The Hartford's Second Quarter 2023 Financial Results

The Hartford Financial Services Group, Inc. | July 27, 2023

THE HARTFORD

SAFE HARBOR STATEMENT

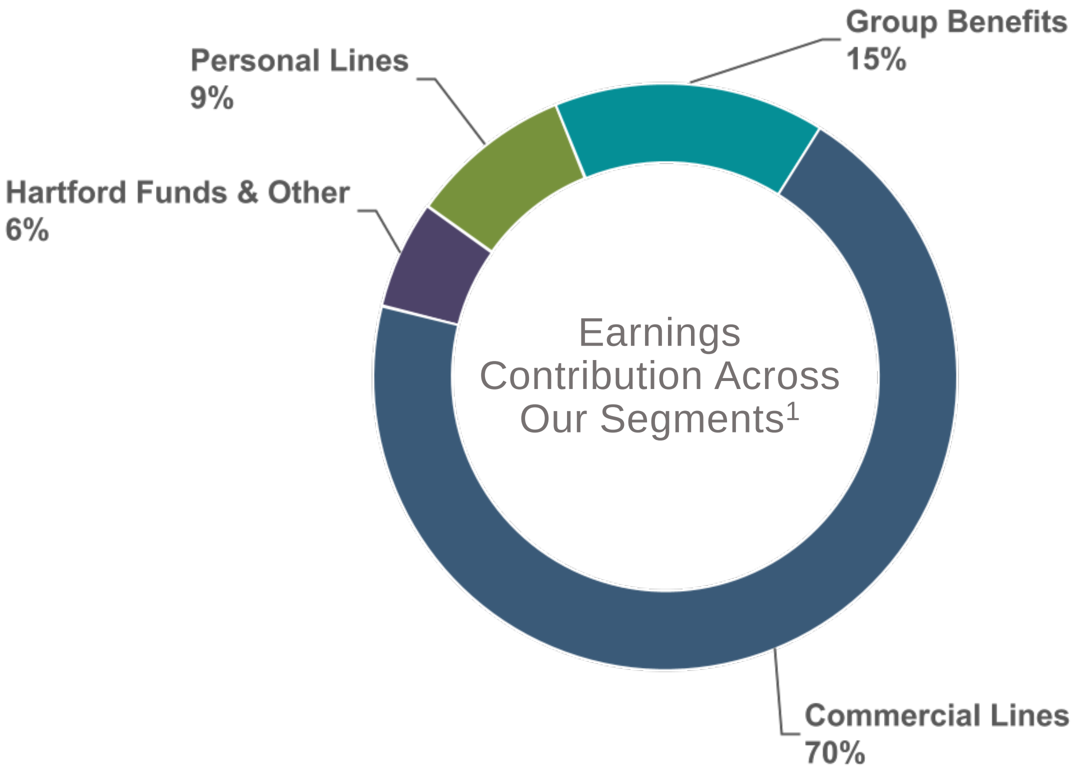
Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in The Hartford's news release issued on July 27, 2023, The Hartford's Quarterly Reports on Form 10-Q, The Hartford's 2022 Annual Report on Form 10-K, and other filings we make with the U.S. Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles (GAAP). Information regarding these non-GAAP financial measures is provided in the appendix to this presentation, the news release issued on July 27, 2023 and The Hartford's Investor Financial Supplement for second quarter 2023 which is available at the Investor Relations section of The Hartford's website at **https://ir.thehartford.com**.

From time to time, The Hartford may use its website and/or social media outlets, such as Twitter and Facebook, to disseminate material company information. Financial and other important information regarding The Hartford is routinely accessible through and posted on our website at **https://ir.thehartford.com.** In addition, you may automatically receive email alerts and other information about The Hartford when you enroll your email address by visiting the "Email Alerts" section at **https://ir.thehartford.com**.

THE HARTFORD
Diversified insurer with core strengths and market leadership

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



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

[1] Relative core earnings[2] contribution updated annually based on three-year projection for 2023-2025, excludes the corporate segment, as of December 31, 2022
[2] Denotes financial measure not calculated based on GAAP

SECOND QUARTER 2023 – DISCIPLINED EXECUTION

The Hartford delivered…

Growth:
- P&C net written premium growth of 11%, including 12% in Commercial Lines with double-digit increases from each business
- Group Benefits fully insured ongoing premium growth of 7%

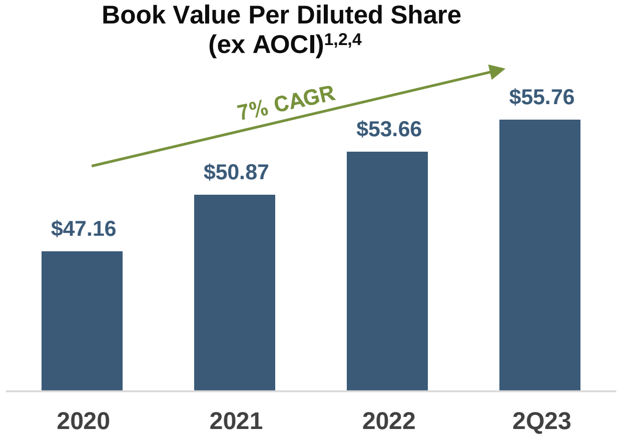
Profitability:
- Commercial Lines combined ratio of 91.2 and underlying combined ratio[1] of 88.3
- Group Benefits core earnings margin[1] of 7.6%

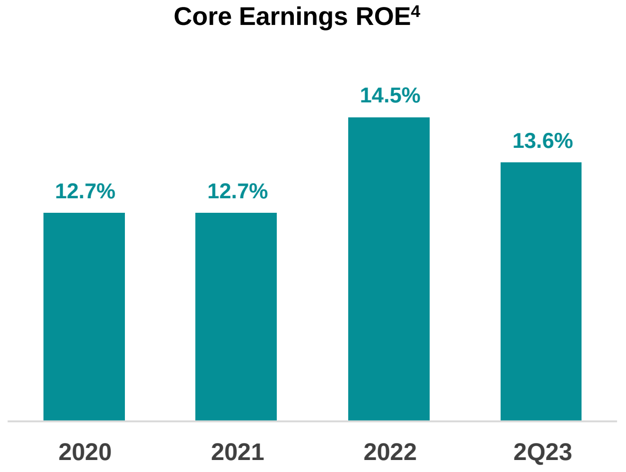
Balance sheet & capital management:
- Proactive capital management – repurchased $350 million of shares and paid $134 million in common stockholder dividends in 2Q23
- Year to date, the company has returned $968 million to stockholders including $700 million in share repurchases and $268 million in common stockholder dividends paid

Superior risk-adjusted returns:
- 13.6% core earnings return on equity (ROE)[1,3]

High Quality Investment Portfolio:
- A+ overall average credit rating with net investment income of $540 million, before tax, benefiting from an increase in fixed income which had a 4.0% yield, before tax, a 20-basis point increase from 1Q23

Maximizing Value Creation for All Stakeholders





[1] Denotes financial measure not calculated based on GAAP
[2] Accumulated other comprehensive income
[3] ROE based on trailing 12-month average common equity, ex. AOCI and trailing 12-month core earnings
[4] 2020 values do not reflect the adoption of updated FASB guidance on accounting for long duration insurance contracts; however, the impact of such guidance on Company results for the other periods shown is immaterial

2Q23 CORE EARNINGS[1] OF $588 MILLION, EPS[1,2] OF $1.88, ROE[1,3] OF 13.6%

Core Earnings (loss) By Segment *($ in millions, except per share amounts)*	2Q23	2Q22	Change[4]
Commercial Lines	$493	$544	(9)%
Personal Lines	(57)	21	NM
P&C Other Operations	10	(13)	NM
Property & Casualty Total	**446**	**552**	**(19)%**
Group Benefits	133	163	(18)%
Hartford Funds	44	44	-%
Sub-total	**623**	**759**	**(18)%**
Corporate	(35)	(43)	19%
Core earnings	**588**	**716**	**(18)%**
Net realized losses, before tax	(53)	(336)	84%
Restructuring and other costs, before tax	(3)	(2)	(50)%
Loss on extinguishment of debt, before tax	—	(9)	100%
Integration and other non-recurring M&A costs, before tax	(2)	(6)	67%
Income tax benefit (expense)	12	76	(84)%
Net income available to common stockholders	**542**	**439**	**23%**
Add back: Preferred stock dividends	5	5	—%
Net Income	**$547**	**$444**	**23%**
Core earnings per diluted share	**$1.88**	**$2.16**	**(13)%**
Net income available to common stockholders per diluted share	**$1.73**	**$1.32**	**31%**
Wtd. avg. diluted shares outstanding	313.3	331.8	(6)%
Common shares outstanding and dilutive potential common shares	311.0	329.1	(5)%
Book value per diluted share	$44.43	$42.27	5%
Book value per diluted share (excluding AOCI)[1]	$55.76	$52.14	7%
Net income ROE, last 12 months	14.4%	13.1%	1.3 pts.
Core earnings ROE, last 12 months	13.6%	14.0%	(0.4) pts.

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

2Q23 KEY BUSINESS HIGHLIGHTS VS. 2Q22

PROPERTY & CASUALTY

Strong contribution from Commercial Lines with growth across the segment

Written premiums	Combined ratio (%)	Underlying combined ratio[1] (%)
$4.0B ▲ 11%	96.2 ▲ 4.8pts	91.1 ▲ 1.7 pts

	Written premiums			Combined ratio (%)			Underlying combined ratio[1] (%)		
Commercial Lines	**$3.2B**	▲	**12%**	**91.2**	▲	**3.9 pts.**	**88.3**	▲	**0.2 pts.**
Small Commercial	$1.3B	▲	11%	90.8	▲	5.6 pts.	89.7	▲	2.8 pts.
Middle & Large Commercial	$1.0B	▲	12%	93.6	▼	2.0 pts.	88.7	▼	4.2 pts.
Global Specialty	$885M	▲	15%	87.3	▲	2.3 pts.	85.0	▲	1.9 pts.
Personal Lines	**$802M**	▲	**6%**	**114.9**	▲	**13.1 pts.**	**101.7**	▲	**7.6 pts.**
Auto	$543M	▲	7%	116.4	▲	15.2 pts.	111.8	▲	11.8 pts.
Homeowners	$259M	▲	5%	115.1	▲	12.0 pts.	79.6	▼	2.4 pts.

Group Benefits

Core earnings margin[1] of 7.6% and a 7% increase in premiums deliver profitable growth

Fully Insured Ongoing Premiums	Core earnings margin	Life loss ratio (%)	Disability loss ratio (%)
$1.6B ▲ 7%	7.6% ▼ 2.3 pts.	84.1% ▲ 5.5 pts.	67.0% ▲ 0.7 pts.

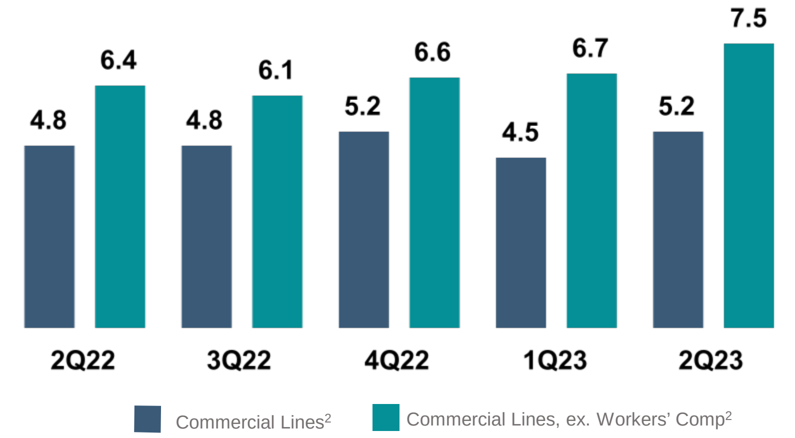
[1] Denotes financial measure not calculated based on GAAP

COMMERCIAL LINES

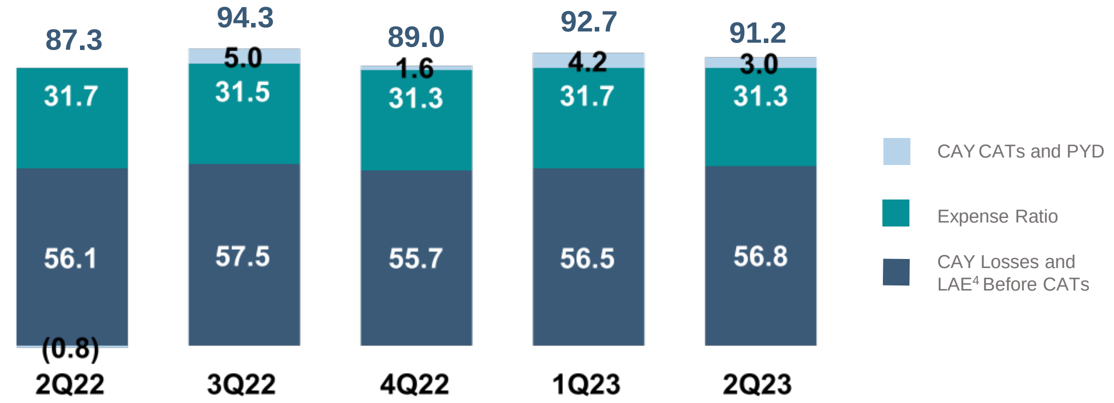
Strong contributions from each business continue to deliver profitable growth

- Written premiums of $3.2 billion in 2Q23 increased 12% from 2Q22 with increases and new business growth across the segment, all-time record premium of $1 billion in Middle & Large Commercial, including continued expansion in property lines, and the effect of higher renewal written price increases
- High single digit renewal written price increases, excluding workers' compensation, in Small Commercial and Middle Market
- Combined ratio of 91.2 in 2Q23 compared to 87.3 in 2Q22 and underlying combined ratio[1] of 88.3 compared to 88.1 in 2Q22, primarily due to a slightly higher workers' compensation loss ratio, as expected
- Expense ratio of 31.3 improved 0.4 points from 2Q22 driven by the impact of higher earned premium, lower incentive-based compensation and incremental savings from the Hartford Next program

Commercial Lines Renewal Written Pricing %

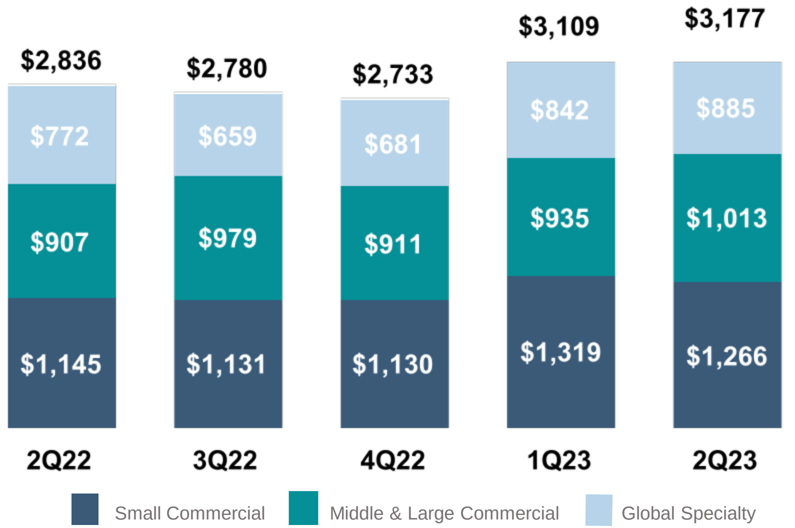


Commercial Lines Combined Ratio[3]



Commercial Lines Written Premiums[5]

($ in millions)



[1] Denotes financial measure not calculated based on GAAP

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

[3] Combined ratio includes policyholder dividends ratio

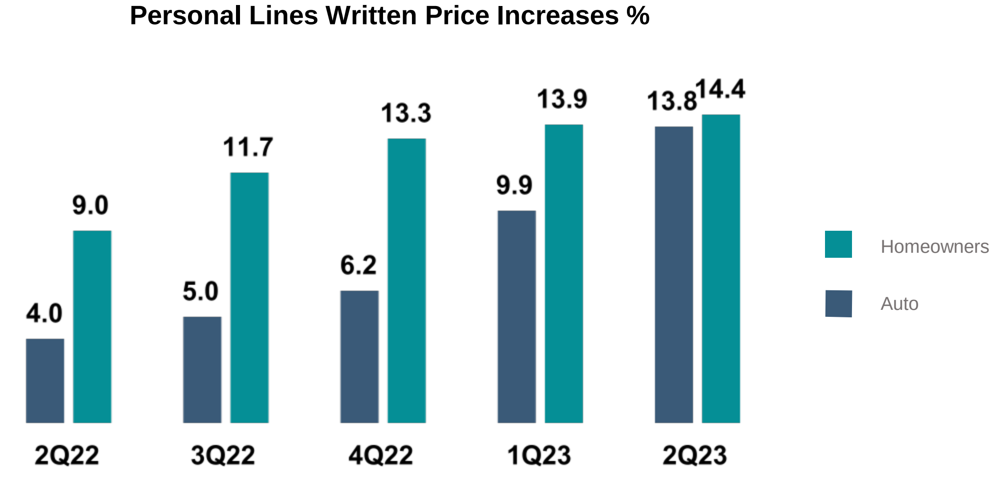
[4] Loss adjustment expense (LAE)

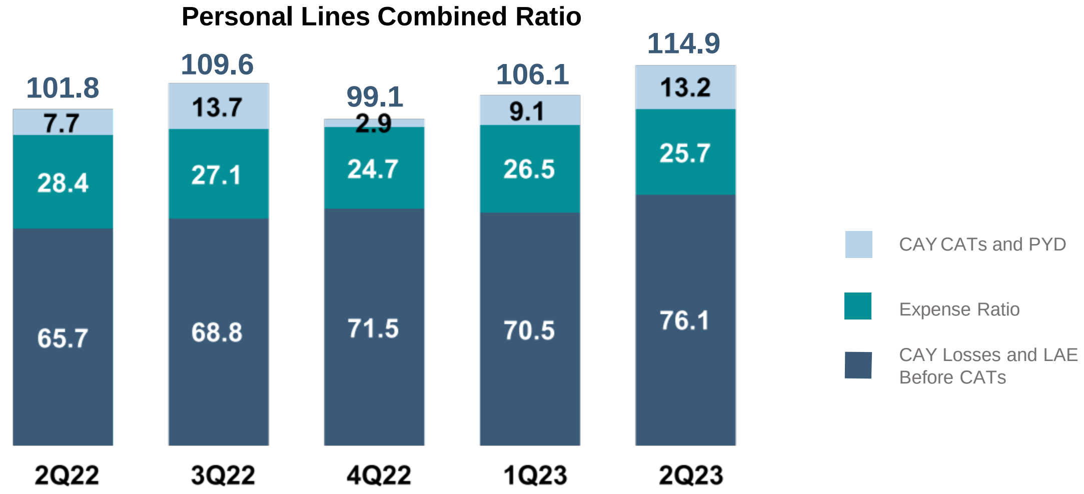
[5] Commercial Lines written premiums include immaterial amounts from Other Commercial

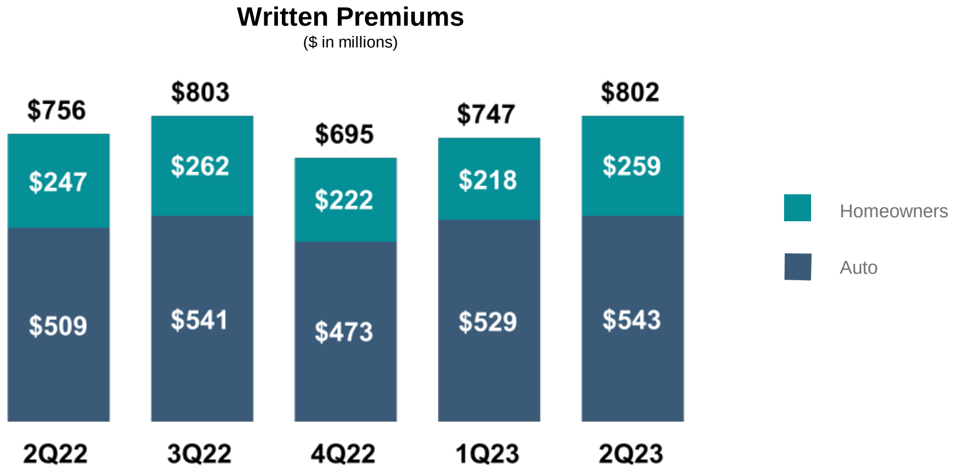
PERSONAL LINES

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

- Written premiums of $802 million increased by 6% compared to 2Q22
- Renewal written price increase in auto of 13.8% in 2Q23 compared to 4.0% in 2Q22 and 9.9% in 1Q23, and in home, 14.4% in 2Q23 compared to 9.0% in 2Q22 and 13.9% in 1Q23
- Combined ratio of 114.9 in 2Q23 compared to 101.8 in 2Q22, primarily driven by higher-than-expected auto physical damage and liability losses due to increased severity, an increase in CAY CAT's of 5.9 points, partially offset by 0.4 points of favorable PYD in 2Q23
- Underlying combined ratio[1] of 101.7 compared to 94.1 in 2Q22 primarily due to the increase in auto losses, partially offset by a 2.7 point improvement in the expense ratio primarily driven by lower marketing spend







[1] Denotes financial measure not calculated based on GAAP

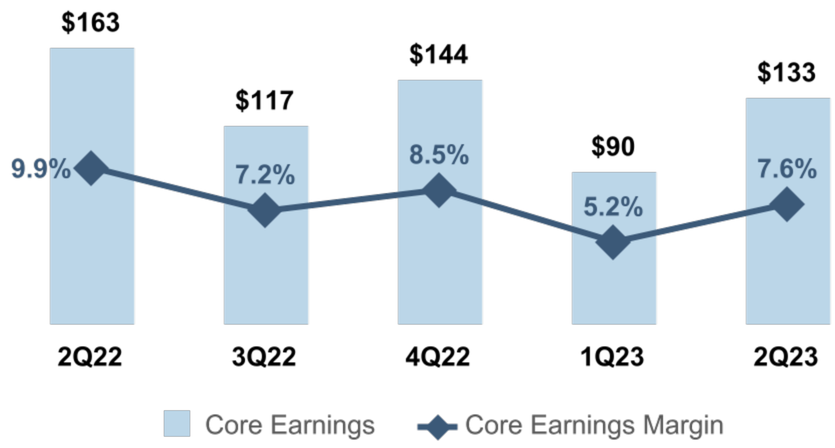
GROUP BENEFITS

Top line growth and strong margins in 2Q23

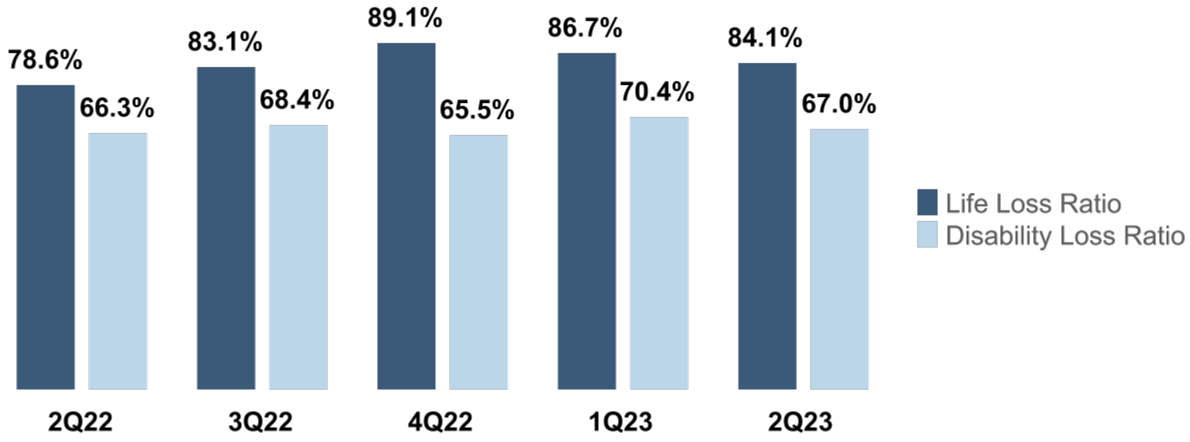
- Core earnings margin[1] of 7.6% compared with 9.9% in 2Q22, reflecting a higher group life loss ratio, lower net investment income, partially offset by premium growth
- The loss ratio of 72.1% increased 2.0 points from 2Q22 as the prior year benefited from favorable mortality reserve development of $24 million and the current year ratio is impacted by higher life claim severity. The disability loss ratio remains strong and reflects continued favorable long-term disability claim incidence and claim recovery trends
- 2Q23 fully insured ongoing premiums increased 7% from 2Q22 driven by strong persistency, new business sales, and an increase in exposure on existing accounts
- Expense ratio of 24.5% improved 0.7 points from 2Q22 primarily due to the effect of higher earned premiums and incremental expense savings from Hartford Next

Core Earnings[1] and Core Earnings Margin

($ in millions)

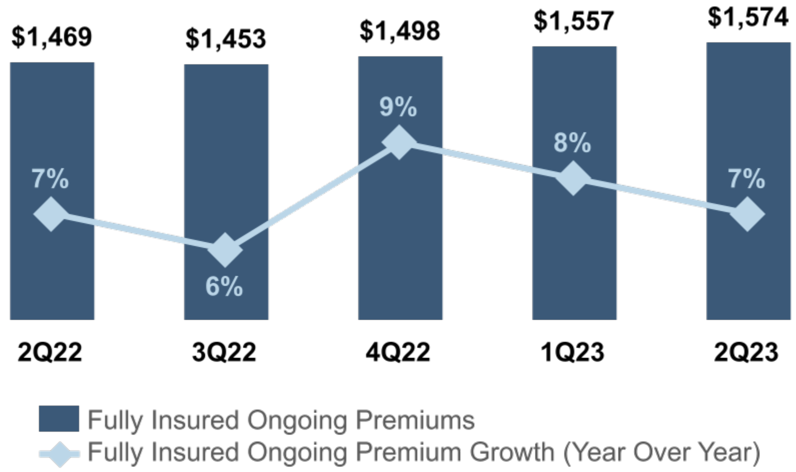


Loss Ratio



Fully Insured Ongoing Premiums & Growth

($ in millions)



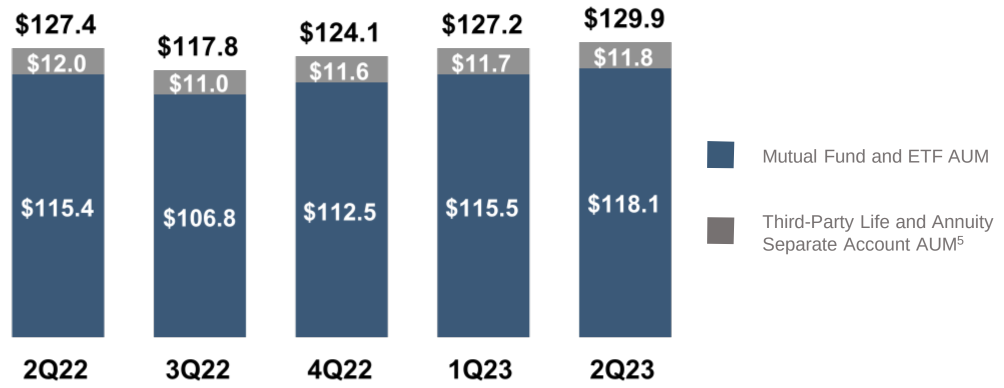
[1] Denotes financial measure not calculated based on GAAP

HARTFORD FUNDS

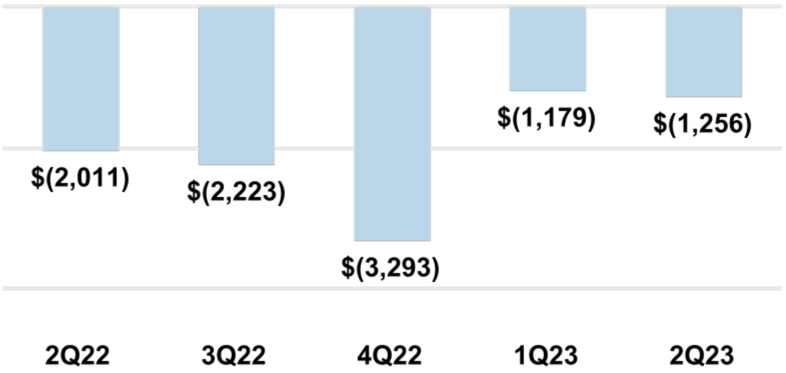
High return, fee generating business

- Core earnings[1] of $44 million in 2Q23 is flat from 2Q22 due to:
  - Higher net investment income
  - Offset by lower fee income, net of lower variable expenses, resulting from a 7% decrease in daily average AUM
- Mutual fund and Exchange-traded funds (ETF) net outflows of $1.3 billion in 2Q23, compared with net outflows of $1.2 billion in 1Q23
- 54% of overall funds are outperforming peers on a 1-year basis[3], 48% on a 3-year basis[3], 64% on a 5-year basis[3] and 68% on a 10-year basis[3]
- 53% of funds are rated 4 or 5 stars by Morningstar as of June 30, 2023
  - 81% are rated 3 stars or better

Total AUM[4]
($ in billions)



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



[1] Denotes financial measure not calculated based on GAAP
[2] Includes Mutual fund AUM (mutual funds sold through retail, bank trust, registered investment advisor and 529 plan channels) and ETFs. Excludes third-party Life and Annuity Separate Account
[3] Hartford Funds (non HLS) and ETFs on Morningstar net of fees basis at June 30, 2023
[4] Includes Mutual Fund, ETF and third-party life and annuity separate account AUM as of end of period
[5] Represents AUM of the life and annuity business sold in May 2018 that are still managed by Hartford Funds

CORPORATE

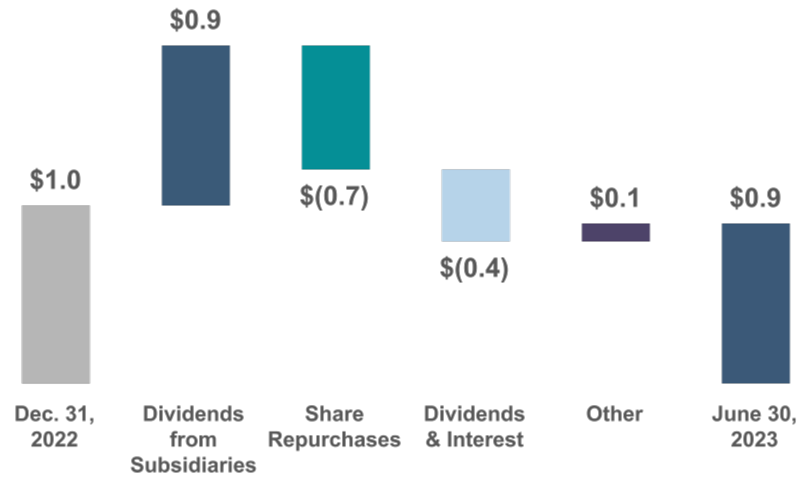
Core loss[1] of $35 million compared to a core loss of $43 million in 2Q22

Components of Corporate Core Losses

($ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23
Net investment income, after tax	$2	$6	$11	$8	$6
Interest expense, after tax	(40)	(40)	(40)	(40)	(40)
Preferred stock dividends	(5)	(6)	(5)	(5)	(5)
All other[2], after tax	—	3	1	2	4
Corporate core losses	**$(43)**	**$(37)**	**$(33)**	**$(35)**	**$(35)**

Corporate Holding Company Resources

($ billion)



[1] Denotes financial measure not calculated based on GAAP

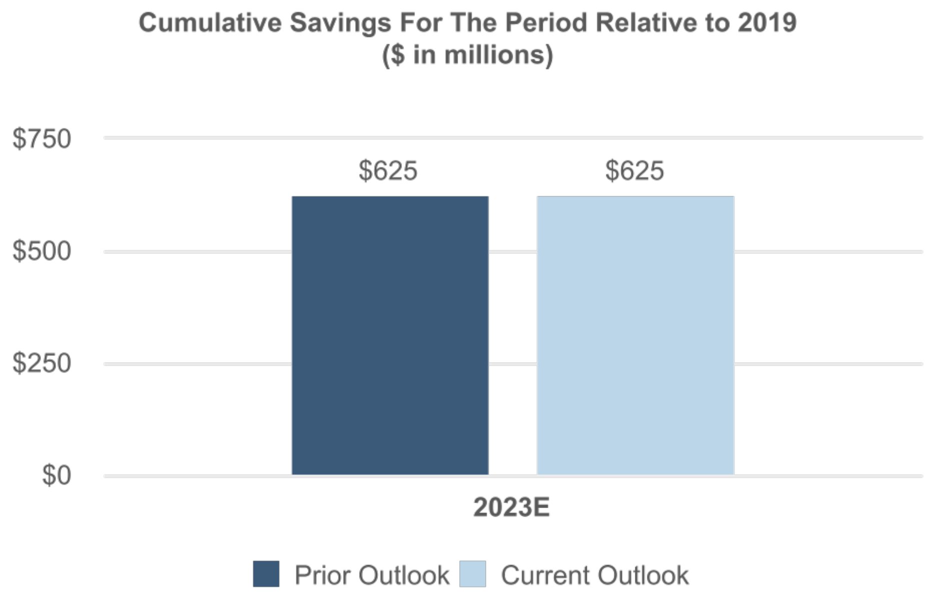
[2] Includes investment management fees and expenses related to managing third-party business, incurred losses related to run-off structured settlement and terminal funding agreement liabilities, stranded costs and other corporate expenses

HARTFORD NEXT

Initiative is on track, with savings of $625M in 2023

Updated Hartford Next Assumptions

- Hartford Next savings in line with previous estimates
- Current estimated expenses for the program are $388M, with impacts to core and non-core expenses, including ~$63M of amortization and other costs to be incurred after 2023



Updated Estimated Core Earnings[1] Impact

($ in millions)

	YTD June 2023	FY 2023E
Cumulative Savings Relative to 2019	$314	$625
Core expenses	($17)	($30)
Core Earnings Improvement (p/t)	$297	$595
Core Earnings Improvement (a/t)[2]	$235	$470

[1] Denotes financial measure not calculated in GAAP
[2] After tax impact, assuming corporate tax rate of 21%

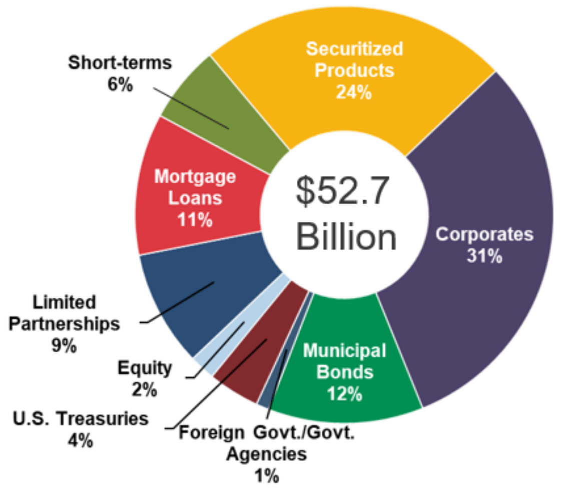
THE INVESTMENT PORTFOLIO

High quality and diversified

- Net investment income of $540 million benefited from an increase in fixed income which had a 4.0% yield, before tax, a 20-basis point increase from 1Q23
- LP[1] annualized yield of 2.9% driven by moderate returns on private equity funds and other funds
- High quality portfolio, approximately 96% investment grade, with over 70% of fixed maturities rated A or better, and an overall average credit rating of A+
- Investment portfolio designed to generate attractive risk adjusted returns to support our financial goals and objectives

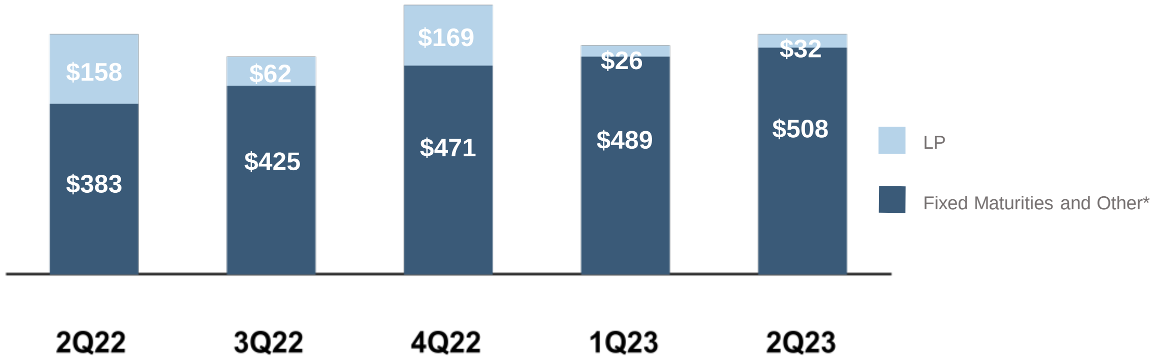
Invested Assets[3,4] by Sector

$52.7B as of June 30, 2023

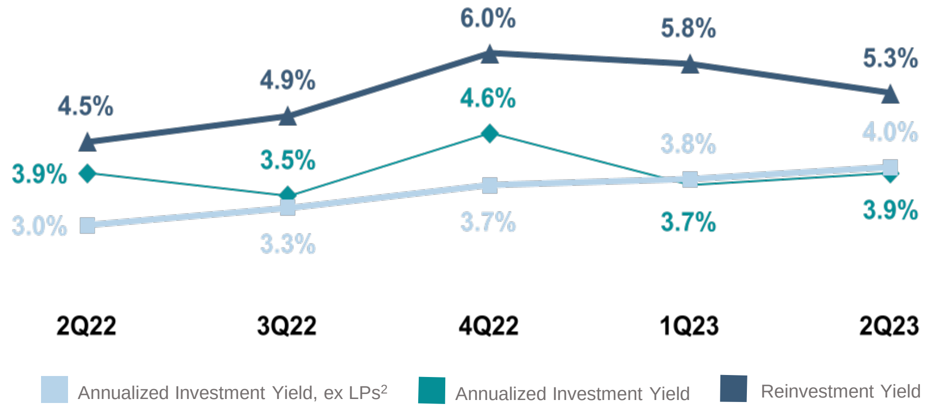


Net Investment Income

($ in millions)



Annualized Investment Yield, Before Tax



* Includes investment expenses of $22 million, $18 million, $21 million, $24 million and $23 million in 2Q22, 3Q22, 4Q22, 1Q23, and 2Q23 respectively

[1] Limited partnerships and other alternative investments

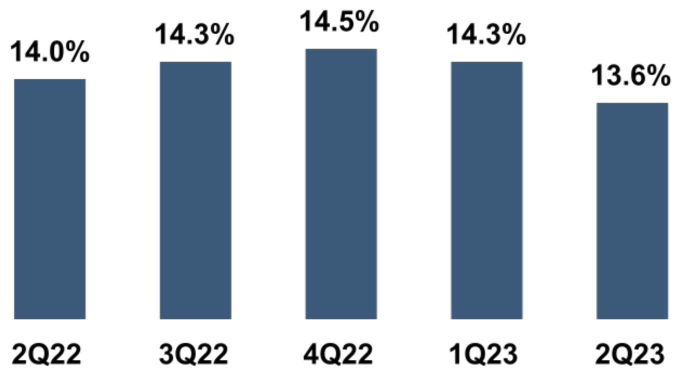
[2] Denotes financial measure not calculated based on GAAP

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

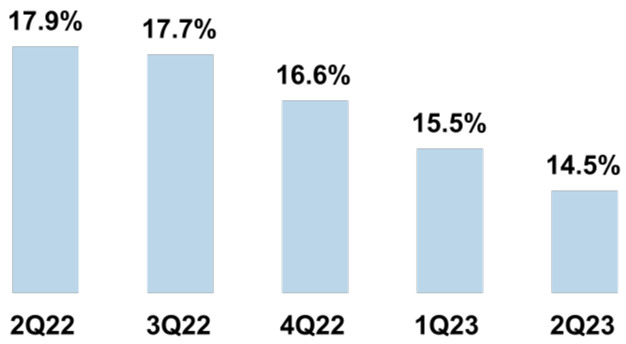
[4] Securitized Products include Fixed Maturities, FVO

CORE EARNINGS ROE[1] OF 13.6% IN 2Q23

Consolidated Core Earnings ROE



P&C Core Earnings ROE



Net income ROE of 14.4% versus 13.1% in 2Q22

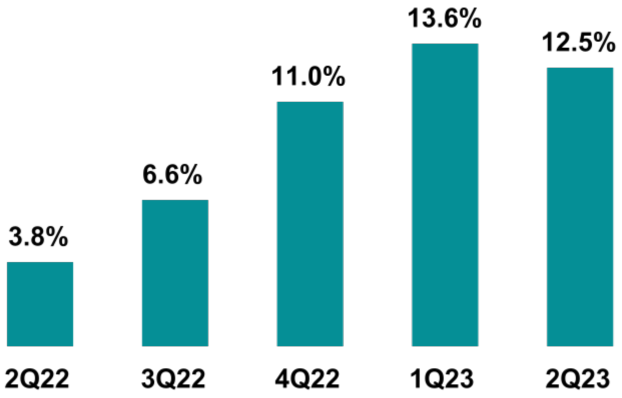
Core earnings ROE of 13.6% versus 14.0% in 2Q22

- 2Q23 trailing 12-month core earnings[1] decreased 3% to $2.35 billion from $2.42 billion in 2Q22

Core earnings ROE remained strong and increased in Group Benefits

- Group Benefits: 12.5% in 2Q23 versus 3.8% in 2Q22
- P&C: 14.5% in 2Q23 versus 17.9% in 2Q22
- Hartford Funds: 41.6% in 2Q23 versus 55.9% in 2Q22

Group Benefits Core Earnings ROE

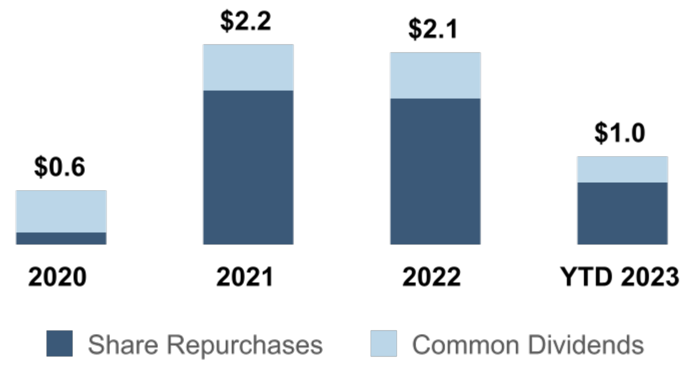


[1] Denotes financial measure not calculated in GAAP

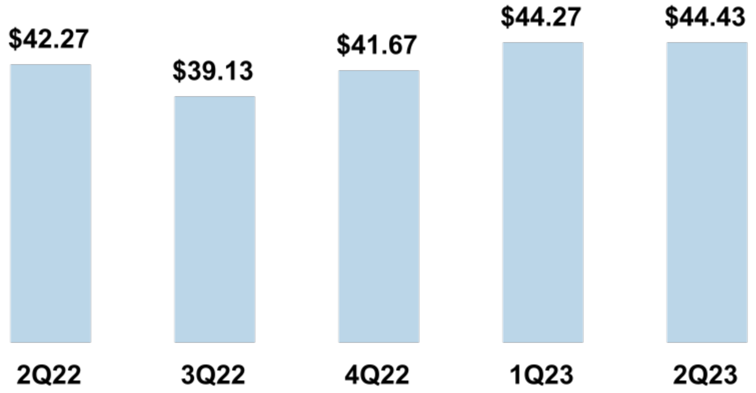
BVPS (EX. AOCI)[1] OF $55.76 AT JUNE 30, 2023

- Book value per diluted share of $44.43 increased from $41.67 at December 31, 2022, principally due to net income in excess of stockholder dividends through June 30, 2023, as well as an improvement in net unrealized losses on investments within AOCI
- In 2Q23, the company returned $484 million to stockholders including $350 million in share repurchases and $134 million in common stockholder dividends paid
- Year to date, the company has returned $968 million to stockholders including $700 million in share repurchases and $268 million in common stockholder dividends paid
- Including common stockholder dividends paid, SVC[2] was 10% over last 12 months

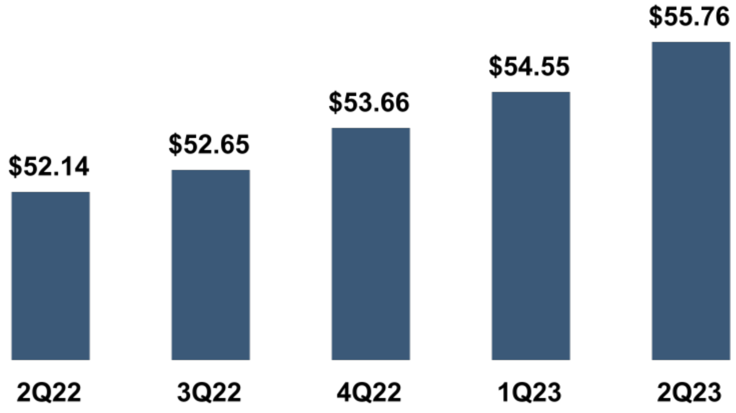
Capital Returned to Stockholders
($ in billions)



Book Value Per Diluted Share (BVPS)



Book Value Per Diluted Share (ex. AOCI)



[1] Denotes financial measure not calculated in GAAP
[2] Stockholder value creation (SVC) in a period is defined as the change in BVPS (ex. AOCI) plus common stockholder dividends paid during the period, divided by BVPS (ex. AOCI) at beginning of period

THE HARTFORD'S PRIORITIES

Our focused strategies to produce desired outcomes

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

THE HARTFORD

STOCKHOLDER VALUE CREATION

A clear roadmap to generate superior risk-adjusted returns

Accelerated Growth

Accelerate **profitable organic growth** across all businesses

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

Leading Risk-Adjusted Returns

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

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

Compelling Total Stockholder Return

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

- Investments in organic growth
- Dividends
- Share repurchases

Value Enhancement

Ethical culture supported by **industry-leading ESG** practices

- Ethics at the core of the business
- Maintain outstanding ESG track record
- Specific steps to strengthen ESG leadership

Maximize Value Creation for All Stakeholders

DISCUSSION AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

DISCUSSION AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

The Hartford uses non-GAAP financial measures in this presentation to assist investors in analyzing The Hartford's operating performance for the periods presented herein. Because The Hartford's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing The Hartford's non-GAAP financial measures to those of other companies. Definitions and calculations of non-GAAP and other financial measures used in this presentation can be found in The Hartford's news release issued on July 27, 2023, The Hartford's Investor Financial Supplement for second quarter 2023 and The Hartford's first quarter 2023 Financial Results Presentation which are available at the Investor Relations section of The Hartford's website at https://ir.thehartford.com.

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