



000048 - Hartford Insurance Group

Rating and Commentary ¹	Financial ²	General Information ³
Best's Credit Rating: N/A Rating Rationale: N/A Report Commentary: N/A	Time Period: 2nd Quarter - 2013 Last Updated: 08/24/2013 Status: Quality Cross Checked	Corporate Structure: N/A States Licensed: N/A Officers and Directors: N/A
 Best's Credit Rating Methodology	Disclaimer	 Best's Rating Guide

Additional Online Resources

Related News	Archived AMB Credit Reports
Rating Activity and Announcements	Corporate Changes & Retirements
Company Overview	AMB Country Risk Reports - United States

¹The Rating and Commentary date outlines the most recent updates to the Company's Rating, Rationale, and Report Commentary for key rating and business changes. Report commentary may include significant changes to Business Review, Financial Performance/Earnings, Capitalization, Investment/Liquidity, or Reinsurance sections of the report.

²The Financial date reflects the current status of the financial tables found within the body of the Report, including whether the data was loaded as received or had been run through our quality control cross-check process.

³The General Information date covers key areas that may have changed such as corporate structure, states licensed or officers and directors.

Associated Parent: [The Hartford Financial Services Group, Inc.](#)

Hartford Insurance Group

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AMB #: 000048

Associated Parent: [058707](#)

NAIC #: N/A

FEIN #: N/A

Key Financial Indicators

Period Ending	Statutory Data (\$000)					
	Premiums Written		Pre-tax Operating Income	Net Income	Total Admitted Assets	Policyholder's Surplus
	Direct	Net				
2012	10,685,021	9,845,017	1,086,313	890,206	40,377,773	14,224,673
2011	10,633,966	9,848,153	443,311	534,077	39,829,984	13,788,915
2010	10,370,367	9,688,760	1,650,186	1,462,440	40,405,056	15,168,718
2009	10,473,026	9,761,429	2,093,046	895,572	40,056,199	14,309,659
2008	11,049,581	10,209,684	2,479,179	492,137	40,468,100	13,494,649
06/2013	5,475,272	5,023,798	713,337	627,118	42,369,489	15,729,276
06/2012	5,401,300	5,019,435	635,619	536,738	40,327,222	14,240,420

Period Ending	Profitability			Leverage			Liquidity	
	Combined Ratio	Investment Yield (%)	Pre-Tax ROR (%)	Non-Affiliated Investment Leverage	NPW to PHS	Net Leverage	Overall Liquidity (%)	Operating Cash-flow (%)
2012	102.2	4.2	11.0	23.2	0.7	2.5	154.6	111.1
2011	107.6	4.3	4.5	16.0	0.7	2.6	153.1	108.0
2010	97.3	4.7	17.0	9.8	0.6	2.3	160.4	111.1
2009	94.2	4.6	21.1	13.6	0.7	2.5	155.9	117.0
2008	92.9	5.3	24.0	18.4	0.8	2.7	150.5	120.5
5-Yr Avg	98.8	4.6	15.6	...	...	...	...	...
06/2013	98.8	4.1	14.6	78.1	0.6	2.3	159.2	109.4
06/2012	99.8	4.2	12.9	23.5	0.7	2.5	154.7	111.9

(*) Within several financial tables of this report, this company is compared against the Commercial Casualty Composite.

(*) Data reflected within all tables of this report has been compiled through the A.M. Best Consolidation of statutory filings.

Scope of Operations

Total Premium Composition & Growth Analysis

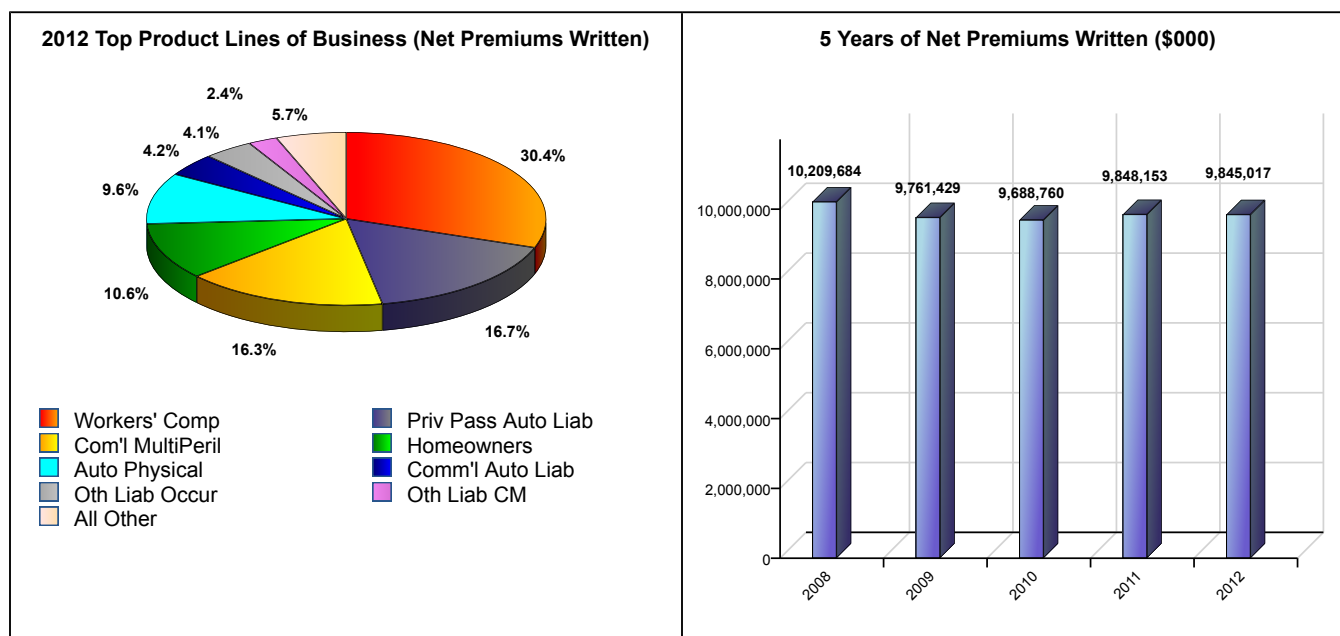
Period Ending	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written	
	(\$000)	(%Chg)	(\$000)	(%Chg)	(\$000)	(%Chg)	(\$000)	(%Chg)
2012	10,685,021	0.5	229,091	2.2	1,069,094	5.8	9,845,017	...
2011	10,633,966	2.5	224,259	-3.6	1,010,071	10.5	9,848,153	1.6
2010	10,370,367	-1.0	232,652	-1.6	914,259	-3.6	9,688,760	-0.7
2009	10,473,026	-5.2	236,423	9.7	948,020	-10.2	9,761,429	-4.4
2008	11,049,581	-4.0	215,447	4.9	1,055,344	-17.3	10,209,684	-2.2
5-Yr CAGR	...	-1.5	...	2.2	...	-3.5	...	-1.2
06/2013	5,475,272	1.4	7,681,876	0.1	8,133,351	1.0	5,023,798	0.1
06/2012	5,401,300	0.7	7,672,939	0.8	8,054,803	0.9	5,019,435	0.5

Business Trends

2012 By-Line Business (\$000)

Product Line	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention %
	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)	
Workers' Comp	3,286,686	30.8	27,501	12.0	319,690	29.9	2,994,497	30.4	90.4
Priv Pass Auto Liab	1,526,645	14.3	125,948	55.0	10,299	1.0	1,642,294	16.7	99.4
Com'l MultiPeril	1,716,365	16.1	3	0.0	106,830	10.0	1,609,538	16.3	93.8
Homeowners	1,108,182	10.4	854	0.4	64,582	6.0	1,044,454	10.6	94.2
Auto Physical	885,583	8.3	68,496	29.9	13,201	1.2	940,877	9.6	98.6
Comm'l Auto Liab	449,914	4.2	3,493	1.5	35,796	3.3	417,610	4.2	92.1
Oth Liab Occur	466,730	4.4	-41	0.0	66,725	6.2	399,964	4.1	85.7
Oth Liab CM	333,756	3.1	553	0.2	100,622	9.4	233,687	2.4	69.9
All Other	911,161	8.5	2,285	1.0	351,349	32.9	562,096	5.7	61.5
Total	10,685,021	100.0	229,091	100.0	1,069,094	100.0	9,845,017	100.0	90.2

Business Trends (Continued ...)



By-Line Reserve (\$000)

Product Line	2012	2011	2010	2009	2008
Workers' Comp	8,237,230	7,636,009	6,847,931	6,591,167	6,400,482
Priv Pass Auto Liab	1,405,615	1,520,667	1,668,147	1,665,026	1,610,602
Com'l MultiPeril	2,535,643	2,616,150	2,589,492	2,601,786	2,672,304
Homeowners	406,421	447,322	419,915	324,142	304,398
Auto Physical	65,394	50,032	35,135	43,203	50,799
Comm'l Auto Liab	618,696	569,046	594,258	653,415	678,021
Oth Liab Occur	2,455,962	2,562,181	2,757,108	3,046,080	3,488,617
Oth Liab CM	819,303	855,134	791,174	897,887	880,063
All Other	1,672,048	1,802,324	1,771,732	1,860,401	1,686,704
Total	18,216,311	18,058,865	17,474,892	17,683,108	17,771,990

Market Share / Market Presence

Market Share / Market Presence (Continued ...)

Geographical Breakdown By Direct Premium Writings (\$000)

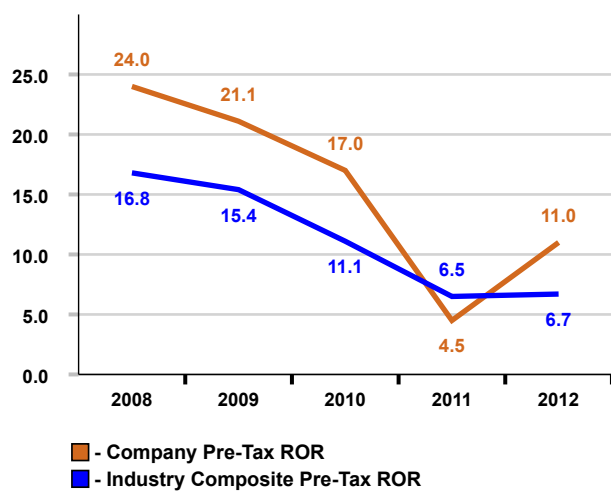
	2012	2011	2010	2009	2008
California	1,466,468	1,449,790	1,310,655	1,268,083	1,325,725
New York	1,047,322	1,032,369	951,402	909,244	927,099
Florida	704,240	686,290	686,475	708,251	809,964
Texas	641,105	658,310	660,514	671,360	706,116
New Jersey	494,424	470,626	448,920	460,801	492,527
Illinois	488,008	494,705	487,287	489,348	496,165
Connecticut	418,465	410,532	410,649	427,478	481,924
Pennsylvania	372,876	384,536	382,547	406,699	450,807
Maryland	301,544	288,170	274,823	273,404	296,491
North Carolina	298,314	289,608	277,516	297,060	275,757
All Other	4,452,253	4,469,031	4,479,580	4,561,299	4,787,005
Total	10,685,021	10,633,966	10,370,367	10,473,026	11,049,581

Operating Performance

Profitability Analysis

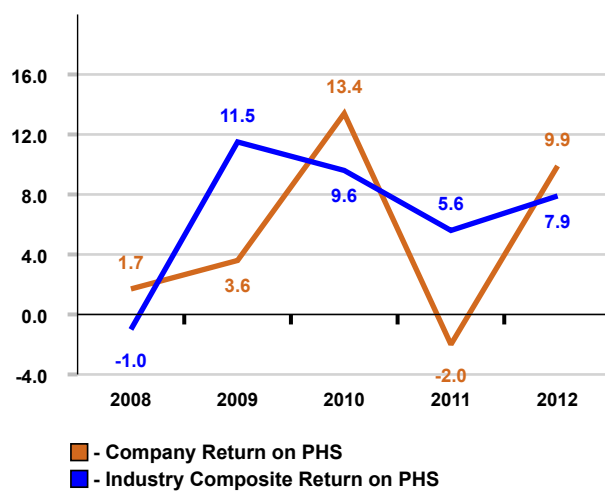
Period Ending	Company							Industry Composite		
	Pre-tax Operating Income	After-tax Operating Income	Net Income	Total Return	Pre-Tax ROR	Return on PHS	Operating Ratio	Pre-Tax ROR	Return on PHS	Operating Ratio
2012	1,086,313	821,064	890,206	1,380,146	11.0	9.9	87.7	6.7	7.9	92.4
2011	443,311	439,806	534,077	-295,762	4.5	-2.0	92.9	6.5	5.6	93.1
2010	1,650,186	1,325,765	1,462,440	1,974,755	17.0	13.4	81.0	11.1	9.6	88.2
2009	2,093,046	1,572,507	895,572	500,009	21.1	3.6	78.3	15.4	11.5	84.6
2008	2,479,179	1,729,023	492,137	247,574	24.0	1.7	74.6	16.8	-1.0	83.6
5-Yr Avg/Tot	7,752,034	5,888,165	4,274,430	3,806,721	15.6	5.3	82.9	11.3	6.8	88.4
06/2013	713,337	571,605	627,118	1,964,916	14.6	16.7	84.0	XX	XX	XX
06/2012	635,619	510,514	536,738	836,576	12.9	-0.1	85.4	XX	XX	XX

Pre-Tax ROR Comparison with Industry Composite



* Industry Composite - Commercial Casualty Composite

Return on PHS Comparison with Industry Composite



* Industry Composite - Commercial Casualty Composite

Underwriting Results

Underwriting Results (Continued ...)

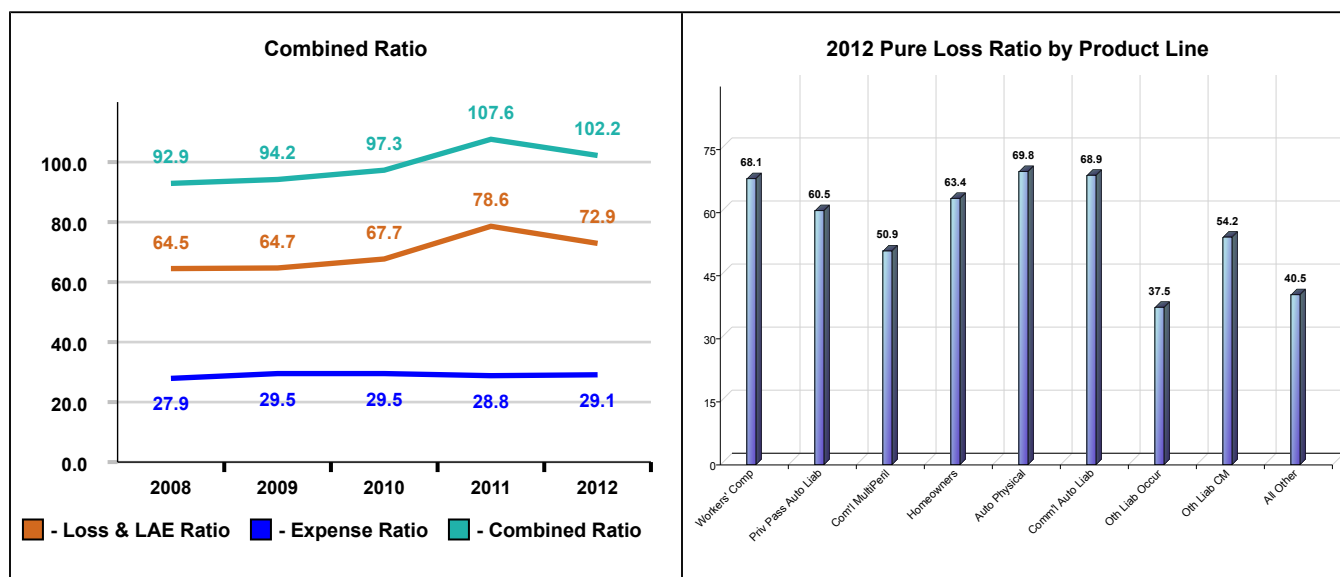
Underwriting Experience

Year	Net Undrw Income (\$000)	Loss Ratios			Expense Ratios			Div. Pol.	Comb. Ratio
		Pure Loss	LAE	Loss & LAE	Net Comm	Other Exp.	Total Exp.		
2012	-199,762	60.6	12.3	72.9	8.9	20.2	29.1	0.2	102.2
2011	-744,562	64.6	13.9	78.6	9.2	19.6	28.8	0.2	107.6
2010	265,309	55.0	12.7	67.7	9.5	20.0	29.5	0.2	97.3
2009	622,150	51.5	13.2	64.7	9.5	20.0	29.5	...	94.2
2008	761,542	53.8	10.8	64.5	9.6	18.3	27.9	0.5	92.9
5-Yr Avg	704,676	57.1	12.6	69.6	9.4	19.6	28.9	0.2	98.8
06/2013	15,889	58.3	12.1	70.4	XX	XX	28.3	0.1	98.8
06/2012	-19,547	59.3	12.1	71.4	XX	XX	28.3	0.1	99.8

Loss Ratio By Line

Product Line	2012	2011	2010	2009	2008	5-Yr. Avg.
Workers' Comp	68.1	71.0	58.1	53.9	48.4	60.7
Priv Pass Auto Liab	60.5	60.8	66.0	69.5	64.0	64.3
Com'l MultiPeril	50.9	60.2	50.7	40.9	73.1	55.5
Homeowners	63.4	85.2	79.1	70.1	70.5	73.7
Auto Physical	69.8	65.8	59.3	54.6	54.4	60.3
Comm'l Auto Liab	68.9	52.5	45.4	50.4	47.1	52.6
Oth Liab Occur	37.5	25.8	4.3	-10.5	-11.2	8.6
Oth Liab CM	54.2	51.2	10.9	30.4	25.2	32.9
All Other	40.5	59.1	31.4	38.2	33.0	39.8
Total	60.6	64.6	55.0	51.5	53.8	57.1

Underwriting Results (Continued ...)



Direct Loss Ratios By State

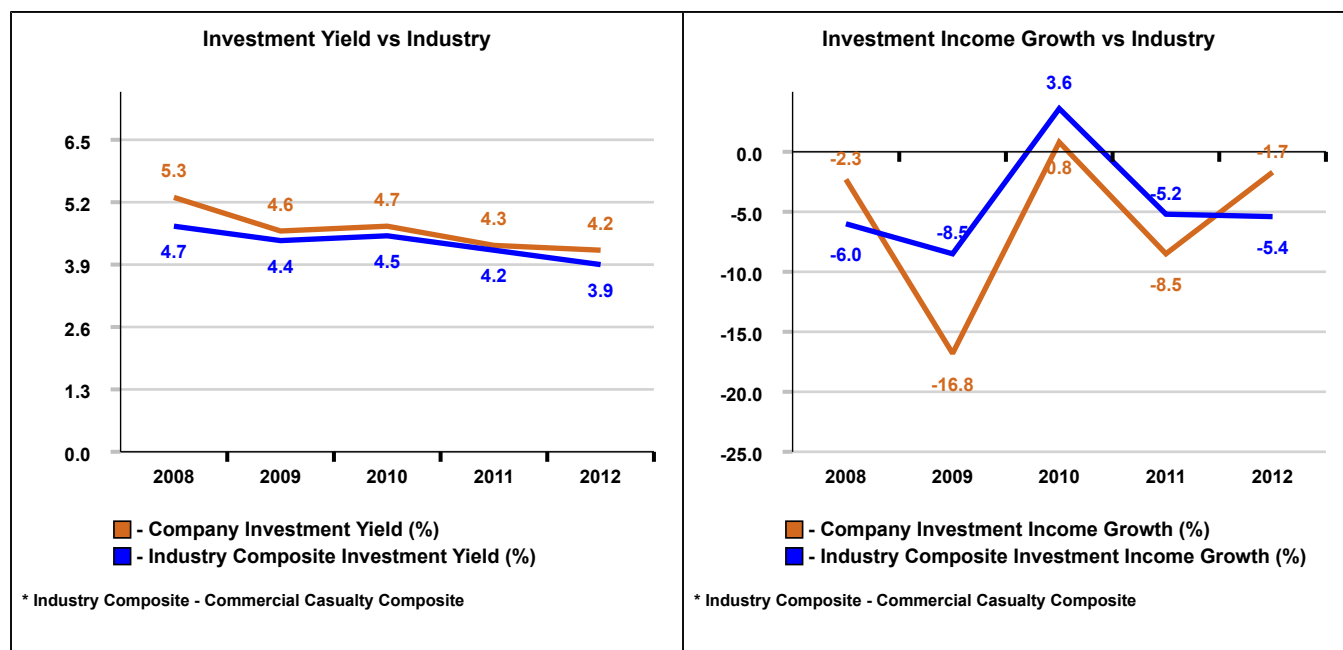
	2012	2011	2010	2009	2008	5-Yr. Avg.
California	54.0	54.1	42.7	30.3	44.3	45.5
New York	75.4	65.6	54.9	58.6	69.0	65.0
Florida	58.0	50.5	58.9	52.9	47.1	53.3
Texas	52.6	73.0	47.6	48.3	72.3	58.9
New Jersey	87.6	76.6	64.6	49.5	53.5	66.4
Illinois	55.5	67.9	43.2	66.2	66.7	60.0
Connecticut	57.3	61.2	43.5	43.9	49.8	51.0
Pennsylvania	57.4	58.0	66.6	51.9	74.9	62.1
Maryland	54.2	60.9	50.8	75.3	46.4	57.4
North Carolina	58.2	83.6	38.4	50.7	52.4	56.7
All Other	57.9	61.5	57.5	51.2	49.4	55.4
Total	59.9	62.3	53.6	50.2	53.7	55.9

Investment Results

Investment Results (Continued ...)

Investment Gains (\$000)

Year	Company							Industry Composite	
	Net Investment Income (\$000)	Realized Capital Gains (\$000)	Unrealized Capital Gains (\$000)	Investment Income Growth (%)	Investment Yield (%)	Return on Invested Assets (%)	Total Return (%)	Investment Income Growth (%)	Investment Yield (%)
2012	1,424,472	69,141	489,940	-1.7	4.2	4.4	5.9	-5.4	3.9
2011	1,448,673	94,270	-829,838	-8.5	4.3	4.6	2.1	-5.2	4.2
2010	1,583,076	136,675	512,315	0.8	4.7	5.1	6.6	3.6	4.5
2009	1,570,449	-676,935	-395,563	-16.8	4.6	2.6	1.4	-8.5	4.4
2008	1,887,224	-1,236,886	-244,563	-2.3	5.3	1.8	1.1	-6.0	4.7
5-Yr Avg/Tot	7,913,894	-1,613,735	-467,709	-6.0	4.6	3.7	3.4	-4.4	4.4
06/2013	721,343	55,512	1,337,798	1.6	4.1	4.4	9.0	XX	XX
06/2012	710,042	26,224	299,838	-2.8	4.2	4.3	1.7	XX	XX



Balance Sheet Strength

Capitalization

Capital Generation Analysis (\$000)

Year	Source of Surplus Growth							
	Pre-tax Operating Income	Realized Capital Gains	Income Taxes	Unrealized Capital Gains	Net Contributed Capital	Other Changes	Change in PHS	% Change in PHS
2012	1,086,313	69,141	265,249	489,940	-982,686	38,299	435,758	3.2
2011	443,311	94,270	3,504	-829,838	-1,101,629	17,587	-1,379,803	-9.1
2010	1,650,186	136,675	324,421	512,315	-964,769	-150,927	859,059	6.0
2009	2,093,046	-676,935	520,539	-395,563	-237,359	552,359	815,009	6.0
2008	2,479,179	-1,236,886	750,156	-244,563	-2,353,548	-329,014	-2,434,989	-15.3
5-Yr Total	7,752,034	-1,613,735	1,863,869	-467,709	-5,639,991	128,304	-1,704,965	-2.2
06/2013	713,337	55,512	141,731	1,337,798	-409,461	-50,852	1,504,603	10.6
06/2012	635,619	26,224	125,105	299,838	-476,542	91,472	451,505	3.3

Quality of Surplus (\$000)

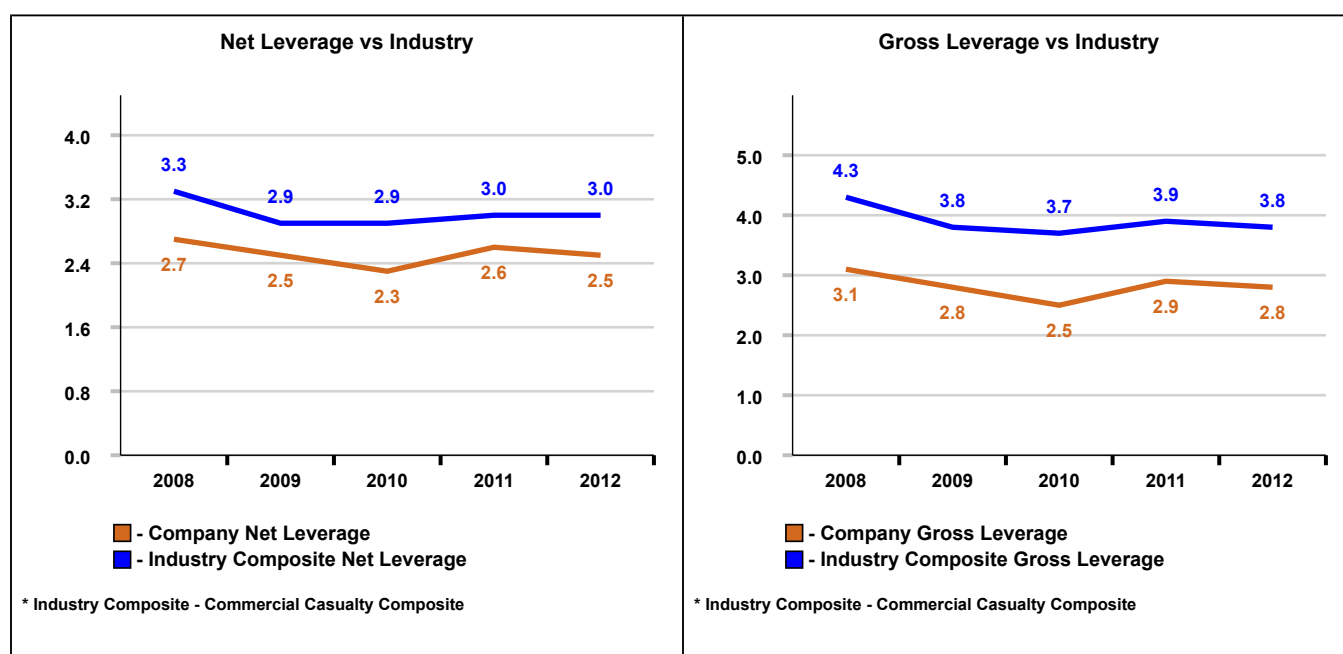
Year	Surplus Notes	Other Debt	Contributed Capital	Unassigned Surplus	Year End Policyholders Surplus	Conditional Reserves	Adjusted Policyholders Surplus
2012	5,672,146	8,552,527	14,224,673	28,040	14,252,713
2011	5,859,440	7,929,475	13,788,915	22,698	13,811,613
2010	5,873,256	9,295,462	15,168,718	39,876	15,208,594
2009	5,843,304	8,466,355	14,309,659	50,408	14,360,067
2008	5,602,587	7,892,062	13,494,649	84,545	13,579,195
06/2013	5,736,685	9,992,591	15,729,276	28,040	15,757,316
06/2012	5,663,290	8,577,130	14,240,420	22,698	14,263,118

Underwriting Leverage

Underwriting Leverage (Continued ...)

Leverage Analysis

Year	Company				Industry Composite			
	NPW to PHS	Reserves to PHS	Net Leverage	Gross Leverage	NPW to PHS	Reserves to PHS	Net Leverage	Gross Leverage
2012	0.7	1.3	2.5	2.8	0.8	1.5	3.0	3.8
2011	0.7	1.3	2.6	2.9	0.8	1.5	3.0	3.9
2010	0.6	1.2	2.3	2.5	0.7	1.5	2.9	3.7
2009	0.7	1.2	2.5	2.8	0.7	1.5	2.9	3.8
2008	0.8	1.3	2.7	3.1	0.9	1.6	3.3	4.3
06/2013	0.6	1.2	2.3	XX	XX	XX	XX	XX
06/2012	0.7	1.3	2.5	XX	XX	XX	XX	XX



Ceded Reinsurance Analysis (\$000)

Year	Company				Industry Composite		
	Ceded Reinsurance Total	Business Retention (%)	Reinsurance Recoverables to PHS (%)	Ceded Reinsurance to PHS (%)	Business Retention (%)	Reinsurance Recoverables to PHS (%)	Ceded Reinsurance to PHS (%)
2012	3,826,512	90.2	19.4	26.9	82.6	59.1	84.5
2011	3,739,420	90.7	19.8	27.1	81.6	59.4	84.5
2010	3,691,655	91.4	18.3	24.3	81.2	57.6	80.4
2009	4,052,667	91.1	21.7	28.3	82.6	61.2	84.8
2008	4,527,185	90.6	25.7	33.5	84.6	70.6	97.6

Underwriting Leverage (Continued ...)

2012 Reinsurance Recoverables (\$000)

	Paid & Unpaid Losses	Incurred But Not Reported (IBNR) Losses	Unearned Premiums	Other Recoverables *	Total Reinsurance Recoverables
US Affiliates	9,573,982	14,889,443	7,057,905	...	31,521,327
Foreign Affiliates	...	458	...	-25	433
US Insurers	673,582	768,477	162,531	-5,112	1,599,478
Pools/Associations	236,900	180,108	156,221	...	573,229
Other Non-Us	177,627	310,630	112,814	-8,935	592,136
Total(ex Us Affils)	1,088,109	1,259,673	431,566	-14,072	2,765,276
Grand Total	10,662,091	16,149,116	7,489,471	-14,072	34,286,603

* Includes Commissions less Funds Withheld

Loss Reserves

Loss and ALAE Reserve Development: Calendar Year (\$000)

Calendar Year	Original Loss Reserves	Developed Reserves Thru 2012	Development to Original (%)	Development to PHS (%)	Development to NPE (%)	Unpaid Reserves @ 12/2012	Unpaid Reserves to Development (%)
2012	17,813,289	17,813,289	...	...	180.1	17,813,289	100.0
2011	17,618,689	17,545,978	-0.4	-0.5	177.8	13,661,253	77.9
2010	17,020,455	17,176,723	0.9	1.0	177.1	11,078,276	64.5
2009	17,189,812	16,844,504	-2.0	-2.4	169.9	9,384,363	55.7
2008	17,212,109	16,730,934	-2.8	-3.6	162.1	8,265,347	49.4
2007	17,087,179	16,306,071	-4.6	-4.9	155.4	7,373,554	45.2

Loss and ALAE Reserve Development: Accident Year (\$000)

Accident Year	Original Loss Reserves	Developed Reserves Thru 2012	Development to Original (%)	Unpaid Reserves @ 12/2012	Accident Year Loss Ratio	Accident Year Comb. Ratio
2012	4,152,036	4,152,036	...	4,152,036	73.4	102.6
2011	4,012,752	4,063,839	1.3	2,582,977	75.6	104.6
2010	3,605,311	3,845,532	6.7	1,693,913	72.4	102.0
2009	3,620,746	3,536,978	-2.3	1,119,016	66.0	95.4
2008	3,825,966	3,754,225	-1.9	891,793	66.2	94.6
2007	4,043,715	3,640,921	-10.0	689,126	61.9	90.4

Loss Reserves (Continued ...)

Asbestos And Environmental Reserves Analysis

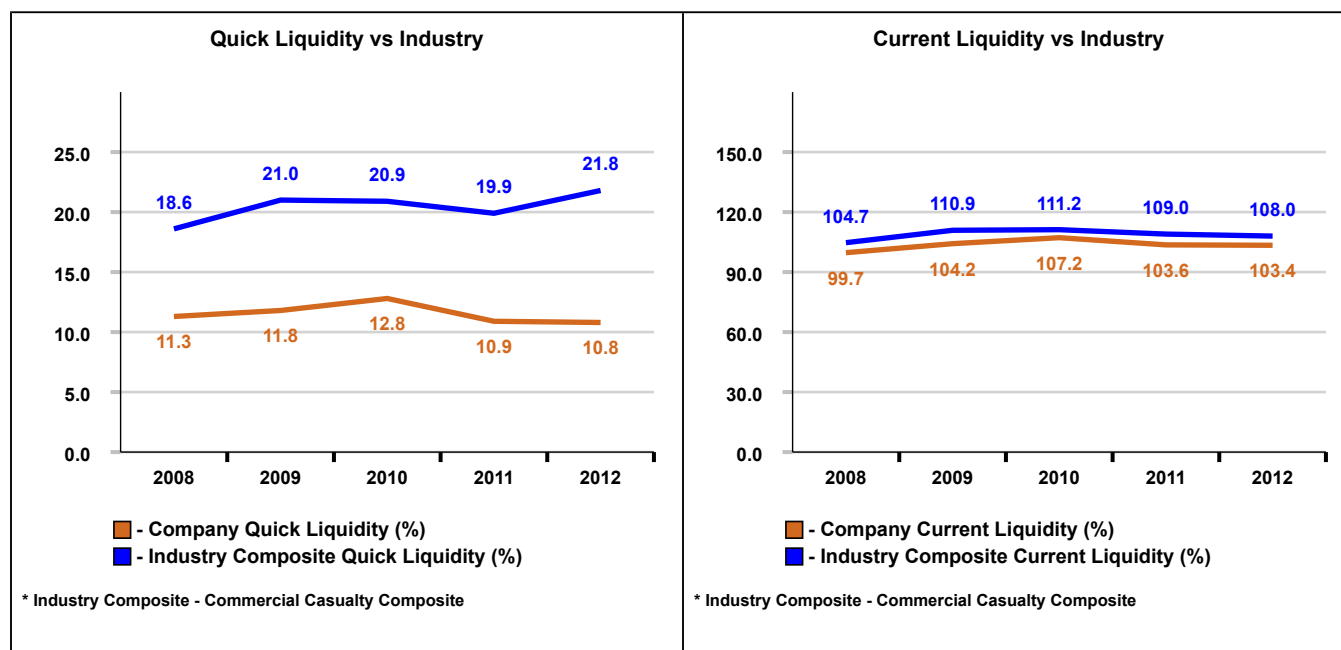
Year	Company						Industry Composite		
	Net A&E Reserves (\$000)	Reserve Retention (%)	Net Incurred But Not Reported (IBNR) Mix (%)	Survival Ratio (3 Yr)	Comb. Ratio Impact (1 Yr)	Comb. Ratio Impact (3 Yr)	Survival Ratio (3 Yr)	Comb. Ratio Impact (1 Yr)	Comb. Ratio Impact (3 Yr)
2012	1,828,434	66.6	54.5	7.8	0.5	2.2	9.1	0.6	0.6
2011	1,971,033	67.4	56.0	8.2	3.3	2.8	9.1	0.5	0.6
2010	1,869,412	69.8	55.6	7.9	2.9	2.1	7.2	0.7	0.5
2009	1,874,261	68.5	56.2	...	2.3	...	...	0.6	...
2008	1,857,396	70.6	53.6	...	1.2	...	...	0.3	...

Liquidity

Liquidity Analysis

Year	Company				Industry Composite			
	Quick Liquidity (%)	Current Liquidity (%)	Overall Liquidity (%)	Gross Agents Balances to PHS(%)	Quick Liquidity (%)	Current Liquidity (%)	Overall Liquidity (%)	Gross Agents Balances to PHS (%)
2012	10.8	103.4	154.6	5.7	21.8	108.0	144.9	10.9
2011	10.9	103.6	153.1	6.1	19.9	109.0	144.5	10.3
2010	12.8	107.2	160.4	5.0	20.9	111.2	146.2	9.0
2009	11.8	104.2	155.9	5.7	21.0	110.9	146.0	9.1
2008	11.3	99.7	150.5	6.7	18.6	104.7	140.8	11.9
06/2013	XX	101.2	159.2	5.8	XX	XX	XX	XX
06/2012	XX	101.8	154.7	6.1	XX	XX	XX	XX

Liquidity (Continued ...)



Cash Flow Analysis (\$000)

Year	Company					Industry Composite	
	Underwriting Cash Flow	Operating Cash Flow	Net Cash Flow	Underwriting Cash Flow (%)	Operating Cash Flow (%)	Underwriting Cash Flow (%)	Operating Cash Flow (%)
2012	-189,502	1,133,363	80,965	98.1	111.1	98.2	110.7
2011	-260,768	839,605	-229,765	97.4	108.0	96.5	107.6
2010	46,765	1,141,647	-230,734	100.5	111.1	96.6	108.6
2009	489,615	1,697,520	-293,334	105.2	117.0	98.4	109.5
2008	843,558	2,082,043	859,142	109.0	120.5	101.2	112.6
5-Yr Total	929,667	6,894,178	186,274	...	...	...	...
06/2013	-18,910	489,365	468,812	99.6	109.4	XX	XX
06/2012	-117,234	598,816	-244,239	97.7	111.9	XX	XX

Investments

Investments (Continued ...)

Investment Leverage Analysis (% of PHS)

Year	Company						Industry Composite	
	Class 3-6 Bonds	Real Estate / Mortgages	Other Invested Assets	Common Stock	Non - Affiliated Investment Leverage	Affiliated Investments	Class 3-6 Bonds	Common Stock
2012	6.3	7.4	9.4	0.2	23.2	50.0	7.1	10.3
2011	3.1	5.4	7.2	0.2	16.0	49.7	7.4	9.5
2010	3.0	2.4	4.1	0.2	9.8	52.6	7.2	9.0
2009	4.0	4.7	4.8	0.1	13.6	51.8	6.0	8.2
2008	3.1	5.8	8.0	1.5	18.4	58.1	5.4	9.1

Investments - Bond Portfolio

2012 Distribution By Maturity

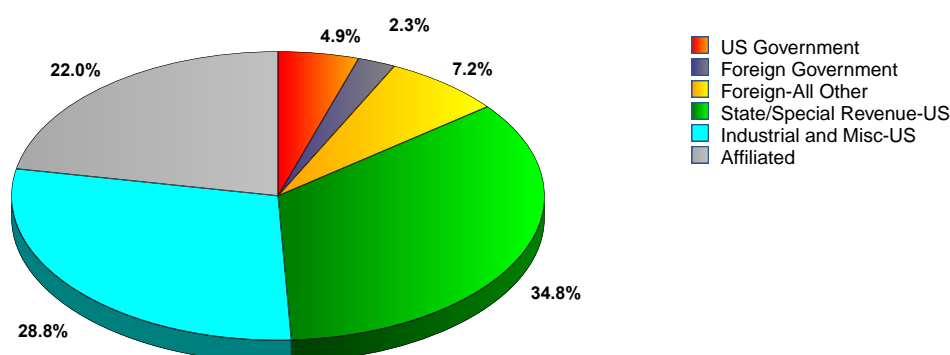
	Years					Years Average Maturity
	0-1	1-5	5-10	10-20	20+	
Government	0.7	2.9	1.8	0.6	0.9	7.9
Government Agencies & Muni.	1.0	3.6	5.0	13.1	11.1	15.5
Industrial & Misc.	4.5	15.5	10.6	2.0	4.5	7.0
Hybrid Securities	...	...	...	0.1	0.4	23.0
Affiliated	21.4	...	...	...	...	0.5
Total	27.7	22.1	17.3	15.9	17.0	8.7

Investments - Bond Portfolio (Continued ...)

Bond Distribution By Issuer Type

	2012	2011	2010	2009	2008
Bonds (000)	30,557,035	30,649,353	31,867,711	30,784,053	29,018,087
US Government	4.9	4.5	6.2	2.5	2.5
Foreign Government	2.3	1.3	0.8	0.6	1.7
Foreign-All Other	7.2	8.3	8.7	9.7	6.5
State/Special Revenue-US	34.8	31.9	30.1	31.6	31.1
Industrial and Misc-US	28.8	32.7	30.4	32.5	32.0
Credit Tenant Lns-US	...	...	0.1	0.1	0.1
Affiliated	22.0	21.3	23.8	22.9	26.2

2012 Bond Distribution By Issuer Type



Bond Percent Private vs Public

	2012	2011	2010	2009	2008
Private Issues	16.2	16.4	15.5	15.6	13.0
Public Issues	83.8	83.6	84.5	84.4	87.0

Bond Quality Percent

	2012	2011	2010	2009	2008
Class 1	59.2	61.5	84.0	83.2	85.9
Class 2	16.5	37.1	14.6	15.1	12.8
Class 3	1.5	0.8	0.9	1.3	0.9
Class 4	1.1	0.4	0.3	0.3	0.2
Class 5	21.6	0.2	0.1	0.2	0.2
Class 6	0.1	...	...	...	...

Investments - Equity Portfolio

	2012	2011	2010	2009	2008
Total Stocks(000)	402,642	411,756	491,713	509,527	1,932,317
Unaffiliated Common	5.6	5.9	5.7	3.6	10.2
Affiliated Common	30.0	19.8	21.4	15.1	3.0
Unaffiliated Preferred	64.4	74.3	72.9	81.3	86.8

Investments - Mortgage Loans And Real Estate

	2012	2011	2010	2009	2008
Mortgage Loans and Real Estate (000)	1,250,615	909,308	521,332	806,455	897,095
Mortgage Loans	83.9	82.4	71.2	83.3	87.5
Property Occupied by Company	16.1	17.6	28.8	16.7	12.5

Investments - Other Invested Assets

	2012	2011	2010	2009	2008
Other Invested Assets(000)	2,319,268	1,924,479	1,830,578	2,121,081	2,843,060
Cash	4.1	6.3	7.9	6.6	6.0
Short-Term	34.3	35.9	49.0	53.4	49.0
Schedule BA Assets	56.5	50.8	41.5	36.4	34.3
All Other	5.0	7.0	1.7	3.6	10.7

History

The lead member of The Hartford Insurance Group, Hartford Fire Insurance Company, was founded in Connecticut in 1810. In June 1970, control of the company was acquired by ITT Corporation, an international communications utility with highly diversified interests. Other domestic members of the group include: Hartford Accident and Indemnity Company (incorporated in 1913); Twin City Fire Insurance Company (controlled since 1921); Hartford Casualty Insurance Company (incorporated in 1929); Hartford Life Insurance Company (acquired in 1959); Sentinel Insurance Company, Ltd. and Pacific Insurance Company, Ltd. (both acquired in 1963); Hartford Life and Accident Insurance Company (formed in 1967); Hartford Life and Annuity Insurance Company (organized in 1978); Hartford Insurance Company of Illinois, Hartford Lloyd's Insurance Company, Hartford Insurance Company of the Midwest and Hartford Insurance Company of the Southeast (all four organized in 1979); Nutmeg Insurance Company (chartered in 1980); Trumbull Insurance Company (organized in 1986 as Hartford Insurance Company of Connecticut to serve as the vehicle to change the state of domicile of Hartford Insurance Company of Alabama to Connecticut) and Hartford Underwriters Insurance Company (organized in 1987 to serve as the vehicle to change the state of domicile of New York Underwriters Insurance Company to Connecticut). New York Underwriters Insurance Company merged into Hartford Underwriters Insurance Company on July 1, 1988. Property and Casualty Insurance Company of Hartford was formed in 1989.

On December 19, 1995, ITT Corporation distributed all of the outstanding shares of The Hartford Financial Services Group, Inc. ("The Hartford"), which at the time was named ITT Hartford Group, Inc., to ITT Corporation shareholders. As a result of this spinoff, The Hartford became an independent, publicly owned company. In connection with this transaction, ITT Corporation transferred its 100% ownership of First State Insurance Company and its two subsidiaries, New England Insurance Company and New England Reinsurance Corporation, as well as its 100% ownership of Fencourt Reinsurance Company, Ltd., a Bermuda headquartered company, to The Hartford. The Hartford was named ITT Hartford Group, Inc. until May 2, 1997, at which time its current name, The Hartford Financial Services Group, Inc., was adopted. On May 27, 1997, The Hartford completed an 18.6% initial public offering of Hartford Life, Inc. (HLI), the intermediate holding company for The Hartford's life operations. On June 27, 2000, The Hartford re-acquired all of the approximately 26 million outstanding shares of HLI not already owned for approximately \$1.4 billion.

On February 12, 1998, The Hartford acquired Omni Insurance Group, Inc. and its two insurance subsidiaries, Omni Insurance Company and Omni Indemnity Company. On November 30, 2006, The Hartford completed its divestiture of Omni Insurance Group, Inc., the company's non-standard property and casualty subsidiary, to Independent Insurance Investments, Inc.

On December 7, 2005, Hartford Insurance Company of the Southeast was re-domiciled from Florida to Connecticut.

Consolidated Balance Sheet (\$000)

Admitted Assets	12/31/2012	12/31/2011	2012 %	2011 %
Bonds	23,840,165	24,121,953	59.0	60.6
Preferred Stock	259,394	305,917	0.6	0.8
Common Stock	22,594	24,139	0.1	0.1
Cash & Short-Term Invest	892,234	811,269	2.2	2.0
Real estate, investment	...	...	...	...
Derivatives	71,989	82,458	...	...
Other Non-Affil Inv Asset	2,330,868	1,699,443	5.8	4.3
Investments in Affiliates	6,911,202	6,689,764	17.1	16.8
Real Estate, Offices	201,114	159,953	0.5	0.4
Total Invested Assets	34,529,559	33,894,896	85.5	85.1
Premium Balances	3,153,203	3,093,324	7.8	7.8
Accrued Interest	266,824	272,582	0.7	0.7
Life department	...	...	...	...
All Other Assets	2,428,186	2,569,181	6.0	6.5
Total Assets	40,377,773	39,829,984	100.0	100.0
Liabilities & Surplus	12/31/2012	12/31/2011	2012 %	2011 %
Loss & LAE Reserves	18,216,311	18,058,865	45.1	45.3
Unearned Premiums	4,694,135	4,757,083	11.6	11.9
Conditional Reserve Funds	28,040	22,698	0.1	0.1
Derivatives	167,487	218,160	...	...
Life department	...	...	...	...
All Other Liabilities	3,047,126	2,984,263	7.5	7.5
Total Liabilities	26,153,100	26,041,069	64.8	65.4
Surplus notes	...	...	...	...
Capital & Assigned Surplus	5,672,146	5,859,440	14.0	14.7
Unassigned Surplus	8,552,527	7,929,475	21.2	19.9
Total Policyholders' Surplus	14,224,673	13,788,915	35.2	34.6
Total Liabilities & Surplus	40,377,773	39,829,984	100.0	100.0

Interim Balance Sheet (\$000)

Admitted Assets	03/31/2013	06/30/2013
Bonds	33,175,325	31,291,548
Preferred Stock	225,537	209,880
Common Stock	147,042	184,214
Cash & Short-Term Invest	1,121,262	1,361,046
Derivatives	115,975	115,093
Other Investments	2,664,573	3,019,679
Total Invested Assets	37,449,714	36,181,461
Premium Balances	3,309,876	3,324,417
Accrued Interest	283,258	272,442
Reinsurance Funds	462,820	425,765
All Other Assets	2,019,261	2,165,404
Total Assets	43,524,928	42,369,489
Liabilities & Surplus	03/31/2013	06/30/2013
Loss & LAE Reserves	18,085,983	18,206,392
Unearned Premiums	4,791,985	4,839,150
Conditional Reserve Funds	28,040	28,040
Derivatives	199,143	171,833
All Other Liabilities	3,732,119	3,394,798
Total Liabilities	26,837,269	26,640,213
Capital & Assigned Surp	5,726,619	5,736,685
Unassigned Surplus	10,961,040	9,992,591
Total Policyholders' Surplus	16,687,659	15,729,276
Total Liabilities & Surplus	43,524,928	42,369,489

Consolidated Summary Of 2012 Operations (\$000)

Statement of Income	12/31/2012	Funds Provided from Operations	12/31/2012
Premiums earned	9,890,044	Premiums collected	9,761,781
Losses incurred	5,991,942	Benefit & loss-related pmts	5,821,291
LAE incurred	1,218,239		
Undwr expenses incurred	2,862,869	LAE & undwr expenses paid	4,108,202
Other expenses incurred	...	Other income / expense	...
Dividends to policyholders	16,757	Dividends to policyholders	21,790
Net underwriting income	-199,762	Underwriting cash flow	-189,502
		Net transfer	...
Net investment income	1,424,472	Investment income	1,564,423
Other income/expense	-138,396	Other income/expense	-138,396
Pre-tax operating income	1,086,313	Pre-tax cash operations	1,236,525
Realized capital gains	69,141		
Income taxes incurred	265,249	Income taxes pd (recov)	103,162
Net income	890,206	Net oper cash flow	1,133,363

Interim Income Statement (\$000)

	Period Ended 06/30/2013	Period Ended 06/30/2012	Increase / Decrease
Premiums earned	4,877,253	4,917,006	-39,753
Losses incurred	2,842,461	2,914,129	-71,668
LAE incurred	591,902	596,073	-4,171
Undwr expenses incurred	1,420,699	1,420,928	-229
Other expenses incurred	...	...	...
Dividends to policyholders	6,302	5,422	879
Net underwriting income	15,889	-19,547	35,435
Net investment income	721,343	710,042	11,302
Other income/expense	-23,895	-54,876	30,981
Pre-tax operating income	713,337	635,619	77,718
Realized capital gains	55,512	26,224	29,288
Income taxes incurred	141,731	125,105	16,626
Net income	627,118	536,738	90,379

Interim Cash Flow (\$000)

	Period Ended 06/30/2013	Period Ended 06/30/2012	Increase / Decrease
Premiums collected	4,913,257	4,903,942	9,315
Benefit & loss-related pmts	2,766,987	2,907,254	-140,267
LAE & undwr expenses paid	2,155,951	2,102,118	53,833
Dividends to policyholders	9,229	11,804	-2,576
Underwriting cash flow	-18,910	-117,234	98,324
Net transfer	...	...	...
Investment income	791,118	768,486	22,633
Other income/expense	-23,895	-54,876	30,981
Pre-tax cash operations	748,313	596,376	151,938
Income taxes pd (recov)	258,948	-2,441	261,389
Net oper cash flow	489,365	598,816	-109,451

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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