July 21, 2023, we entered into a credit agreement that provides for a five-year unsecured revolving credit facility not to exceed $150.0 million at any one time outstanding, with the option to increase the facility up to $300.0 million (assuming no default and satisfaction of other specified conditions, including the receipt of additional lender commitments). The agreement also includes an uncommitted subfacility of $50.0 million for standby letters of credit. Borrowings, if any, under this agreement are unsecured and incur interest at a rate per annum equal to, at our election, either (i) the greatest of, (a) the prime commercial lending rate of the administrative agent, (b) the NYFRB Rate plus half a percent, or (c) the one month Adjusted Term SOFR Rate plus one percent; each subject to a margin that ranges from 0.125% to 0.625% depending on our debt rating, or (ii) Adjusted SOFR Rate for the applicable interest period, plus a margin that ranges from 1.125% to 1.625% depending on our debt rating. The agreement also contains certain financial covenants such as maintenance of specified levels of consolidated equity and leverage ratios. At June 30, 2024 and during the six months ended June 30, 2024, we had no borrowings under this credit agreement.

At June 30, 2024, we were in compliance with the covenants of our debt and credit agreements.

Contingencies and Regulatory Matters

Information regarding litigation, legal contingencies and regulatory matters appears in Part I – Note 12 "Commitments and Contingencies" in the Notes to Interim Consolidated Financial Statements.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risks, the ways we manage them, and sensitivity to changes in interest rates, and equity price risk are summarized in Management's Discussion and Analysis of Financial Condition and Results of Operations as of December 31, 2023, included in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes in the first six months of 2024 to these risks or our management of them.

ITEM 4

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Evaluation

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on our controls evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective to provide reasonable assurance that (i) the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) material information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting, as required by Rule 13a-15(d) of the Exchange Act, to determine whether any changes occurred during the period covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that there were no such changes during the quarter ended June 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such actions or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on the Company's financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

ITEM 1A – RISK FACTORS

This document contains, and management may make, certain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. When used in our Management's Discussion and Analysis, words such as: "believes," "anticipates," "expects," "projections," "outlook," "should," "could," "plan," "guidance," "likely," "on track to," "potential," "continue," "targeted," and similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We caution readers that accuracy with respect to forward-looking projections is difficult and subject to risks and uncertainties. Those risks and uncertainties, in some cases, have affected, and in the future could affect, our actual results and could cause our actual results for the remainder of 2024 and beyond to differ materially from historical results and from those expressed in any of our forward-looking statements. We operate in a business environment that is continually changing, and as such, new risk factors may emerge over time. Additionally, our business is conducted in competitive markets and, therefore, involves a higher degree of risk. We cannot predict these new risk factors, nor can we assess the impact, if any, that they may have on our business in the future.

Some of the factors that could cause actual results to differ include, but are not limited to, the following:

- changes in the demand for our products;
- risks and uncertainties with respect to our ability to retain profitable policies in force and attract profitable policies, and to increase rates commensurate with, or in excess of, loss trends;
- adverse claims experience or changes in our estimates of loss and loss adjustment expense reserves, including with respect to catastrophes, which may result in lower current year underwriting results or adverse loss development, and could impact our carried reserves;
- uncertainties with respect to the long-term profitability of our products, including with respect to newer products, or longer-tail products covering casualty losses;
- disruption in our distribution channels, including the loss or disruption of our independent agency channel, and the impact of competition and consolidation in the industry and among agents and brokers;
- changes in frequency and loss severity trends, exacerbated by fluctuations in economic conditions;
- changes in regulation, legislation, economic, market and political conditions, particularly with respect to rates, policy terms and conditions, payment flexibility, and regions where we have geographical concentrations;
- volatile and unpredictable developments, including severe weather and other natural physical events, catastrophes, pandemics, civil unrest, and terrorist actions, and the uncertainty in estimating the resulting losses;
- impacts of changing climate conditions and weather patterns, causing higher levels of losses from weather events to persist and leading to new or enhanced regulations;
- limitations on the physical ability to adjust claims or the availability of sufficient information to accurately estimate a loss at a point in time and the limitations and assumptions used to model property and casualty losses in general;
- risks and uncertainties with respect to our ability to collect all amounts due from reinsurers and to maintain current levels of reinsurance in the future at commercially reasonable rates, or at all;
- heightened volatility, fluctuations in interest rates (which have a significant impact on the market value of our investment portfolio and thus our book value), inflationary pressures, default rates, difficult economic, market and political conditions, and other factors that affect investment returns from our investment portfolio;
- recessionary economic periods that may inhibit our ability to increase pricing or renew business, and which may be accompanied by higher claims activity in certain lines;
- risks and uncertainties associated with our participation in shared market mechanisms, mandatory reinsurance programs and mandatory and voluntary pooling arrangements, including the MCCA;
- an increase in mandatory assessments by state guaranty funds;
- risks and uncertainties associated with the Michigan legislation which was effective July 2, 2020 and reformed the prior requirements that all personal and commercial automobile polices issued in the state include no-fault personal injury protection coverage without a cap on maximum benefits allowed and the resulting increase in litigation challenging or associated with this reform;

- actions by our competitors, many of which are larger or have greater financial resources than we do;
- loss, prolonged illness or retirement of key employees;
- operating difficulties and other unintended consequences from the introduction of new products and related technology changes and applications, including the use of pricing models and artificial intelligence, as well as new operating models, particularly as business processes become more digital;
- changes in our claims-paying and financial strength ratings;
- negative changes in our level of statutory surplus;
- risks and uncertainties with respect to our growth or operating strategies, or with respect to our expense and strategic initiatives;
- our ability to declare and pay dividends;
- changes in accounting principles and related financial reporting requirements;
- errors or omissions in connection with the administration of any of our products;
- risks and uncertainties with our operations and technology, including our internal and external information systems, such as cloud-based data information storage or network systems, information security, cyber risks, artificial intelligence, remote working capabilities, and/or outsourcing relationships and third-party operations and data security that may negatively impact our ability to conduct business;
- an inability to be compliant with recently implemented regulations or existing regulations, such as those relating to Sarbanes-Oxley, or a failure of internal controls;
- unfavorable developments, such as those resulting from the implementation of the enacted legislation in Michigan described above, or litigation matters, social inflation and the possibility of adverse judicial decisions, including those which expand policy coverage beyond its intended scope or award “bad faith” or other non-contractual damages;
- risks and uncertainties associated with pandemics and related economic and socio-economic conditions; and
- other factors described in such forward-looking statements.

In addition, historical and future reported financial results include estimates with respect to premiums written and earned, reinsurance recoverables, current accident year “picks,” loss and loss adjustment reserves and development, fair values of certain investments, other assets and liabilities, tax, contingent and other liabilities, and other items. These estimates are subject to change as more information becomes available.

Readers should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake any responsibility to update or revise our forward-looking statements, except as required by law.

For a more detailed discussion of our risks and uncertainties, see also Item 1A – Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023.

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ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Shares purchased in the second quarter of 2024 are as follows:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (in millions)
April 1 - 30, 2024	458	$ 130.52	—	$ 330
May 1 - 31, 2024	749	134.63	—	330
June 1 - 30, 2024	197	126.09	—	330
Total	1,404	$ 132.09	—	$ 330

(1) Reflects shares withheld to satisfy tax withholding amounts due from employees related to the receipt of stock which resulted from the exercise or vesting of equity awards for the months ended April 30, May 31, and June 30, 2024.

ITEM 5 – OTHER INFORMATION

During the three months ended June 30, 2024, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a contract, instruction or written plan for the purchase or sale of the Company’s securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

ITEM 6 – EXHIBITS

EX – 3.1	Amended and Restated Certificate of Incorporation of The Hanover Insurance Group, Inc., previously filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 16, 2024, and incorporated herein by reference.
EX – 3.2	Amended and Restated By-laws of The Hanover Insurance Group, Inc.
EX – 31.1	Certification of the Chief Executive Officer, pursuant to 15 U.S.C. 78m, 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
EX – 31.2	Certification of the Chief Financial Officer, pursuant to 15 U.S.C. 78m, 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
EX – 32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
EX – 32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
EX – 101	The following materials from The Hanover Insurance Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in Inline eXtensible Business Reporting Language ("iXBRL"): (i) Consolidated Statements of Income (Loss) for the three and six months ended June 30, 2024 and 2023; (ii) Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2024 and 2023; (iii) Consolidated Balance Sheets at June 30, 2024 and December 31, 2023; (iv) Consolidated Statements of Shareholders' Equity for the three and six months ended June 30, 2024 and 2023; (v) Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023, and (vi) related notes to these financial statements.
EX – 104	The cover page from The Hanover Insurance Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in iXBRL (embedded within EX – 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	The Hanover Insurance Group, Inc. Registrant
August 1, 2024 Date	/s/ John C. Roche John C. Roche President, Chief Executive Officer and Director
August 1, 2024 Date	/s/ Jeffrey M. Farber Jeffrey M. Farber Executive Vice President and Chief Financial Officer

AMENDED AND RESTATED BY-LAWS

OF

THE HANOVER INSURANCE GROUP, INC.

Section 1. LAW, CERTIFICATE OF INCORPORATION AND BY-LAWS

1.1. These by-laws are subject to the certificate of incorporation of the corporation, as may be amended and restated from time to time (the "Certificate of Incorporation"). In these by-laws, references to law, the Certificate of Incorporation and by-laws mean all applicable law, the provisions of the Certificate of Incorporation and the by-laws as from time to time in effect.

Section 2. STOCKHOLDERS

2.1. Annual Meeting. The annual meeting of stockholders shall be held each year at such date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect a board of directors and transact such other business as may be required by law or these by-laws or as may properly come before the meeting.

2.2. Special Meetings. A special meeting of the stockholders may be called at any time by the chair of the board of directors, if any, the president or the board of directors. A special meeting of the stockholders shall be called by the secretary, or in the case of the death, absence, incapacity or refusal of the secretary, by an assistant secretary or some other officer, upon application of a majority of the directors or by the holders of shares of capital stock constituting at least 25% of all the shares entitled to vote on matters to be considered at the meeting. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour, and purposes of the meeting.

2.3. Place of Meeting. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such place within or without the State of Delaware, or solely by means of remote communications in the manner authorized by the General Corporation Law of the State of Delaware, as may be determined from time to time by the chair of the board of directors, if any, the president or the board of directors. Any adjourned session of any meeting of the stockholders shall be held at the place designated in the vote of adjournment.

2.4. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of stockholders stating the place, day and hour thereof, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the corporation.

Such notice shall be given by the secretary, or by an officer or person designated by the board of directors, or in the case of a special meeting, by the officer calling the meeting. As to any adjourned session of any meeting of stockholders, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken except that if the adjournment is for more than thirty days or, if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of stockholders or any adjourned session thereof need be given to a stockholder if a written waiver of notice, executed before or after the meeting or such adjourned session by such stockholder, is filed with the records of the meeting or if the stockholder attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the stockholders or any adjourned session thereof need be specified in any written waiver of notice.

2.5. Quorum of Stockholders. At any meeting of the stockholders a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law, by the Certificate of Incorporation or by these by-laws. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting. Shares of its own stock belonging to the corporation shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

2.6. Action by Vote. When a quorum is present at any meeting, a majority of the votes properly cast upon any question shall decide the question, except as otherwise required by law, by the Certificate of Incorporation or by these by-laws. No ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

2.7. Action without Meetings. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken by stockholders for or in connection with any corporate action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Each such written consent shall bear the date of signature of each stockholder who signs the consent. No written consent shall be effective to take the corporate action referred to therein unless written consents signed by a number of stockholders sufficient to take such action are delivered to the corporation in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of stockholders and in accordance with the foregoing, there shall be filed with the records of the meetings of stockholders the writing or writings comprising such consent.

2.8. Proxy Representation. Every stockholder may authorize another person or persons to act for him or her by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the stockholder or by his or her attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally. The authorization of a proxy may but need not be limited to specified action, provided, however, that if a proxy limits its authorization to a meeting or meetings of stockholders, unless otherwise specifically provided, such proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the corporation.

2.9. Inspectors. The directors or the person presiding at the meeting may, and shall, if otherwise required by law, appoint one or more inspectors of election and any substitute inspectors to act at the meeting or any adjournment thereof. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them.

2.10. List of Stockholders. The secretary shall prepare and make, or cause to be prepared and made, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. The stock ledger shall be the only evidence as to who are stockholders entitled to examine such list or to vote in person or by proxy at such meeting.

Section 3. BOARD OF DIRECTORS

3.1. Number. The number of directors which shall constitute the whole board shall not be less than one nor shall be greater than twenty. Within the foregoing limit, the board of directors shall determine the number of directors and the stockholders at the annual meeting shall elect the number of directors as determined. The number of directors may be increased at any time or from time to time by the directors by vote of a majority of the directors then in office. The number of directors may be decreased to any number permitted by the foregoing at any time either by the stockholders or by the directors by vote of a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation or removal of one or more directors. Directors need not be stockholders.

Except as provided in Section 3.5, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast "against" that director. If a director is not elected, the director shall promptly tender his or her resignation to the board of directors. The Nominating and Corporate Governance Committee will make a recommendation to the board of directors on whether to accept or reject the resignation, or whether other action should be taken. In making their determinations, the Nominating and Corporate Governance Committee and the board of directors may consider any factors deemed relevant. The board of directors will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Nominating and Corporate Governance Committee's recommendation or the board of directors' decision. Directors shall hold office until the next annual meeting and until their successors shall be duly elected and qualified.

3.2. Classification, Election and Tenure. The directors, other than those who may be elected by the holders of any class or series of Preferred Stock voting separately by class or series, shall, until the annual meeting of stockholders to be held in 2027, be classified, with respect to the duration of the term for which they severally hold office, into three classes, designated Class I, Class II, and Class III, which shall be as nearly equal in number as possible and as provided by resolution of the board of directors in connection with such election.

The term of office of the class of directors elected at the annual meeting of stockholders held in 2024 shall expire at the 2027 annual meeting of stockholders; the term of office of the class of directors elected at the annual meeting of stockholders held in 2025 shall expire at the 2026 annual meeting of stockholders; the term of office of the class of directors elected at the annual meeting of stockholders held in 2026 shall expire at the 2027 annual meeting of stockholders. At each annual meeting of stockholders, commencing with the 2027 annual meeting of stockholders, directors shall be elected for a term of office to expire at the annual meeting of stockholders held in the year following the year of their election, with each director to hold office until his or her successor shall have been duly elected and qualified, or, if earlier, such director's death, resignation or removal from office.

Until the annual meeting of stockholders held in 2027, the board of directors shall increase or decrease the number of directors in one or more classes as may be appropriate whenever it increases or decreases the number of directors pursuant to Section 3.1, in order to ensure that the three classes shall be as nearly equal in number as possible.

3.3. Notification of Nominations. Subject to the rights of the holders of shares of any class or series of Preferred Stock, nominations for the election of directors may be made by the board of directors, or by any stockholder entitled to vote for the election of directors who complied with the requirements of this Section 3.3. Unless the board of directors has determined that directors will be elected at a special meeting of the stockholders, no stockholder may nominate directors for election at any special meeting of the stockholder.

In addition, for a nomination to be properly brought before a meeting by a stockholder, the stockholder must appear at the meeting to present such nomination; if the stockholder does not appear, any such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the corporation.

Any stockholder of record entitled to vote for the election of directors at a meeting may nominate persons for election as directors by giving timely notice thereof in proper written form to the secretary. To be timely, notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that less than 30 days' notice or prior public disclosure of the date of the meeting is given or made to the stockholders, to be timely, notice by the stockholder must be received at the principal executive offices not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these by-laws for timely written notice.

A stockholder's notice to the secretary shall set forth as to each nomination the stockholder proposes to bring before the meeting (a) the name and address of the stockholder making such nomination, (b) the class and number of shares of capital stock of the corporation directly or indirectly held of record, owned beneficially and represented by proxy by such stockholder as of the date of such notice by the stockholder, (c) a representation that such stockholder is a holder of record of shares of the corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (d) any "derivative security" (as that term is defined in Rule 16a-1(c) under the Exchange Act) directly or indirectly owned beneficially by the stockholder and any other "pecuniary interest" or "indirect pecuniary interest" (as those terms are defined in Rule 16a-1(a)(2) under the Exchange Act) in the shares of capital stock of the corporation, (e) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder has a right to vote any securities of the corporation, (f) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of the shares of stock of the corporation, (g) a description of all direct and indirect compensation and other material monetary arrangements, agreements or understandings during the past three years, and any other material relationship, if any, between the stockholder, its respective Affiliates or Associates, each person nominated by the stockholder, and his or her respective Affiliates or Associates on the one hand, and anyone Acting in Concert with any of these persons on the other hand (for the purposes of this clause (g), Affiliate and Associate shall have the definitions as set out in Rule 12b-2 under the Exchange Act, and a person shall be deemed to be "Acting in Concert" with another person if such person knowingly acts pursuant to an express agreement, arrangement or understanding toward a common goal relating to the management, governance or control of the corporation; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy statement filed on Schedule 14A), (h) a certification as to whether or not such stockholder has complied with all applicable federal, state and other legal requirements in connection with such stockholder's acquisition of shares of capital stock or other securities of the corporation, (i) a representation as to whether such stockholder intends to solicit proxies or votes from stockholders for any director nominees in accordance with Rule 14a-19 under the Exchange Act, (j) a representation as to whether such stockholder intends to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees and, if applicable, in accordance with Rule 14a-19 under the Exchange Act, (k) to the extent known by such stockholder, the name and address of any other stockholder supporting the nomination on the date of such stockholder's notice, and (l) all other information that would be required to be included in a proxy statement required to be filed with the Securities and Exchange Commission if, with respect to any such nomination, such stockholder were a participant in a solicitation subject to Regulation 14A under the Exchange Act (the "Proxy Rules").

In addition, a stockholder's notice to the secretary shall set forth as to each person whom the stockholder proposes to nominate for election or re-election as a director, (a) the name, age, business address or residence address of the person, (b) the principal occupation or employment of the person, (c) the class and number of shares of capital stock of the corporation, if any, which are beneficially owned by the person, the date or dates on which such shares were acquired and the investment intent of such acquisition, (d) a representation that the person is not and will not become a party to any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question that has not been disclosed to the corporation or that could limit or interfere with such person's ability to comply, if elected a director of the corporation, with such person's fiduciary duties under applicable law, (e) any other information relating to the nominee as would be required to be included in a proxy statement or other filings required to be filed pursuant to the Proxy Rules (including without limitation the written consent of the nominee to being named in the proxy statement as a nominee and to serve as a director if elected), and (f) a statement signed by the person confirming that, if elected, he or she will comply with all applicable rules, regulations, policies or standards of conduct applicable to the directors. In addition, any person nominated by the stockholder shall complete a questionnaire, in a form available from the corporation, and such completed questionnaire shall be submitted with the stockholder notice contemplated by this Section 3.3. The stockholder submitting a notice of a director nomination shall request in writing to the secretary, the form of questionnaire from the corporation prior to submitting notice. The corporation shall provide the form of questionnaire to such stockholder within ten days of receiving the written request.

If the stockholder holds any of its shares by or through a nominee, the information required to be provided in a notice of the stockholder contemplated by this Section 3.3 shall be provided about the person who has the power to direct the voting and disposition of such shares of capital stock of the corporation and who has a pecuniary interest in such shares in lieu of the stockholder.

A stockholder shall further update and supplement its notice of any nomination to be brought before a meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 3.3 shall be true and correct (a) as of the record date for the meeting and (b) as of the date that is ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof. Such update and supplement shall be delivered to the secretary not later than three business days after the later of the record date or the date notice of the record date is first publicly announced (in the case of the update and supplement required to be made as of the record date for the meeting) and not later than seven business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to the meeting), or any adjournment, recess, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof).

Notwithstanding anything in these by-laws to the contrary, no business pertaining to this Section 3.3 shall be conducted at any meeting except in accordance with the procedures set forth in this Section 3.3. The officer presiding at the meeting shall, if the facts warrant, determine and declare to the meeting that any nomination was not properly brought before the meeting in accordance with the provisions of this Section 3.3 and, if the presiding officer should so determine, any nomination not properly brought before the meeting shall not be discussed or voted on and any defective nomination shall be disregarded.

3.4. Rule 14a-19(b). Without limiting the other provisions and requirements of this Section 3, unless otherwise required by law, if any stockholder (a) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (b) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act, then the corporation shall disregard any proxies or votes solicited for such stockholder's nominees. Upon request by the corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such stockholder shall deliver to the corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act.

3.5. Vacancies. Subject to the rights of the holders of shares of any class or series of Preferred Stock, any vacancies on the board of directors resulting from death, resignation or removal shall only be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors, or by a sole remaining director, and newly created directorships resulting from any increase in the number of directors shall be filled by the board of directors, or if not so filled, by the stockholders at the next annual meeting thereof or at a special meeting called for that purpose in accordance with these by-laws. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors, if any, in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. The directors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number, subject to any requirement of law or of the number of directors as required for a quorum or for any vote or other actions.

3.6. Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these by-laws, each director shall hold office until the next annual meeting and until his or her successor is elected and qualified, or until he or she sooner dies, resigns, is removed or becomes disqualified.

3.7. Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors who shall have and may exercise all the powers of the corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these by-laws directed or required to be exercised or done by the stockholders.

3.8. Committees. The board of directors may, by vote of a majority of the whole board, (a) designate, change the membership of or terminate the existence of any committee or committees, each committee to consist of one or more of the directors; (b) designate one or more directors as alternate members of any such committee who may replace any absent or disqualified member at any meeting of the committee; and (c) determine the extent to which each such committee shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, including the power to authorize the seal of the corporation to be affixed to all papers which require it and the power and authority to declare dividends or to authorize the issuance of stock; excepting, however, such powers which by law, by the Certificate of Incorporation or by these by-laws they are prohibited from so delegating. In the absence or disqualification of any member of such committee and his or her alternate, if any, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Except as the board of directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the board of directors or such rules, its business shall be conducted as nearly as may be in the same manner as is provided by these by-laws for the conduct of business by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors upon request.

3.9. Regular Meetings. Regular meetings of the board of directors may be held without call or notice at such places within or without the State of Delaware and at such times as the board of directors may from time to time determine, provided that notice of the first regular meeting following any such determination shall be given to absent directors. A regular meeting of the directors may be held without call or notice immediately after and at the same place as the annual meeting of stockholders.

3.10. Special Meetings. Special meetings of the board of directors may be held at any time and at any place within or without the State of Delaware designated in the notice of the meeting, when called by the chair of the board of directors, if any, the president, or by one-half of the total number of directors constituting the whole board, reasonable notice thereof being given to each director by the secretary or by the chair of the board of directors, if any, the president or any one of the directors calling the meeting.

3.11. Notice. It shall be reasonable and sufficient notice to a director to send notice by mail at least forty-eight hours, addressed to him or her at his or her usual or last known business or residence address or to give notice to him or her in person or by telephone or electronic communication at least twenty-four hours before the meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

3.12. Quorum. Except as may be otherwise provided by law, by the Certificate of Incorporation or by these by-laws, at any meeting of the directors a majority of the directors then in office shall constitute a quorum; a quorum shall not in any case be less than one-third of the total number of directors constituting the whole board. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

3.13. Action by Vote. Except as may be otherwise provided by law, by the Certificate of Incorporation or by these by-laws, when a quorum is present at any meeting the vote of a majority of the directors present shall be the act of the board of directors.

3.14. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the board of directors or a committee thereof may be taken without a meeting if all the members of the board of directors or of such committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the records of the meetings of the board of directors or of such committee. Such consent shall be treated for all purposes as the act of the board of directors or of such committee, as the case may be.

3.15. Participation in Meetings by Conference Telephone. Members of the board of directors, or any committee designated by such board of directors, may participate in a meeting of such board of directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

3.16. Compensation. In the discretion of the board of directors, each director may be paid such fees for his or her services as director and be reimbursed for his or her reasonable expenses incurred in the performance of his or her duties as director as the board of directors from time to time may determine. Nothing contained in this section shall be construed to preclude any director from serving the corporation in any other capacity and receiving reasonable compensation therefor.

Section 4. OFFICERS AND AGENTS

4.1. Enumeration; Qualification. The officers of the corporation shall be a president, a treasurer, a secretary and such other officers, if any, as the board of directors from time to time may in its discretion elect or appoint including without limitation a chair of the board of directors, one or more vice presidents and a controller. The corporation may also have such agents, if any, as the board of directors from time to time may in its discretion choose. Any officer may be but none need be a director or stockholder. Any two or more offices may be held by the same person. Any officer may be required by the board of directors to secure the faithful performance of his or her duties to the corporation by giving bond in such amount and with sureties or otherwise as the board of directors may determine.

4.2. Powers. Subject to law, to the Certificate of Incorporation and to the other provisions of these by-laws, each officer shall have, in addition to the duties and powers herein set forth, such duties and powers as are commonly incident to his or her office and such additional duties and powers as the board of directors may from time to time designate.

4.3. Election. The officers may be elected by the board of directors at their first meeting following the annual meeting of the stockholders or at any other time. At any time or from time to time the directors may delegate to any officer their power to elect or appoint any other officer or any agents.

4.4. Tenure. Each officer shall hold office until the first meeting of the board of directors following the next annual meeting of the stockholders and until his or her respective successor is chosen and qualified unless a shorter period shall have been specified by the terms of his or her election or appointment, or in each case until he or she sooner dies, resigns, is removed or becomes disqualified. Each agent shall retain his or her authority at the pleasure of the directors, or the officer by whom he or she was appointed or by the officer who then holds agent appointive power.

4.5. Chair of the Board of Directors, President and Vice President. The chair of the board of directors, if any, shall have such duties and powers as shall be designated from time to time by the board of directors. Unless the board of directors otherwise specifies, the chair of the board of directors, or if there is none the chief executive officer, shall preside, or designate the person who shall preside, at all meetings of the stockholders and of the board of directors.

Unless the board of directors otherwise specifies, the president shall be the chief executive officer and shall have direct charge of all business operations of the corporation and, subject to the control of the directors, shall have general charge and supervision of the business of the corporation.

Any vice presidents shall have such duties and powers as shall be set forth in these by-laws or as shall be designated from time to time by the board of directors or by the president.

4.6. Chief Financial Officer. Unless the board of directors otherwise specifies, the chief financial officer of the corporation shall be in charge of its funds and valuable papers, and shall have such other duties and powers as may be designated from time to time by the board of directors or by the president.

Any treasurer or assistant treasurer shall have such duties and powers as shall be designated from time to time by the board of directors, the president or the chief financial officer.

4.7. Controller and Assistant Controllers. If a controller is elected, he or she shall, unless the board of directors otherwise specifies, be in charge of its books of account and accounting records, and of its accounting procedures. He or she shall have such other duties and powers as may be designated from time to time by the board of directors, the president or the treasurer.

Any assistant controller shall have such duties and powers as shall be designated from time to time by the board of directors, the president, the chief financial officer, the treasurer or the controller.

4.8. Secretary and Assistant Secretaries. The secretary shall record all proceedings of the stockholders, of the board of directors and of committees of the board of directors in a book or series of books to be kept therefor and shall file therein all actions by written consent of stockholders or directors. In the absence of the secretary from any meeting, an assistant secretary, or if there be none or he or she is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. Unless a transfer agent has been appointed the secretary shall keep or cause to be kept the stock and transfer records of the corporation, which shall contain the names and record addresses of all stockholders and the number of shares registered in the name of each stockholder. He or she shall have such other duties and powers as may from time to time be designated by the board of directors or the president.

Any assistant secretaries shall have such duties and powers as shall be designated from time to time by the board of directors, the president or the secretary.

Section 5. RESIGNATIONS AND REMOVALS

5.1. Any director or officer may resign at any time by delivering his or her resignation in writing to the chair of the board of directors, if any, the president, or the secretary or to a meeting of the board of directors, such resignation to specify whether it will be effective at a particular time, upon receipt by the chair of the board of directors, president or secretary, or at the pleasure of the board of directors. If no such specification is made, it shall be deemed effective at the pleasure of the board of directors. Prior to the annual meeting of stockholders held in 2027, a director (including persons elected by directors to fill vacancies in the board of directors) may be removed from office only for cause and only by either the affirmative vote of two-thirds of the total number of votes of the then outstanding shares of capital stock of the corporation entitled to vote generally in the election of directors or the affirmative vote of two-thirds of the directors then in office. Following the annual meeting of stockholders held in 2027, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares then entitled to vote at an election of directors. The board of directors may at any time remove any officer either with or without cause. The board of directors may at any time terminate or modify the authority of any agent. No director or officer resigning and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the corporation) no director or officer removed shall have any right to any compensation as such director or officer for any period following his or her resignation or removal, or any right to damages on account of such removal, whether his or her compensation be by the month or by the year or otherwise; unless, in the case of a resignation, the directors, or, in the case of removal, the body acting on the removal, shall in their or its discretion provide for compensation.

Section 6. VACANCIES

6.1. If the office of the president or the treasurer or the secretary becomes vacant, the directors may elect a successor by vote of a majority of the directors then in office. Following a vacancy in the office of the president the directors may, in the interim prior to appointing a successor, establish an Office of the Chair and designate the members and powers thereof. If the office of any other officer becomes vacant, any person or body empowered to elect or appoint that officer may choose a successor. Each such successor shall hold office for the unexpired term, and in the case of the president, the treasurer and the secretary until his or her successor is chosen and qualified or in each case until he or she sooner dies, resigns, is removed or becomes disqualified. Any vacancy of a directorship shall be filled as specified in Section 3.5 of these by-laws.

Section 7. CAPITAL STOCK

7.1. Stock Certificates. Each stockholder shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by him or her, in such form as shall, in conformity to law, the Certificate of Incorporation and these by-laws, be prescribed from time to time by the board of directors. Such certificate shall be signed by the chair or vice chair of the board of directors, if any, or the president or a vice president and by the treasurer or an assistant treasurer or by the secretary or an assistant secretary. Any of or all the signatures on the certificate may be a facsimile. In case an officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent, or registrar at the time of its issue. Such certificates shall be consecutively numbered and their issuance recorded on the books of the corporation.

7.2. Loss of Certificates. In the case of the alleged theft, loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the corporation against any claim on account thereof, as the board of directors may prescribe.

Section 8. TRANSFER OF SHARES OF STOCK

8.1. Transfer on Books. Subject to the restrictions, if any, stated or noted on the stock certificate, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the board of directors or the transfer agent of the corporation may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these by-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote or to give any consent with respect thereto and to be held liable for such calls and assessments, if any, as may lawfully be made thereon, regardless of any transfer, pledge or other disposition of such stock until the shares have been properly transferred on the books of the corporation.

It shall be the duty of each stockholder to notify the corporation of his or her post office address.

8.2. Record Date and Closing Transfer Books. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no such record date is fixed by the board of directors, the record date for determining the stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no such record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by the General Corporation Law of the State of Delaware, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. If no record date has been fixed by the board of directors and prior action by the board of directors is required by the General Corporation Law of the State of Delaware, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such payment, exercise or other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 9. CORPORATE SEAL

9.1. Subject to alteration by the directors, the seal of the corporation shall consist of a flat-faced circular die with the word "Delaware" and the name of the corporation cut or engraved thereon, together with such other words, dates or images as may be approved from time to time by the directors.

Section 10. EXECUTION OF PAPERS

10.1. Except as the board of directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation shall be signed by the chair of the board of directors, if any, the president, a vice president or the treasurer.

Section 11. FISCAL YEAR

11.1. The fiscal year of the corporation shall end on the last day of December.

Section 12. EXCLUSIVE FORUM

12.1. Exclusive Forum. Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation or any director or officer or other employee of the corporation arising pursuant to any provision of the General Corporation Law of the State of Delaware or the Certificate of Incorporation or these by-laws (as either may be amended from time to time), or (iv) any action asserting a claim against the corporation or any director or officer or other employee of the corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the corporation will be deemed to have notice of and consented to the provisions of this Section 12.

12.2. Foreign Actions. If any Foreign Action (as defined below) is filed in the name of any stockholder, such stockholder will be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce Section 12.1 above (an "FSC Enforcement Action") and (ii) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. A "Foreign Action" means any action the subject matter of which is within the scope of Section 12.1 that is filed in a court other than a court located within the State of Delaware.

Section 13. MISCELLANEOUS

13.1. Amendments. In furtherance and not in limitation of the powers conferred upon it by law, the board of directors is expressly authorized to adopt, repeal, alter or amend the by-laws of the corporation by the vote of a majority of the entire board of directors. In addition to any requirements of law and any provision of the Certificate of Incorporation, the stockholders of the corporation may adopt, repeal, alter or amend any provision of the by-laws upon the affirmative vote of the holders of two-thirds of the total number of votes then outstanding represented by shares of capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

13.2. Time Periods. In applying any provision of these by-laws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, unless otherwise specified, calendar days shall be used, the day of the doing of the act shall be excluded and the day of the event shall be included.

Amended and Restated on May 15, 2024

Exhibit 31.1

CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Roche, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hanover Insurance Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

/s/ John C. Roche

John C. Roche
President, Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey M. Farber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hanover Insurance Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 1, 2024

/s/ Jeffrey M. Farber

Jeffrey M. Farber
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President, Chief Executive Officer and Director of The Hanover Insurance Group, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John C. Roche

John C. Roche
President, Chief Executive Officer and Director

Dated: August 1, 2024

Exhibit 32.2

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Executive Vice President and Chief Financial Officer of The Hanover Insurance Group, Inc. (the “Company”), does hereby certify that to the undersigned’s knowledge:

1) the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company’s Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey M. Farber

Jeffrey M. Farber
Executive Vice President and
Chief Financial Officer

Dated: August 1, 2024