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DELTA REPORT

10-K

HIG PR G - HARTFORD FINANCIAL SERVIC
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	6902
CHANGES	897
DELETIONS	2249
ADDITIONS	3756

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)



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

For the fiscal year ended **December 31, 2022** **December 31, 2023**

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 001-13958

TheHartfordLogo.jpg

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3317783

(I.R.S. Employer Identification No.)

One Hartford Plaza, Hartford, Connecticut 06155

(Address of principal executive offices) (Zip Code)

(860) 547-5000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12 (b) OF THE ACT:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HIG	The New York Stock Exchange
6.10% Senior Notes due October 1, 2041	HIG 41	The New York Stock Exchange
Depository Shares, Each Representing a 1/1,000th Interest in a Share of 6.000% Non-Cumulative Preferred Stock, Series G, par value \$0.01 per share	HIG PR G	The New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12 (g) OF THE ACT:

None

Indicate by check mark:

• if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	Yes	☒	No	☐
• if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.	Yes	☐	No	☒
• 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	☐
• 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	☐
• 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 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	☐		
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. ☐
- whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report ☒
- If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐
- whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to S240.10D-1(b). ☐
- whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the shares of Common Stock held by non-affiliates of the registrant as of **June 30, 2022** **June 30, 2023** was approximately **\$21 billion** **\$22 billion**, based on the closing price of **\$65.43** **\$72.02** per share of the Common Stock on the New York Stock Exchange on **June 30, 2022** **June 30, 2023**.

As of **February 23, 2023** **February 22, 2024**, there were outstanding **813,057,095** **297,350,060** shares of Common Stock, \$0.01 par value per share, of the registrant.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for its **2023** **2024** annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

ANNUAL REPORT ON FORM 10-K

FOR THE FISCAL YEAR ENDED DECEMBER 31, **2022** **2023**

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[a] The information required by this item is set forth in the Enterprise Risk Management section of Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated herein by reference.

[b] See Index to Consolidated Financial Statements and Schedules elsewhere herein.

[c] The information called for by Item 11 will be set forth in the Proxy Statement under the subcaptions "Compensation Discussion and Analysis", "Executive Compensation Tables", "Director Compensation", "Report of the Compensation and Management Development Committee", "Pay Versus Performance" and "Compensation and Management Development Committee Interlocks and Insider Participation" "CEO Pay Ratio" and is incorporated herein by reference.

[d] Any information called for by Item 13 will be set forth in the Proxy Statement under the caption and subcaption "Board and Governance Matters" and "Director Independence" and is incorporated herein by reference.

[e] The information called for by Item 14 will be set forth in the Proxy Statement under the caption "Audit Matters" and is incorporated herein by reference.

Forward-looking Statements

Certain of the statements contained herein are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "projects," and similar references to future periods.

Forward-looking statements are based on management's current expectations and assumptions regarding future economic, competitive, legislative and other developments and their potential effect upon The Hartford Financial Services Group, Inc. and its subsidiaries (collectively, the "Company" or "The Hartford"). Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual results could differ materially from expectations depending on the evolution of various factors, including the risks and uncertainties identified below, as well as factors described in such forward-looking statements; or in Part I, Item 1A, Risk Factors, in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and those identified from time to time in our other filings with the Securities and Exchange Commission.

- Risks Relating to Economic, Political and Global Market Conditions:
 - challenges related to the Company's current operating environment, including global political, economic and market conditions, and the effect of financial market disruptions, economic downturns, changes in trade regulation including tariffs and other barriers or other potentially adverse macroeconomic developments on the demand for our products and returns in our investment portfolios;
 - the effects of the continued COVID-19 pandemic, including exposure to COVID-19 business interruption property claims, the possibility of a resurgence of excess mortality losses in Group Benefits, and the potential for further legislative, regulatory or judicial actions pertaining to insurance underwriting and claims;
 - market risks associated with our business, including changes in credit spreads, equity prices, interest rates, inflation rate, foreign currency exchange rates and market volatility;
 - the impact on our investment portfolio if our investment portfolio is concentrated in any particular segment of the economy;

- the impacts of changing climate and weather patterns on our businesses, operations and investment portfolio including on claims, demand and pricing of our products, the availability and cost of reinsurance, our modeling data used to evaluate and manage risks of catastrophes and severe weather events, the value of our investment portfolios and credit risk with reinsurers and other counterparties;
- Insurance Industry and Product-Related Risks:
 - the possibility of unfavorable loss development, including with respect to long-tailed exposures;
 - the significant uncertainties that limit our ability to estimate the ultimate reserves necessary for asbestos and environmental claims;
 - the possibility of another pandemic, civil unrest, earthquake, or other natural or man-made disaster that may adversely affect our businesses;
 - weather and other natural physical events, including the intensity and frequency of thunderstorms, tornadoes, hail, wildfires, flooding, winter storms, hurricanes and tropical storms, as well as climate change and its potential impact on weather patterns;
 - the possible occurrence of terrorist attacks and the Company's inability to contain its exposure as a result of, among other factors, the inability to exclude coverage for terrorist attacks from workers' compensation policies and limitations on reinsurance coverage from the federal government under applicable laws;
 - the Company's ability to effectively price its products and policies, including its ability to obtain regulatory consents to pricing actions or to non-renewal or withdrawal of certain product lines;
 - actions by competitors that may be larger or have greater financial resources than we do;
 - technological changes, including usage-based methods of determining premiums, advancements in certain emerging technologies, including machine learning, predictive analytics, "big data" analysis or other artificial intelligence functions, advancements in automotive safety features, the development of autonomous vehicles, and platforms that facilitate ride sharing;
 - the Company's ability to market, distribute and provide insurance products and investment advisory services through current and future distribution channels and advisory firms;
 - the uncertain effects of emerging claim and coverage issues;
 - political instability, politically motivated violence or civil unrest, which may increase the frequency and severity of insured losses;
 - the ongoing effects of COVID-19, including exposure to COVID-19 business interruption property claims and the possibility of a resurgence of COVID-19 related losses in Group Benefits;
- Financial Strength, Credit and Counterparty Risks:
 - risks to our business, financial position, prospects and results associated with negative rating actions or downgrades in the Company's financial strength and credit ratings or negative rating actions or downgrades relating to our investments;
 - capital requirements which are subject to many factors, including many that are outside the Company's control, such as National Association of Insurance Commissioners ("NAIC") risk based capital formulas, rating agency capital models, Funds at Lloyd's and Solvency Capital Requirement, which can in turn affect our credit and financial strength ratings, cost of capital, regulatory compliance and other aspects of our business and results;
 - losses due to nonperformance or defaults by others, including credit risk with counterparties associated with investments, derivatives, premiums receivable, reinsurance recoverables and indemnifications provided by third parties in connection with previous dispositions;
 - the potential for losses due to our reinsurers' unwillingness or inability to meet their obligations under reinsurance contracts and the availability, pricing and adequacy of reinsurance to protect the Company against losses;
 - state and international regulatory limitations on the ability of the Company and certain of its subsidiaries to declare and pay dividends;
- Risks Relating to Estimates, Assumptions and Valuations:
 - risks associated with the use of analytical models in making decisions in key areas such as underwriting, pricing, capital management, reserving, investments, reinsurance and catastrophe risk management;
 - the potential for differing interpretations of the methodologies, estimations and assumptions that underlie the Company's fair value estimates for its investments and the evaluation of intent-to-sell impairments and allowance for credit losses on available-for-sale securities and mortgage loans;
 - the potential for impairments of our goodwill;
- Strategic and Operational Risks:
 - the Company's ability to maintain the availability of its systems and safeguard the security of its data in the event of a disaster, cyber or other information security incident or other unanticipated event;
 - the potential for difficulties arising from outsourcing and similar third-party relationships;
 - the risks, challenges and uncertainties associated with capital management plans, expense reduction initiatives and other actions;
 - risks associated with acquisitions and divestitures, including the challenges of integrating acquired companies or businesses, which may result in our inability to achieve the anticipated benefits and synergies and may result in unintended consequences;
 - difficulty in attracting and retaining talented and qualified personnel, including key employees, such as executives, managers and employees with strong technological, analytical and other specialized skills;
 - the Company's ability to protect its intellectual property and defend against claims of infringement;
- Regulatory and Legal Risks:

- the cost and other potential effects of increased federal, state and international regulatory and legislative developments, including those that could adversely impact the demand for the Company's products, operating costs and required capital levels;
- unfavorable judicial or legislative developments;
- the impact of changes in federal, state or foreign tax laws;
- regulatory requirements that could delay, deter or prevent a takeover attempt that stockholders might consider in their best interests; and
- the impact of potential changes in accounting principles and related financial reporting requirements.

Any forward-looking statement made by the Company in this document speaks only as of the date of the filing of this Form 10-K. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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Part I - Item 1. Business

Item 1.

BUSINESS

(Dollar amounts in millions, except for per share data, unless otherwise stated)

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GENERAL

The Hartford Financial Services Group, Inc. ("HFSG") (together with its subsidiaries, "The Hartford", the "Company", "we", or "our") is a holding company for a group of subsidiaries that provide property and casualty ("P&C") insurance, group benefits insurance and services, and mutual funds and exchange-traded funds ("ETF") to individual and business customers in the United States as well as in the United Kingdom and other international locations. The Hartford is headquartered in Connecticut and its oldest subsidiary, Hartford Fire Insurance Company, dates back to 1810. As of December 31, 2022 December 31, 2023, total assets and total stockholders' equity of The Hartford were \$73.0 billion \$76.8 billion and \$13.6 billion \$15.3 billion, respectively.

ORGANIZATION

The Hartford strives to maintain and enhance its position as a market leader within the financial services industry. The Company sells diverse and innovative products through multiple distribution channels to individuals and businesses and is considered a leading property and casualty and employee group benefits insurer. The Hartford Stag logo is one of the most recognized symbols in the financial services industry.

As a holding company, The Hartford Financial Services Group, Inc. is separate and distinct from its subsidiaries and has no

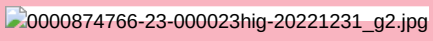
Information regarding the cash flow and liquidity needs of The Hartford Financial Services Group, Inc. may be found in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") — Capital Resources and Liquidity.

PURPOSE and AND STRATEGIC PRIORITIES

The Hartford's mission is to provide people with the support and protection they need to pursue their unique ambitions, seize opportunity, and prevail through unexpected challenge. Our strategy to maximize value creation for all stakeholders focuses on advancing underwriting excellence, emphasizing digital capabilities, maximizing distribution channels, optimizing organizational efficiency, and advancing environmental, social and governance ("ESG") leadership. embedding sustainability principles into our business to drive value creation while impacting society at large.

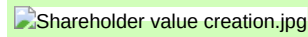
We endeavor to maintain and enhance our position as a market leader by leveraging our core strengths of underwriting excellence, risk management, claims, product development and distribution. We are investing in claims processing, end-to-end transformation, advancing data, analytics, data science and digital capabilities across the organization to improve customer experience and strengthen our existing competitive advantages.

An ethics, people, ethical, people-oriented, and performance-driven culture drives our values. We have proactive positions on ESG issues important are committed to maintaining and enhancing our sustainability inclusive culture and are proud of our capacity to deliver long-term stockholder value.reputation for ethics and integrity.



significant business operations of its own. The holding company relies on the dividends from its insurance companies and other subsidiaries as the principal source of cash flow to meet its obligations, pay dividends and repurchase common stock.

Part I - Item 1. Business



Strategic Priorities

Our strategy remains consistent and we are focused on the following priorities across our businesses:

- Advancing leading underwriting capabilities across our portfolio to offer expanded products and services;
- Embracing a culture of growth and innovation and cross-enterprise collaboration;
- Emphasizing digital capabilities and data science that enhance the customer experience and improve underwriting and claims decision making;
- Maximizing distribution channels and product breadth to increase market share;
- Optimizing organizational efficiency with a focus on continuous improvement. For information on the Company's operational transformation and cost reduction plan (called "Hartford Next"), refer to The Hartford's Operations section of Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations; improvement;
- Balancing use of excess capital for organic growth initiatives, investments in the business, and return to stockholders through dividends and share repurchases; and
- Continuing to advance ESG sustainability leadership in order to attract and retain top talent and enhance value to stockholders. For more information on retaining and attracting talent through our diversity, equity and inclusion ("DEI") initiatives, refer to the Human Capital Resources section of Part 1, Item 1.

Within our businesses, in 2023 2024 we will continue to pursue objectives specific to each, including:

- Expanding use of telematics and investing in digital capabilities, technology capabilities, including artificial intelligence.

Commercial Lines

- Maintaining underwriting and pricing discipline across property and liability lines of business in the face of increased loss costs while navigating continued pricing pressure in workers' compensation; business;
- Continuing to broaden our underwriting capabilities, product breadth, and risk appetite, increasing the cross-sell of global specialty product lines to customers of small commercial and middle & large commercial, and growing specialized verticals in middle & large commercial;
- Accelerating use of data and digital technology, including artificial intelligence, and voice of customer to drive a best-in-class experience;
- Enabling improved risk selection and portfolio decisions through data science and analytics; and
- Expanding distribution to match customers' preferred access points.

Personal Lines

- Regaining competitive momentum through the continued rollout of our new automobile and homeowners product and platform, Prevail, which is tailored to the mature market and includes digital service capabilities that provide real time transaction support;
- Addressing Continue addressing higher loss cost trends through pricing and underwriting actions;
- Transforming underwriting to improve customer experience and reduce expenses;
- Driving Increasing new business in AARP Direct through direct marketing initiatives; and

Part I - Item 1. Business

Group Benefits

- Continuing to grow Grow revenues through strong sales and persistency, in all customer segments with an emphasis on employer groups with under 500 lives;
- Expanding absence/leave management capabilities and pursuing product and service innovation to meet the rapidly evolving needs of employers and employees;
- Continuing to grow market share of voluntary product offerings, including supplemental health coverage, as well as new state paid family and medical leave;
- Investing in technology that enhances the overall customer experience; experience, supported by easy and accurate operations processes; and
- Investing in Advancing data and analytics and technology capabilities, including artificial intelligence, to enhance risk management unlock process improvement and reinvent processes, enable agility.

Hartford Funds

- Driving organic growth by focusing on key distribution channels and optimizing our product and distribution efforts; teams; and
- Working with subadvisors to launch innovative products to that meet the needs of financial advisors and their clients.

REPORTING SEGMENTS

The Hartford conducts business principally in five reporting segments including Commercial Lines, Personal Lines, Property & Casualty Other Operations, Group Benefits and Hartford Funds, as well as a Corporate category. The Company includes in the Corporate category reserves for run-off structured settlement and terminal funding agreement liabilities, restructuring costs, capital raising activities (including equity financing, debt financing and related interest expense), transaction expenses incurred in connection with acquisitions, certain M&A costs, purchase accounting adjustments related to goodwill and other expenses not allocated to the reporting segments. Corporate also includes investment management fees and expenses related to managing third party business, including management of a portion of the invested assets of Talcott Resolution Life, Inc. and its subsidiaries as well as certain of Talcott's affiliates. Talcott Resolution Life, Inc. is the holding company of the life and annuity business that we sold in May 2018. In addition, up until June 30, 2021, Corporate included a 9.7% ownership interest in Hopmeadow Holdings LP, the legal entity that acquired Talcott Resolution in May 2018 (Hopmeadow Holdings, LP, Talcott Resolution Life Inc., and its subsidiaries are collectively referred to as "Talcott Resolution").

Part I - Item 1. Business

2022 2023 Revenues of \$22,362 \$24,527 by Segment



[1]Includes Revenue of \$47 \$62 for Property & Casualty Other Operations and \$31 \$114 for Corporate.

The following discussion describes the principal products and services, marketing and distribution, and competition of The Hartford's reporting segments. For further discussion of the reporting segments, including financial disclosures of revenues by product line, net income (loss), and assets for each reporting segment, see Note 3 - Segment Information of Notes to Consolidated Financial Statements.

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COMMERCIAL LINES

2022 2023 Earned Premiums of \$10,571 \$11,641 by Line of Business



2022 2023 Earned Premiums of \$10,571 \$11,641 by Product



Part I - Item 1. Business

Principal Products and Services

Automobile	Covers damage to a business's fleet of vehicles due to collision or other perils (automobile physical damage). In addition to first party automobile physical damage, commercial automobile covers liability for bodily injuries and property damage suffered by third parties and losses caused by uninsured or under-insured motorists.
Property	Covers the building a business owns or leases as well as its personal property, including tools and equipment, inventory, and furniture. A commercial property insurance policy covers losses resulting from fire, wind, hail, earthquake, theft and other covered perils, including coverage for assets such as accounts receivable and valuable papers and records. Commercial property may include specialized equipment insurance, which provides coverage for loss or damage resulting from the mechanical breakdown of boilers and machinery.
General Liability	Covers a business in the event it is sued for causing harm to a person and/or damage to property. General liability insurance covers third-party claims arising from accidents occurring on the insured's premises or arising out of their operations. General liability insurance may also cover losses arising from product liability and provides replacement of lost income due to an event that interrupts business operations.
Marine	Encompasses various ocean and inland marine coverages including cargo, craft, hull, specie, transport and liability, among others.
Package Business	Covers both property and general liability damages.
Workers' Compensation	Covers employers for losses incurred due to employees sustaining an injury, illness or disability in connection with their work. Benefits paid under workers' compensation policies may include reimbursement of medical care costs, replacement income, compensation for permanent injuries and benefits to survivors. Workers' compensation is provided under both guaranteed cost policies (coverage for a fixed premium) and loss sensitive policies where premiums are adjustable based on the loss experience of the employer.
Professional Liability	Covers liability arising from directors and officers acting in their official capacity and liability for errors and omissions committed by professionals and others. Coverage may also provide employment practices insurance relating to allegations of wrongful termination and discrimination.
Bond	Encompasses fidelity and surety insurance, including commercial surety, contract surety and fidelity bonds. Commercial surety includes bonds that insure non-performance by contractors, license and permit bonds to help meet government-mandated requirements and probate and judicial bonds for fiduciaries and civil court proceedings. Contract surety bonds may include payment and performance bonds for contractors. Fidelity bonds may include ERISA bonds related to the handling of retirement plan assets and bonds protecting against employee theft or fraud. The Company also provides credit and political risk insurance ("CPRI") offered to clients with global operations.
Assumed Reinsurance	Includes assumed reinsurance of property, liability, surety, credit and political, marine and agriculture risks throughout the world but principally in Europe and the Americas. Business principally provides cover on broad books of business (i.e. treaty), as opposed to individual risks (i.e. facultative).

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Part I - Item 1. Business

Through its three lines of business, small commercial, middle & large commercial, and global specialty, Commercial Lines offers its products and services to businesses in the United States ("U.S.") and internationally. Commercial Lines generally consists of products written for small businesses and middle market companies as well as national and multi-national accounts, largely distributed through retail agents and brokers, wholesale agents and global and specialty insurance and reinsurance brokers. The majority of Commercial Lines written premium is generated by small commercial and middle market lines, which provide coverage options and customized pricing based on the policyholder's individual risk characteristics. Small commercial and middle market lines within middle & large commercial are generally referred to as standard commercial lines.

Small commercial provides coverages for small businesses, which the Company generally considers to be businesses with an annual payroll under \$20, revenues under \$50 and property values less than \$20 per location. Primary coverages provided include workers' compensation, property, general liability and commercial automobile. Within small commercial, both property and general liability coverages are offered under a single package policy, marketed under the Spectrum name. Small commercial also provides excess and surplus lines coverage to small businesses including umbrella, general liability, property and other coverages.

Middle & large commercial business provides insurance coverages to medium-sized and national accounts businesses, which are companies whose payroll, revenue and property values exceed the small business definition. In addition to offering standard commercial lines products, including workers' compensation, property, general liability and commercial automobile products, middle & large commercial includes program business which provides tailored programs, primarily to customers with common risk characteristics. On national accounts, a significant portion of the business is written through large deductible programs. Other programs written within middle & large commercial are retrospectively-rated where the ultimate premium collected from the insured is adjusted based on how incurred losses for the policy year develop over time, subject to a minimum and maximum premium. Also within middle & large commercial, the Company writes captive programs business, which provides tailored programs to those seeking a loss sensitive solution where premiums are adjustable based on loss experience. In addition, through business partners, middle & large commercial offers business insurance coverages to exporters and other U.S. companies with a physical presence overseas.

Lines of business written by small commercial and middle & large commercial are subject to rate regulation and written pricing increases or decreases that are partly in response to loss cost trends. Workers' compensation rates are based on loss experience and are informed by data submitted through the National Council on Compensation Insurance ("NCCI"). Workers' compensation rates have been under downward pressure for the industry due to favorable loss cost trends in

Part I - Item 1. Business

recent years, including due to lower claim frequency that occurred during the pandemic.

Global specialty provides a variety of customized insurance products, including property, liability, marine, professional liability, and bond. The vast majority of the business written by

our Navigators Group insurance subsidiaries is reported in the global specialty business unit.

Marketing and Distribution

Commercial Lines provides insurance products and services through the Company's regional offices, branches and sales and policyholder service centers throughout the United States and, to a lesser extent, overseas, principally in the United Kingdom. The products are marketed and distributed using independent retail agents and brokers, wholesale agents and global and specialty **insurance and** reinsurance brokers, with business also sold direct-to-consumer. In addition, the Company offers insurance products to customers of payroll service providers through its relationships with major national payroll companies in the United States and to members of affinity organizations. As the sole corporate member of Lloyd's Syndicate 1221 ("Lloyd's Syndicate"), the Company has the exclusive right to underwrite business up to an approved level of premium in the Lloyd's of London ("Lloyds") market.

In the United States, independent agents, brokers and wholesalers are consolidating and this trend is expected to continue. This will likely result in a larger proportion of written premium being concentrated among fewer agents, brokers and wholesalers. These distribution partners are leveraging data and analytics for bargaining power.

Competition

Small Commercial

In small commercial, The Hartford competes against large national carriers, regional carriers and direct writers. Competitors include stock companies, mutual companies and other underwriting organizations. The small commercial market remains highly competitive and fragmented as carriers seek to differentiate themselves through product expansion, price, enhanced service and leading technology. Larger carriers such as The Hartford are continually advancing their pricing sophistication and ease of doing business with agents and customers through the use of technology, analytics and other capabilities that improve the process of evaluating a risk, quoting new business and servicing customers. The Company also continuously enhances digital capabilities as customers and distributors demand more access and convenience, and expands product and underwriting capabilities to accommodate both larger accounts and a broader risk appetite.

Existing competitors and new entrants, including start-up and non-traditional carriers, are actively looking to expand sales of business insurance products to small businesses through increasing their underwriting appetite, deepening their relationships with distribution partners, and through on-line and direct-to-consumer marketing. Carriers that can quote business in an automated way have a competitive advantage by shortening the time from quoting to issuance. Through its ICON quoting tool, The Hartford quotes over 75% of its Spectrum package business and workers' compensation new business policies without human intervention.

Middle & Large Commercial

Middle & large commercial business is considered "higher touch" and involves **highly specialized expertise, including** individual underwriting and pricing decisions. Competition in this

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market includes stock companies, mutual companies, alternative risk sharing groups and other underwriting organizations. In addition, some larger brokers are now becoming competitors through acquisition of managing general agents or managing general underwriters.

The pricing of middle market and national accounts is prone to significant volatility over time due to changes in individual account characteristics and exposure, as well as legislative and macro-economic forces. National and regional carriers participate in the middle & large commercial insurance sector, resulting in a competitive environment where pricing and policy terms are critical to securing new business and retaining existing accounts. As a means to mitigate the cost of insurance, middle market and large commercial buyers may opt for loss-sensitive products in-lieu of guaranteed cost policies.

Within this competitive environment, The Hartford is working continuing to deepen invest in its product underwriting systems and underwriting capabilities, including investing in speed to market solutions for the lower end of middle market, enhancing its digital experience, leverage its sales and underwriting talent and expand its use of data analytics and third party data to make risk selection and pricing decisions, decisions as the firm pursues responsible growth strategies to deliver target returns. In product development and related areas such as claims and risk engineering, the Company has expanded its capabilities in industry verticals, such as energy, construction, media arts & entertainment, technology and life sciences.

Through business partners, the Company offers business insurance coverages to exporters and other U.S. companies with a physical presence overseas. The Hartford's middle & large commercial business leverages investments in product, underwriting, and technology to better match price to individual risk as the firm pursues responsible growth strategies to deliver target returns.

Global Specialty

Global specialty competes against multi-national insurance and reinsurance companies, including marine, property, excess casualty, professional liability, bond and assumed reinsurance in the U.S and London markets. Global specialty writes many surplus lines of business which are lines of business not written through standard products licensed or admitted in a state. Since 2010, In recent years, surplus lines has have accounted for an increasing share a significant portion of the total U.S. property and casualty commercial lines industry direct written premiums. market, and The Hartford continues to grow its surplus book of business.

Customers served by the global specialty marketplace expect tailored policy language for their unique risks and, increasingly, are looking for a single insurance carrier to meet all their coverage needs. The Company has been successful in cross-selling global specialty product lines to customers of small commercial and of middle & large commercial and seeks to expand cross-sell opportunities in the future. The Hartford competes on the basis of its underwriting capabilities where it uses data and actuarial insights to enhance risk selection. The Company seeks to drive greater efficiency, shorten the quoting process and improve the customer's experience through expanded use of digital capabilities.

Global specialty also writes business in the London market via its Lloyd's syndicate platform. The Lloyd's platform is comprised of over 50 syndicates and 350 brokers, who benefit from the ability to write risks in over 200 countries using Lloyd's international licenses. The Lloyd's platform has shifted from remediation to growth in recent years, as the market emerged from consecutive underwriting losses, returning to more profitable underwriting conditions in recent years. Lloyd's is regulated by the Financial Conduct Authority ("FCA") and Prudential Regulatory Authority ("PRA") in the U.K. For further discussion, see Part II, Item 7, MD&A - Capital Resources and Liquidity.

PERSONAL LINES



Principal Products and Services

Automobile	Covers damage to an individual insured's own vehicle due to collision or other perils and is referred to as automobile physical damage. In addition to first party automobile physical damage, automobile insurance covers liability for bodily injuries and property damage suffered by third parties and losses caused by uninsured or underinsured motorists. Also, under no-fault laws, policies written in some states provide first party personal injury protection. Some of the Company's personal automobile insurance policies also offer personal umbrella liability coverage for an additional premium.
Homeowners	Insures against losses to residences and contents from fire, wind and other perils. Homeowners insurance includes owned dwellings, rental properties and coverage for tenants. The policies may provide other coverages, including loss related to recreational vehicles or watercraft, identity theft and personal items such as jewelry.

Personal Lines provides automobile, homeowners and personal umbrella coverages to individuals across the United States, mostly through a program designed exclusively for members of AARP ("AARP Program"). The Hartford's automobile and homeowners products provide coverage options and pricing tailored to a customer's individual risk. The Hartford has individual customer relationships with AARP Program policyholders and, as a group, they represent a significant portion of the total Personal Lines' business. Business sold to AARP members, either direct or through independent agents, amounted to earned premiums of \$2.7 billion \$2.9 billion, \$2.7 billion and \$2.8 billion \$2.7 billion in 2023, 2022 2021 and 2020, 2021, respectively. The AARP relationship provides The Company with a competitive advantage to capitalize on the continued growth of the over age 50 population.

The Company is in the process of introducing continues to roll out its new cloud-based product and platform, Prevail, which is being rolled out for new business on a state-by-state state by state basis, and was in sixteen 39 states as of December 2022, 2023. Prevail is tailored to the mature

rating factors and underwriting procedures are being updated through the introduction of Prevail. Personal Lines works with carrier partners to provide risk protection options for AARP members with needs beyond the company's current product offering.

Marketing and Distribution

Personal Lines reaches diverse customers through multiple distribution channels, including direct-to-consumer and independent agents. The direct-to-consumer channel continues to represent a larger share of the automobile insurance market, accounting for more than one-third of industry premiums. In direct-to-consumer, Personal Lines markets its products through a mix of media, including direct mail, digital marketing, and television as well as digital and print advertising. Through the agency channel, Personal Lines provides products and services

market and includes digital service capabilities that provide real time transaction support. Among other things, overall rate levels, price segmentation,



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to customers through a network of independent agents in the standard personal lines market, primarily serving mature, preferred consumers. These independent agents are not employees of the Company.

Personal Lines has made significant investments in offering direct and agency-based customers the opportunity to interact



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with the company on-line, including via mobile devices. In addition, its technology platform for telephone sales centers enables sales representatives to provide an enhanced experience for direct-to-consumer customers, positioning the Company to offer unique capabilities to AARP's member base.

Most of Personal Lines' sales are associated with its exclusive licensing arrangement with AARP, with the current agreement in place through December 31, 2032, to market automobile, homeowners and personal umbrella coverages to AARP's approximately 38 million members, primarily direct but also through independent agents. This relationship with AARP, which has been in place since 1984, provides Personal Lines with an important competitive advantage given the increase in the population of those over age 50 and the strength of the AARP brand.

Prior to May 2021, in most states, new business automobile and home policies were issued to AARP members with a lifetime continuation agreement endorsement, providing that the policies will be renewed as long as certain terms are met, such as timely payment of premium and maintaining a driver's license in good standing. However, beginning in May 2021, Personal Lines no longer offers the lifetime continuation agreement to new home and automobile policies. The endorsement will remain on renewal policies with original effective dates prior to May 2021.

In addition to selling to AARP members, Personal Lines offers its automobile and homeowners products to non-AARP customers, primarily through the independent agent channel. Personal Lines leverages its agency channel to target AARP members and other customer segments, primarily targeting the over age 50 preferred mature market, that value the advice of an independent agent and recognize the differentiated experience the Company provides. In particular, the Company has taken action to distinguish its brand within the over age 50 preferred mature market and improve profitability in the independent agent channel, placing more emphasis on our highly partnered agents.

Competition

The personal lines automobile and homeowners insurance markets are highly competitive. However, in 2023, many personal lines insurance companies reduced marketing spend and implemented non-rate actions to reduce new business production while working to achieve adequate rate. Personal

advantage. Larger carriers have the advantage of economies of scale with the top ten personal lines insurers accounting for approximately 70% of market share.

The growth of direct-to-consumer sales, including by new entrants to the marketplace, continues to outpace sales in the agency distribution channel. Insurers that distribute products principally through agency channels compete by offering commissions and additional incentives to attract new business. To distinguish themselves in the marketplace, top tier insurers are offering on-line and self-service capabilities that make it easier for agents and consumers to do business with the insurer. A large majority of agents have been using "comparative rater" tools that allow the agent to compare premium quotes among several insurance companies. The use of comparative rater tools increases price competition. Insurers that are able to capitalize on their brand and reputation, differentiate their products and deliver strong customer service are more likely to be successful in this market.

The use of data mining and predictive modeling is used by more and more carriers to target the most profitable business, and carriers have further segmented their pricing plans to expand market share in what they believe to be the most profitable segments. The Company continues to invest in capabilities to better utilize data and analytics, and thereby, refine and manage underwriting and pricing. Carriers, Many carriers, including The Hartford, have invested continue to invest in telematics capabilities to enable better risk selection and pricing segmentation in response to changes in driving patterns. In 43 Currently in the states where the Prevail product has rolled out, The Hartford offers its telematics program, TrueLane, which offers uses a mobile app solution to offer discounts for good driving behavior based on such attributes as braking, speed, distracted driving, and acceleration.

Also, new automobile technology advancements, including lane departure warnings, backup cameras, automatic braking and active collision alerts, are being deployed rapidly and are expected to improve driver safety and reduce the likelihood of vehicle collisions. However, these features include expensive parts, contributing to increasing average claim severity.

In 2022, 2023, inflation had an increasing continued to impact on the industry. Supply chain pressures, advanced vehicle technology, body shop capacity, and a tight labor market have increased the cost of automobile repairs. A In addition, a tight labor market and inflation on material prices increased the cost to repair homes.

lines insurance is written by insurance companies of varying sizes that compete principally on the basis of price, product, service, including claims handling, the insurer's ratings and brand recognition. Companies with strong ratings, recognized brands, direct sales capability and economies of scale will have a competitive

P&C OTHER OPERATIONS

Property & Casualty Other Operations includes certain property and casualty operations, managed by the Company, that have discontinued writing new business and includes substantially all of the Company's pre-1986 asbestos and environmental ("A&E") exposures. For a discussion of coverages provided under

policies written with exposure to A&E prior to 1986 reported within the P&C Other Operations segment ("Run-off A&E"), run-off assumed reinsurance and all other non-A&E exposures, see Part II, Item 7, MD&A - Critical Accounting Estimates, Property & Casualty Insurance Product Reserves, Net of Reinsurance.

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GROUP BENEFITS

2022 2023 Premiums and Other Considerations of \$6,057 \$6,515



Principal Products and Services

Group Life	Typically is term life insurance provided in the form of a yearly renewable term life insurance policy. Other life coverages in this category include accidental death loss of life and dismemberment severe injury benefits and business travel accident insurance.
Group Disability	Typically comprised of short-term disability, and long-term disability, and paid family leave plans that pay a percentage of an employee's salary for a period of time if they are ill or injured and cannot perform the duties of their job. Short-term and long-term disability policies have elimination periods that must be satisfied prior to benefit payments. The Company also earns fee income from leave management services for federal, state and employer family and medical leave and workplace accommodation programs, as well as the administration of employer self-funded disability plans.
Other Products	Includes other group coverages such as retiree health insurance, critical illness, accident and hospital indemnity coverages.

Group insurance typically covers an entire group of people under a single contract, most typically the employees of a single employer or members of an association.

Group Benefits provides group life, disability and other group coverages to members of employer groups, associations and affinity groups through direct insurance policies and provides reinsurance to other insurance companies. In addition to employer paid coverages, the segment offers voluntary product coverages which are offered through employee payroll deductions. Group Benefits also offers disability underwriting, administration, and claims processing to self-funded employer plans. In addition, the segment offers a single-company leave management solution, which integrates work absence data from the insurer's short-term and long-term group disability and workers' compensation insurance business with its leave management administration services.

Statutory paid family leave ("PFL") and paid family and medical leave ("PFML") programs are a source of growth as the Company offers fully insured coverage or administers self-insured coverage for some of these programs. As of 2022, eleven 2023, thirteen states and the District of Columbia have enacted mandated PFL or PFML programs. Vermont, Alabama, Arkansas, Florida,

New Hampshire, Tennessee, Texas, Vermont, and Virginia have also created opt-in paid leave programs, and

additional states are considering adopting PFL or PFML programs.

Group Benefits generally offers term insurance policies, allowing for the adjustment of rates or policy terms at renewal in order to minimize the adverse effect of market trends, loss costs, changes in interest rates and other factors. Policies are typically sold with one, two or three-year rate guarantees depending upon the product and market segment.

Marketing and Distribution

The Group Benefits distribution network is managed through a regional sales office system to distribute its group insurance products and services through a variety of distribution outlets including brokers, consultants, third-party administrators and trade associations. Additionally, the segment has relationships with several private exchanges which offer its products to employer groups. Technology providers, including Human Resources platform vendors, are taking an increasingly prominent role in influencing customer decisions that also influence selection of the group benefits insurance provider.

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Competition

Group Benefits competes with numerous insurance companies and financial intermediaries marketing insurance products. The



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market for group benefits is expected continues to grow as the COVID-19 pandemic has driven drove new demand for employee benefits among both employees and employers. For example, there is increased interest in benefits employers for addressing mental health, wellness, and wellness, caregiving costs and remote work considerations, costs.

In order to differentiate itself, Group Benefits uses its risk management expertise and economies of scale to derive a competitive advantage. Competitive factors include the extent of products offered, price, the quality of customer and claims handling services, digital capabilities, and the Company's relationship with third-party distributors and private exchanges. Active price competition continues in the marketplace, resulting in multi-year rate guarantees being offered to customers. Top tier insurers in the marketplace also offer on-line and self-service capabilities to third party distributors and consumers. The relatively large size and underwriting capacity of the Group Benefits business provides a competitive advantage over smaller competitors.

The Company's market presence has increased in recent years, benefiting from our industry leading digital technology and integrated absence management and claims platform.

Additionally, as employers continue to focus on reducing the cost of employee benefits, we expect more companies to offer voluntary products paid for by employees. Across the industry, the sale of voluntary product offerings, including supplemental health coverage, is growing at a faster rate than employer-provided benefits. Competitive factors affecting the sale of voluntary products include the breadth of products, product education, enrollment capabilities and overall customer service. The Company, as well its competitors, are investing in technology to offer digital capabilities, and to improve product offerings and service levels, particularly with voluntary products.

Our We offer our voluntary products include including critical illness, accident and hospital indemnity coverage to employees through our Employee Choice Benefits programs. The Company's enhanced enrollment and marketing tools, such as My Tomorrow®, are providing additional opportunities to educate individual participants about supplementary benefits and deepen their knowledge about product selection.

In addition to providing group disability, leave management and life insurance, we offer integrated claim, leave and benefits administration with The Hartford's Ability Advantage platform.

HARTFORD FUNDS

Hartford Funds Segment Assets Under Management ("AUM") of \$124,107 \$131,025 as of December 31, 2022 December 31, 2023



Mutual Fund AUM of \$115,417 as of December 31, 2022 December 31, 2023



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Principal Products and Services

Mutual Funds	Includes approximately 60 actively managed mutual funds across a variety of asset classes including domestic and international equity, fixed income, and multi-strategy investments, principally subadvised by two unaffiliated institutional asset management firms.
Exchange-traded funds	Exchange-traded funds ("ETF") include actively managed ETFs and multifactor ETFs. Actively-managed ETFs include fixed income, domestic equity and commodity products utilizing the same investment platform as our mutual funds. Multifactor ETFs are designed to track indices using passive investment techniques that strive to improve performance relative to traditional capitalization-weighted indices.
Talcott Resolution Third-party life and annuity separate accounts under management	Relates to assets of the life and annuity business sold in May 2018 that are still managed by the Company's Hartford Funds segment.



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The Hartford Funds segment provides investment management, administration, product distribution and related services to investors through a diverse set of investment products in domestic markets. Hartford Funds' comprehensive range of products and services assist clients in achieving their desired investment objectives. AUM are separated into three distinct categories referred to as mutual funds, ETFs and Talcott Resolution third-party life and annuity separate accounts which relate to the life and annuity business sold in May 2018. The Hartford Funds segment continues to manage the mutual fund assets of Talcott Resolution, though these assets are expected to continue to decline over time, under management.

Marketing and Distribution

Our funds and ETFs are sold through national and regional broker-dealer organizations, independent financial advisers, defined contribution plans, financial consultants, bank trust

Competition

The investment management industry is mature and highly competitive. Firms are differentiated by investment performance, range of products offered, brand recognition, financial strength, proprietary distribution channels, quality of service and level of fees charged relative to quality of investment products. The Hartford Funds segment competes with a large number of asset management firms and other financial institutions and differentiates itself through its global subadvisors, product breadth, competitive fees and strong distribution. The segment also competes directly with lower cost passive investment strategies, which continue taking share from active managers.

CORPORATE

The Company includes in the Corporate category investment management fees and expenses related to managing third party business, including management of a portion of the invested assets of Talcott Resolution, reserves for run-off structured settlement and terminal funding agreement liabilities, restructuring costs, capital raising activities (including equity financing, debt financing and related interest expense), transaction expenses incurred in connection with an acquisition, certain M&A costs, purchase accounting adjustments related to

Additional segments. Corporate also includes investment management fees and expenses related to managing third-party assets. In addition, up until June 30, 2021, the Corporate category included a 9.7% ownership interest in Hopmeadow Holdings LP, the legal entity that acquired Talcott Resolution. For discussion of this sale, see Part II, Item 7, MD&A — The Hartford's Operations.

groups and registered investment advisers. Our distribution team is organized to sell primarily in the United States. The Talcott Resolution life and annuity separate accounts managed by the Hartford Funds segment are not actively distributed.

goodwill and other expenses not allocated to the reporting segments.

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RESERVES

Total Reserves as of December 31, 2022 December 31, 2023 [1]



[1]Includes reserves for future policy benefits and other policyholder funds and benefits payable of \$561 \$484 and \$658, \$639, respectively, of which \$390 \$312 and \$419, \$408, respectively, relate to the Group Benefits segment with the remainder related to run-off structured settlement and terminal funding agreements within Corporate.

The reserve for unpaid losses and loss adjustment expenses ("LAE") includes a liability for unpaid losses, including those that have been incurred but not yet reported, as well as estimates of all expenses associated with processing and settling these insurance claims, including reserves related to both Property & Casualty and Group Benefits.

reserves within Note 1 - Basis of Presentation and Significant Accounting Policies and in Note 11 - Reserve for Unpaid Losses

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Total Property & Casualty Reserves as of December 31, 2022 December 31, 2023



Further discussion of The Hartford's property and casualty insurance product reserves, including run-off asbestos and environmental claims reserves within P&C Other Operations, may be found in Part II, Item 7, MD&A — Critical Accounting Estimates — Property and Casualty Insurance Product Reserves, Net of Reinsurance. Additional discussion may be found in Notes to Consolidated Financial Statements, including in the Company's accounting policies for insurance product

and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

Total Group Benefits Reserves as of December 31, 2022 December 31, 2023 [1]

[1]Includes short duration contract reserves of \$134 \$157 for short-term disability and \$42 \$38 of supplemental health as well as reserves for future policy benefits that include \$267 \$223 of paid up life reserves and policy reserves on life policies, \$94 \$71 of reserves for conversions to individual life and \$19 \$18 of other reserves.

Group Benefits reserves include unpaid loss and loss adjustments expenses for long-term disability ("LTD"), group life and other lines of business as well as reserves for other policyholder funds and reserves for future policy benefits. Other policyholder funds and benefits payable represent deposits from policyholders, including policyholders of short-duration insurance contracts, where the Company does not have insurance risk but is subject to investment risk. Reserves for future policy benefits represent life-contingent reserves for which the Company is subject to insurance, interest rate, and investment risk. On January 1, 2023, the Company adopted the Financial Accounting Standards Board's ("FASB") updated guidance on accounting for long duration insurance contracts, which was applied on a modified retrospective basis as of January 1, 2021. For additional information refer to Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements.

Discussion of The Hartford's Group Benefits long-term disability reserves may be found in Part II, Item 7, MD&A — Critical Accounting Estimates — Group Benefits Long-term Disability ("LTD") Benefit LTD Reserves, Net of Reinsurance. Additional discussion may be found in Notes to Consolidated Financial Statements, including in the Company's accounting policies for insurance product reserves within Note 1 - Basis of Presentation and Significant Accounting Policies and in Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

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UNDERWRITING FOR P&C AND GROUP BENEFITS

The Company underwrites the risks it insures in order to manage exposure to loss through favorable risk selection and diversification. Risk modeling is used to manage, within specified limits, the aggregate exposure taken in each line of business and across the Company. For property and casualty business, aggregate exposure limits are set by geographic zone

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and peril. Products are priced according to the risk characteristics of the insured's exposures. Rates charged for Personal Lines products are filed with the states in which we write business. Rates for most Commercial Lines products are also filed with the states but the premium charged may be modified based on the insured's relative risk profile and workers' compensation policies may be subject to modification based on prior loss experience. The Company also writes coverage in the excess and surplus lines market, primarily within global specialty, which is characterized by the absence of regulation related to rate and form and allows for more pricing and coverage flexibility to write certain classes of business. Pricing for Group Benefits products, including long-term disability and life insurance, is also based on an underwriting of the risks and a projection of estimated losses, including consideration of investment income.

Pricing adequacy depends on a number of factors, including the ability to obtain regulatory approval for rate changes, proper evaluation of underwriting risks, the ability to project future loss cost frequency and severity based on historical loss experience adjusted for known trends, the Company's response to rate actions taken by competitors, its expense levels and expectations about regulatory and legal developments. The Company seeks to price its insurance policies such that insurance premiums and future net investment income earned on premiums received will cover underwriting expenses and the ultimate cost of paying claims reported on the policies and provide for a profit margin. For many of its insurance products, the Company is required to obtain approval for its premium rates from state insurance departments and the Lloyd's Syndicate's ability to write business is subject to Lloyd's approval for its premium capacity each year.

Geographic Distribution of Earned Premium (% of total)											
Location	Commercial Personal Group						Commercial Personal G				
	Location	Lines	Lines	Benefits	Total		Location	Lines	Lines	Be	
California	California	8 %	2 %	2 %	12 %		California	8 %	2 %		
New York	New York	6 %	1 %	3 %	10 %		New York	5 %	1 %		
Texas	Texas	5 %	1 %	2 %	8 %		Texas	5 %	1 %		
Florida	Florida	3 %	1 %	1 %	5 %		Florida	3 %	1 %		
All other	All other						All other				
[1]	[1]	33 %	10 %	22 %	65 %		[1]	34 %	10 %		
Total	Total	55 %	15 %	30 %	100 %		Total	55 %	15 %		

[1]No other single state or country accounted for 5% or more of the Company's consolidated earned premium in 2022, 2023.

CLAIMS ADMINISTRATION FOR P&C AND GROUP BENEFITS

Claims administration includes functions associated with the receipt of initial loss notices, claims adjudication and estimates, legal representation for insureds where appropriate, establishment of case reserves, payment of losses and notification to reinsurers. These activities are performed by

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approximately 7,000 6,700 claim employees including, among others, claim adjusters, appraisers, attorneys, doctors, nurses, behavioral health specialists, investigators and data analytics professionals as well as training, management, and support staff. The Company contracts with a select number of approved regional, national and international suppliers to enhance claim capabilities and business resiliency.

The Company's claims teams manage losses across all 50 states, Washington D.C. and 2 international locations. The teams are organized to meet the specific claim service needs for our various product offerings. Our corporate home office supports shared service claim functions including data and analytics, technology, and strategy.

As a leading provider of workers' compensation and group benefits coverages, the Company leverages data analytics to return employees to active, productive lives as soon and safely as possible. Clinical experts focus on opioid usage, vocational rehabilitation, behavioral health and medical case management which we believe provides the Company with a competitive advantage for managing medical costs.

The Company maintains a dedicated catastrophe claims organization that is positioned to respond to large-scale catastrophic events across the country. For the most severe events, the team is supplemented with additional Company staff to respond to claimants promptly after an event.

The Company's claims organization has a nationwide staff of attorneys who represent insureds in key jurisdictions, including dedicated lawyers specializing in complex litigation.

Claim payments for benefits, losses and loss adjustment expenses are the largest expenditure for the Company.

REINSURANCE

For discussion of reinsurance, see Part II, Item 7, MD&A — Enterprise Risk Management and Note 8 - Reinsurance of Notes to Consolidated Financial Statements.

INVESTMENT OPERATIONS

Hartford Investment Management Company ("HIMCO") is an SEC registered investment advisor and manages the Company's investment operations. HIMCO provides customized

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investment strategies for The Hartford's investment portfolio, as well as for The Hartford's pension plan and institutional clients, including certain assets of Talcott Resolution, clients.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the fair value of HIMCO's total assets under management was approximately \$108.9 billion \$108.5 billion and \$105.4 billion \$108.9 billion, respectively, including \$53.7 billion \$50.3 billion and \$43.6 billion \$53.7 billion, respectively, that were held in HIMCO managed third party accounts and \$3.7 billion \$3.8 billion and \$4.7 billion \$3.7 billion, respectively, that support the Company's pension and other postretirement benefit plans.

Management of The Hartford's Investment Portfolio

HIMCO manages the Company's investment portfolios to maximize economic value, ensure sufficient funding of the Company's liabilities, and generate the returns necessary

to support The Hartford's various product obligations, achievement of enterprise financial objectives while remaining within internally established objectives, guidelines and acceptable risk tolerances. The portfolio Portfolio objectives and guidelines are developed based upon the asset/liability profile, including duration, convexity timing and other characteristics within specified amount of claim payment obligations, investment return opportunity, and risk tolerances. The risk tolerances considered include, but are not limited to, asset sector, credit issuer allocation limits, and maximum portfolio limits for below investment grade holdings, characteristics. The Company attempts to minimize adverse impacts to the portfolio and the Company's results of operations from changes in economic conditions through asset diversification, asset allocation limits, asset/liability duration matching, and active portfolio management which may include the use of derivatives. Risk tolerances considered include, but are not limited to, asset sector exposure limits, credit issuer allocation limits, portfolio quality constraints including maximum exposure to below investment grade holdings, and interest rate duration limits. For further discussion of HIMCO's portfolio management approach, see Part II, Item 7, MD&A — Enterprise Risk Management.

The Hartford's Investment Portfolio of \$52.6 billion \$55.9 billion as of December 31, 2022 December 31, 2023

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ENTERPRISE RISK MANAGEMENT

The Company has insurance, operational and financial risks. For discussion on how The Hartford manages these risks, see Part II, Item 7, MD&A - Enterprise Risk Management.

REGULATION

State and Foreign Insurance Laws

State insurance laws are intended to supervise and regulate insurers with the goal of protecting policyholders and ensuring the solvency of the insurers. As such, the insurance laws and regulations grant broad authority to state insurance departments ("Departments") to oversee and regulate the business of insurance. The Departments monitor the financial stability of an insurer by requiring insurers to maintain certain solvency standards and minimum capital and surplus requirements; invested asset requirements; state deposits of securities; guaranty fund premiums; restrictions on the size of risks which may be insured under a single policy; and adequate reserves

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and other necessary provisions for unearned premiums, unpaid losses and loss adjustment expenses and other liabilities, both reported and unreported. In addition, the Departments perform periodic market and financial examinations of insurers and require insurers to file annual and other reports on the financial condition of the companies. Policyholder protection is also regulated by the Departments through licensing of insurers, sales employees, agents and brokers and others; approval of premium rates and policy forms; and claims administration requirements.

Many states also have laws regulating insurance holding company systems. These laws require insurance companies, which are formed and chartered in the state ("Domestic Insurers"), to register with the state department of insurance (referred to as their "domestic state or regulator") and file information concerning the operations of companies within the holding company system that may materially affect the operations, management or financial condition of the insurers within the system. Insurance holding company regulations principally relate to (i) state insurance approval of the acquisition of Domestic Insurers, (ii) prior review or approval of certain transactions between the domestic insurer and its affiliates, and (iii) regulation of dividends made by the domestic insurer. All transactions within a holding company system affecting Domestic Insurers must be determined to be fair and equitable.

The extent of financial services regulation on business outside the United States varies significantly among the countries in which The Hartford operates. Foreign financial services providers in certain countries are faced with greater restrictions than domestic competitors domiciled in that particular jurisdiction. Our international operations include a Lloyd's Syndicate which is required to meet the minimum market standards set by Lloyd's, as well as UK PRA and UK FCA regulatory requirements. Consistent with the U.K.'s current interpretation of Solvency II, both Lloyd's and the PRA focus on the adequacy of capital held and solvency of an insurer against the risk profile and management of the authorized insurer in setting capital requirements requirements.

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Federal and State Securities and Financial Regulation Laws

The Company sells and distributes its mutual funds and ETFs through a broker dealer subsidiary, and is subject to regulation promulgated and enforced by the Financial Industry Regulatory Authority, the SEC and/or, in some instances, state securities administrators. Other subsidiaries operate as investment advisers registered with the SEC under the Investment Advisers' Act of 1940, as amended, and are registered as investment advisers under certain state laws, as applicable. Because federal and state laws and regulations are primarily intended to protect investors in securities markets, they generally grant regulators broad rulemaking and enforcement authority. Some of these regulations include, among other things, regulations impacting sales methods, trading practices, suitability of investments, use and safekeeping of customers' funds, corporate governance, capital, recordkeeping, and reporting requirements.

Failure to comply with federal and state laws and regulations may result in fines, the issuance of cease-and-desist orders or suspension, termination or limitation of the activities of our operations and/or our employees.

In addition, the Board's Compensation and Management Development Committee ("Compensation Committee") is responsible for reviewing performance and approving compensation paid to senior leaders, executives, and, among other things, the oversight of succession and continuity planning for the CEO and other senior executives, setting the Company's executive compensation policy and administering the Company's Clawback Policy for senior executives. The Compensation Committee also receives updates on DEI initiatives and the results of the Company's annual pay equity practices, and diversity, equity and inclusion ("DEI") initiatives, analysis. Our Human Resources team, led by our CHRO, supports the Compensation Committee in the execution of its responsibilities. In addition to the day-to-day support and counseling they provide to our leaders, managers and employees, the Human Resources team also monitors key indicators to keep a pulse on trends across our employee population including strategic workforce planning, employee engagement, employee relations matters, career mobility, talent acquisition and development, and retention.

Talent Attraction, Retention and Development

The Hartford prioritizes building sustaining a diverse workforce that values all aspects of diversity and maintains an inclusive and equitable work environment where employees are respected, inspired to perform at their best, and are recognized for their contributions. We believe that the combination of a diverse workforce and an operating culture that actively embraces embrace different experiences, perspectives and insights results in better decisions, outcomes and experiences for both our customers and employees. We persistently work to improve the employee experience in support of our continuing strategic objective to attract, retain and develop the best talent in the industry.

INTELLECTUAL PROPERTY

We rely on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property.

We have a trademark portfolio that we consider important in the marketing of our products and services, including, among others, the trademarks of The Hartford name, the Stag Logo and the combination of these two trademarks. The duration of trademark registrations may be renewed indefinitely subject to country-specific use and registration requirements. We regard our trademarks as highly valuable assets in marketing our products and services and vigorously seek to protect them against infringement. In addition, we own a number of patents and patent applications relating to on-line quoting, insurance related processing, insurance telematics, proprietary interface platforms, and other matters. Patents are of varying duration depending on filing date, and will typically expire at the end of their natural term.

HUMAN CAPITAL RESOURCES

The Hartford has approximately 18,800 18,700 employees as of December 31, 2022 December 31, 2023.

Management, including the CEO and Chief Human Resources Officer ("CHRO"), establishes the hiring and compensation practices for our Company. The Board is periodically updated on key employee engagement measures (including employee survey results) and the demographics of the Company's workforce. The Board's Audit Committee receives an annual review of the Company's key employee relations measures, including our annual employee survey results, measures. In

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Our commitment to a robust talent **pool pipeline** starts at the top. The Board of Directors engages with the Compensation Committee annually to review **senior** executive level talent, consider key **pipeline emerging executive** talent and conduct succession planning. In addition, our leadership team conducts a comprehensive annual **Talent Review talent review** process across our organization each year.

In **2022 2023**, we achieved top quartile employee engagement and performance enablement scores, as measured by **an** independent third party **survey surveys**, through continued focus on leader effectiveness, collaboration, innovation and risk-taking, career growth, **belonging** and well-being.

To keep pace with the evolving expectations of employees and external candidates, we focus on a broad array of actions, including:

- Providing career growth and development opportunities **by enhancing aligned to our talent management systems, including succession planning, strategies through our strategic workforce plans**, executive, **professional and front-line** recruitment, training, development, **internal mobility and job progression**, and retention strategies; and
- Holding leaders accountable for their **talent decisions and measuring** progress against **human capital goals that include development, engagement, retention and** business line-specific DEI goals which are reviewed periodically by the CEO and executive leadership team.



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For entry-level roles in the organization, we recruit at colleges and universities, and offer a range of training and development programs, including:

- The Hartford's Leadership Development Program, which provides curriculum to enhance leadership skill sets for all participants – from first-time leaders through our executive ranks;
- The Hartford Early Career Leadership Program, which offers programs in Actuarial, Finance, Underwriting, Claims & Operations and Technology through rotational development to gain a breadth of experiences;
- The Hartford's Apprenticeship Program, which prepares students for careers in insurance; and
- Our HartCode Academy Developer Training Program, which provides employees with Information Technology ("IT") application development skills, providing a pipeline of diverse IT talent from across the Company.

Pay and Benefits

Compensation and Pay Equity

We offer competitive pay and benefits to our employees, with performance-based variable compensation making up a larger share of the total compensation paid to executives **and senior leaders** in the organization. Variable compensation for the majority of employees includes an annual bonus **plan and plan**. **Our executives also receive** long-term incentive awards. Annual bonus payouts are informed by whether the Company achieves core earnings (as adjusted for compensation purposes) above or below a target level that is determined from the annual operating plan set at the beginning of each year and reviewed and approved by the Compensation Committee. Long-term incentive awards include restricted stock units, performance shares and, for the most senior executives, stock options. Additional information about The Hartford's variable compensation programs is provided in the Company's Proxy Statement.

To help ensure pay equity, we use an independent third party compensation specialist firm to conduct statistical pay equity analyses for the vast majority of our U.S. employees each year – a three-step process that includes analysis before, during and after the annual compensation planning cycle. This analysis enables us to identify unexplained pay disparities, conduct additional research to determine reasons for these differences and take appropriate actions to address the disparities if necessary.

The Compensation Committee is updated annually on our pay equity processes and status, results.

The Hartford also engages in a number of additional practices to ensure pay fairness, including:

- Centralized compensation function that helps maintain consistent programs and practices across the enterprise;
- Enterprise-wide framework for evaluating and aligning roles and compensation levels based on job responsibilities, market competitiveness, strategic importance of the role, and other relevant factors;
- Prohibition against asking external job applicants for current or historical compensation information;

- A practice to disclose to applicants and employees the salary ranges for posted positions;
- Individual compensation decisions that consider each employee's experience, proficiency, and performance;
- Training available for managers and Human Resources business partners on performance assessment and compensation planning; and
- Multiple levels of review and approval required for all compensation decisions.

We are committed to our extensive, long-standing policies and practices to help ensure fair pay across the organization, while also staying attuned to external best practices and insights, and leveraging input from subject matter experts. We evaluate our performance every year, and as markets and talent pools shift over time we work to evolve our practices accordingly.

Employee Health and Wellness

The Hartford offers a comprehensive benefits package and wellness programs to help our employees live healthy lives and achieve their full potential. Our extensive benefits include:

- Medical plan options;
- Dental and vision coverage options;
- 401(k) plan with company non-elective and matching contributions;
- Paid time off ("PTO") with at least 19 25 days of annual eligibility to start;
- Paid holidays;
- Flexible work schedules, including remote work arrangements;
- Tuition reimbursement;
- Family medical leave;

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- Parental leave;
- Travel reimbursement to access medical services in other locations as needed;
- Adoption support program;
- Organ and bone marrow donation leave policy; and
- Employee assistance program.

The Company also offers a medical advocacy program and well-being programs including nutrition counseling, weight management, sleep improvement, fitness reimbursement and more.

Diversity, Equity and Inclusion

The Hartford seeks is committed to be being an insurance industry leader in ensuring a diverse workforce and advancing diversity. We do this by creating an equitable and inclusive workplace, enabling work environment, which enables us to attract, retain and leverage top talent to meet our business goals, goals, and by partnering with organizations across the industry to collaborate on initiatives and share best practices. We are committed to ethical conduct and a bias-free workplace for all employees as we continue building, enhancing build, enhance and sustaining sustain an inclusive and supportive culture that reflects the diversity of culture.

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We are transparent about our customer base.

We DEI commitments and goals and take a whole-company approach to ensure we meet our stated DEI goals, make meaningful progress toward them.

We hold enable our Unit leaders accountable for making to model and foster a commitment to DEI and to make progress against our those DEI goals. To that end, the Company requires each goals, within established legal and other parameters. Each business and functional area, in partnership with our oversight by the Human Resources team, to create function, creates and adopt individualized implements DEI plans with specific initiatives, consistent with equal employment opportunity principles. This enables the Company's units to customize their DEI goals, focus while still ensuring that all employment decisions are made based on merit and without regard to protected traits, like race and gender. Leaders meet with the CEO twice a throughout the year to review progress against those goals and final their results are then considered as part of the a broad annual performance assessment process.

We continue to invest in and accelerate a wide range of strategies to improve representation of attract, retain and develop talent that's that is demographically underrepresented in the insurance industry, including targeted initiatives to improve the representation of women and people of color. One of the ways we do this is by Examples include widening our recruiting pools for applicants, working to mitigate any bias that may exist in our Human Resource talent systems and offering programs educating our leaders on how to educate employees on minimizing unconscious bias in the workplace, lead inclusively.

We have nine Employee Resource Groups ("ERG's") that are voluntary participation groups led by employees, open to all and dedicated to fostering a diverse and an inclusive workplace. These groups focus on the development and success of the Company's our employees through education, networking, mentorship and community volunteer opportunities. As of December 31, 2022 December 31, 2023, over 55% 59% of employees were members of at least one ERG. In 2022, over 3,600 unique participants engaged in 2023, we continued to offer Courageous Conversations, a program to allow process that allows employees to respectfully exchange perspectives, that ultimately contributes to and we launched a more comprehensive inclusive workplace. Additionally, one of our enterprise leadership programs, the "Empower" program, is designed to accelerate the readiness and encourage sponsorship of high performing, high potential training initiative for people of color. managers.

The Company has demonstrated its commitment to advancing DEI progress outcomes for all through its active involvement in organizations such as the CEO Action for Racial Equity, the National African American Insurance Association and Catalyst CEO Champions for Change DisabilityIN and has been recognized for its commitment to inclusive workplaces by a number of organizations, organizations, including receiving the 2023 Catalyst Award, which is the premier recognition of organizational diversity, equity and inclusion initiatives that drive representation and inclusion for women.

As of December 31, 2022 December 31, 2023, women and people of color represent 61.7% 61.4% and 31.6% 32.3% of our workforce, respectively. The Board of Directors is updated annually on the Company's DEI efforts.

Our 2021 performance share awards under the Company's long-term incentive plan included a performance share modifier tied to the Company's workforce representation goals. The modifier will determine whether an increase or decrease of 10% on the pay-out for these awards is warranted based upon performance against predetermined year-end 2023 representation goals for women and people of color in executive level roles. This change was described in greater detail in our 2022 proxy statement. We currently expect that the 2024 and 2027 performance share awards will include a similar modifier to encourage continued progress toward the Company's 2030 representation goals.

For more information on the Company's human capital including our commitments, goals, initiatives and progress, as well as our employee demographics, refer to The Hartford's Sustainability Highlight Report available on the investor relations section of the Company's website at: <https://ir.thehartford.com>. The Hartford's 2022 2023 Sustainability Report is expected to be published following the Company's annual meeting in May 2023, 2024.

AVAILABLE INFORMATION

The Company's Internet internet address is www.thehartford.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available, without charge, on the investor relations section of our website, <https://ir.thehartford.com>, as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Reports filed with the SEC may be viewed at www.sec.gov. References in this report to our website address are provided only as a convenience and do not constitute, and should not be viewed as, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

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Item 1A.

RISK FACTORS

In deciding whether to invest in The Hartford, you should carefully consider the following risks, any of which could have a material adverse effect on our business, financial condition, results of operations or liquidity and could also impact the trading price of our securities. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the factors mentioned under "Forward-Looking Statements" above and the risks of our businesses described elsewhere in this Annual Report on Form 10-K.

The following risk factors have been organized by category for ease of use, however many of the risks may have impacts in more than one category. The occurrence of certain of them may, in turn, cause the emergence or exacerbate the effect of others. Such a combination could materially increase the severity of the impact of these risks on our business, results of operations, financial condition or liquidity.

Risks Relating to Economic, Political and Global Market Conditions

Unfavorable economic, political and global market conditions may adversely impact our business and results of operations.

The Company's investment portfolio, Hartford Funds business, and insurance businesses are sensitive to changes in economic, political and global capital market conditions, such as the effect of a weak economy, including labor supply shortages, and changes in credit spreads, equity prices, interest rates, inflation, foreign currency exchange rates, and shifts in demand and supply of U.S. dollars. Weak economic conditions, such as high unemployment, low labor force participation, lower family income, a weak real estate market, lower business investment and lower consumer spending may adversely affect the demand for insurance and financial products and lower the Company's profitability in some cases. In addition, political instability, politically motivated violence or civil unrest, may increase the frequency and severity of insured losses. In addition, a deterioration in global economic conditions and/or geopolitical conditions, including due to military action, trade wars, tariffs or other actions with respect to international trade agreements or policies, has the potential to, among other things, reduce demand for our products, reduce exposures we insure, drive higher inflation that could increase the Company's loss costs and result in increased incidence of claims, particularly for workers' compensation and disability claims. **If the conflict between Russia and Ukraine, and/or the conflict between Israel and Hamas, were to expand to other countries, the insurance losses and adverse economic impacts could be much more severe than what is currently foreseeable.**

returns and result in an adverse impact on operating results. **If Russia's war against Ukraine were to expand to other countries, the insurance losses and adverse economic impacts could be much more severe than what is currently foreseeable.**

In an economic downturn, the Company could experience credit losses on various asset balances, including receivables and the principal amount of various invested assets, including fixed maturities and mortgage loans. In addition to credit losses on invested assets, The Company could experience declines in the value of available for sale debt securities if credit spreads were to widen significantly, which would reduce stockholders' equity. In addition, disruption in equity markets could result in net realized or unrealized losses on our equity securities carried at fair value or reduce net investment income in future periods from our non-fixed income investment portfolio, including from **private equity, hedge fund limited partnerships** and **real estate partnership** **other alternative** investments. The Company could also experience higher reinsurance costs and/or more limited availability of reinsurance coverage.

Below are several key factors impacted by changes in economic, political, and global market conditions and their potential effect on the Company's business and results of operations:

- **Credit Spread Risk** - Credit spread exposure is reflected in the market prices of fixed income instruments where lower rated securities generally trade at a higher credit spread. If issuer credit spreads increase or widen, the market value of our investment portfolio may decline. If the credit spread widening is significant and occurs over an extended period of time, the Company may recognize credit losses, resulting in decreased earnings. If credit spreads tighten significantly, the Company's net investment income associated with new purchases of fixed maturities may be reduced. In addition, the value of credit derivatives under which the Company assumes exposure or purchases protection are impacted by changes in credit spreads, with losses occurring when credit spreads widen for assumed exposure or when credit spreads tighten if credit protection has been purchased.
- **Equity Markets Risk** - A decline in equity markets may result in net realized losses on sales **or of equity securities**, unrealized losses on equity securities held at fair value, **or** reduce net investment income in future periods from our non-fixed income investment portfolio, including from **private equity, hedge fund limited partnerships** and **real estate partnership** **other alternative** investments, **and or** lower earnings from Hartford Funds

The Company's investment portfolio includes limited partnerships and other alternative investments and equity securities for which changes in value are reported in earnings. These investments may be adversely impacted by economic volatility, including real estate market deterioration, which could impact our net investment

where fee income is earned based upon the fair value of the assets under management. Equity markets are unpredictable. In the past few years, equity markets have been volatile, which could be indicative of a greater risk of a decline. For additional information on equity market sensitivity, see Part II, Item 7, MD&A - Enterprise Risk Management, Financial Risk- Equity Risk.

- **Interest Rate Risk** - Continued increases Increases in interest rates to combat inflation or persistently high interest rates could lead to an economic downturn recession or recession, which would lower the demand for many of the

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economic stagnation, which could lower the demand for many of the Company's products and could may result in realized or unrealized losses on existing fixed income assets in the investment portfolio. This could also impact property valuations and financing costs for mortgage loans and real estate joint ventures within limited partnerships and other alternative investments. Alternatively, a deterioration in global economic conditions could result in a lower interest rate environment, which would pressure our net investment income and could result in lower margins on certain products. For additional information on interest rate sensitivity, see Part II, Item 7, MD&A - Enterprise Risk Management, Financial Risk - Interest Rate Risk.

New and renewal business for our property and casualty and group benefits products is priced considering prevailing interest rates. As interest rates decline, in order to achieve the same economic return, we would have to increase product prices to offset the lower anticipated investment income earned on invested premiums. Conversely, as interest rates rise, pricing targets will tend to decrease to reflect higher anticipated investment income. Our ability to effectively react to such changes in interest rates may affect our competitiveness in the marketplace, and in turn, could reduce written premium and earnings. For additional information on interest rate sensitivity, see Part II, Item 7, MD&A - Enterprise Risk Management, Financial Risk - Interest Rate Risk.

In addition, due to the long-term nature of the liabilities within our Group Benefits operations, particularly for long-term disability, declines in interest rates over an extended period of time would result in our having to reinvest at lower yields. On the other hand, a rise in interest rates, in the absence of other countervailing changes, would reduce the market value of our investment portfolio. A decline in market value of invested assets due to an increase in interest rates could also limit our ability to realize tax benefits from recognized capital losses.

With the adoption of new U.S. GAAP accounting guidance for long-duration contracts ("LDTI"), effective January 1, 2023, our reserves for future policy benefits are sensitive to changing interest rate conditions. The LDTI guidance requires that we update reserves for future policy benefits for changes in discount rates quarterly which could cause volatility in our stockholders' equity.

For additional information on interest rate sensitivity, see Part II, Item 7, MD&A - Enterprise Risk Management, Financial Risk - Interest Rate Risk.

- Inflation Risk** - Inflation is a risk to our property and casualty business because, in many cases, claims are paid out many years after a policy is written and premium is collected for the risk. Supply chain issues arising from conditions due to the pandemic have contributed to inflation in the cost of labor and repairs for insurance claims paid to insureds and third parties. Russia's February 2022 invasion of Ukraine has further exacerbated supply chain issues contributing to higher inflation for goods and services, including higher energy costs. A greater than expected increase in inflation related to the cost of may impact medical services, and repairs over the repair costs or other claim settlement period expenses, which can result in higher claim costs than what was estimated at the time the policy was written. Inflation can also affect consumer spending and business investment which can reduce the demand for our products and services. In addition, sustained inflation may result in an increase in interest rates, which would result in a reduction in the fair value of our investment portfolio.
- Changes in the Labor Market** - Evolving labor market conditions, including increased competition for talent, could make it difficult to hire and retain employees and could increase compensation and benefit benefits expense. New technologies may lead to changes in skill sets needed from customers, economic activity may be depressed and lower insured exposure, hindering the Company's growth.
- Foreign Currency Exchange Rate** - Changes in foreign currency exchange rates may impact our non-U.S. dollar denominated investments and foreign subsidiaries. As the Company has expanded its international operations, exposure to exchange rate fluctuations has increased. We hold cash and fixed maturity securities denominated in foreign currencies, including British Pounds and Canadian dollars, among others, and also have other assets and liabilities denominated in foreign currencies such as premiums receivable and loss reserves. While the Company predominately uses asset-liability matching, including the use of derivatives, to hedge certain of these exposures to fluctuations in foreign currency exchange rates, these actions do not eliminate the risk that changes in the exchange rates of foreign currencies to the U.S. dollar could result in financial loss to the Company, including realized or unrealized losses resulting from currency revaluation and increases to regulatory capital requirements for foreign subsidiaries that have net assets that are not denominated in their local currency. For additional information on foreign exchange risk, see Part II, Item 7, MD&A - Enterprise

the workforce, resulting in difficulty in attracting, developing and retaining employees. If insured businesses cannot hire enough qualified people to sell products and services to

Risk Management, Financial Risk.

COVID-19 illness could continue to impact our business and may have a material adverse impact on our results of operations.

While the impact of COVID-19 has subsided, a surge of COVID-19 infections could continue to impact our business, particularly with respect to mortality claims in our group benefits business, and will depend on future developments which are highly uncertain and cannot be easily predicted including: the potential spread of new COVID-19 variants; the continued effectiveness of vaccines; natural immunity and current or emerging therapeutic treatments in preventing infection, serious illness and death, and the percentage of those infected who are of working age. Additional uncertainty exists regarding the potential for further legislative, regulatory, and judicial responses to COVID-19 pertaining specifically to insurance underwriting and claims.

Below are several key effects of COVID-19 on the Company's business results, financial condition, results of operations and/or liquidity:

- **Exposure to COVID-19 business interruption property claims** - Nearly all of our property insurance policies require direct physical loss or damage to property and contain standard exclusions that we believe preclude coverage for COVID-19 related claims, and the vast majority of such policies contain exclusions for virus-related losses. Nevertheless, the Company and certain of its writing companies have been served as defendants in lawsuits seeking insurance coverage under commercial insurance policies for alleged losses resulting from the shutdown or suspension of our insureds' businesses due to the spread of COVID-19. While the Company and its subsidiaries deny the allegations and are defending vigorously and while almost none of the plaintiffs have

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submitted proofs of loss or otherwise quantified or factually supported any allegedly covered loss, it is possible that adverse outcomes, if any, in the aggregate, could have a material adverse effect on the Company's consolidated operating results.

▪ **The possibility of a resurgence of excess mortality losses** - The Company's Group Benefits business has issued group life policies to employers and associations, which may result in increased death claims as a result of surges in COVID-19 infections causing mortality where COVID-19 is specifically listed as the cause of death and indirect impacts of COVID-19 that includes an increased number of deaths associated with chronic conditions exacerbated by COVID-19 (together, referred to as "excess mortality"). In addition, while the Company is increasing pricing for group life coverage in response to higher levels of mortality, it is possible that, even apart from surges in COVID-19 infections, the Company will experience a higher level of mortality going forward associated with chronic conditions. We may also continue to experience higher short-term disability and paid family leave claims from employees and covered individuals who have been affected by COVID-19.

For the reasons discussed above, the global public health and economic impacts caused by COVID-19 could have a material adverse effect on our results of operations.

Concentration of our investment portfolio increases the potential for significant losses.

The concentration of our investment portfolios in any particular industry, collateral type, group of related industries or geographic sector region could have an adverse effect on our investment portfolios and consequently on our business, financial condition, results of operations, or liquidity. Events or developments that have a negative impact on any particular industry, collateral type, group of related industries or geographic region may have a greater adverse effect on our investment portfolio to the extent that the portfolio is concentrated rather than diversified.

Further, if issuers of securities or loans we hold are acquired, merge or otherwise consolidate with other issuers of securities or loans held by the Company, our investment portfolio's credit concentration risk to issuers could increase for a period of time, until the Company is able to sell securities to get back in compliance with the established investment credit policies.

Changing climate and weather patterns may adversely affect our business, financial condition and results of operation.

Climate change presents risks to us as an insurer, investor and employer. Climate models indicate that rising temperatures will likely result in rising sea levels over the decades to come and may increase the frequency and intensity of natural catastrophes and severe weather events. Extreme weather events such as abnormally high temperatures may result in increased losses associated with our property, automobile, workers' compensation and group benefits businesses. Changing climate patterns may also increase the duration,

frequency and intensity of heat/cold waves, which may result in increased claims for property damage, business interruption and losses under workers' compensation, group disability and group



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life coverages. Precipitation patterns across the U.S. are projected to change, which if realized, may increase risks of flash floods, wildfires, and wildfires. other severe weather events. If third parties assert that climate change-related risks and damages are caused by insured businesses, or arise from alleged mismanagement at insured businesses, we may experience increased claims under general liability and management liability policies. Additionally, there may be an impact on the demand, price and availability of automobile and homeowners insurance, and there is a risk of higher reinsurance costs or more limited availability of reinsurance coverage. Changes in climate conditions may also cause our underlying modeling data to not adequately reflect frequency and severity, limiting our ability to effectively evaluate and manage risks of catastrophes and severe weather events. Among other impacts, this could result in not charging enough premiums or not obtaining timely state approvals for rate increases to cover the risks we insure. We may also experience significant interruptions to the Company's systems and operations that hinder our ability to sell and service business, manage claims and operate our business.

In addition, climate change-related risks, including risks associated with global energy transition, may adversely impact the value of the investments that we hold, resulting in potential realized or unrealized losses on our invested assets. Our decision to invest in certain securities, loans, or other investments may also be impacted by changes in climate patterns due to:

- changes in supply/demand for traditional sources of energy (e.g., coal, oil, natural gas);
- advances in low-carbon technology and renewable energy development;
- effects of extreme weather events on the physical and operational exposure of industries and issuers; and
- internal investment guidelines and policies related to the global energy transition.

The effects of climate change could also lead to increased credit risk of other counterparties we transact business with, including reinsurers. Rising sea levels Climate change effects may also lead to decreases in real estate values in coastal areas, various locations and for a variety of reasons, reducing premium and demand for commercial property and homeowners insurance and adversely impacting the value of our real estate-related investments. Additionally, government policies or regulations to slow climate change, such as emission controls or technology mandates, may have an adverse impact on sectors such as utilities, transportation and manufacturing, affecting demand for our products and our investments in these sectors. Moreover, regulators may undertake actions to minimize the effects of climate change on consumers, which could affect coverage provided under insurance contracts and administrative process.

These emerging regulatory initiatives, or other climate-related policies we adopt, may result in non-renewal of business or not reduced appetite for underwriting or investing in certain industry sectors.

Because there is significant variability associated with the impacts of climate change, we cannot predict how physical, legal, regulatory and social responses may impact our business.



Part I - Item 1A. For additional discussion about climate change related risks, see the Risk Factors Factor, "We are vulnerable to losses from catastrophes, both natural and man-made."

Insurance Industry and Product

Related Risks

Unfavorable loss development may adversely affect our business, financial condition, results of operations or liquidity.

We establish property and casualty and group benefits loss reserves to cover our estimated liability for the payment of all unpaid losses and loss expenses incurred with respect to premiums earned on our policies. Loss reserves are estimates of what we expect the ultimate settlement and administration of claims will cost, less what has been paid to date. These estimates are based upon actuarial projections and on our assessment of currently available data, as well as estimates of claims severity and frequency, legal theories of liability and other factors. For risks due to evolving changes in social, economic and environmental conditions, see the Risk Factor, "Unexpected and unintended claim and coverage issues under our insurance contracts may adversely impact our financial performance."

Loss reserve estimates are refined periodically as experience develops and claims are reported and settled, potentially resulting in increases to our reserves. Increases in reserves would be recognized as an expense during the periods in which these determinations are made, thereby adversely affecting our results of operations for those periods. In addition, since reserve estimates of aggregate loss costs for prior years are used in pricing our insurance products, inaccurate reserves can lead to our products not being priced adequately to cover actual losses and related loss expenses in order to generate a profit.

In property and casualty, we continue to receive A&E claims, the vast majority of which relate to policies written before 1986. Estimating the ultimate gross reserves needed for unpaid losses and related expenses for asbestos and environmental A&E claims is particularly difficult for insurers and reinsurers. The actuarial tools and other techniques used to estimate the ultimate cost of more traditional insurance exposures tend to be less precise when used to estimate reserves for some A&E exposures.

Moreover, the assumptions used to estimate gross reserves for A&E claims, such as claim frequency over time, average severity, and how various policy provisions will be interpreted, are subject to significant uncertainty. It is also not possible to predict changes in the legal and legislative environment and their effect on the future development of A&E claims. These factors, among others, make the variability of gross reserves estimates for these longer-tailed exposures significantly greater than for other more traditional exposures.

Effective December 31, 2016, the Company entered into an agreement with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc. ("Berkshire") whereby the Company is reinsured for subsequent adverse development on substantially all of its net A&E reserves up to an aggregate net limit of \$1.5 billion. We remain directly liable to claimants and if the reinsurer does not fulfill its obligations under the agreement or if future adverse development exceeds the \$1.5 billion



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aggregate limit, we may need to increase our recorded net reserves which could have a material adverse effect on our financial condition, results of operations or liquidity. For

additional information related to risks associated with the adverse development cover ("ADC"), see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

We are vulnerable to losses from catastrophes, both natural and man-made.

Our insurance operations expose us to claims arising out of catastrophes. Catastrophes can be caused by various unpredictable natural events, including, among others, earthquakes, hurricanes, hailstorms, severe winter weather, wind storms, fires, tornadoes, and pandemics. Catastrophes can also be man-made, such as terrorist attacks, civil unrest, cyber-attacks, explosions or infrastructure failures. For Catastrophes may also include some major international events catastrophes may include some events designated as major losses by Lloyd's of London and, accordingly, includes incurred losses arising from exposures in Ukraine and Russia as a result of Russia's invasion of Ukraine. London.

The geographic distribution of our business subjects us to catastrophe exposure for events occurring in a number of areas, including, but not limited to: hurricanes in Florida, the Gulf Coast, the Northeast and the Atlantic coast regions of the United States; tornadoes and hail in the Midwest and Southeast; earthquakes in geographical regions exposed to seismic activity; wildfires in various regions, including the West; Western United States, Hawaii and Canada; and the spread of disease, which can occur throughout multiple geographic locations. We are also exposed to catastrophe losses in other parts of the world through our global specialty business. Any increases in the values and concentrations of insureds and property in these areas would increase the severity of catastrophic events in the future. In addition, changes in climate and/or weather patterns may increase the frequency and/or intensity of severe weather and natural catastrophe events potentially leading to increased insured losses. Potential examples include, but are not limited to:

- an increase in the frequency or intensity of wind and thunderstorm and tornado/hailstorm events due to increased convection in the atmosphere,
- more frequent and larger wildfires in certain geographies,
- higher incidence of deluge flooding, and
- the potential for an increase in frequency and severity of hurricane events.

Insufficient incorporation of climatic trends into widely used catastrophe models and internal tools to assess risk from natural catastrophe perils could lead to ineffective evaluation and management of catastrophe risk. For a further discussion of climate-related risks, see the above-referenced Risk Factor, "Changing climate and weather patterns may adversely affect our business, financial condition and results of operation."

Our businesses also have exposure to global or nationally occurring pandemics caused by highly infectious and potentially fatal diseases spread through human, animal or plant populations.

In the event of one or more catastrophes, policyholders may be unable to meet their obligations to pay premiums on our insurance policies. Further, our liquidity could be constrained by

a catastrophe, or multiple catastrophes. In addition, in part because accounting rules do not permit insurers to reserve for

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such catastrophic events until they occur, claims from catastrophic events could have a material adverse effect on our business, financial condition, results of operations or liquidity. The amount we charge for catastrophe exposure may be inadequate if the frequency or severity of catastrophe losses changes over time or if the models we use to estimate the exposure prove inadequate. In addition, regulators or legislators could limit our ability to charge adequate pricing for catastrophe exposures or shift more responsibility for covering risk.

Terrorism is an example of a significant man-made potential catastrophe. Private sector catastrophe reinsurance is limited and generally unavailable for terrorism losses caused by attacks with nuclear, biological, chemical or radiological weapons. In addition, workers' compensation policies generally do not have exclusions or limitations for terrorism losses. Reinsurance coverage from the federal government under the Terrorism Risk Insurance Program (the "Program") Reauthorization Act of 2019 ("TRIPRA 2019") is also limited and only applies for certified acts of terrorism that exceed a certain threshold of industry losses. Accordingly, the effects of a terrorist attack in the geographic areas we serve may result in claims and related losses for which we do not have adequate reinsurance. TRIPRA 2019 also requires that the federal government create the following reports, which could lead to additional legislation or regulation: (1) Treasury Department to include in its biennial report on the effectiveness of the Program an evaluation of the availability and affordability of terrorism risk insurance for places of worship; and (2) Government Accountability Office report to analyze and address the vulnerabilities and potential costs of cyber terrorism, to assess adequacy of coverage under the Program, and to make recommendations for future legislative changes to address evolving cyber terrorism risks. Further, the continued threat of terrorism and the occurrence of terrorist attacks, as well as heightened security measures and military action in response to these threats and attacks or other geopolitical or military crises, may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity. These consequences could have an adverse effect on the value of the assets in our investment portfolio, portfolio and/or cause a reduction in demand for our products. Terrorist attacks also could disrupt our operation centers. In addition, TRIPRA 2019 expires on December 31, 2027 and if the U.S. Congress does not reauthorize the program or significantly reduces the government's share of covered terrorism losses, the Company's exposure to terrorism losses could increase materially unless it can purchase alternative terrorism reinsurance protection in the private markets at affordable prices or takes actions to materially reduce its exposure in lines of business subject to terrorism risk. For a further discussion of TRIPRA, see Part II, Item 7, MD&A - Enterprise Risk Management - Insurance Risk Management, Reinsurance as a Risk Management Strategy.

Cyber risk exposure exists through stand-alone cyber policies as well as cyber coverage endorsements on some property, general liability, management liability and directors and officers policies. Increasing frequency of cyber attacks and the evolving nature of cyber risk taking place across the globe may potentially lead to increased insured losses across the industry and for the businesses we insure. Our insureds may be increasingly exposed to cyber-related attacks with insured



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losses to property (including data and systems), breach of data, ransom payments and business interruption. Geopolitical crises or hostile actions taken by nation states or terrorist

organizations may heighten the risk of cyber-attacks on companies we insure and on our own operations.

As a result, it is possible that any, or a combination of all, of these factors related to a catastrophe, or multiple catastrophes, whether natural or man-made, can have a material adverse effect on our business, financial condition, results of operations or liquidity.

Pricing for our products is subject to our ability to adequately assess risks, estimate losses and comply with state and international insurance regulations.

We seek to price our property and casualty and group benefits insurance policies such that insurance premiums and future net investment income earned on premiums received will provide for an acceptable profit in excess of underwriting expenses and the cost of paying claims. Pricing adequacy depends on a number of factors, including proper evaluation of underwriting risks, the ability to project future claim costs, our expense levels, net investment income realized, our response to rate actions taken by competitors, legal and regulatory developments, including in international markets, and the ability to obtain regulatory approval for rate changes.

State insurance departments regulate many of the premium rates we charge and also propose rate changes for the benefit of the insurance consumer at the expense of the insurer, which may not allow us to reach targeted levels of profitability. Moreover, regulators may seek to prohibit or constrain the use of certain underwriting and rating factors, which may affect our ability to price risks. In addition to regulating rates, certain states have enacted laws that require a property and casualty insurer to participate in assigned risk plans, reinsurance facilities, joint underwriting associations and other residual market plans. State regulators also require that an insurer offer property and casualty coverage to all consumers and often restrict an insurer's ability to charge the price it might otherwise charge or restrict an insurer's ability to offer or enforce specific policy deductibles. In these markets, we may be compelled to underwrite significant amounts of business at lower than desired rates or accept additional risk not contemplated in our existing rates, participate in the operating losses of residual market plans or pay assessments to fund operating deficits of state-sponsored funds, possibly leading which could lead to lower returns on equity, than anticipated profitability. The laws and regulations of many states also limit an insurer's ability to withdraw from one or more lines of insurance in the state, except pursuant to a plan that is approved by the state's insurance department. Additionally, certain states require insurers to participate in guaranty funds for impaired or insolvent insurance companies. These funds periodically assess losses against all insurance companies doing business in the state. Any of these factors could have a material adverse effect on our business, financial condition, results of operations or liquidity. For more on international regulatory risks, see the Risk Factor, "Regulatory and legislative developments could have a material adverse impact on our business, financial condition, results of operations or liquidity."

Additionally, the property and casualty and group benefits insurance markets have been historically cyclical, experiencing periods characterized by relatively high levels of price competition, less restrictive underwriting standards, more



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expansive coverage offerings, multi-year rate guarantees and declining premium rates, followed by periods of relatively low levels of competition, more selective underwriting standards, more coverage restrictions and increasing premium rates. In all of our property and casualty and group benefits insurance product lines, there is a risk that the premium we charge may ultimately prove to be inadequate as reported losses emerge. In addition, there is a risk that regulatory constraints, price competition or incorrect pricing assumptions could prevent us from achieving targeted returns. Inadequate pricing could have a material adverse effect on our results of operations and financial condition.

Competitive activity, use of predictive analytics, emerging technologies, or other technological changes may adversely affect our market share, demand for our products, or our financial results.

The industries in which we operate are highly competitive. Our principal competitors are other property and casualty insurers, group benefits providers and providers of mutual funds and exchange-traded funds ("ETFs"), exchange traded funds. Competitors may expand their risk appetites in products and services where The Hartford currently enjoys a competitive advantage. Larger competitors with more capital and new entrants to the market could result in increased pricing pressures on a number of our products and services and may harm our ability to maintain or increase our profitability. For example, larger competitors, including those formed through consolidation or who may acquire new entrants to the market, such as insurtech firms, may have lower operating costs and an ability to absorb greater risk while maintaining their financial strength ratings, thereby allowing them to price their products more competitively.

In addition, technological advancements and innovation are occurring in distribution, underwriting, claims and operations at a number of insurers rapid pace that may continue to accelerate. Insurers are making use of using or may begin using certain emerging technologies, such as machine learning, predictive analytics, "big data" analysis or other artificial intelligence functions to, among other things, improve pricing accuracy, be more targeted in marketing, strengthen customer relationships and provide more customized loss prevention services. Nontraditional competitors could enter the insurance market and further accelerate these trends. If they competitors are able to use predictive analytics and other data and/or adopt innovative new these emerging technologies more effectively than we are, and/or efficiently, it may give provide them a competitive advantage. Because of the highly competitive nature of the industries we compete The Hartford competes in, there can be no assurance that we the Company will continue to compete effectively with our industry rivals, or that competitive pressure will not have a material adverse effect on our the business and results of operations.

Our business could also be affected by other technological changes, including further advancements in automotive safety features, the development of autonomous or "self-driving" vehicles, and platforms that facilitate ride sharing. These technologies could impact the frequency or severity of losses, disrupt the demand



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for certain of our products, or reduce the size of the automobile insurance market as a whole. The risks we insure are also affected by the increased use of technology in homes and businesses, including technology used in heating, ventilation, air conditioning and security systems and the introduction of more automated loss control measures. Increased use of advanced analytics and automation in the workplace could potentially affect the demand for workers' compensation insurance products over time. In addition, our business may be disrupted due to failures of accelerated technological changes, including our automation of minimally complex tasks, which may adversely impact our business and results of operations. While

there is substantial uncertainty about the timing, penetration and reliability of such technologies, and the legal frameworks that may apply, such as to autonomous vehicles, any such impacts could have a material adverse effect on our business and results of operations.

We may experience difficulty in marketing and providing insurance products and investment advisory services through distribution channels and advisory firms.

We distribute our insurance products, mutual funds and ETFs through a variety of distribution channels and financial intermediaries, including brokers, independent agents, wholesale agents, reinsurance brokers, broker-dealers, banks, registered investment advisors, affinity partners, our own internal sales force and other third-party organizations. In some areas of our business, we generate a significant portion of our business through third-party arrangements. For example, we market personal lines products in large part through an exclusive licensing arrangement with AARP that continues through December 31, 2032. Our ability to distribute products through the AARP program may be adversely impacted by membership levels and the pace of membership growth. In addition, the independent agent and broker distribution channel is consolidating, which could result in a larger proportion of written premium being concentrated among fewer agents and brokers, potentially increasing our cost of acquiring new business. While we periodically seek to renew or extend third party arrangements, there can be no assurance that our relationship with these third parties will continue or that the economics of these relationships won't change to make them less financially attractive to the Company. An interruption in our relationship with certain of these third parties could materially affect our ability to market our products and could have a material adverse effect on our business, financial condition, results of operations or liquidity.

Unexpected and unintended claim and coverage issues under our insurance contracts may adversely impact our financial performance.

Changes in industry practices and in legal, judicial, social and other environmental conditions, technological advances or fraudulent activities, may require us to pay claims we did not intend to cover when we wrote the policies. Social, economic, political and environmental issues, including rising income inequality, climate change, prescription drug use and addiction, exposures to new substances or those substances previously considered to be safe and found to have latent exposure, along

with the use of social media to proliferate messaging around such issues, has expanded the theories for reporting claims, which may increase our claims administration and/or litigation costs. State and local governments' increased efforts aimed to respond to the costs and concerns associated with these types of issues, may also lead to expansive, new theories for reporting claims or may lead to the passage of "reviver" statutes that extend the statute of limitations for the reporting of these claims, including statutes passed in certain states with respect to sexual molestation and sexual abuse claims. In addition, these and other social, economic, political and environmental issues may either extend coverage beyond our underwriting intent or



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increase the frequency or severity of claims. Some of these changes, advances or activities may not become apparent until some time after we have issued insurance contracts that are affected by the changes, advances or activities and/or we may be unable to compensate for such losses through future pricing and underwriting. As a result, the full extent of liability under our insurance contracts may not be known for many years after a contract is issued, and this liability may have a material adverse effect on our business, financial condition, results of operations or liquidity at the time it becomes known.

COVID-19 illness could continue to impact our business and may have a material adverse impact on our results of operations.

While the impact of COVID-19 has subsided, a surge of COVID-19 infections could continue to impact our business, particularly with respect to mortality claims in our group benefits business, and will depend on future developments which are highly uncertain and cannot be easily predicted including: the potential spread of new COVID-19 variants; the continued effectiveness of vaccines; natural immunity and current or emerging therapeutic treatments in preventing infection, serious illness and death; and the percentage of those infected who are of working age.

Below are several key effects of COVID-19 on the Company's business results, financial condition, results of operations and/or liquidity:

- **Exposure to COVID-19 business interruption property claims** - Nearly all of our property insurance policies require direct physical loss or damage to property and contain standard exclusions that we believe preclude coverage for COVID-19 related claims, and the vast majority of such policies contain exclusions for virus-related losses. Nevertheless, the Company and certain of its writing companies have been served as defendants in lawsuits seeking insurance coverage under commercial insurance policies for alleged losses resulting from the shutdown or suspension of our insureds' businesses due to the spread of COVID-19. While the Company and its subsidiaries deny the allegations and are defending vigorously and while almost none of the plaintiffs have submitted proofs of loss or otherwise quantified or factually supported any allegedly covered loss, it is possible that adverse outcomes, if any, in the aggregate, could have a material adverse effect on the Company's consolidated operating results.



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- **The possibility of a resurgence of a higher level of mortality losses - The Company's Group Benefits business has issued group life policies to employers and associations, which may result in increased death claims as a result of surges in COVID-19 infections causing mortality where COVID-19 is specifically listed as the cause of death and indirect impacts of COVID-19 that includes an increased number of deaths associated with chronic conditions exacerbated by COVID-19. In addition, while the Company has increased pricing for group life coverage in response to higher levels of mortality, it is possible that, even apart from surges in COVID-19 infections, the Company will experience a higher level of mortality going forward associated with chronic conditions. We may also continue to experience higher short-term disability and paid family leave claims from employees and covered individuals who have been affected by COVID-19.**

For the reasons discussed above, the global public health and economic impacts caused by COVID-19 could have a material adverse effect on our results of operations.

affect our business, financial condition, results of operations or liquidity. For a further discussion of potential impacts of ratings downgrades on derivative instruments, including potential collateral calls, see Part II, Item 7, MD&A - Capital Resources and Liquidity - Derivative Commitments.

Financial Strength, Credit and Counterparty Risks

Downgrades in our financial strength or credit ratings may make our products less attractive, increase our cost of capital and inhibit our ability to refinance our debt.

Financial strength and credit ratings are important in establishing the competitive position of insurance companies. Rating agencies assign ratings based upon several factors. While most of the factors relate to the rated company, others relate to the views of the rating agency (including its assessment of the strategic importance of the rated company to the insurance group), general economic conditions, and circumstances outside the rated company's control. In addition, rating agencies may employ different models and formulas to assess the financial strength of a rated company, and from time to time rating agencies have altered these models. Changes to the models or factors used by the rating agencies to assign ratings could adversely impact a rating agency's judgment of its internal rating and the publicly issued rating it assigns us.

Our financial strength ratings, which are intended to measure our ability to meet policyholder obligations, are an important factor affecting public confidence in most of our products and, as a result, our competitiveness. A downgrade or a potential downgrade in the rating of our financial strength or of one of our principal insurance subsidiaries could affect our competitive position and reduce future sales of our products.

Our credit ratings also affect our cost of capital. A downgrade or a potential downgrade of our credit ratings could make it more difficult or costly to refinance maturing debt obligations, to support business growth at our insurance subsidiaries and to maintain or improve the financial strength ratings of our principal insurance subsidiaries. These events could materially adversely

The amount of capital that we must hold to maintain our financial strength and credit ratings and meet other requirements can vary significantly from time to time and is sensitive to a number of factors outside of our control.

We conduct the vast majority of our business through licensed insurance company subsidiaries. In the United States, statutory accounting standards and statutory capital and reserve requirements for these entities are prescribed by the applicable insurance regulators and the NAIC. The minimum capital we must hold is based on risk-based capital ("RBC") formulas for both life and property and casualty companies. The RBC formula for life companies is applicable to our group benefits business and establishes capital requirements relating to insurance, business, asset, credit, interest rate and off-balance sheet risks. The RBC formula for property and casualty companies sets required statutory surplus levels based on underwriting, asset, and credit, and off-balance sheet risks.

Countries in which our international insurance subsidiaries are incorporated or deemed commercially domiciled are subject to minimum capital requirements as defined by the applicable regulatory regime, including Solvency II subject a phased program of changes to amendments proposed the prudential and solvency regime in the U.K. UK following the U.K.'s withdrawal UK's departure from the European Union. In addition, our Lloyd's member company must maintain required Funds at Lloyd's ("FAL") to meet the capital requirements of its syndicate. The FAL is determined based on the syndicate's Solvency Capital Requirement ("SCR") under the Solvency II capital adequacy model plus an economic capital assessment determined by the Lloyd's Franchise Board (which is responsible for the day-to-day management of the Lloyd's market).

In any particular year, statutory surplus amounts, RBC ratios, FAL and SCR may increase or decrease depending on a variety of factors, some of which are outside the Company's control, including:

- the amount of statutory income or losses generated by our insurance subsidiaries;
- the amount of additional capital our insurance subsidiaries must hold to support business growth;
- the amount of dividends or distributions paid to the holding company;
- changes in equity market levels;
- the value of certain fixed-income fixed maturities, equity securities, and equity securities limited partnership and other alternative investments in our investment portfolio;
- the value of certain derivative instruments;
- changes in interest rates;
- admissibility of deferred tax assets;
- changes to the regulatory capital formulas; and
- regulatory changes to accounting guidance for determining capital adequacy.

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Among other factors, rating agencies consider the level of statutory capital and surplus of our U.S. insurance subsidiaries as well as the level of Generally Accepted Accounting Principles ("GAAP") capital held by the Company in determining the

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Company's financial strength and credit ratings. Rating agencies may implement changes to their capital formulas that have the effect of increasing the amount of capital we must hold in order to maintain our current ratings. If our capital resources are insufficient to maintain a particular rating by one or more rating agencies, we may need to raise capital through public or private equity or debt financing. If we were not to raise additional capital, either at our discretion or because we were unable to do so, our financial strength and credit ratings might be downgraded by one or more rating agencies.

Losses due to nonperformance or defaults by counterparties can have a material adverse effect on the value of our investments and reduce our profitability or sources of liquidity.

We have credit risk with counterparties associated with investments, derivatives, premiums receivable, reinsurance recoverables and indemnifications provided by third parties in connection with previous dispositions. Among others, our counterparties include issuers of fixed maturity and equity securities we hold, borrowers of mortgage loans we hold, customers, trading counterparties, counterparties under swaps and other derivative contracts, reinsurers, clearing agents, exchanges, clearing houses and other financial intermediaries and guarantors. These counterparties may default on their obligations to us due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud, government intervention and other reasons. In addition, for exchange-traded derivatives, such as futures, options and "cleared" over-the-counter ("OTC") derivatives, the Company is generally exposed to the credit risk of the relevant central counterparty clearing house. Defaults by these counterparties on their obligations to us could have a material adverse effect on the value of our investments, financial condition, results of operations or liquidity. Additionally, if the underlying assets supporting the structured securities we invest in default on their payment obligations, our securities **will may** incur losses.

The availability of reinsurance and our ability to recover under reinsurance contracts may not be sufficient to protect us against losses.

As an insurer, we frequently use reinsurance to reduce the effect of losses that may arise from, among other things, catastrophes and other risks that can cause unfavorable results of operations. In addition, our assumed reinsurance business purchases retrocessional coverage for a portion of the risks it assumes. Under these reinsurance arrangements, other insurers assume a portion of our losses and related expenses; however, we remain liable as the direct insurer on all risks reinsured. Consequently, ceded reinsurance arrangements do not eliminate our obligation to pay claims, and we are subject to our reinsurers' credit risk with respect to our ability to recover amounts due from them. The inability or unwillingness of any reinsurer or retrocessionaire to meet its financial obligations to us, including the impact of any insolvency or rehabilitation proceedings involving a reinsurer or retrocessionaire that could affect the Company's access to collateral held in trust, could

In addition, should the availability and cost of reinsurance change materially, we may have to pay higher reinsurance costs, accept an increase in our net liability exposure, reduce the amount of business we write, or access to the extent possible other alternatives to reinsurance, such as use of the capital markets. Further, due to the inherent uncertainties as to collection and the length of time before reinsurance recoverables will be due, it is possible that future adjustments to the Company's reinsurance recoverables, net of the allowance, could be required, which could have a material adverse effect on the Company's consolidated results of operations or liquidity in a particular quarterly or annual period.

Our ability to declare and pay dividends is subject to limitations.

The payment of future dividends on our capital stock is subject to the discretion of our board of directors, which considers, among other factors, our operating results, overall financial condition, credit-risk considerations and capital requirements, as well as general business and market conditions. Our board of directors may only declare such dividends out of funds legally available for such payments. Moreover, our common stockholders are subject to the prior dividend rights of any holders of depositary shares representing preferred stock then outstanding. The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on our capital stock or purchasing, acquiring, or making a liquidation payment on such stock, if we have given notice of our election to defer interest payments and the related deferral period has not yet commenced or a deferral period is continuing.

Moreover, as a holding company that is separate and distinct from **our its** insurance subsidiaries, **we have HFSG has** no significant business operations of **our its** own. Therefore, **we rely HFSG relies** on dividends from our insurance company subsidiaries and other subsidiaries as the principal source of cash flow to meet **our its** obligations. Subsidiary dividends fund payments on **our its** debt securities and the payment of dividends to stockholders on **our its** capital stock. Connecticut state laws and certain other U.S. jurisdictions in which we operate limit the payment of dividends and require notice to and approval by the state insurance commissioner for the declaration or payment of dividends above certain levels. The laws and regulations of the countries in which **our its** international insurance subsidiaries are incorporated or deemed commercially domiciled, as well as requirements of the Council of Lloyd's, also impose limitations on the payment of dividends which, in some instances, are more restrictive. Dividends paid from **our its** insurance subsidiaries are further dependent on their cash requirements. In addition, in the event of

have a material adverse effect on our financial condition, results of operations or liquidity.

liquidation or reorganization of a subsidiary, prior claims of a subsidiary's creditors may take precedence over the holding company's right to a dividend or distribution from the subsidiary except to the extent that the holding company may be a creditor of that subsidiary. For further discussion on dividends from insurance subsidiaries, see Part II, Item 7, MD&A - Capital Resources & Liquidity.

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Risks Relating to Estimates, Assumptions and Valuations

Actual results could materially differ from the analytical models we use to assist our decision making in key areas such as underwriting, pricing, capital management, reserving, investments, reinsurance and catastrophe risks.

We use models to help make decisions related to, among other things, underwriting, pricing, capital allocation, reserving, investments, reinsurance, and catastrophe risk. Both proprietary and third party models we use incorporate numerous assumptions and forecasts about the future level and variability of interest rates, capital requirements, loss frequency and severity, currency exchange rates, policyholder behavior, equity markets and inflation, among others. The models are subject to the inherent limitations of any statistical analysis as the historical internal and industry data and assumptions used in the models may not be indicative of what will happen in the future. Consequently, actual results may differ materially from our modeled results. The profitability and financial condition of the Company substantially depends on the extent to which our actual experience is consistent with assumptions we use in our models and ultimate model outputs. If, based upon these models or other factors, we misprice our products or our estimates of the risks we are exposed to prove to be materially inaccurate, our business, financial condition, results of operations or liquidity may be adversely affected.

The valuation of our securities and investments and the determination of allowances and credit losses are highly subjective and based on methodologies, estimations and assumptions that are subject to differing interpretations and market conditions.

Estimated fair values of the Company's investments are based on available market information and judgments about financial instruments, including estimates of the timing and amounts of expected future cash flows and the credit standing of the issuer or counterparty. During periods of market disruption, it may be difficult to value certain of our securities if trading becomes less frequent and/or market data becomes less observable. There may be certain asset classes that were in active markets with significant observable data that become illiquid due to the financial environment. In addition, there may be certain securities whose fair value is based on one or more unobservable inputs, even during normal market conditions. As a result, the determination of the fair values of these securities may include inputs and assumptions that require more estimation and management judgment and the use of complex valuation methodologies. These fair values may differ materially from the value at which the investments may be ultimately sold. Further, rapidly changing or unprecedented credit and equity

market conditions could materially impact the valuation of securities and the period-to-period changes in value could vary significantly. Decreases in value could have a material adverse effect on our business, results of operations, financial condition or liquidity.

Similarly, management's decision on whether to record an allowance for credit losses ("ACL") is subject to significant judgments and assumptions regarding changes in general economic conditions, the issuer's financial condition or future recovery prospects, estimated future cash flows, the expected recovery period and the accuracy of third party information used in internal assessments. As a result, management's evaluations and assessments are highly judgmental and its projections of future cash flows over the life of certain securities may ultimately prove incorrect as facts and circumstances change.

If our businesses do not perform well, we may be required to recognize an impairment of our goodwill.

Goodwill represents the excess of the amounts we paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. We test goodwill at least annually for impairment. Impairment testing is performed based upon estimates of the fair value of the "reporting unit" to which the goodwill relates. The reporting unit is the operating segment or a business one level below an operating segment if discrete financial information is prepared and regularly reviewed by management at that level. The fair value of the reporting unit could decrease if new business, customer retention, profitability or other drivers of performance differ from expectations. If it is determined that the goodwill has been impaired, the Company must write down the goodwill by the amount of the impairment, with a corresponding charge to net income (loss). These write downs could have a material adverse effect on our results of operations or financial condition.

Strategic and Operational Risks

Our businesses may suffer and we may incur substantial costs if we are unable to access our systems and safeguard the security of our data in the event of a disaster, cyber breach or other information security incident.

We use technology to process, store, retrieve, evaluate and utilize analyze customer and company data and information. Our information technology and telecommunications systems, in turn, interface with and rely upon third-party systems. We and our third party vendors must be able to access our systems to provide insurance quotes, process premium payments, make changes to existing policies, file and pay claims, administer mutual funds, provide customer support, manage our investment portfolios, report on financial results and perform other necessary business functions.

Systems failures or outages could compromise our ability to perform these business functions in a timely manner, which could harm our ability to conduct business and hurt our relationships with our business partners and customers. In the

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event of a disaster such as a natural catastrophe, a pandemic, civil unrest, an industrial accident, a cyber-attack, a blackout, a terrorist attack (including conventional, nuclear, biological, chemical or radiological) or war, systems upon which we rely may be inaccessible to our employees, customers or business partners for an extended period of time. Even if our employees and business partners are able to report to work, they may be unable to perform their duties for an extended period of time if our data or systems used to conduct our business are disabled or destroyed.

Our systems have been, and will likely continue to be, subject to viruses or other malicious codes, code, unauthorized access, cyber-attacks (such as ransomware and denial of service), cyber frauds or other computer related penetrations. The frequency and sophistication of such threats continue to increase as well. While, to date, The Hartford is not aware of having experienced a material breach of our cyber security systems, administrative, internal accounting and technical controls as well as other preventive actions may be insufficient to prevent physical and electronic break-ins, denial of service, cyber-attacks, business email compromises, ransomware or other security breaches to our systems or those of third parties with whom we do business. Such an event could compromise our confidential information as well as that of our clients and third parties, impede or interrupt our business operations and result in other negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny and litigation and reputational damage. In addition, we routinely transmit to third parties personal, confidential and proprietary information, which may be related to employees and customers, by email and other electronic means, along with receiving and storing such information on our systems. Although we attempt to protect privileged proprietary and confidential information, we may be unable to secure the information in all events, especially with clients, vendors, service providers, counterparties and other third parties who may not have appropriate controls to protect confidential information.

Our businesses must comply with regulations to control the privacy of customer, employee and third party data, and state, federal and international regulations regarding data privacy are becoming increasingly more onerous. A misuse or mishandling of confidential or proprietary information could result in legal liability, regulatory action and reputational harm.

Third parties, including third party administrators and cloud-based systems, are also subject to cyber-attacks and breaches of confidential information, along with the other risks outlined above, any one of which may result in our incurring substantial costs and other negative consequences, including a material adverse effect on our business, reputation, financial condition, results of operations or liquidity. Our increased use of open source software, cloud technology and software as a service can make it more difficult to identify and remedy such situations due to the disparate location of code utilized in our operations. While we maintain cyber liability insurance that provides both third party liability and first party insurance coverages, our insurance may not be sufficient to protect against all loss.

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acquisition due to unanticipated performance issues and additional expense, unforeseen liabilities, transaction-related

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Performance problems due to outsourcing and other third-party relationships may compromise our ability to conduct business.

We outsource certain business and administrative functions and rely on third-party vendors to perform certain functions or provide certain services on our behalf and have a significant number of information technology and business processes outsourced with a single vendor. If we are unable to reach agreement in the negotiation of contracts or renewals with certain third-party providers, or if such third-party providers experience disruptions in their processes or with relied upon vendors, or if they do not perform as anticipated, we may be unable to meet our obligations to customers and claimants, incur higher costs and lose business which may have a material adverse effect on our business and results of operations. For other risks associated with our outsourcing of certain functions, see the Risk Factor, "Our businesses may suffer and we may incur substantial costs if we are unable to access our systems and safeguard the security of our data in the event of a disaster, cyber breach or other information security incident."

Our ability to execute on capital management plans and other actions is subject to material challenges, uncertainties and risks.

The ability to execute on capital management plans is subject to material challenges, uncertainties and risks. From time to time, our capital management plans may include the repurchase of common stock, the paydown of outstanding debt or both. We may not achieve all of the benefits we expect to derive from these plans. For an An equity repurchase plan approved by the Board such capital management plan would be subject to execution risks, including, among others, risks related to market fluctuations, investor interest and potential legal constraints that could delay execution at an otherwise optimal time. There can be no assurance that we will fully execute any such plan. In addition, we may not be successful in keeping our businesses cost efficient. We may take future actions, including acquisitions, divestitures or restructurings that may involve additional uncertainties and risks that negatively impact our business, financial condition, results of operations or liquidity and could impact our ability to execute our capital management plans.

Acquisitions and divestitures may not produce the anticipated benefits and may result in unintended consequences, which could have a material adverse impact on our financial condition and results of operations.

We may not be able to successfully integrate acquired businesses or achieve the expected synergies as a result of such acquisitions or divestitures. The process of integrating an acquired company or business can be complex and costly and may create unforeseen operating difficulties including ineffective integration of underwriting, risk management, claims handling, finance, information technology and actuarial practices. Difficulties integrating an acquired business may also result in the acquired business performing differently than we expected including through the loss of customers or in our failure to realize anticipated increased premium growth or expense-related efficiencies. We could be adversely affected by the

charges, downgrades by third-party rating agencies, diversion of management time and resources to integration challenges, loss of key employees, regulatory requirements, exposure to tax liabilities, amortization of expenses related to intangibles and charges for impairment of long-term assets or goodwill. In addition, we may be adversely impacted by uncertainties related to reserve estimates of the acquired company and its design and operation of internal controls over financial reporting. We may be unable to distribute as much capital to the holding company as planned due to regulatory restrictions or other reasons, or we may be required to contribute capital to a subsidiary, either of which could adversely affect our liquidity.

In addition, in the case of business or asset dispositions, we may have continued financial exposure to the divested businesses through reinsurance, indemnification or other financial arrangements following the transaction. The expected benefits of acquired or divested businesses may not be realized and involve additional uncertainties and risks that may negatively impact our business, financial condition, results of operations or liquidity.

Difficulty in attracting and retaining talented and qualified personnel may adversely affect the execution of our business strategies.

Our ability to attract, develop and retain talented employees, managers and executives is critical to our success. There is significant competition within and outside the insurance and financial services industry for qualified employees, particularly for individuals with highly specialized knowledge in areas such as underwriting, actuarial, data and analytics, technology and digital commerce and investment management. Our continued ability to compete effectively in our businesses and to expand into new business areas depends on our ability to attract new employees and to develop, retain and motivate our existing employees. The loss of key employees, including executives, managers and employees with strong technological, analytical and other specialized skills, may adversely impact the execution of our business objectives or result in loss of important institutional knowledge. Our inability to attract and retain key personnel could have a material adverse effect on our financial condition or results of operations.

We may not be able to protect our intellectual property and may be subject to infringement claims.

We rely on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Although we use a broad range of measures to protect our intellectual property rights, third parties may infringe or misappropriate our intellectual property. We may have to litigate to enforce and protect our intellectual property and to determine its scope, validity or enforceability, which could divert significant resources and may not prove successful. Litigation to enforce our intellectual property rights may not be successful and cost a significant amount of money. The inability to secure or enforce the protection of our intellectual property assets could harm our reputation and have a material adverse effect on our business and our ability to compete. We also may be subject to costly litigation in the event that another party

rights. Any such intellectual property claims and any resulting litigation could result in significant expense and liability for damages, and in some circumstances we could be enjoined from providing certain products or services to our customers, or utilizing and benefiting from certain patent, copyrights, trademarks, trade secrets or licenses, or alternatively could be required to enter into costly licensing arrangements with third parties, all of which could have a material adverse effect on our business, results of operations or financial condition.

Regulatory and Legal Risks

Regulatory and legislative developments could have a material adverse impact on our business, financial condition, results of operations or liquidity.

We are subject to extensive laws and regulations that are complex, subject to change and often conflict in their approach or intended outcomes. Compliance with these laws and regulations can increase cost, affect our strategy, and constrain our ability to adequately price our products.

In the U.S., regulatory initiatives and legislative developments may significantly affect our operations and prospects in ways that we cannot predict. For example, federal and state legislative efforts on Paid Family and Medical Leave, data privacy and cyber security, risk-based pricing, sustainability, and ESG environmental, social and governance ("ESG") practices could have unanticipated consequences for the Company and its businesses. It is unclear whether and to what extent Congress, the current Administration or individual states will continue to pursue these types of proposals, and how those changes might impact the Company, its business, financial conditions, results of operations or liquidity.

Our U.S. insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled, licensed or authorized to conduct business. State regulations generally seek to protect the interests of policyholders rather than an insurer or the insurer's stockholders and other investors. U.S. state laws grant insurance regulatory authorities broad administrative powers with respect to, among other things, licensing and authorizing lines of business, approving policy forms and premium rates, setting statutory capital and reserve requirements, limiting the types and amounts of certain investments and restricting

alleges our operations or activities infringe upon their intellectual property rights, including patent rights, or violate license usage

requirements, limiting the types and amounts of certain investments and restricting underwriting practices. State insurance departments also set constraints on domestic insurer transactions with affiliates and dividends and, in many cases, must approve affiliate transactions and extraordinary dividends as well as strategic transactions such as acquisitions and divestitures.

Our international insurance subsidiaries are subject to the laws and regulations of the relevant jurisdictions in which they operate, including the requirements of the PRA and the FCA in the U.K., the Bermuda Monetary Authority in Bermuda and the Insurance Authority in Hong Kong. Our Lloyd's Syndicate is also subject to management and supervision by the Council of



Part I - Item 1A. Risk Factors

Lloyd's, which has wide discretionary powers to regulate members' underwriting at Lloyd's, as well as regulations



Part I - Item 1A. Risk Factors

imposed by overseas regulators where the Lloyd's Syndicate conducts business.

Following the U.K.'s withdrawal from the European Union, the U.K. entered into a free trade agreement with the E.U. on December 30, 2020. Under this agreement, a Trade Partnership Committee meets on a regular basis to discuss areas of cooperation. It is possible that deliberations of this Trade Partnership Committee could affect how U.K. domiciled financial services and insurance firms are regulated.

In addition, future regulatory initiatives could be adopted at the federal, state and international level that could affect the profitability of our businesses. For example, the NAIC and state insurance regulators periodically reexamine existing laws and regulations, specifically focusing on modifications to U.S. statutory accounting principles, interpretations of existing laws and the development of new laws and regulations. The NAIC continues to enhance the U.S. system of insurance solvency regulation, with a particular focus on group supervision, risk-based capital, accounting and financial reporting, enterprise risk management and reinsurance which could, among other things, affect statutory measures of capital adequacy, including risk-based capital ratios.

Lawmakers and regulators at the federal, state and international levels are enacting laws and promulgating regulations and guidance related to climate change, with conflicts from jurisdiction to jurisdiction possible, which may impose additional costs on the Company, or expose us to new or additional risks. For example, regulators could impose new disclosure requirements regarding underwriting or investment in certain industry sectors or take other actions such as implementing a temporary moratorium on cancellation of policies within catastrophe prone areas. The U.S. Securities and Exchange Commission ("SEC") issued proposed rules to enhance and standardize climate-related disclosures for investors. The scope and timing of final rules is uncertain; however, if not modified substantively, the proposed rules would require extensive narrative and quantitative reporting on climate change and decarbonization in SEC filings and pose potential compliance and litigation risks to the Company. In addition, the Federal Insurance Office continues to analyze the potential for climate change to affect insurance and reinsurance coverage, which could result in increased data collection and reporting. Regulators may also impose new requirements affecting our operations such as **enforcing compliance with reductions in disclosure related to greenhouse gas emissions (GHGs) and other climate-related information**, increasing our operating expenses and litigation risk.

There has also been increased regulatory scrutiny of the **targeted reductions use of emerging technologies related to artificial intelligence, including machine learning, predictive analytics and other "big data" techniques**. We may be subject to new regulations that could materially adversely affect our operations or ability to write business profitably in one or more jurisdictions. The NAIC has adopted a Model Bulletin on the Use of Artificial Intelligence Systems by Insurers. This would need to be adopted at the individual state level in order to become effective. We anticipate some states will do so in the future. State insurance regulators may adopt their own guidelines for insurers independent of the NAIC guidance. In addition, regulators have recently requested

end of which insurance firms are required to follow such standards. While the Company would not currently be subject to this capital standard regime, it is possible that, in the future, standards similar to what is being contemplated by the IAIS could apply to the Company. Working through the NAIC, U.S. state insurance regulators have adopted a group capital calculation for use in solvency-monitoring activities. The calculation is intended to provide additional analytical information to the lead state for use in assessing group risks and capital adequacy to complement the current holding company analysis in the U.S. By the end of 2024, the IAIS will assess whether this method provides comparable outcomes to the consolidated group insurance capital standard that it has been developing for use with IAIGs.

Further, a particular regulator or enforcement authority may interpret a legal, accounting, or reserving issue differently than we have, exposing us to different or additional regulatory risks. The application of these regulations and guidelines by insurers involves interpretations and judgments that may be challenged by state insurance departments and other regulators. The result of those potential challenges could require us to increase levels of regulatory capital and reserves or incur higher operating and/or tax costs.

In addition, our asset management businesses are also subject to extensive regulation in the various jurisdictions where they operate. These laws and regulations are primarily intended to protect investors in the securities markets or investment advisory clients and generally grant supervisory authorities broad administrative powers. Compliance with these laws and regulations is costly, time consuming and personnel intensive, and may have an adverse effect on our business, financial condition, results of operations or liquidity.

information from insurers on their use of algorithms, artificial intelligence and machine learning. We cannot predict what, if any, legislative or regulatory actions may be taken regarding these or other emerging technologies, but any inquiries and/or limitations could have a material impact on our business, business processes, financial condition, and results of operations.

In addition, changes in laws or regulations, particularly relating to privacy and data security, and potential limitations on predictive models, such as use of certain underwriting rating variables, may materially impede our ability to execute on business strategies and/or our ability to be competitive.

Any proposed or future legislation or NAIC initiatives, if adopted, may be more restrictive on our ability to conduct business than current regulatory requirements or may result in higher costs or increased statutory capital and reserve requirements. The International Association of Insurance Supervisors ("IAIS") continues to advance the development of insurance group capital standards for use with Internationally Active Insurance Groups ("IAIGs"). As of January 1, 2020, the IAIS Insurance Capital Standard entered a five-year monitoring period at the

Part I - Item 1A. Risk Factors

Our insurance business is sensitive to significant changes in the legal environment that could adversely affect The Hartford's results of operations or financial condition or harm its businesses.

Like any major P&C insurance company, litigation is a routine part of The Hartford's business - both in defending and indemnifying our insureds and in litigating insurance coverage disputes. The Hartford accounts for such activity by establishing unpaid loss and loss adjustment expense reserves. Significant changes in the legal environment could cause our ultimate liabilities to change from our current expectations. Such changes could be judicial in nature, like trends in the size of jury awards, developments in the law relating to tort liability or the liability of insurers, and rulings concerning the scope of insurance coverage or the amount or types of damages covered by insurance. In addition, changes in federal or state laws and regulations relating to the liability of insurers or policyholders, including state laws expanding "bad faith" liability and state "reviver" statutes, extending statutes of limitations for certain sexual molestation and sexual abuse claims, could result in changes in business practices, additional litigation, or **could result in** unexpected losses, including increased frequency and severity of claims. Also, the emergence of new targets and expanding theories of liability for **claims involving issues like global climate change, physical and mental health crises, new technologies, and socioeconomic and political dynamics also could result in additional litigation exposure and unexpected losses.** It is impossible to forecast such changes reliably, much less to predict how they might affect our loss reserves or how those changes might adversely affect our ability to price our insurance products appropriately. Thus, significant

Part I - Item 1A. Risk Factors

judicial or legislative developments could adversely affect The Hartford's business, financial condition, results of operations or liquidity.

Changes in federal, state or foreign tax laws could adversely affect our business, financial condition, results of operations or liquidity.

Changes in federal, state or foreign tax laws and tax rates or regulations could have a material adverse effect on our profitability or financial condition by increasing the Company's overall tax and compliance burdens. The Company's federal and state tax returns reflect certain items such as tax-exempt bond interest, tax credits, and insurance reserve deductions. There is an increasing risk that, in the context of tax reform in the U.S., federal and/or state tax legislation could modify or eliminate these items, impacting the Company, its investments, investment strategies, and/or its policyholders. For a description of potential impacts for the Inflation Reduction Act, which was signed into law on August 16, 2022, see Part I, Item 2, MD&A - Capital Resources and Liquidity, Contingencies, Legislative and Regulatory Developments.

Generally, state statutes provide that control over a domestic insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10 percent or more of the voting securities of the domestic insurer or its parent company. Because a person acquiring 10 percent or more of our common stock would indirectly control the same percentage of the stock of our U.S. insurance subsidiaries, the insurance change of control laws of various U.S. jurisdictions would likely apply to such a transaction. Other laws or required approvals pertaining to one or more of our existing subsidiaries, or a future subsidiary, may contain similar or additional restrictions on the acquisition of control of the Company. These laws and similar rules applying to subsidiaries domiciled outside of the United States may discourage potential acquisition proposals and may delay, deter, or prevent a change of control, including transactions that our Board of Directors and some or all of our stockholders might consider to be desirable.

Changes in accounting principles and financial reporting requirements could adversely affect our results of operations or financial condition.

As an SEC registrant, we are currently required to prepare our financial statements in accordance with U.S. GAAP, as promulgated by the **Financial Accounting Standards Board ("FASB")**, FASB. Accordingly, we are required to adopt new guidance or interpretations which may have a material effect on our results of operations or financial condition that is either unexpected or has a greater impact than expected. For a description of changes in accounting standards that are currently pending and, if known, our estimates of their expected impact, see Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to the Consolidated Financial Statements.

Part I - Item 1C. Cybersecurity

Regulatory requirements could delay, deter or prevent a takeover attempt that stockholders might consider in their best interests.

Before a person can acquire control of a U.S. insurance company, prior written approval must be obtained from the insurance commissioner of the state where the domestic insurer is domiciled. Prior to granting approval of an application to acquire control of a domestic insurer, the state insurance commissioner will consider such factors as the financial strength of the applicant, the acquirer's plans for the future operations of the domestic insurer, and any such additional information as the insurance commissioner may deem necessary or appropriate for the protection of policyholders or in the public interest.

Item 1C.

CYBERSECURITY

The Hartford has implemented an information protection program with established governance routines for assessing and managing risks. The Hartford employs a 'defense-in-depth' strategy that uses multiple security measures to protect the integrity of the Company's information assets. This 'defense-in-depth' strategy aligns to the National Institute of Standards and Technology Cybersecurity Framework, where controls are implemented throughout our environments to achieve five categorical objectives, including identification, protection, detection, response and recovery.

Our 'defense in depth' program uses several methods to protect against intrusion by a bad actor, including such techniques as reputational filtering, anti-virus scans, intrusion prevention, multi-factor authentication, and account isolation among others. We also use numerous approaches to detect ransomware and other cyber attacks, including, among others, dark web searches, email sandboxing, endpoint detection, and intrusion detection. The Hartford continues to monitor and enhance its framework to respond to evolving cyber threats and regulations for data privacy, including the European Union General Data Protection Regulation and the California Consumer Privacy Act.

We regularly assess our programs and control environment, leveraging externally conducted cyber tests and evaluations along with internally managed cyber risk assessments and testing. Additionally, the Company collaborates with industry associations, government authorities, peers and external advisors to monitor the threat environment and to inform our security practices.

In connection with the regular assessment of third-party service providers performed by our procurement organization, our information protection team performs a third-party assessment of each vendor's information security practices and protocols, including its readiness to protect against and respond to cybersecurity breaches. Third-party service providers are categorized in tiers depending on the significance of their operations to the Company's business processes and risk assessments for vendors in the highest tier are completed periodically. With respect to cyber, we have procedures to verify each service provider's information security controls, and each vendor completes a cyber questionnaire that also addresses their resiliency in the event of an intrusion to their systems. We proactively communicate with suppliers to understand mitigation steps taken when major cyber exposures are identified.

We are executing on a multi-year roadmap to, among other things, further improve our ability to defend against, respond to, and recover from ransomware and other cyber events; enhance application cybersecurity capabilities, including defenses against fraud attacks; and to ensure security capabilities are built into new cloud-based platforms that we adopt. We are also required to maintain strong cyber defense protocols in the states where we are authorized or licensed to write business. A number of states where our insurance companies are domiciled, including Connecticut, have adopted the NAIC Insurance Data Security Model Law. Our legal team monitors the status of new cybersecurity regulations, including notification requirements.

Part I - Item 1C. Cybersecurity

Both the CIO and the CISO have expertise assessing and managing cybersecurity risks. The CIO has served in her current role since 2019 and served in similar technology leadership roles before her current role. She has eighteen years of executive leadership experience in the financial services industry and twenty-eight years of overall technology experience, during which time she has led large scale business transformation, delivered innovative technology strategies and has overseen and modernized complex technology portfolios.

To the best knowledge of Management, no risks from cybersecurity threats have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. For further discussion of the Company's risks related to cybersecurity, see Part I, Item 1A, — Risk Factors for the risk factor "Our businesses may suffer and we may incur substantial costs if we are unable to access our systems and safeguard the security of our data in the event of a disaster, cyber breach or other information security incident."

From a governance perspective, senior members of our Enterprise Risk Management, Information Protection and Internal Audit functions provide detailed, regular reports on cybersecurity matters to the Board, primarily through the Audit Committee, which oversees controls for the Company's major risk exposures and has principal responsibility for oversight of cybersecurity risk, and the Finance, Investment and Risk Management Committee ("FIRMCo"), which oversees business risk related to cyber insurance products. The topics covered by these updates include the Company's activities, policies and procedures to prevent, detect and respond to cybersecurity incidents, as well as lessons learned from cybersecurity incidents and internal and external testing of our cyber defenses.

The Audit Committee is provided with updates on technology and cybersecurity risks at least four times annually, including annual reviews of the Company's cybersecurity program and technology risks and controls, and bi-annual updates on operational risks (in spring and fall). Given its importance, the full Board is invited to attend the annual cybersecurity program and time is reserved at each Audit Committee meeting for cybersecurity technology matters that warrant discussion between the standing sessions. In addition, our Enterprise Risk Management team provides FIRMCo with an assessment of cybersecurity insurance risk once per year. The Audit Committee, FIRMCo and the full Board are apprised of developments in the external environment and business strategies that present additional potential cyber risk exposure to the Company, such as modifications to on-line platforms and expanded use of cloud-based applications, on an ongoing, as-needed basis. As a result, cybersecurity and cyber risk are typically discussed more frequently than the annual minimum requirements.

The Company has established an Executive Privacy & Security Council ("EPSC") that meets semi-annually. Formed in 2003, the EPSC consists of a cross-functional senior leaders, including the Chief Information Officer ("CIO"), the Chief Information Security Officer ("CISO"), the Chief Risk Officer ("CRO") and General Counsel among others. The EPSC receives a monthly written executive briefing on topics, and with metrics related to cybersecurity, including incident prevention, detection, mitigation and remediation. Quarterly, the IT Risk Council, made up of senior IT leaders, is also provided with an update of cybersecurity risks and preparedness. Various other meetings are held on cybersecurity topics periodically, including monthly business operating reviews, and meetings of the Enterprise Risk and Capital Committee ("ERCC") and executive leadership team.

The CISO has held several senior-level information technology roles in his twenty-five-year tenure with the Company and has served in his current role since 2021. In his various roles, he has been responsible for providing senior leadership in the areas of information security, IT governance risk & compliance, business continuity, and disaster recovery.

Item 2.

PROPERTIES

As of **December 31, 2022** **December 31, 2023**, The Hartford owned building space totaling approximately 1.8 million square feet consisting of its home office complex in Hartford, Connecticut and other properties within the greater Hartford, Connecticut area. In addition, we lease offices throughout North America, the United Kingdom and other overseas locations to house administrative, claims handling, sales and other business operations. As of

December 31, **2022**, **2023**, The Hartford leased approximately **1.1 million** **935 thousand** square feet throughout **North America, the United States**, 22 thousand square feet in London and 6 thousand square feet in other international branches. All of the properties owned or leased are used by one or more of **all the** five reporting segments, **or are used for corporate purposes**, depending on the location. For more information on reporting segments, see Part I, Item 1, Business Reporting Segments. The Company believes its properties and facilities are suitable and adequate for current operations.

Item 3.

LEGAL PROCEEDINGS

For a discussion regarding The Hartford's legal proceedings, see the information contained under "Litigation," including "COVID-19 Pandemic Business Income Insurance Litigation " and "Run-off Asbestos and Environmental Claims," in Note **14** **15** - Commitments and Contingencies of the Notes to Consolidated Financial Statements.

Part II - Item 5. Market for the Hartford's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Item 5.

MARKET FOR THE HARTFORD'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Hartford's common stock is traded on the New York Stock Exchange ("NYSE") under the trading symbol "HIG". As of **February 23, 2023** **February 22, 2024**, the Company had approximately **9,231** **7,835** registered holders of record of the Company's common stock. A substantially greater number of holders of our common stock are "street name" holders or beneficial holders, whose shares

are held of record by banks, brokers and other financial institutions.

The Hartford's cash dividends paid on common stock and expected payment of future cash dividends are discussed in the Summary of Capital Resources and Liquidity and Liquidity Requirements and Sources of Capital - Dividends sections of Part II, Item 7, MD&A — Capital Resources and Liquidity.

For information related to securities authorized for issuance under equity compensation plans, see Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Repurchases of common stock by the Company during the quarter ended **December 31, 2022** **December 31, 2023** are set forth below. During the period from **January 1, 2023** **January 1, 2024** through **February 23, 2023** **February 22, 2024**, the Company repurchased **2.7 million** **2.3 million** shares for **\$209**, **\$200**.

Repurchases of Common Stock by the Issuer for the Three Months Ended December 31, 2022					
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 [2]	
				(in millions)	
October 1, 2022 - October 31, 2022	1,709,923	\$ 66.69	1,705,631	\$	2,984
November 1, 2022 - November 30, 2022	1,869,736	\$ 73.78	1,852,356	\$	2,847
December 1, 2022 - December 31, 2022	1,337,959	\$ 75.15	1,325,635	\$	2,748
Total	4,917,618	\$ 71.69	4,883,622		

Repurchases of Common Stock by the Issuer for the Three Months Ended December 31, 2023					
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 [2]	
(in millions)					
October 1, 2023 - October 31, 2023	2,043,934	\$ 71.72	2,039,013	\$ 1,553	
November 1, 2023 - November 30, 2023	1,294,172	\$ 76.29	1,290,733	\$ 1,456	
December 1, 2023 - December 31, 2023	1,370,044	\$ 80.19	1,356,163	\$ 1,348	

Total	4,708,150 \$	75.44	4,685,909

[1] Includes 33,996,224,241 shares in net settlement of employee tax withholding obligations related to equity awards under the Company's incentive stock plans, which were not part of publicly announced share repurchase authorizations. The Company paid an average price per share of \$72.76 \$78.24 in employee tax withholding obligations related to net share settlements in the three months ended December 31, 2022 December 31, 2023.

[2] On December 17, 2020, the Board of Directors authorized an equity repurchase plan for \$1.5 billion for the period commencing January 1, 2021 through December 31, 2022. The Board of Directors increased this authorization by \$1.0 billion on April 22, 2021, and by \$500 on October 28, 2021, bringing the aggregate repurchase authorization to \$3.0 billion through December 31, 2022. In addition to the authorization covering the period from January 1, 2021 to December 31, 2022, in July, 2022, the Board of Directors approved a share repurchase authorization for up to \$3.0 billion effective from August 1, 2022 to December 31, 2024. The timing of any repurchases is dependent on several factors, including the market price of the Company's securities, the Company's capital position, consideration of the effect of any repurchases on the Company's financial strength or credit ratings, the Company's blackout periods, and other considerations.

Part II - Item 5. Market for the Hartford's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

TOTAL RETURN TO STOCKHOLDERS

The following table presents The Hartford's five-year total return on its common stock including reinvestment of dividends in comparison to the S&P 500 and the S&P Insurance Composite Index.

[illegible]

The Hartford Financial Services Group, Inc.	The Hartford Financial Services Group, Inc.												
		\$	100	\$	80.76	\$	112.83	\$	93.74	\$	135.23	\$	151.89
The Hartford Financial Services Group, Inc.													
The Hartford Financial Services Group, Inc.													
S&P 500 Index													
S&P 500 Index													
S&P 500 Index	S&P 500 Index	\$	100	\$	95.62	\$	125.72	\$	148.85	\$	191.58	\$	156.88
S&P Insurance Composite Index	S&P Insurance Composite Index	\$	100	\$	88.79	\$	114.88	\$	114.38	\$	151.12	\$	166.42
S&P Insurance Composite Index													
S&P Insurance Composite Index													

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 7.

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

(Dollar amounts in millions, except for per share data, unless otherwise stated)

The Hartford provides projections and other forward-looking information in the following discussions, which contain many forward-looking statements, particularly relating to the Company's future financial performance. These forward-looking statements are estimates based on information currently available to the Company, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are subject to the cautionary statements set forth on pages 4 and 5 of this Form 10-K. Actual results are likely to differ, and in the past have differed, materially from those forecast by the Company, depending on the outcome of various factors, including, but not limited to, those set forth in the following discussion and in Part I, Item 1A, Risk Factors, and those identified from time to time in our other filings with the Securities and Exchange Commission. The Hartford undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

On January 1, 2023, the Company adopted the FASB's updated guidance on accounting for long duration insurance contracts, which was applied on a modified retrospective basis as of January 1, 2021. For additional information refer to Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements.

On December 29, 2021, the Company completed the sale of Navigators Holdings (Europe) N.V., a Belgium holding company, and its subsidiaries, Bracht, Deckers & Mackelbert N.V. ("BDM") and Assurances Continentales Continentale Verzekeringen N.V. ("ASCO"), (collectively referred to as "Continental Europe Operations").

Certain reclassifications have been made to historical financial information presented in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to conform to the current period presentation.

For discussion of reclassifications and dispositions, see Note 1 - Basis of Presentation and Significant Accounting Policies, and Note 21 22 - Business Dispositions of Notes to Consolidated Financial Statements.

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" "NM" or not meaningful.

For discussion of the earliest of the three years included in the financial statements of the current filing, refer to Part 2, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations MD&A in The Hartford's 2021 2022 Form 10-K Annual Report.

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Throughout the MD&A, we use certain terms and abbreviations, the more commonly used are summarized in the [Acronyms](#) section.

KEY PERFORMANCE MEASURES AND RATIOS

The Company considers the measures and ratios in the following discussion to be key performance indicators for its businesses. Management believes that these ratios and measures are useful in understanding the underlying trends in The Hartford's businesses. However, these key performance indicators should only be used in conjunction with, and not in lieu of, the results presented in the segment discussions that follow in this MD&A. These ratios and measures may not be comparable to other performance measures used by the Company's competitors.

Definitions of Non-GAAP and Other Measures and Ratios

Assets Under Management ("AUM")- Include mutual fund and exchange-traded fund ("ETF") ETF assets. AUM is a measure used by the Company's Hartford Funds segment because a significant portion of the segment's revenues and expenses are based upon asset values. These revenues and expenses increase or decrease with a rise or fall in AUM whether caused by changes in the market or through net flows.

Book Value per Diluted Share excluding accumulated other comprehensive income ("AOCI")- This is a non-GAAP per share measure that is calculated by dividing (a) common stockholders' equity, excluding AOCI, after tax, by (b) common shares outstanding

and dilutive potential common shares. The Company provides this measure to enable investors to analyze the amount of the Company's net worth that is primarily attributable to the Company's business operations. The Company believes that excluding AOCI from the numerator is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates. Book value per diluted share is the most directly comparable U.S. GAAP measure.

Combined Ratio- The sum of the loss and loss adjustment expense ratio, the expense ratio and the policyholder dividend ratio. This ratio is a relative measurement that describes the related cost of losses and expenses for every \$100 of earned premiums. A combined ratio below 100 demonstrates underwriting profit; a combined ratio above 100 demonstrates underwriting losses.

Core Earnings- The Hartford uses the non-GAAP measure core earnings as an important measure of the Company's operating performance. The Hartford believes that core earnings provides investors with a valuable measure of the performance of the Company's ongoing businesses because it reveals trends in our insurance and financial services businesses that may be obscured by including the net effect of certain items. Therefore, the following items are excluded from core earnings:

- Certain realized gains and losses - Generally realized gains and losses are primarily driven by investment decisions and external economic developments, the nature and timing of which are unrelated to the insurance and underwriting aspects of our business. Accordingly, core earnings excludes the effect of all realized gains and losses that tend to be highly variable from period to period based on capital market conditions. The Hartford believes, however, that some realized gains and losses are integrally related to our insurance operations, so core earnings includes net realized gains and losses such as net periodic settlements on credit derivatives. These net realized gains and losses are directly related to an offsetting item included in the income statement such as net investment income.
- Restructuring and other costs - Costs incurred as part of a restructuring plan are not a recurring operating expense of the business.
- Loss on extinguishment of debt - Largely consisting of make-whole payments or tender premiums upon paying debt off before maturity, these losses are not a recurring operating expense of the business.
 - Integration and other non-recurring M&A costs - These costs, including transaction costs incurred in connection with an acquired business, are incurred over a short period of time and do not represent an ongoing operating expense of the business.
 - Change in loss reserves upon acquisition of a business - These changes in loss reserves are excluded from core earnings because such changes could obscure the ability to compare results in periods after the acquisition to results of periods prior to the acquisition.
 - Deferred gain resulting from retroactive reinsurance and subsequent changes in the deferred gain - Retroactive reinsurance agreements economically transfer risk to the reinsurers and excluding the deferred gain on retroactive reinsurance and related amortization of the deferred gain from core earnings provides greater insight into the economics of the business.
 - Change in valuation allowance on deferred taxes related to non-core components of before tax income - These changes in valuation allowances are excluded from core earnings because they relate to non-core components of before tax income, such as tax attributes like capital loss carryforwards.
 - Results of discontinued operations - These results are excluded from core earnings for businesses sold or held for sale because such results could obscure the ability to compare period over period results for our ongoing businesses.

In addition to the above components of net income available to common stockholders that are excluded from core earnings, preferred stock dividends declared, which are excluded from net income, **available to common stockholders**, are included in the determination of core earnings. Preferred stock dividends are a cost of financing more akin to interest expense on debt and are expected to be a recurring expense as long as the preferred stock is outstanding.

Net income (loss) and net income (loss) available to common stockholders are the most directly comparable U.S. GAAP measures to core earnings. Core earnings should not be

- Gains and losses on reinsurance transactions - Gains or losses on reinsurance, such as those entered into upon sale of a business or to reinsure loss reserves, are not a recurring operating expense of the business.

considered as a substitute for net income (loss) or net income (loss) available to common stockholders and does not reflect the overall profitability of the Company's business. Therefore, The Hartford believes that it is useful for investors to evaluate net income (loss), net income (loss) available to common stockholders, and core earnings when reviewing the Company's performance.

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Reconciliation of Net Income to Core Earnings

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Net income	Net income	\$1,815	\$2,365	\$1,737			
Preferred stock dividends	Preferred stock dividends	21	21	21			
Net income available to common stockholders	Net income available to common stockholders	1,794	2,344	1,716			
Adjustments to reconcile net income available to common stockholders to core earnings:	Adjustments to reconcile net income available to common stockholders to core earnings:						
Net realized losses (gains) excluded from core earnings, before tax	Net realized losses (gains) excluded from core earnings, before tax	626	(505)	18			
Net realized losses (gains) excluded from core earnings, before tax							
Net realized losses (gains) excluded from core earnings, before tax							
Restructuring and other costs, before tax	Restructuring and other costs, before tax	13	1	104			
Loss on extinguishment of debt, before tax	Loss on extinguishment of debt, before tax	9	—	—			
Integration and other non-recurring M&A costs, before tax	Integration and other non-recurring M&A costs, before tax	21	58	51			
Integration and other non-recurring M&A costs, before tax							
Integration and other non-recurring M&A costs, before tax							

Change in deferred gain on retroactive reinsurance, before tax				
Change in deferred gain on retroactive reinsurance, before tax				
Change in deferred gain on retroactive reinsurance, before tax	Change in deferred gain on retroactive reinsurance, before tax	229	246	312
Income tax expense (benefit) [1]	Income tax expense (benefit) [1]	(200)	34	(115)
Core earnings	Core earnings	\$2,492	\$2,178	\$2,086

[1] Primarily represents the federal income tax expense (benefit) related to before tax items not included in core earnings.

Core Earnings Margin- The Hartford uses the non-GAAP measure core earnings margin to evaluate, and believes it is an important measure of, the Group Benefits segment's operating performance. Core earnings margin is calculated by dividing core earnings by revenues, excluding buyouts and realized gains (losses). Net income margin, calculated by dividing net income by revenues, is the most directly comparable U.S. GAAP measure. The Company believes that core earnings margin provides investors with a valuable measure of the performance of Group Benefits because it reveals trends in the business that may be obscured by the effect of buyouts and realized gains (losses) as well as other items excluded in the calculation of core earnings. Core earnings margin should not be considered as a substitute for net income margin and does not reflect the overall profitability of Group Benefits. Therefore, the Company believes it is important for investors to evaluate both core earnings margin and net income margin when reviewing performance. A reconciliation of net income margin to core earnings margin is set forth in the Results of Operations section within MD&A - Group Benefits.

Current Accident Year Catastrophe Ratio- A component of the loss and loss adjustment expense ratio, represents the ratio of catastrophe losses incurred in the current accident year ("CAY") (net of reinsurance) to earned premiums. For U.S. events, a catastrophe is an event that causes \$25 or more in industry insured property losses and affects a significant number of property and casualty policyholders and insurers, as defined by the Property Claim Services office of Verisk. For international events, the Company's approach is similar, informed, in part, by how Lloyd's of London defines major losses. Lloyd's of London is an insurance market-place operating worldwide ("Lloyd's"). Lloyd's does not underwrite risks. The Company accepts risks as the sole member of Lloyd's Syndicate 1221 ("Lloyd's Syndicate"). The current accident year catastrophe ratio includes the effect of catastrophe losses, but does not include the effect of reinstatement premiums.

Expense Ratio- For Commercial Lines and Personal Lines is the ratio of underwriting expenses less fee income, to earned premiums. Underwriting expenses include the amortization of

deferred policy acquisition costs ("DAC") and insurance operating costs and other expenses, including certain centralized services costs and bad debt expense. DAC includes commissions, taxes, licenses and fees and other incremental direct underwriting expenses and are amortized over the policy term.

The expense ratio for Group Benefits is expressed as the ratio of insurance operating costs and other expenses including amortization of intangibles and amortization of DAC, to premiums and other considerations, excluding buyout premiums.

The expense ratio for Commercial Lines, Personal Lines and Group Benefits does not include integration and other transaction costs associated with an acquired business.

Fee Income- Is largely driven from amounts earned as a result of contractually defined percentages of **assets under management AUM** in our Hartford Funds business. These fees are generally earned on a daily basis. Therefore, this fee income increases or decreases with the rise or fall in AUM whether caused by changes in the market or through net flows.

Gross New Business Premium- Represents the amount of premiums charged, before ceded reinsurance, for policies issued to customers who were not insured with the Company in the previous policy term. Gross new business premium plus gross renewal written premium less ceded reinsurance equals total written premium.

Loss and Loss Adjustment Expense Ratio- A measure of the cost of claims incurred in the calendar year divided by earned premium and includes losses and loss adjustment expenses incurred for both the current and prior accident years. Among other factors, the loss and loss adjustment expense ratio needed for the Company to achieve its targeted return on equity ("ROE") fluctuates from year to year based on changes in the expected investment yield over the claim settlement period, the timing of expected claim settlements and the targeted returns set by management based on the competitive environment.

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The loss and loss adjustment expense ratio is affected by claim frequency and claim severity, particularly for shorter-tail property lines of business, where the emergence of claim frequency and severity is credible and likely indicative of ultimate losses. Claim frequency represents the percentage change in the average number of reported claims per unit of exposure in the current accident year compared to that of the previous accident year. Claim severity represents the percentage change in the estimated average cost per claim in the current accident year compared to that of the previous accident year. As one of the factors used to determine pricing, the Company's practice is to first make an overall assumption about claim frequency and severity for a given line of business and then, as part of the rate-making process, adjust the assumption as appropriate for the particular state, product or coverage.

Current Accident Year Loss and Loss Adjustment Expense Ratio

Before Catastrophes- A measure of the cost of non-catastrophe loss and loss adjustment expenses incurred in the current accident year divided by earned premiums. Management believes that the current accident year loss and loss adjustment expense ratio before catastrophes is a performance measure that is useful to investors as it removes the impact of volatile and unpredictable catastrophe losses and prior accident year development. development ("PYD").

Loss Ratio, excluding Buyouts- Utilized for the Group Benefits segment and is expressed as a ratio of benefits, losses and loss adjustment expenses, excluding those related to buyout premiums, to premiums and other considerations, excluding buyout premiums. Since Group Benefits occasionally buys a block of claims for a stated premium amount, the Company excludes this buyout from the loss ratio used for evaluating the profitability of the business as buyouts may distort the loss ratio. Buyout premiums represent takeover of open claim liabilities and other non-recurring premium amounts.

Mutual Fund and Exchange-Traded Fund Assets- Are owned by the shareowners of those products and not by the Company and, therefore, are not reflected in the Company's Consolidated Financial Statements, except in instances where the Company seeds new investment products.

Mutual fund and ETF assets are a measure used by the Company primarily because a significant portion of the Company's Hartford Funds segment revenues and expenses are based upon asset values. These revenues and expenses increase or decrease with a rise or fall in AUM whether caused by changes in the market or through net flows.

Net New Business Premium- Represents the amount of premiums charged, after ceded reinsurance, for policies issued to customers who were not insured with the Company in the previous policy term. Net new business premium plus renewal written premium equals total written premium.

Policy Count Retention- Represents the ratio of the number of renewal policies issued during the current year period divided by the number of new and renewal policies issued in the previous calendar prior period. Policy count retention is affected by a number of factors, including the percentage of renewal policy quotes accepted and decisions by the Company to non-renew policies because of specific policy underwriting concerns or because of a decision to reduce

classes of business or states. Policy Effective policy count retention is also affected by advertising and rate actions taken by competitors, us and competitors, as well as the effect of subsequent cancellations and non-renewals by customers. Effective policy count retention statistics are subject to change from period to period based on the effect of differences between actual and expected policy cancellations throughout the policy period.

Policies in Force- Represents the number of policies with coverage in effect as of the end of the period. The number of policies in force is a growth measure used for Personal Lines and standard commercial lines (small commercial and middle market lines within middle & large commercial) and is affected by both new business growth and policy count retention.

Policyholder Dividend Ratio- The ratio of policyholder dividends to earned premium.

Premium Retention- For middle & large commercial, represents the ratio of prior period premiums that were successfully renewed divided by premiums associated with policies available for renewal in the current period. Premium retention excludes premium amounts from annual audits, renewal written price increases and changes in exposure, including amount of insurance. Premium retention statistics are subject to change from period to period based on a number of factors, including the effect of subsequent cancellations and non-renewals.

premium writings in certain classes of business or states. Policy count retention is also affected by advertising and rate actions taken by us and competitors.

Effective Policy Count Retention- Represents the number of policies expected to renew in the current year period, before considering based on contract effective dates, divided by the new and renewal policies cancelled subsequent to renewal. Policy effective in the prior period. Effective policy count retention is affected by a number of factors, including the percentage of renewal policy quotes accepted and decisions by the Company to non-renew policies because of specific policy underwriting concerns or because of a decision to reduce premium writings in certain

Prior Accident Year Loss and Loss Adjustment Expense Ratio-

Represents the increase (decrease) in the estimated cost of settling catastrophe and non-catastrophe claims incurred in prior accident years as recorded in the current calendar year divided by earned premiums.

Reinstatement Premiums- Represents additional ceded premium paid for the reinstatement of the amount of reinsurance coverage that was reduced as a result of the Company ceding losses to reinsurers.

Renewal Earned Price Increase (Decrease)- Written premiums are earned over the policy term, which is six months for certain Personal Lines automobile business and twelve months for substantially all of the remainder of the Company's **Property and Casualty ("P&C") &C** business. Since the Company earns premiums over the six to twelve month term of the policies, renewal earned price increases (decreases) lag renewal written price increases (decreases) by six to twelve months.

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Renewal Written Price Increase (Decrease)- For Commercial Lines, represents the combined effect of rate changes, and individual risk pricing decisions per unit of exposure on policies that renewed and includes amount of insurance. For Personal Lines, renewal written price increases represent the total change in premium per policy since the prior year on those policies that renewed and includes the combined effect of rate changes, amount of insurance and other changes in exposure. For Personal Lines, other changes in exposure include, but are not limited to, the effect of changes in number of drivers, vehicles and incidents, as well as changes in customer policy elections, such as deductibles and limits. The rate component represents the change in rate impacting renewal policies as previously filed with and approved by state regulators during the period. Amount of insurance represents the change in the value of the rating base, such as model year/vehicle symbol for automobiles, building replacement costs for property and wage inflation for workers' compensation. A number of factors affect renewal written price increases (decreases) including expected loss costs as projected by the Company's pricing actuaries, rate filings approved by state regulators, risk selection decisions made by the Company's underwriters and marketplace competition. Renewal written price changes reflect the property and casualty insurance market cycle. Prices tend to increase for a particular line of business when insurance carriers have incurred significant losses in that line of business in the recent past or the industry as a whole commits less of its capital to writing exposures in that line of business. Prices tend to decrease when recent loss experience has been favorable or when competition among insurance carriers increases. Renewal

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written price statistics are subject to change from period to period, based on a number of factors, including changes in actuarial estimates and the effect of subsequent cancellations and non-renewals, and modifications made to better reflect ultimate pricing achieved.

Return on Assets ("ROA"), Core Earnings-The Company uses this non-GAAP financial measure to evaluate, and believes is an important measure of, the Hartford Funds segment's operating performance. ROA, core earnings is calculated by dividing annualized core earnings by a daily average AUM. ROA is the most directly comparable U.S. GAAP measure. The Company believes that ROA, core earnings, provides investors with a valuable measure of the performance of the Hartford Funds segment because it reveals trends in our business that may be obscured by the effect of items excluded in the calculation of core earnings. ROA, core earnings, should

the impact of volatile and unpredictable catastrophe losses and prior accident year loss and loss adjustment expense reserve development. The changes to loss reserves upon acquisition of a business are excluded from underlying combined ratio because such changes could obscure the ability to compare results in periods after the acquisition to results of periods prior to the acquisition as such trends are valuable to our investors' ability to assess the Company's financial performance. A reconciliation of combined ratio to underlying combined ratio is set forth in the Results of Operations section within MD&A - Commercial Lines and Personal Lines.

Underwriting Gain (Loss)- The Hartford's management evaluates profitability of the Commercial and Personal Lines segments primarily on the basis of underwriting gain or loss. Underwriting gain (loss) is a before tax non-GAAP measure that represents earned premiums less incurred losses, loss adjustment expenses and underwriting expenses. Net income (loss) is the most directly comparable GAAP measure. Underwriting gain (loss) is influenced significantly by earned premium growth and the adequacy of The Hartford's pricing. Underwriting profitability over time is also greatly influenced by The Hartford's underwriting discipline, as management strives to manage exposure to loss through favorable risk selection and diversification, effective management of claims, use of reinsurance and its ability to manage its expenses. The Hartford believes that underwriting gain (loss) provides investors with a valuable measure of profitability, before tax, derived from underwriting activities, which are managed separately from the Company's investing activities.

not be considered as a substitute for ROA and does not reflect the overall profitability of our Hartford Funds business. Therefore, the Company believes it is important for investors to evaluate both ROA, and ROA, core earnings when reviewing the Hartford Funds segment performance. A reconciliation of ROA to ROA, core earnings is set forth in the Results of Operations section within MD&A - Hartford Funds.

Underlying Combined Ratio-This non-GAAP financial measure of underwriting results represents the combined ratio before catastrophes, prior accident year development and current accident year change in loss reserves upon acquisition of a business. Combined ratio is the most directly comparable GAAP measure. The Company believes this ratio is an important measure of the trend in profitability since it removes

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Reconciliation of Net Income to Underwriting Gain (Loss)							
		For the years ended December 31,					
		2022	2021	2020			
		2023					
		2023					
		2023					
Commercial Lines							
Commercial Lines							
Commercial Lines	Commercial Lines						
Net income	Net income	\$	1,624	\$	1,757	\$	856
Adjustments to reconcile net income to underwriting gain (loss):							
Net income							
Net income							
Adjustments to reconcile net income to underwriting gain:							
Adjustments to reconcile net income to underwriting gain:							
Adjustments to reconcile net income to underwriting gain:							

Net investment income						
Net investment income						
Net investment income	Net investment income	(1,415)	(1,502)	(1,160)		
Net realized losses (gains)	Net realized losses (gains)	385	(260)	60		
Net realized losses (gains)						
Net realized losses (gains)						
Other expense						
Other expense						
Other expense	Other expense	12	5	31		
Income tax expense	Income tax expense	426	402	176		
Underwriting gain (loss)		\$ 1,032	\$ 402	\$ (37)		
Income tax expense						
Income tax expense						
Underwriting gain						
Underwriting gain						
Underwriting gain						
Personal Lines						
Personal Lines						
Personal Lines	Personal Lines					
Net income	Net income	\$ 91	\$ 385	\$ 718		
Net income						
Net income						
Adjustments to reconcile net income to underwriting gain (loss):						
Adjustments to reconcile net income to underwriting gain (loss):						
Adjustments to reconcile net income to underwriting gain (loss):	Adjustments to reconcile net income to underwriting gain (loss):					
Net investment income	Net investment income	(140)	(157)	(157)		
Net investment income						
Net investment income						
Net realized losses (gains)						
Net realized losses (gains)						
Net realized losses (gains)	Net realized losses (gains)	35	(29)	5		
Net servicing and other expense (income)		(17)	(19)	(13)		
Income tax expense		22	95	184		
Net servicing and other income						
Net servicing and other income						
Net servicing and other income						
Income tax expense (benefit)						
Income tax expense (benefit)						
Income tax expense (benefit)						
Underwriting gain (loss)						
Underwriting gain (loss)						
Underwriting gain (loss)	Underwriting gain (loss)	\$ (9)	\$ 275	\$ 737		
P&C Other Ops	P&C Other Ops					
P&C Other Ops						

P&C Other Ops				
Net loss				
Net loss				
Net loss	Net loss	\$	(190)	\$ (95) \$ (168)
Adjustments to reconcile net loss to underwriting loss:	Adjustments to reconcile net loss to underwriting loss:			
Adjustments to reconcile net loss to underwriting loss:				
Adjustments to reconcile net loss to underwriting loss:				
Net investment income				
Net investment income				
Net investment income	Net investment income		(63)	(75) (55)
Net realized losses (gains)	Net realized losses (gains)		16	(13) 1
Other expense (income)			—	1 (1)
Net realized losses (gains)				
Net realized losses (gains)				
Other expense				
Other expense				
Other expense				
Income tax benefit				
Income tax benefit				
Income tax benefit	Income tax benefit		(52)	(28) (46)
Underwriting loss	Underwriting loss	\$	(289)	\$ (210) \$ (269)
Underwriting loss				
Underwriting loss				

Written and Earned Premiums- Written premium represents the amount of premiums charged for policies issued, net of reinsurance, during a fiscal period. Premiums are considered earned and are included in the financial results on a pro rata basis over the policy period. Management believes that written premium is a performance measure that is useful to investors as it reflects current trends in the Company's sale of property and casualty insurance products. Written and earned premium are recorded net of ceded reinsurance premium.

Traditional life and disability insurance type products, such as those sold by Group Benefits, collect premiums from policyholders in exchange for financial protection for the policyholder from a specified insurable loss, such as death or disability. These premiums, together with net investment income earned, are used to pay the contractual obligations under these insurance contracts.

Two major factors, new sales and persistency, impact premium growth. Sales can increase or decrease in a given year based on a number of factors including, but not limited to, customer demand for the Company's product offerings, pricing competition, distribution channels and the Company's reputation and ratings. Persistency refers to the percentage of premium remaining in-force from year-to-year.

THE HARTFORD'S OPERATIONS

The Hartford conducts business principally in five reporting segments including Commercial Lines, Personal Lines, Property & Casualty Other Operations, Group Benefits and Hartford Funds, as well as a Corporate category. The Company includes in the Corporate category reserves for run-off structured settlement and terminal funding agreement liabilities, restructuring costs, capital raising activities (including equity financing, debt financing and related interest expense), transaction expenses incurred in connection with an acquisition, certain M&A costs, purchase accounting adjustments related to goodwill and other expenses not allocated to the reporting segments. Corporate also includes investment management fees and expenses related to managing third party business, including management of a portion of the invested assets of Talcott Resolution Life, Inc. and its subsidiaries as well as certain of Talcott's affiliates, third-party assets. In addition, up until June 30, 2021, Corporate included a 9.7% ownership interest in Hopmeadow Holdings LP, the legal entity that acquired Talcott Resolution in May 2018 (Hopmeadow Holdings, LP, Talcott Resolution Life Inc., and its subsidiaries are collectively referred to as "Talcott Resolution"). The sale of Talcott Resolution to a new investor was completed on June 30, 2021. The Company received a total of \$217 in connection with

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was completed on June 30, 2021. The Company received a total of \$217 in connection with the sale of its 9.7% ownership interest, resulting in a realized gain of \$46 before tax in 2021.

The Company derives its revenues principally from: (a) premiums earned for insurance coverage provided to insureds; (b) management fees on mutual fund and ETF assets; (c) net investment income; (d) fees earned for services provided to third parties; and (e) net realized gains and losses. Premiums charged for insurance coverage are earned principally on a pro rata basis over the terms of the related policies in-force.

The profitability of the Company's property and casualty insurance businesses over time is greatly influenced by the Company's underwriting discipline, which seeks to manage exposure to loss through favorable risk selection and diversification, its management of claims, its use of reinsurance, the size of its in force block, making reliable estimates of actual mortality and morbidity, and its ability to manage its expense ratio which it accomplishes through economies of scale and its management of acquisition costs and other underwriting expenses. Pricing adequacy depends on a number of factors, including the ability to obtain regulatory approval for rate changes, proper evaluation of underwriting risks, the ability to project future loss cost frequency and severity based on historical loss experience adjusted for known trends, the Company's response to rate actions taken by competitors, its expense levels and expectations about regulatory and legal developments. The Company seeks to price its insurance policies such that insurance premiums and future net investment income earned on premiums received will cover underwriting expenses and the ultimate cost of paying claims reported on the policies and provide for a profit margin. For many of its insurance products, the Company is required to obtain approval for its premium rates from state insurance departments and the Lloyd's Syndicate's ability to write business is subject to Lloyd's approval for its premium capacity each year. Most of Personal Lines written premium is associated with our exclusive licensing agreement with AARP, which is effective through December 31, 2032. This agreement provides an important competitive advantage given the size of the 50 plus population and the strength of the AARP brand.

Similar to property and casualty, profitability of the group benefits business depends, in large part, on the ability to evaluate and price risks appropriately and make reliable estimates of mortality, morbidity, disability and longevity. To manage the pricing risk, Group Benefits generally offers term insurance policies, allowing for the adjustment of rates or policy terms in order to minimize the adverse effect of market trends, loss costs, declining interest rates and other factors. However, as policies are typically sold with rate guarantees an average of three years, pricing for the Company's products could prove to be inadequate if loss and expense trends emerge adversely during the rate guarantee period or if investment returns are lower than expected at the time the products were sold. For

uncertain and actual investment yields could differ significantly from expected investment yields, affecting profitability of the business. In addition to appropriately evaluating and pricing risks, the profitability of the Group Benefits business depends on other factors, including the Company's response to pricing decisions and other actions taken by competitors, its ability to offer voluntary products and self-service capabilities, the persistency of its sold business and its ability to manage its expenses which it seeks to achieve through economies of scale and operating efficiencies.

The financial results of the Company's mutual fund and ETF businesses depend largely on the amount of assets under management AUM and the level of fees charged based, in part, on asset share class and fund type. Changes in assets under management AUM are driven by the two main factors of net flows and the market return of the funds, which are heavily influenced by the return realized in the equity and bond markets. Net flows are comprised of new sales less redemptions by mutual fund and ETF shareowners. Financial results are highly correlated to the growth in assets under management AUM since these funds generally earn fee income on a daily basis.

The investment return, or yield, on invested assets is an important element of the Company's earnings since insurance products are priced with the assumption that premiums received can be invested for a period of time before benefits, losses and loss adjustment expenses are paid. Due to the need to maintain sufficient liquidity to satisfy claim obligations, the majority of the Company's invested assets have been held in available-for-sale ("AFS") securities, including, among other asset classes, corporate bonds, municipal bonds, government debt, short-term debt, mortgage-backed securities, asset-backed securities ("ABS") and collateralized loan obligations ("CLO"). The Company also invests in commercial mortgage loans as well as limited partnerships and alternative investments, which are private investments that are less liquid, but have the potential to generate higher returns. The primary investment objective for the Company is to maximize economic value, consistent with acceptable risk parameters, including the management of credit risk and interest rate sensitivity of invested assets, while generating sufficient net of tax income to meet policyholder and corporate obligations. Investment strategies are developed based on a variety of factors including business needs, regulatory requirements and tax considerations.

some of its products, the Company is required to obtain approval for its premium rates from state insurance departments. New and renewal business for group benefits business, particularly for long-term disability ("LTD"), LTD, are priced using an assumption about expected investment yields over time. While the Company employs asset-liability duration matching strategies to mitigate risk and may use interest-rate sensitive derivatives to hedge its exposure in the Group Benefits investment portfolio, cash flow patterns related to the payment of benefits and claims are

Operational transformation and cost reduction plan

In recognition of the need to become more cost efficient and competitive along with enhancing the experience we provide to agents and customers, on July 30, 2020, the Company announced an operational transformation and cost reduction plan it refers to as Hartford Next. Through reduction of its headcount, Information Technology ("IT") investments to further enhance our capabilities, and other activities, relative to 2019, the Company achieved a reduction in annual insurance operating costs and other expenses of approximately \$636 in 2023.

To achieve those expected savings, we incurred approximately \$323 through December 31, 2023. We expect additional expected expenses of \$61 after 2023, consisting mostly of amortization of internal use software and capitalized real estate costs. Included in the restructuring costs of approximately \$124

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Impact of Ukraine conflict on our results of operations

From the Ukraine conflict, the Company incurred \$27 of catastrophe losses, net of reinsurance, in 2022, all in the first quarter, that included exposures under political violence and terrorism ("PV&T") policies, including aviation war, as well as under credit and political risk insurance ("CPRI") policies. Also in the first quarter of 2022, the Company recognized provisions for reinstatement premium of \$11 as a result of estimated ceded incurred losses related to the conflict.

As of December 31, 2022, the Company does not have any investments in Russia, Belarus or Ukraine.

For a discussion of the risks associated with a deterioration in global economic conditions and/or geopolitical conditions, including due to military action, please see Part 1, Item 1A - Risk Factors, including one entitled "Unfavorable economic, political and global market conditions may adversely impact our business and results of operations" and another entitled "We are vulnerable to losses from catastrophes, both natural and man-made".

Operational transformation and cost reduction plan

In recognition of the need to become more cost efficient and competitive along with enhancing the experience we provide to

The following table presents Hartford Next program costs incurred, including restructuring costs, and expense savings relative to 2019 realized in 2020, 2021, and 2022 and expected annual costs and expense savings relative to 2019 for the full year in 2023:

agents and customers, on July 30, 2020, the Company announced an operational transformation and cost reduction plan it refers to as Hartford Next. Through reduction of its headcount, Information Technology ("IT") investments to further enhance our capabilities, and other activities, relative to 2019, the Company expects to achieve a reduction in annual insurance operating costs and other expenses of approximately \$625 in 2023.

To achieve those expected savings, we expect to incur approximately \$387 over the course of the program, with \$288 expensed cumulatively through December 31, 2022, and expected expenses of \$38 in 2023, and \$61 after 2023, with the expenses after 2023 consisting mostly of amortization of internal use software and capitalized real estate costs. Included in the estimated costs of \$387, we expect to incur restructuring costs of approximately \$125, including \$41 were \$35 of employee severance, and approximately \$84 of other costs, including consulting expenses, lease termination expenses and the cost \$25 to retire certain IT applications, applications, and \$64 for consulting and lease termination expenses. Restructuring costs are reported as a charge to net income but not in core earnings.

Hartford Next Costs and Expense Savings

		2020	2021	2022	Estimate for 2023
Hartford Next Costs and Expense Savings					
Hartford Next Costs and Expense Savings					
2021		2021		2022	2023
Employee severance	Employee severance	\$ 73	\$ (25)	\$ (7)	\$ —
IT costs to retire applications	IT costs to retire applications	2	9	8	5
Professional fees and other expenses	Professional fees and other expenses	29	17	12	2
Estimated restructuring costs	Estimated restructuring costs	104	1	13	7
Non-capitalized IT costs					
Non-capitalized IT costs					

Non-capitalized IT costs	Non-capitalized IT costs	30	46	43	15
Other costs	Other costs	19	17	11	6
Amortization of capitalized IT development costs [1]	Amortization of capitalized IT development costs [1]	—	—	3	9
Amortization of capitalized real estate [2]	Amortization of capitalized real estate [2]	—	—	1	1
Estimated costs within core earnings	Estimated costs within core earnings	49	63	58	31
Total	Total	153	64	71	38
Hartford Next program costs	Hartford Next program costs				
Cumulative savings relative to 2019 beginning July 1, 2020	Cumulative savings relative to 2019 beginning July 1, 2020	(106)	(423)	(561)	(625)
Cumulative savings relative to 2019 beginning July 1, 2020					
Cumulative savings relative to 2019 beginning July 1, 2020					
Net expense (savings) before tax	Net expense (savings) before tax	\$ 47	\$ (359)	\$ (490)	\$ (587)
Net expense (savings) before tax:	Net expense (savings) before tax:				
Net expense (savings) before tax:					
Net expense (savings) before tax:					
To be accounted for within core earnings					
To be accounted for within core earnings					
To be accounted for within core earnings	To be accounted for within core earnings	\$ (57)	\$ (360)	\$ (503)	\$ (594)
Restructuring costs recognized outside of core earnings	Restructuring costs recognized outside of core earnings	104	1	13	7

Decreased 30 bps	Improved 1.7 points	Increased 1.1 10 bps	Deteriorated 0.3 points	Increased 2.6 points
- A higher yield on fixed maturity securities due to reinvesting at higher rates and an increased yield on variable-rate securities - Lower returns on limited partnerships and other alternative investments	- Higher personal automobile loss costs, driven by severity - A lower expense ratio primarily driven by higher earned premium and lower marketing spend in Personal Lines	- Lower group life and group disability loss ratios - Effect of higher fully insured ongoing premiums, including a lower expense ratio - Lower excess mortality in group life - Higher fully insured ongoing premiums - A change to net realized losses - Lower net investment income driven by lower income from limited partnerships		
- Lower return on equity fund investments - A higher yield on fixed maturity securities due to an increased yield on variable-rate securities and reinvesting at higher rates	- Lower catastrophe losses - A lower expense ratio driven, in part, by higher earned premium	- Lower level of unfavorable prior accident year reserve development - A higher group life loss ratio excluding the impact of excess mortality - In Commercial Lines, higher non-catastrophe property losses, partially offset by margin improvement in global specialty		
	Higher personal automobile and homeowners loss costs			
		Higher insurance operating costs and other expenses		

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

CONSOLIDATED RESULTS OF OPERATIONS

The Consolidated Results of Operations should be read in conjunction with [the Company's Consolidated Financial Statements](#) and the related [Notes](#) as well as with the [segment operating results](#) sections of the MD&A.

Consolidated Results of Operations

	2022	2021	2020	Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021

		2023							
		2023							
		2023							
Earned premiums									
Earned premiums									
Earned premiums	Earned premiums	\$	19,390	\$	17,999	\$	17,288	8 %	4 %
Fee income	Fee income		1,349		1,488		1,277	(9 %)	17 %
Fee income									
Fee income									
Net investment income									
Net investment income									
Net investment income	Net investment income		2,177		2,313		1,846	(6 %)	25 %
Net realized gains (losses)	Net realized gains (losses)		(627)		509		(14)		NM
Net realized gains (losses)									
Net realized gains (losses)									
Other revenues									
Other revenues									
Other revenues	Other revenues		73		81		126	(10 %)	(36 %)
Total revenues	Total revenues		22,362		22,390		20,523	— %	9 %
Total revenues									
Total revenues									
Benefits, losses and loss adjustment expenses	Benefits, losses and loss adjustment expenses		13,142		12,729		11,805	3 %	8 %
Amortization of deferred policy acquisition costs			1,835		1,680		1,706	9 %	(2 %)
Benefits, losses and loss adjustment expenses									
Benefits, losses and loss adjustment expenses									
Amortization of deferred policy acquisition costs ("DAC")									
Amortization of deferred policy acquisition costs ("DAC")									
Amortization of deferred policy acquisition costs ("DAC")									
Insurance operating costs and other expenses									
Insurance operating costs and other expenses									
Insurance operating costs and other expenses	Insurance operating costs and other expenses		4,830		4,779		4,480	1 %	7 %
Interest expense	Interest expense		213		234		236	(9 %)	(1 %)
Interest expense									
Interest expense									
Amortization of other intangible assets									
Amortization of other intangible assets									
Amortization of other intangible assets	Amortization of other intangible assets		71		71		72	— %	(1 %)
Restructuring and other costs	Restructuring and other costs		13		1		104	NM	(99 %)
Restructuring and other costs									
Restructuring and other costs									
Total benefits, losses and expenses									
Total benefits, losses and expenses									
Total benefits, losses and expenses	Total benefits, losses and expenses		20,104		19,494		18,403	3 %	6 %

Income before income taxes	Income before income taxes	2,258	2,896	2,120	(22 %)	37 %
Income before income taxes	Income before income taxes					
Income tax expense	Income tax expense	443	531	383	(17 %)	39 %
Income tax expense	Income tax expense					
Net income	Net income	1,815	2,365	1,737	(23 %)	36 %
Net income	Net income					
Preferred stock dividends	Preferred stock dividends	21	21	21	— %	— %
Preferred stock dividends	Preferred stock dividends					
Net income available to common stockholders	Net income available to common stockholders	\$ 1,794	\$ 2,344	\$ 1,716	(23 %)	37 %
Net income available to common stockholders	Net income available to common stockholders					
Net income available to common stockholders	Net income available to common stockholders					

Year ended **December 31, 2022** **December 31, 2023**
compared to year ended **December 31,**
2021 **December 31, 2022**

Net income available to common stockholders decreased increased by
\$550 **\$685** primarily driven by:

- A \$1.1 billion, Lower net realized losses of \$439, before tax, change primarily driven by net gains on equity securities in the 2023 period compared to net realized losses in the 2022 period from and lower net realized gains in the 2021 period, primarily driven by depreciation in value of equity securities in the 2022 period compared to appreciation in the 2021 period, as well as a net loss losses on sales of fixed maturity securities and equities maturities in 2022 compared to a net gain the 2023 period, partially offset by losses on sales credit derivatives in 2021; the 2023 period;
- Lower In Group Benefits, improved group life and group disability loss ratios and the effect of higher fully insured ongoing premiums, including a lower expense ratio;

growth, including a lower expense ratio, and a lower level of unfavorable prior accident year reserve development, and a decrease in COVID-19 losses in Commercial Lines in 2021, partially offset by a higher current accident year loss and loss adjustment expense ("LAE") LAE ratio before catastrophes in Personal Lines and higher underwriting expenses; current accident year catastrophe losses.

These increases were partially offset by:

- In Group Benefits, lower losses from excess mortality claims Lower fee income net of \$423, before tax, and the effect of higher fully insured ongoing premiums was partially offset by a higher loss ratio on accidental death business and an increase variable expenses in expense reserves, as well as an increase in insurance operating costs and other expenses;
- Legal and consulting costs in the 2021 period associated with the unsolicited proposals from Chubb Limited to acquire the Company; and
- A lower level of interest expense on corporate debt, Hartford Funds.

For a discussion of the Company's operating results by segment, see MD&A - Segment Operating Summaries.

- Higher net investment income, driven by the impact of reinvesting at higher rates and a higher yield on variable rate securities, partially offset by lower returns on income from limited partnerships and other alternative investments investments; and equity fund investments, partially offset by the impact of higher interest rates on fixed income investments, and

- Lower earnings from Hartford Funds.

This decrease was partially offset by:

- An increase in P&C underwriting results gain of \$267, \$20, before tax, driven by the effect of Commercial Lines earned premium

Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Revenue

Earned Premiums

 2141

[1] For the year ended 2020, the total includes \$9 recorded in Corporate other revenue.

Earned premiums increased primarily due to:

- An increase in P&C driven by an 11% reflecting a 10% increase in Commercial Lines while and a 5% increase in Personal Lines was relatively flat. Lines.
 - Contributing to the increase in Commercial Lines was higher policy count retention, the effect of an increase in new business across all lines of business, earned pricing increases, an increase in small commercial new business, and the effect of higher audit and endorsement premiums as a result of higher insured exposures, principally in workers' compensation partially offset by lower new business in global specialty, and property lines.
 - For Personal Lines, earned premium was relatively flat as non-renewals offset an increase in new business and up primarily due to the effect of earned pricing increases, increases, partially offset by non-renewals.
- An increase in Group Benefits earned premium of 7% due to an increase increases in group disability, group life and supplemental health product premiums, premiums, driven by strong persistency and new business sales as well as an increase in exposure on existing accounts.

Fee income decreased primarily due to a \$71 decline in Hartford Funds driven by lower daily average assets under management within Hartford Funds due to

Net Investment Income

 3248

Net investment income increased primarily due to the impact of reinvesting at higher rates and a higher yield on variable-rate securities. This increase was partially offset by lower limited partnership and other alternative investment income driven by lower income from sales of underlying real estate properties and valuation declines on real estate funds in 2023 compared to valuation increases in 2022.

Net realized losses decreased primarily due to:

- Lower income from limited partnerships and other alternative investments Net gains on equity securities in the 2023 period driven by lower returns on private equity funds, partially offset by higher real estate joint venture and fund income;
- A decline in valuation of equity fund investments in the 2022 period due sales compared to the decline in equity market levels and fewer distributions;
- Partially offset by the impact of a higher yield on variable-rate securities and reinvesting at higher rates.

Net realized gains (losses) changed to a net realized loss in the 2022 period from a net realized gain in the 2021 period, primarily driven by:

- Losses on equity securities losses in the 2022 period driven by depreciation in value and sales compared to gains on equity securities in the 2021 period due to appreciation in value valuation declines and sales; and
- Net realized Fewer net losses on sales of fixed maturity securities maturities in 2022, driven by an increase the 2023 period.

The increases were partially offset by:

- Losses on credit derivatives in interest rates and the 2023 period due to credit

a decline in equity and fixed income market levels and, to a lesser extent, resulting from net outflows over the preceding twelve months, months, partly offset by an increase in equity market levels. This decrease was partially offset by an increase of \$30 in Group Benefits disability business driven by strong persistency and new business sales.

spread widening, tightening.
For further discussion of investment results, see MD&A - Investment Results, Net Realized Gains and MD&A - Investment Results, Net Investment Income.

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Benefits, Losses and Expenses

P&C Losses and LAE Incurred
for P&C
4411

Group Benefits Losses and
LAE Incurred
6042

Benefits, losses and loss adjustment expenses increased due to:

- An increase in incurred losses for Property & Casualty of \$503 \$935 which was driven by: attributable to:
 - An increase in P&C current accident year ("CAY") CAY loss and loss adjustment expenses before catastrophes of \$681, \$934, before tax, primarily due to the effect of higher earned premiums in Commercial Lines and, to a lesser extent, higher personal automobile claim frequency and severity, and higher non-catastrophe property losses, partially offset by lower severity.
- An increase in current accident year loss ratios catastrophe losses of \$27, before tax. Catastrophe losses in global specialty the 2023 period included losses from tornado, wind and lower COVID-19 incurred losses.
- Partially offsetting this was a favorable change hail events across several regions of \$163, before tax, in P&C net prior accident year reserve development, with development the United States, and losses from winter storms along the East and West Coasts. Catastrophe losses in the 2022 period of a net unfavorable \$36, before

- Partially offsetting this was a favorable change of \$26, before tax, in P&C net prior accident year reserve development, with development in the 2023 period of a net unfavorable \$10, before tax, and development in the 2022 period of a net unfavorable \$36, before tax. Among other reserve changes, prior year reserve development included adverse development ceded to NICO under ADC's of \$194, before tax in 2023 related to A&E and \$229, before tax in 2022. For reserve development ceded to NICO in each year, the Company recognized a deferred gain under retroactive reinsurance accounting. Apart from adverse development ceded to the ADC, net favorable reserve development was \$9 lower in 2023. Favorable development in the 2023 period was primarily driven by decreases in reserves related to workers' compensation, catastrophes, bond and package, partially offset by increases in reserves for general liability, assumed reinsurance, Personal Lines automobile physical damage, and unallocated loss adjustment expense ("ULAE") reserves related to A&E reserves in P&C Other Operations. Favorable development in 2022 included less favorable reserve development for decreases in workers' compensation

tax, included losses from Hurricane Ian, as well as tornado, wind and hail events in the 2021 period Northern Plains, Midwest, South, Mountain West, and Great Plains, losses from winter storms, including Winter Storm Elliott, and \$27 of a losses, net unfavorable \$199 before tax. Among other reserve changes, prior year reserve development included adverse development ceded to NICO under adverse development covers ("ADC") of \$229, before tax, in 2022 reinsurance, related to A&E and \$246, before tax, in 2021 of which \$155 related to A&E and \$91 related to Navigators reserves for accident years 2018 and prior. For reserve development ceded to NICO in each year, the Company recognized a deferred gain under retroactive reinsurance accounting. Apart from adverse development ceded to the ADCs, there was an increase in net favorable reserve development as the 2021 period included reserve increases for sexual molestation and sexual abuse claims, primarily to reflect claims made against the Boy Scouts of America ("BSA"). Compared to 2021, prior accident year reserve Ukraine conflict.

workers compensation, catastrophes, personal automobile package business and bond, partially offset by reserve increases in general liability and package business, commercial automobile liability. For further discussion, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

- Also partially offsetting was a decrease in current accident year catastrophe losses of \$15, before tax. Catastrophe losses in the 2022 period included losses from Hurricane Ian, as well as tornado, wind and hail events in the Northern Plains, Midwest, South, Mountain West, and Great Plains, losses from winter storms, including Winter Storm Elliott, and \$27 of losses, net of reinsurance, related to the Ukraine conflict. Catastrophe losses in the 2021 period were principally from Hurricane Ida and February winter storms, as well as from tornado, wind and hail events in Texas, the Midwest and Southeast.
- Partially offsetting the P&C An increase was a decline in Group Benefits of \$92, \$166, before tax, primarily driven by a \$423, before tax, decrease in excess mortality claims, partially offset by the effect of an increase in earned premiums and a higher loss ratio excluding excess incidence on paid family leave and short-term disability products, partially offset by the

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impact of lower mortality for group life, levels and favorable long-term disability claim incidence and recoveries.

Amortization of deferred policy acquisition costs increased from the prior year period driven by Commercial Lines, reflecting an increase in earned premiums across all commercial lines of business.

Insurance operating costs and other expenses increased due to:

These increases were partially offset by:

- Incremental savings from the Company's Hartford Next operational transformation and cost reduction plan;
- Lower direct marketing costs in Personal Lines; and
- Lower variable expenses in Hartford Funds.

Interest Expense decreased primarily due to the Company redeeming \$600 aggregate principal amount of junior

- Technology investments made to improve customer and broker experience and to data analytics to enhance underwriting and pricing capabilities; and
- Increased expense from higher staffing costs and commissions in Commercial Lines and Group Benefits partly in response to increased business volume, partially offset by lower incentive compensation.

subordinated debentures on April 15, 2022. For further discussion of the debt redemption, see Note 14 - Debt of Notes to Consolidated Financial Statements.

Income tax expense increased primarily due to an increase in income before tax. For further discussion of income taxes, see Note 17 - Income Taxes of Notes to Consolidated Financial Statements.

INVESTMENT RESULTS

Composition of Invested Assets				
	December 31, 2023		December 31, 2022	
	Amount	Percent	Amount	Percent
Fixed maturities, available-for-sale ("AFS"), at fair value	\$39,818	71.2 %	\$36,231	68.9 %
Fixed maturities, at fair value using the fair value option ("FVO")	327	0.6 %	333	0.6 %
Equity securities, at fair value	864	1.5 %	1,801	3.4 %
Mortgage loans (net of allowance for credit losses ("ACL") of \$51 and \$36)	6,087	10.9 %	6,000	11.4 %
Limited partnerships and other alternative investments	4,785	8.6 %	4,177	8.0 %
Other investments [1]	191	0.3 %	159	0.3 %
Short-term investments	3,850	6.9 %	3,859	7.4 %
Total investments	\$55,922	100.0 %	\$52,560	100.0 %

[1]Primarily consists of equity fund investments, overseas deposits, consolidated investment funds, and derivative instruments which are carried at fair value.

December 31, 2023 compared to December 31, 2022

Total investments increased primarily due to an increase in fixed maturities, AFS, at fair value and limited partnerships and other alternative investments, partially offset by a decrease in equity securities, at fair value.

Fixed maturities, AFS, at fair value increased primarily due to net additions of corporate bonds and ABS, partially offset by net reductions to U.S. treasuries and tax-exempt municipal bonds. The increase was also due to higher valuations as a result of tighter credit spreads.

Limited partnerships and other alternative investments increased primarily driven by additional investments.

Equity securities, at fair value decreased primarily due to sales of common stocks. As of December 31, 2023, equity securities, at fair value are comprised of approximately 50% preferred stocks.

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- An increase in performance-based commissions in Commercial Lines; impacts resulting from the Hartford Next initiative, see MD&A - The Hartford's Operations, The Hartford's Operations,

- Higher staffing costs in Commercial Lines and Group Benefits partly in response to higher business volume; and
 - Lower doubtful accounts expense in the 2021 period.
- These increases were partially offset by:
- Lower variable expenses in Hartford Funds;
 - Incremental savings from the Company's Hartford Next operational transformation and cost reduction plan; and
 - Lower direct marketing costs in Personal Lines.

Restructuring and other costs increased as the prior year period included reductions in estimated severance costs related to the Company's Hartford Next operational transformation and cost reduction plan. For further discussion of

Operational Transformation and Cost Reduction Plan and Note 22 - Restructuring and Other Costs of Notes to Consolidated Financial Statements.

Interest Expense decreased primarily due to the Company redeeming \$600 aggregate principal amount of junior subordinated debentures on April 15, 2022, partially offset by the issuance of \$600 in 2.9% senior notes in September 2021. For further discussion of the debt redemption, see Note 13 - Debt of Notes to Consolidated Financial Statements.

Income tax expense decreased primarily due to a decline in income before tax. For further discussion of income taxes, see Note 16 - Income Taxes of Notes to Consolidated Financial Statements.

INVESTMENT RESULTS

Composition of Invested Assets				
	December 31, 2022		December 31, 2021	
	Amount	Percent	Amount	Percent
Fixed maturities, available-for-sale ("AFS"), at fair value	\$36,231	68.9 %	\$42,847	74.2 %
Fixed maturities, at fair value using the fair value option ("FVO")	333	0.6 %	160	0.3 %
Equity securities, at fair value	1,801	3.4 %	2,094	3.6 %
Mortgage loans (net of allowance for credit losses ("ACL") of \$36 and \$29)	6,000	11.4 %	5,383	9.3 %
Limited partnerships and other alternative investments	4,177	8.0 %	3,353	5.8 %
Other investments [1]	159	0.3 %	215	0.4 %
Short-term investments	3,859	7.4 %	3,697	6.4 %
Total investments	\$52,560	100.0 %	\$57,749	100.0 %

[1]Primarily consists of equity fund investments, overseas deposits, consolidated investment funds, and derivative instruments which are carried at fair value.

December 31, 2022 compared to December 31, 2021

Total investments decreased primarily due to a decline in fixed maturities, AFS, partially offset by increase in limited partnerships and other alternative investments and in mortgage loans.

Fixed maturities, AFS decreased primarily due to a decline in valuations due to higher interest rates and wider credit spreads. The decline was also due to the reinvestment of sales and maturities into other asset classes.

Limited partnerships and other alternative investments increased primarily driven by additional investments and higher valuations.

Mortgage loans increased largely due to funding of multifamily and industrial commercial whole loans.

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net Investment Income

For the years ended December 31,																							
2022				2021				2020															
For the years ended December 31,								For the years ended															
2023								2023						2022						2021			
(Before tax)	(Before tax)	Amount	Yield [1]	Amount	Yield [1]	Amount	Yield [1]	(Before tax)	Amount	Yield [1]		Amount	Yield [1]		Amount	Yield [1]							
Fixed maturities [2]	Fixed maturities [2]	\$ 1,469	3.4 %	\$ 1,349	3.1 %	\$ 1,442	3.4 %	Fixed maturities [2]	\$ 1,895	4.2 %		\$ 1,469	3.4 %		\$ 1,349	3.1 %							
Equity securities	Equity securities	57	3.0 %	73	4.9 %	39	3.7 %	Equity securities	45	3.7 %		57	3.0 %		73	4.9 %							
Mortgage loans	Mortgage loans	211	3.6 %	181	3.7 %	172	3.9 %	Mortgage loans	235	3.9 %		211	3.6 %		181	3.7 %							
Limited partnerships and other alternative investments	Limited partnerships and other alternative investments	515	14.4 %	732	31.8 %	222	12.3 %	Limited partnerships and other alternative investments	212	4.8 %		515	14.4 %		732	31.8 %							
Other [3]	Other [3]	5		58		42																	
Investment expense	Investment expense	(80)		(80)		(71)																	
Investment expense	Investment expense																						
Total net investment income	Total net investment income																						
Total net investment income	Total net investment income																						
Total net investment income excluding limited partnerships and other alternative investments	Total net investment income excluding limited partnerships and other alternative investments	\$ 2,177	3.9 %	\$ 2,313	4.3 %	\$ 1,846	3.6 %	\$ 2,305	4.1 %	4.1 %		\$ 2,177	3.9 %	3.9 %	\$ 2,313	4.3 %							
Total net investment income excluding limited partnerships and other alternative investments	Total net investment income excluding limited partnerships and other alternative investments	\$ 1,662	3.2 %	\$ 1,581	3.1 %	\$ 1,624	3.3 %	\$ 2,093	4.0 %	4.0 %		\$ 1,662	3.2 %	3.2 %	\$ 1,581	3.1 %							

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Total net investment income declined increased primarily due to:

- Lower income from to the impact of reinvesting at higher rates and a higher yield on variable-rate securities. This increase was partially offset by lower limited partnerships partnership and other alternative investments investment income driven by lower returns on private equity funds, partially offset by greater income from sales of underlying real estate properties and higher valuation declines on real estate fund valuations;
- A decline funds in 2023 compared to valuation of equity fund investments increases in the 2022 period due to the decline in equity market levels and fewer distributions;
- Partially offset by a higher yield on variable-rate securities and the impact of reinvesting at higher rates. 2022.

Annualized net investment income yield, excluding limited partnerships and other alternative investments, was up primarily due to the impact of reinvesting at higher rates and a higher yield on variable-rate securities and higher reinvestment rates, partially offset by lower returns on equity fund investments in the 2022 period. securities.

Average reinvestment rate, on fixed maturities and mortgage loans, excluding certain U.S. Treasury securities, for the year-ended December 31, 2023 was 5.8% which was above the average yield of sales and maturities of 4.4% for the same period. Average reinvestment rate, on fixed maturities and mortgage loans, excluding certain U.S. Treasury securities, for the year-ended December 31, 2022 was 4.4% which was above the average yield of sales and maturities of 3.6% for the same period. Average reinvestment rate, on fixed maturities and mortgage loans, excluding certain U.S. Treasury securities, for the year-ended December 31, 2021, was 2.6% which was below the average yield of sales and maturities of 3.0%.

For the 2023 2024 calendar year, we expect the annualized net investment income yield, excluding limited partnerships and other alternative investments, to be above the portfolio yield earned in 2022 2023 due to the higher rate environment. The estimated impact on annualized net investment income yield is subject to variability due to evolving market conditions, active portfolio management, and the level of non-routine income items, such as make-whole payments, prepayment penalties on mortgage loans and yield adjustments on prepayable securities.

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Net Realized Gains (Losses)									
		For the years ended December 31,							
		For the years ended December 31,			For the years ended December 31,				
(Before tax)	(Before tax)	2022	2021	2020	(Before tax)	2023	2022	2021	
Gross gains on sales of fixed maturities	Gross gains on sales of fixed maturities	\$ 57	\$ 319	\$ 255					
Gross losses on sales of fixed maturities	Gross losses on sales of fixed maturities	(315)	(89)	(50)					
Equity securities [1]	Equity securities [1]	(349)	227	(214)					
Net credit losses on fixed maturities, AFS [2]	Net credit losses on fixed maturities, AFS [2]	(18)	4	(28)					
Change in ACL on mortgage loans [3]	Change in ACL on mortgage loans [3]	(7)	9	(19)					
Intent-to-sell impairments [2]	Intent-to-sell impairments [2]	(6)	—	(5)					

Other, net	Other, net			
[4]	[4]	11	39	47
Net realized gains (losses)	Net realized gains (losses)	\$ (627)	\$ 509	\$ (14)
Net realized gains (losses)				
Net realized gains (losses)				

[1]The change in net unrealized gains (losses) on equity securities still held as of the end of the period and included in net realized gains (losses) were \$17, \$(108), \$155, and \$53 \$155 for the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020, 2021, respectively.

[2]See Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments within the Investment Portfolio Risks and Risk Management section of the MD&A.

[3]See ACL on Mortgage Loans within the Investment Portfolio Risks and Risk Management section of the MD&A.

[4]Includes gains (losses) on non-qualifying derivatives for the years ended December 31, 2023, 2022, and 2021 of \$(108), \$46, and 2020 of \$46, \$12, and \$104, respectively, and gains (losses) from transactional foreign currency revaluation of \$(15), \$28, \$(1) and \$(1), respectively. Also includes included for year ended December 31, 2021, is a loss of \$21 and \$48, respectively, on the sale of the Continental Europe Operations for the years ended December 31, 2021 and 2020, as well as a gain of \$46 for the year ended December 31, 2021 on the sale of the Company's previously owned interest in Talcott Resolution.

Year ended December 31, 2023

Gross gains and losses on sales were primarily due to sales of corporate securities and tax-exempt municipals, in addition to sales of U.S. treasuries which were used to manage duration and liquidity, and to fund purchases of higher yielding investments.

Equity securities net gains were primarily driven by sales due to higher equity market levels.

Other, net losses were primarily driven by losses of \$105 on credit derivatives due to tighter credit spreads and losses of \$15 on transactional foreign currency revaluation.

Year ended December 31, 2022

Gross gains and losses on sales

were primarily due to sales of U.S. treasuries, which were used to manage duration and liquidity, and to fund purchases of spread product, mortgage loans, and alternative investments. Also included were sales of corporate securities and tax-exempt municipals and tender activity.

Equity securities net losses were primarily driven by depreciation a decline in value due to the decline in the lower equity market, market levels.

Other, net gains include gains of \$28 on transactional foreign currency revaluation and \$25 on interest rate derivatives driven by an increase in interest rates. These gains were partially offset by losses of \$28 on FVO securities due to credit spread widening.

Year ended December 31, 2021

Gross gains and losses on sales

were primarily due to net sales of corporate securities and tax-exempt municipals, in addition to sales of U.S. treasuries for duration and risk management.

Equity securities net gains were primarily driven by appreciation in value due to higher equity market levels and gains realized on exit of private equity direct investments.

Other, net gains and losses included a gain of \$46 on the sale of the Company's 9.7% retained interest in Talcott Resolution, sold on June 30, 2021, and a loss of \$21 related to the sale of the Company's Continental Europe Operations, which was completed on December 29, 2021. Also included were gains of \$7 on credit derivatives driven by a decrease in credit

CRITICAL ACCOUNTING ESTIMATES

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

The Company has identified the following estimates as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability:

 - property and casualty insurance product reserves, net of reinsurance;
 - group benefit contingencies relating to corporate litigation and regulatory matters.
- In developing these estimates management makes subjective and complex judgments that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate based upon the facts available upon compilation of the financial statements. Certain of these estimates are particularly sensitive to market conditions, and deterioration and/or volatility in the worldwide debt or equity markets could have a material impact on the Consolidated Financial Statements.

spreads.

LTD reserves, Statements.
net of
reinsurance;

- evaluation of goodwill for impairment;
- valuation of investments and derivative instruments including evaluation of credit losses on fixed maturities, AFS and ACL on mortgage loans; and

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PROPERTY & CASUALTY INSURANCE PRODUCT RESERVES, NET OF REINSURANCE

Loss and LAE Reserves, Net of Reinsurance as of **December 31, 2022** **December 31, 2023**

Commercial P Lines	
Commercial Lines	
Commercial Lines	
Commercial Lines	
Workers' compensation	Workers' compensation \$ 11,729 \$
General liability	General liability 5,414
Marine	Marine 312
Package	Package

business [1]	business [1]	2,129
Commercial property	Commercial property	585
Automobile liability	Automobile liability	1,249
Automobile physical damage	Automobile physical damage	17
Professional liability	Professional liability	1,316
Bond	Bond	452
Homeowners	Homeowners	—
Asbestos and environmental	Asbestos and environmental	96
Assumed reinsurance	Assumed reinsurance	414
All other	All other	166
Total reserves-net	Total reserves-net	23,879
Reinsurance and other recoverables	Reinsurance and other recoverables	4,574
Total reserves-gross	Total reserves-gross	\$ 28,453 \$
Total reserves-gross		
Total reserves-gross		

[1]Commercial Lines policy packages that include property and general liability coverages are generally referred to as the package line of business.

P&C Loss and Loss
Adjustment Expense Reserves,
Net of Reinsurance, by Segment
as of **December 31,**
2022 **December 31, 2023**

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For descriptions of the coverages provided under the lines of business shown above, see Part I - Item1, Business.

Overview of Reserving for
Property and Casualty
Insurance Claims

It typically takes many months or years to pay claims incurred under a property and casualty insurance product; accordingly, the Company must establish reserves at the time the loss is incurred. Most of the Company's policies provide for occurrence-based coverage where the loss is incurred when a claim event happens like an automobile accident, house or building fire or injury to an employee under a workers' compensation policy. Some of the Company's policies, mostly for directors and officers insurance and errors and omissions insurance, are claims-made policies where the loss is incurred in the period the claim event is reported to the Company even if the loss event itself occurred in an earlier period.

Loss and loss adjustment expense reserves provide for the estimated ultimate costs of paying claims under insurance policies written by the Company, less amounts paid to date. These reserves include estimates for both claims that have been reported and those that have not yet been reported, and include estimates of all expenses associated with processing and settling these claims. Case reserves are established by a claims handler on each individual claim and are adjusted as new information becomes known during the course of handling the claim. Incurred but not reported ("IBNR") reserves represent

not reported (IBNR) reserves represent the difference between the estimated ultimate cost of all claims and the actual loss and loss adjustment expenses reported to the Company by claimants to date ("reported losses"). Reported

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Company by claimants to date ("reported losses"). Reported losses represent cumulative loss and loss adjustment expenses paid plus case reserves for outstanding reported claims. For most lines, Company actuaries evaluate the total reserves (IBNR and case reserves) on an accident year basis. An accident year is the calendar year in which a loss is incurred, or, in the case of claims-made policies, the calendar year in which a loss is reported. For certain lines acquired from the Navigators Group book of business, total reserves are evaluated on a policy year basis and then converted to accident year. A policy year is the calendar year in which a policy incepts.

patterns of insurance companies ceding to The Hartford can

Factors that Change Reserve

Estimates- Reserve estimates can change over time because of unexpected changes in the external environment. Higher than expected inflation in claim costs, such as with medical care, hospital care, automobile parts, wages and home and building repair, would cause claims to settle for more than they are initially reserved. Changes in the economy can cause an increase or decrease in the number of reported claims (claim frequency). For example, an improving economy could result in more automobile miles driven and a higher number of automobile reported claims, or a change in economic conditions can lead to more or fewer workers' compensation reported claims. An increase in the number or percentage of claims litigated can increase the average settlement amount per claim (claim severity). Changes in the judicial environment can affect interpretations of damages and how policy coverage applies which could increase or decrease claim severity. Over time, judges or juries in certain jurisdictions may be more inclined to determine liability and award damages. New legislation can also change how damages are defined or change the statutes of limitations for the filing of civil suits, resulting in greater claim frequency or severity. In addition, new types of injuries may arise from exposures not contemplated when the policies were written. Past examples include pharmaceutical products, silica, lead paint,

sexual molestation and sexual abuse and construction defects. Additionally, social inflationary pressures, such as increased litigation funding and aggressive tactics by plaintiff attorneys, can introduce the risk of potentially increasing jury awards and an increase in the percentage of litigated claims impacting both general liability and automobile claim frequency and severity.

Reserve estimates can also change over time because of changes in internal Company operations. A delay or acceleration in handling claims may signal a need to increase or reduce reserves from what was initially estimated. New lines of business may have loss development patterns that are not well established. Changes in the geographic mix of business, changes in the mix of business by industry and changes in the mix of business by policy limit or deductible can increase the risk that losses will ultimately develop differently than the loss development patterns assumed in our reserving. In addition, changes in the quality of risk selection in underwriting and changes in interpretations of policy language could increase or decrease ultimate losses from what was assumed in establishing the reserves.

In the case of assumed reinsurance, all of the above risks apply. The Company assumes property and casualty risks from other insurance companies as part of its Global Re business and from certain pools and associations. Global Re, which is a part of the global specialty business, mostly assumes property, casualty and specialty risks. Changes in the case reserving and reporting

create additional uncertainty in estimating the reserves. Due to the inherent complexity of the assumptions used, final claim settlements may vary significantly from the present estimates of direct and assumed reserves, particularly when those settlements may not occur until well into the future.

Reinsurance Recoverables-

Through both facultative and treaty reinsurance agreements, the Company cedes a share of the risks it has underwritten to other insurance companies.

The Company records reinsurance recoverables for losses and loss adjustment expenses ceded to its reinsurers representing the anticipated recovery from reinsurers of unpaid claims, including IBNR.

The Company estimates the portion of losses and loss adjustment expenses to be ceded based on the terms of any applicable facultative and treaty reinsurance, including an estimate of IBNR for losses that will ultimately be ceded.

The Company provides an allowance for

uncollectible reinsurance, reflecting management's best estimate of reinsurance cessions that may be uncollectible in the future due to reinsurers' unwillingness or inability to pay. The allowance for uncollectible reinsurance comprises an ACL and an allowance for disputed balances. The ACL primarily considers the credit quality of the Company's reinsurers while the allowance for disputes considers recent outcomes in arbitration and litigation in disputes between reinsurers and cedants and recent commutation activity between reinsurers and cedants that may signal how the Company's own reinsurance claims may settle. Where its reinsurance contracts permit, the Company secures reinsurance recoverables with various forms of collateral, including irrevocable letters of credit, secured trusts, funds held accounts and group-wide offsets. The allowance for uncollectible reinsurance was \$102 \$100 as of December 31, 2022 December 31, 2023, comprised of \$45 \$46 related to Commercial Lines, \$1 related to Personal Lines and \$56 \$53 related to Property & Casualty Other Operations.

The Company's estimate of reinsurance recoverables, net of an allowance for uncollectible reinsurance, is subject to similar risks and uncertainties as the estimate of the gross reserve for unpaid losses and loss adjustment expenses for direct and assumed exposures.

Review of Reserve Adequacy-

The Hartford regularly reviews the appropriateness of reserve levels at the line of business or more detailed level, taking into consideration the variety of trends that impact the ultimate settlement of claims. For Property & Casualty Other Operations, asbestos and environmental ("Run-off A&E") reserves are reviewed by type of event rather than by line of business.

Reserve adjustments, which may be material, are reflected in the operating results of the period in which the adjustment is determined to be necessary. In the judgment of management, information currently available has been properly considered in establishing the reserves for unpaid losses and loss adjustment expenses and in recording the reinsurance recoverables for ceded unpaid losses.

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Reserving Methodology

The following is a discussion of the reserving methods used for the Company's property and casualty lines of business other than asbestos and environmental.

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Reserves are set by line of business within the operating segments. A single line of business may be written in more than one segment. Lines of business for which reported losses emerge over a long period of time are referred to as long-tail lines of business. Lines of business for which reported losses emerge more quickly are referred to as short-tail lines of business. The Company's shortest-tail lines of business are homeowners, commercial property, marine property and automobile physical damage. The longest tail lines of business include workers' compensation, general liability, professional liability and assumed reinsurance. For short-tail lines of business, emergence of paid losses and case reserves is credible and likely indicative of ultimate losses. For long-tail lines of business, emergence of paid losses and case reserves is less credible in the early periods after a given accident year and, accordingly, may not be indicative of ultimate losses.

period. For long-tailed lines, IBNR for the current accident year

Use of Actuarial Methods and

Judgments- The Company's reserving actuaries regularly review reserves for both current and prior accident years using the most current claim data. A variety of actuarial methods and judgments are used for most lines of business to arrive at selections of estimated ultimate losses and loss adjustment expenses. New methods may be added for specific lines over time to inform these selections where appropriate. The reserve selections incorporate input, as appropriate, from claims personnel, pricing actuaries and operating management about reported loss cost trends and other factors that could affect the reserve estimates. Some reserves are reviewed fully each quarter, including loss and loss adjustment expense reserves for commercial property, homeowners, personal automobile, and most workers' compensation, compensation lines. Other reserves, including commercial automobile, commercial property, marine, package business, and most general liability and professional liability lines, are reviewed semi-annually. Certain additional reserves are also reviewed semi-annually or annually, including reserves for losses incurred in accident years older than twelve years for Personal Lines and older than twenty years for Commercial Lines, as well as reserves for bond, assumed reinsurance, latent exposures such as construction defects, and unallocated loss adjustment expenses, ULAE. For reserves that are reviewed semi-annually or annually, management monitors the

emergence of paid and reported losses in the intervening quarters and, if warranted, performs a reserve review to determine whether the reserve estimate should change.

An expected loss ratio "ELR" is used in initially recording the reserves for both short-tail and long-tail lines of business. This ELR is determined by starting with the average loss ratio of recent prior accident years and adjusting that ratio for the effect of expected changes to earned pricing, loss frequency and severity, mix of business, ceded reinsurance and other factors. For short-tail lines, IBNR for the current accident year is initially recorded as the product of the ELR for the period, earned premium for the period and the proportion of losses expected to be reported in future calendar periods for the current accident

is initially recorded as the product of the ELR for the period and the earned premium for the period, less reported losses for the period.

As losses emerge or develop in periods subsequent to a given accident year, reserving actuaries use other methods to estimate ultimate unpaid losses in addition to the ELR method. These primarily include paid and reported loss development methods, frequency/severity techniques and the Bornhuetter-Ferguson method (a combination of the ELR method with the paid development or reported development method). Within any one line of business, the methods that are given more weight vary based primarily on the maturity of the accident year, the mix of business and the particular internal and external influences impacting the claims experience or the methods. The output of the reserve reviews are reserve estimates representing a range of actuarial indications.

Reserve Discounting- Most of the Company's property and casualty insurance product reserves are not discounted. However, the Company has discounted liabilities funded through structured settlements and has discounted a portion of workers' compensation reserves that have a fixed and determinable payment stream. For further discussion of these discounted liabilities, see Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements.

Differences Between GAAP and Statutory Basis Reserves- As of **December 31, 2022** **December 31, 2023** and **2021, 2022**, U.S. property and casualty insurance product reserves for losses and loss adjustment expenses, net of reinsurance recoverables, reported under U.S. GAAP were **approximately \$1.6 billion** lower than net reserves reported on a statutory basis, primarily due to reinsurance recoverables on two **ceded**

retroactive adverse development cover reinsurance agreements that are recorded as a reduction of other liabilities under statutory accounting. One For further discussion of these adverse development cover reinsurance agreements, see Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements. Excluding the effect of these retroactive reinsurance agreements, covers substantially all adverse development on asbestos U.S. property and environmental casualty insurance product reserves subsequent to 2016, up to a \$1.5 billion limit, for losses and the other covered adverse development on Navigators Insurers' existing net loss and allocated loss adjustment expenses, net of reinsurance recoverables, reported under U.S. GAAP were approximately equal to net reserves as of December 31, 2018, up to reported on a \$300 limit. Under both agreements, the Company cedes to NICO, a subsidiary of Berkshire Hathaway Inc. ("Berkshire"), statutory basis.

Reserving Methods by Line of Business- Apart from Run-off A&E which is discussed in the following section on Property & Casualty Other Operations, below is a general discussion of which reserving methods are preferred by line of business. Because the actuarial estimates are generated at a much finer level of detail than line of business (e.g., by distribution channel, coverage, accident period), other methods than those described for the line of business may also be employed for a coverage and accident year within a line of business. Also, as circumstances change, the methods that are given more weight will change.

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Preferred Reserving Methods by Line of Business

Commercial property, homeowners and automobile physical damage	These short-tailed lines are relatively fast-developing and paid and reported development techniques are used. These methods use historical data to generate paid and reported loss development patterns, which are then applied to cumulative paid and reported losses by accident period to estimate ultimate losses. In addition to paid and reported development methods, for the most immature accident months, the Company uses frequency/severity techniques and methods that incorporate the initial expected loss ratio ("ELR"). The advantage of frequency/severity techniques is that frequency estimates are generally more stable and external information can be used to supplement internal data in estimating average severity. In personal lines automobile physical damage, the Company also considers gross loss reserves and subrogation estimates to

	Company also considers gross loss, salvage and subrogation estimates to project net ultimate losses for recent accident periods.
Personal automobile liability	For personal automobile liability, and bodily injury in particular, in addition to traditional paid and reported development methods, the Company relies on frequency/severity techniques and the initial ELR. The Company generally uses the reported development method for older accident years and a combination of reported development, frequency/severity and the initial ELR for more recent accident years. For older accident periods, reported losses are a good indicator of ultimate losses given the high percentage of ultimate losses reported to date. For more recent periods, where there is more uncertainty and a higher percentage of open and unreported claims, putting some reliance on frequency/severity and initial expectations is prudent. The Company supplements these standard actuarial methods with a comprehensive review of claims diagnostics such as attorney representation, litigation, settlement rates, large loss impacts, and case reserve adequacy. Through reviewing the standard actuarial methods and claims diagnostics, a loss estimate can be calculated that considers these results and the age of the accident year that is being estimated.
Commercial automobile liability	The Company performs a variety of techniques, including the paid and reported development methods and frequency/severity techniques. For older, more mature accident years, the Company primarily uses reported development techniques. For more recent accident years, the Company relies on several methods that incorporate ELR, reported loss development, paid loss development, frequency/severity, case reserve adequacy, and claim settlement rates. frequency/severity.
Professional liability	Reported and paid loss development patterns for this line tend to be volatile. Therefore, the Company typically supplements the ELR method and paid and reported development methods with others such as individual claim reviews and frequency and severity techniques.
General liability, bond and large deductible workers' compensation	For these long-tailed lines of business, the Company generally relies on the ELR and paid and reported development techniques. The Company generally weights these techniques together, relying more heavily on the ELR method at early ages of development and shifting more weight onto paid and reported development methods as an accident year matures. The Company also uses various frequency/severity methods aimed at capturing large loss development and in some bond lines individual claim reviews are used.
Workers' compensation	Workers' compensation is the Company's single largest reserve line of business and a wide range of methods are used. Due to the long-tailed nature of workers' compensation, the selection of methods is driven by ELR methods for recent accident years and then, as an accident year matures, shifting first to Bornhuetter-Ferguson and frequency/severity methods, then to paid and reported development methods, (with more reliance placed on paid methods), and finally to methods that are responsive to the inventory of open claims. Across these techniques, there are adjustments related to changes in emergence patterns across years, projections of future cost inflation, and outlier claims, and analysis of larger states. claims.
Marine	For marine liability, the Company generally relies on the ELR, Bornhuetter-Ferguson, and reported development techniques. The Company generally weights these techniques together, relying more heavily on the ELR method at early ages of development and then shifts towards Bornhuetter-Ferguson and then more towards the reported development method as an accident year matures. For marine property segments, the Company relies on Bornhuetter-Ferguson methods for early development ages then shifts to reported development techniques.
Assumed reinsurance and all other	Standard methods, such as ELR, Bornhuetter-Ferguson and reported development techniques are applied. These methods are informed by underlying treaty analyses supporting the ELRs, and cedant data will often inform the loss development patterns. In some instances, reserve indications may also be influenced by information gained from claims and underwriting audits. Policy quarter and policy year loss reserve estimates

are then converted to an accident year basis.

Allocated loss adjustment expenses ("ALAE")	For some lines of business (e.g., professional liability, assumed reinsurance, and the acquired Navigators Group book of business), ALAE and losses are analyzed together. For most lines of business, however, ALAE is analyzed separately, using paid development techniques and a ratio of paid ALAE to paid loss applied to loss reserves to estimate unpaid ALAE.
Unallocated loss adjustment expenses ("ULAE")	ULAE is analyzed separately from loss and ALAE. For most lines of business, future ULAE costs to be paid are projected based on a claim projection method that applies an expected claim handling cost per claim year, unit to projected claims, leveraging the anticipated claim closure pattern and the ratio of paid ULAE to paid loss applied to estimated unpaid losses. For some lines, a simplified paid-to-paid approach is used.

The recorded reserve for losses and loss adjustment expenses represents the Company's best estimate of the ultimate settlement amount of unpaid losses and loss adjustment expenses. In applying judgment, the best estimate is selected after considering the estimates derived from a number of actuarial methods, giving more weight to those methods deemed more predictive of ultimate unpaid losses and loss

adjustment expenses. The Company does not produce a statistical range or confidence interval of reserve estimates and, since reserving methods with more credibility are given greater weight, the selected best estimate may differ from the mid-point of the various estimates produced by the actuarial methods used.

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Assumptions used in arriving at the selected actuarial indications consider a number of factors, including the immaturity of emerged claims in recent accident years, emerging trends in the recent past, and the level of volatility within each line of business.

trends in litigation, the external environment including legislation, the similarities to other mass torts and the potential impact on the Company's

Adjustments to reserves for prior accident years are referred to as "prior accident year development". Increases in previous estimates of ultimate loss costs are referred to as either an increase in prior accident year reserves or as unfavorable reserve development. Decreases in previous estimates of ultimate loss costs are referred to as either a decrease in prior accident year reserves or as favorable reserve development. Reserve development can influence the comparability of year over year underwriting results.

For a discussion of changes to reserve estimates recorded in 2022, 2023, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses in the Notes to Consolidated Financial Statements.

Current Trends Contributing to Reserve Uncertainty

The Hartford is a multi-line company in the property and casualty insurance business. The Hartford is, therefore, subject to reserve uncertainty stemming from changes in loss trends and other conditions which could become material at any point in time. As market conditions and loss trends develop, management must assess whether those conditions constitute a long-

term trend that should result in a reserving action (i.e., increasing or decreasing reserves).

General liability- Within Commercial Lines and Property & Casualty Other Operations, the Company has exposure to general liability claims, including from bodily injury, property damage and product liability. Reserves for these exposures can be particularly difficult to estimate due to the long development pattern and uncertainty about how cases will settle. In particular, the Company has exposure to bodily injury claims that arise from long-term or continuous exposure to harmful products or substances. Examples include, but are not limited to, pharmaceutical products, silica, talcum powder, per- and polyfluoroalkyl substances ("PFAS"), head injuries and lead paint. The Company also has exposure to claims from construction defects, where property damage or bodily injury from negligent construction is alleged. In addition, the Company has exposure to claims asserted against religious institutions, and other organizations including the Boy Scouts of America ("BSA"), relating to sexual molestation and sexual abuse. For additional information related to the Company's settlement agreement with the Boy Scouts of America ("BSA"), see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses in the Notes to Consolidated Financial Statements. State "reviver" statutes, extending statutes of limitations for certain sexual molestation and sexual abuse claims, could result in additional litigation or could result in unexpected sexual molestation and sexual abuse losses. Such exposures may involve potentially long latency periods and may implicate coverage in multiple policy periods, which can raise complex coverage issues with significant effects on the ultimate scope of coverage. Such exposures may also be impacted by insured bankruptcies. These factors make reserves for such claims more uncertain than other bodily injury or property damage claims. With regard to these exposures, the Company monitors

reserves. The Company also monitors the effects of social inflation, and the impact of increased litigation funding and aggressive trial tactics by plaintiff attorneys, that can introduce the risk of potentially increasing jury awards and an increase in the percentage of litigated claims. Additionally, uncertainty in estimated claim severity causes reserve variability, including the effect of changes in internal claim handling and case reserving practices.

Workers' compensation- Included in both small commercial and middle & large commercial, workers' compensation is the Company's single biggest line of business, and the property and casualty line of business with the longest pattern of loss emergence. To the extent that patterns in the frequency of settlement payments deviate from historical patterns, loss reserve estimates would be less reliable. Medical costs make up approximately 50% of workers' compensation payments. As such, reserve estimates for workers' compensation are particularly sensitive to changes in medical inflation, the changing use of medical care procedures and changes in state legislative and regulatory environments. In addition, **deteriorating changes in the** economic environment could reduce the ability of an injured worker to return to work and thus lengthen the time a worker receives disability benefits. In National Accounts, reserves for large deductible workers' compensation insurance require estimating losses attributable to the deductible amount that will be paid by the insured; if such losses are not paid by the insured due to financial difficulties, the Company is contractually liable.

We have incurred COVID-19 workers' compensation claims partly due to laws or directives in certain states that require coverage of COVID-19 claims for health care and other essential workers based on a presumption that they contracted the virus while working. For these claims, we have provided IBNR at a higher percentage of ultimate estimated incurred losses than usual as we expect longer claim reporting patterns given the effects of COVID-19.

Commercial Lines automobile-

Uncertainty in estimated claim severity causes reserve variability for commercial automobile losses including reserve variability due to changes in internal claim handling and case reserving practices as well as due to changes in the external environment, including but not limited to the impacts of social inflation mentioned in the general liability section **above. above and many of the same drivers detailed in the personal automobile section below.**

Directors' and officers'

insurance- Uncertainty regarding the number and severity of security class

action suits can result in reserve volatility for directors' and officers' insurance claims. Additionally, the Company's exposure to losses under directors' and officers' insurance policies, both domestically and internationally, is primarily in excess layers, making estimates of loss more complex.

Personal Lines automobile- While claims emerge over relatively shorter periods, estimates can still vary due to a number of factors, including uncertain estimates of frequency and severity trends. Severity trends are affected by changes in internal claim handling and case reserving practices as well as by changes in the external environment, such as due to inflation in labor and materials because of supply chain disruptions affecting repair costs. Severity trends can also be impacted by social inflation whereby increased litigation funding and aggressive trial tactics by plaintiff attorneys can introduce the

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risk of potentially increasing jury awards and an increase in the percentage of litigated claims. Changes in claim practices increase the uncertainty in the interpretation of case reserve data, which increases the uncertainty in recorded reserve levels. Severity trends have increased in recent accident years, in part

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driven by more expensive parts associated with new automobile technology and increased attorney representation, causing additional uncertainty about the reliability of past patterns. In addition, the introduction of new products and class plans has led can lead to a different mix of business by type of insured than the Company experienced in the past. Such changes Changes in mix increase the uncertainty of the reserve projections since historical data and reporting patterns may not be applicable to the new business. More recently, the Company has experienced slower reporting patterns due to lengthened repair times and industry-wide delays, and higher replacement costs due to used vehicle prices and changes in driving behavior that led to a different mix of claims.

Assumed reinsurance- While pricing and reserving processes can be challenging and idiosyncratic for insurance companies, the inherent uncertainties of

determining its reserve estimate and, as a result, does not disclose reserve ranges.

Across most lines of business, the most important reserve assumptions are future loss development factors applied to paid or reported losses to date. The trend in loss cost frequency and severity is also a key assumption, particularly in the most recent accident years, where loss development factors are less credible.

setting prices and estimating such reserves are even greater for the reinsurer. This is primarily due to the longer time between the date of an occurrence and the reporting of claims to the reinsurer, the diversity of development patterns among different types of reinsurance treaties or contracts, the necessary reliance on the ceding companies for information regarding reported claims and differing pricing and reserving practices among ceding companies. In addition, trends that have affected development of liabilities in the past may not necessarily occur or impact liability development in the same manner or to the same degree in the future. As a result, actual losses and LAE may deviate, perhaps substantially, from the expected estimates.

International business- In addition to several of the line-specific trends listed above, international business may have additional uncertainty due to geopolitical, foreign currency, and trade dispute risks.

Catastrophes- Within Commercial Lines and Personal Lines, the Company is exposed to losses from catastrophe events, primarily for damage to property. Reserves for hurricanes, tropical storms, tornado/hail, wildfires, earthquakes and other catastrophe events are subject to significant uncertainty about the number and average severity of claims arising from those events, particularly in cases where the event occurs near the end of a financial reporting period when there is limited information about the extent of damages. For example, after a catastrophe event, it may take a period of time before we are able to access the impacted areas limiting the ability of our claims adjusting staff to inspect losses, make estimates and determine the damages that are covered by the policy. To estimate catastrophe losses, we consider information from claim notices received to date, third party data, visual images of the affected area where we have exposures and our own historical experience of loss reporting patterns for similar events.

Impact of Key Assumptions on Reserves

As stated above, the Company's practice is to estimate reserves using a variety of methods, assumptions and data elements within its reserve estimation. The Company does not use statistical loss distributions or confidence levels in the process of

The following discussion discloses possible variation from current estimates of loss

reserves due to a change in certain key indicators of potential losses. For automobile liability lines in both Personal Lines and Commercial Lines, the key indicator is the annual loss cost trend, particularly the severity trend component of loss costs. For workers' compensation and general liability, loss development patterns are a key indicator, particularly for more mature accident years. For workers' compensation, paid loss development patterns have been impacted by medical cost inflation and other changes in loss cost trends. For general liability, incurred loss development patterns have been impacted by, among other things, emergence of new types of claims (e.g., PFAS claims) and a shift in the mixture between smaller, more routine claims and larger, more complex claims.

Each of the impacts described below is estimated individually, without consideration for any correlation among key indicators or among lines of business. Therefore, it would be inappropriate to take each of the amounts described below and add them together in an attempt to estimate volatility for the Company's reserves in total. For any one reserving line of business, the estimated variation in reserves due to changes in key indicators is a reasonable estimate of potential reserve development that may occur in the future, likely over a period of several calendar years. The variation discussed is not meant to be a worst-case scenario, and, therefore, it is possible that future variation may be more than the amounts discussed below. Moreover, the variation discussed does not represent a statistical range of potential reserve outcomes, and factors exist beyond the key indicators considered which have the potential to drive additional variation to the Company's reserves.

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	Possible Change in Key Indicator	Reserves, Net of Reinsurance December 31, 2022 December 31, 2023	Estimated Range of Potential Reserve Development
Personal Automobile Liability	+/- 2.5 -2.5 points to the annual assumed change in loss cost severity for the two most recent accident years	\$1.4 1.6 billion	+/- \$70 \$80M
Commercial Automobile	+/- 2.5 points to the	\$1.2 1.4 billion	+/- \$30 \$40M

Liability	annual assumed change in loss cost severity for the two most recent accident years			
Workers' Compensation	2% change in paid loss development patterns	\$11.7 12.2 billion	+/- \$400 \$400M	
General Liability	8% change in reported loss development patterns	\$5.4 5.2 billion	+/- \$550 \$600M	

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Reserving for Asbestos and Environmental Claims

How A&E Reserves are Set- The process for establishing reserves for asbestos and environmental claims first involves estimating the required reserves gross of ceded reinsurance and then estimating reinsurance recoverables.

In establishing reserves for gross asbestos claims, the Company evaluates its insureds' estimated liabilities for such claims by examining exposures for individual insureds and assessing how coverage applies. The Company considers a variety of factors, including the jurisdictions where underlying claims have been brought, past, pending and anticipated future claim activity, the level of plaintiff demands, disease mix, past settlement values of similar claims, dismissal rates, allocated loss adjustment expense, and potential impact of other defendants being in bankruptcy.

Similarly, the Company reviews exposures to establish gross environmental reserves. The Company considers several factors in estimating environmental liabilities, including historical values of similar claims, the number of sites involved, the insureds' alleged activities at each site, the alleged environmental damage, the respective shares of liability of potentially responsible parties, the appropriateness and cost of remediation, the nature of governmental enforcement activities or mandated remediation efforts and potential impact of other defendants being in bankruptcy.

After evaluating its insureds' probable liabilities for asbestos and/or environmental

year multi-year policies and applicable coverage defenses or determinations, if any.

The estimated liabilities of insureds and the Company's exposure to the insureds depends heavily on an analysis of the relevant legal issues and litigation environment. This analysis is conducted by the Company's lawyers and is subject to applicable privileges.

For both asbestos and environmental reserves, the Company also analyzes its historical paid and reported losses and expenses year by year, to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid and reported activity. The historical losses and expenses are analyzed on both a direct basis and net of reinsurance.

Once the gross ultimate exposure for indemnity and allocated loss adjustment expense is determined for its insureds by each policy year, the Company calculates its ceded reinsurance projection

claims, the Company evaluates the insurance coverage in place for such claims. The Company considers its insureds' total available insurance coverage, including the coverage issued by the Company. The Company also considers relevant judicial interpretations of policy language, the nature of how policy limits are enforced on multi-

recoverables based on any applicable facultative and treaty reinsurance and the Company's experience with reinsurance collections. See the section that follows entitled A&E Adverse Development Cover that discusses the impact the reinsurance agreement with NICO may have on future adverse development of asbestos and environmental reserves, if any.

Uncertainties Regarding Adequacy of A&E Reserves-

A number of factors affect the variability of estimates for gross asbestos and environmental reserves including assumptions with respect to the frequency of claims, the average severity of those claims settled with payment, the dismissal rate of claims with no payment, resolution of coverage disputes with our policyholders and the expense to indemnity ratio. Reserve estimates for gross asbestos and environmental reserves are subject to greater variability than reserve estimates for more traditional exposures.

The process of estimating asbestos and environmental reserves remains subject to a wide variety of uncertainties, which are detailed in Note 14 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements. The Company believes that its current asbestos and environmental reserves are appropriate. Future developments could continue to cause the Company to change its estimates of its gross asbestos and environmental reserves. Losses ceded under the adverse development cover ("A&E ADC") with NICO in excess of the ceded premium paid of \$650 have resulted in a deferred gain resulting in a timing difference between when gross reserves are increased and when reinsurance recoveries are recognized. This timing difference results in a charge to net income until such periods when the recoveries are recognized. Consistent with past practice, the Company will continue to monitor its reserves in Property & Casualty Other Operations regularly, including its annual reviews of asbestos liabilities, reinsurance recoverables, the allowance for uncollectible reinsurance, and environmental liabilities. Where future developments indicate, we will make appropriate adjustments to the reserves at that time.

Total P&C Insurance Product Reserves Development

In the opinion of management, based upon

the known facts and current law, the reserves recorded for the Company's property and casualty insurance products at [December 31, 2022](#)

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[December 31, 2023](#) represent the Company's best estimate of its ultimate liability for unpaid losses and loss adjustment expenses. However, because of the significant uncertainties surrounding reserves, it is possible that management's estimate of the ultimate liabilities

for these claims may change in the future and that the required adjustment to currently recorded reserves could be material to the Company's results of operations or liquidity.

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Rollforward of Property and Casualty Insurance Product Liabilities for Unpaid Losses and LAE for the Year Ended December 31, 2023

	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 28,453	\$ 1,857	\$ 2,773	\$ 33,083
Reinsurance and other recoverables	4,574	28	1,863	6,465
Beginning liabilities for unpaid losses and loss adjustment expenses, net	23,879	1,829	910	26,618
Provision for unpaid losses and loss adjustment expenses				
Current accident year before catastrophes	6,575	2,287	—	8,862
Current accident year ("CAY") catastrophes	436	240	—	676
Prior accident year development ("PYD")	(225)	11	224	10
Total provision for unpaid losses and loss adjustment expenses	6,786	2,538	224	9,548
Change in deferred gain on retroactive reinsurance included in the provision for the period but reflected in other liabilities	—	—	(194)	(194)
Payments [1]	(6,101)	(2,327)	(214)	(8,642)
Foreign currency adjustment	18	—	—	18
Ending liabilities for unpaid losses and loss adjustment expenses, net	24,582	2,040	726	27,348
Reinsurance and other recoverables	4,599	28	2,069	6,696
Ending liabilities for unpaid losses and loss adjustment expenses, gross	\$ 29,181	\$ 2,068	\$ 2,795	\$ 34,044
Earned premiums and fee income	\$ 11,682	\$ 3,117		
Loss and loss expense paid ratio [2]	52.2	74.7		
Loss and loss expense incurred ratio	58.3	82.2		
Prior accident year development (pts) [3]	(1.9)	0.4		

[1]Includes the \$787 settlement paid to the BSA on April 20, 2023. For further information, see "Settlement Agreement with Boy Scouts of America" in Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

[2]The "loss and loss expense paid ratio" represents the ratio of paid losses and loss adjustment expenses to

earned premiums and fee income.

[3]"Prior accident year development (pts)" represents the ratio of prior accident year development to earned premiums.

Current Accident Year Catastrophe Losses for the Year Ended December 31, 2023, Net of Reinsurance				
	Commercial Lines	Personal Lines	Total	
Wind and hail	\$ 278	\$ 214	\$ 492	
Winter storms	68	15	83	
Hurricanes and tropical storms	10	3	13	
Wildfires	3	8	11	
Other international	6	—	6	
Catastrophes before assumed reinsurance	365	240	605	
Global assumed reinsurance business [1]	71	—	71	
Total catastrophe losses	\$ 436	\$ 240	\$ 676	

[1]Catastrophe losses incurred on global assumed reinsurance business are not covered under the Company's aggregate property catastrophe treaty. For further information on the treaty, refer to Enterprise Risk Management — Insurance Risk section of this MD&A.

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Unfavorable (Favorable) Prior Accident Year Development for the Year Ended December 31, 2023				
	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Workers' compensation	\$ (236)	\$ —	\$ —	\$ (236)
Workers' compensation discount accretion	42	—	—	42
General liability	41	—	—	41
Marine	(2)	—	—	(2)
Package business	(24)	—	—	(24)
Commercial property	(7)	—	—	(7)
Professional liability	(2)	—	—	(2)
Bond	(27)	—	—	(27)
Assumed reinsurance	34	—	—	34
Automobile liability	20	—	—	20
Homeowners	—	(6)	—	(6)
Net asbestos and environmental reserves [1]	—	—	—	—
Catastrophes	(83)	(4)	—	(87)
Uncollectible reinsurance	7	1	5	13
Other reserve re-estimates, net [2]	12	20	25	57
Prior accident year development before change in deferred gain	(225)	11	30	(184)
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	—	—	194	194
Total prior accident year development	\$ (225)	\$ 11	\$ 224	\$ 10

[1]The year ended December 31, 2023 included \$194 of adverse development on net asbestos and environmental reserves that was ceded to NICO but for which the Company recorded a deferred gain on retroactive reinsurance.

[2]Other reserve re-estimates for the year ended December 31, 2023 includes a \$22 increase in personal automobile physical damage reserves.

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Rollforward of Property and Casualty Insurance Product Liabilities for Unpaid Losses and LAE for the Year Ended December 31, 2022

		Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance	Commercial Lines	Pers Lin
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 26,906	\$ 1,844	\$ 2,699	\$ 31,449		
Reinsurance and other recoverables	Reinsurance and other recoverables	4,480	37	1,564	6,081		
Beginning liabilities for unpaid losses and loss adjustment expenses, net	Beginning liabilities for unpaid losses and loss adjustment expenses, net	22,426	1,807	1,135	25,368		
Provision for unpaid losses and loss adjustment expenses	Provision for unpaid losses and loss adjustment expenses						
Current accident year before catastrophes	Current accident year before catastrophes	5,959	1,969	—	7,928		
Current accident year ("CAY") catastrophes	Current accident year ("CAY") catastrophes	441	208	—	649		
Prior accident year development ("PYD")	Prior accident year development ("PYD")	(231)	(13)	280	36		
Current accident year before catastrophes	Current accident year before catastrophes						
Current accident year before catastrophes	Current accident year before catastrophes						
Current accident year catastrophes	Current accident year catastrophes						
Prior accident year development	Prior accident year development						

Development					
Total provision for unpaid losses and loss adjustment expenses	Total provision for unpaid losses and loss adjustment expenses	6,169	2,164	280	8,613
Change in deferred gain on retroactive reinsurance included in the provision for the period but reflected in other liabilities		—	—	(229)	(229)
Change in deferred gain on retroactive reinsurance included in other liabilities					
Payments	Payments	(4,684)	(2,142)	(276)	(7,102)
Foreign currency adjustment					
Foreign currency adjustment	Foreign currency adjustment	(32)	—	—	(32)
Ending liabilities for unpaid losses and loss adjustment expenses, net	Ending liabilities for unpaid losses and loss adjustment expenses, net	23,879	1,829	910	26,618
Reinsurance and other recoverables	Reinsurance and other recoverables	4,574	28	1,863	6,465
Ending liabilities for unpaid losses and loss adjustment expenses, gross	Ending liabilities for unpaid losses and loss adjustment expenses, gross	\$ 28,453	\$ 1,857	\$ 2,773	\$ 33,083
Earned premiums and fee income	Earned premiums and fee income	\$ 10,610	\$ 2,979		
Loss and loss expense paid ratio [1]	Loss and loss expense paid ratio [1]	44.1	71.9		
Loss and loss expense paid ratio [1]					
Loss and loss expense paid ratio [1]					
Loss and loss expense incurred ratio					
Loss and loss expense incurred ratio					
Loss and loss expense incurred ratio	Loss and loss expense incurred ratio	58.4	73.4		
Prior accident year	Prior accident year				

development	development
(pts) [2]	(pts) [2] (2.2) (0.4)

Prior accident year
development (pts) [2]

Prior accident year
development (pts) [2]

[1]The "loss and loss expense paid ratio" represents the ratio of paid losses and loss adjustment expenses to earned premiums and fee income.

[2]"Prior accident year development (pts)" represents the ratio of prior accident year development to earned premiums.

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Current Accident Year Catastrophe Losses for the Year Ended December 31, 2022, Net of Reinsurance

	Commercial Lines	Personal Lines	Total
Wind and hail	\$ 107	\$ 104	\$ 211
Winter storms [1]	163	21	184
Hurricanes and Tropical Storms [2]	74	80	154
Wildfires	—	3	3
Ukraine conflict [3]	23	—	23
Other international	1	—	1
Catastrophes before assumed reinsurance	368	208	576
Global assumed reinsurance business [1] [2]			
[3]	73	—	73
Total catastrophe losses	\$ 441	\$ 208	\$ 649

[1]Includes losses from Winter Storm Elliott of \$167, including \$3 in the global assumed reinsurance business.

Gross losses from Winter Storm Elliott of \$202 were partially offset by a \$35 reinsurance recoverable since, under a per occurrence property catastrophe treaty layer covering losses from earthquakes and named storms other than hurricanes and tropical storms, the Company is able to cede 70% of up to \$250 in excess of a \$100 attachment point subject to a \$50 annual aggregate deductible.

[2]Includes losses from Hurricane Ian of \$186, net of reinsurance, including \$35 of hurricane losses in the global assumed reinsurance business.

[3]Total catastrophe losses resulting from the Ukraine conflict were \$27, net of reinsurance, including \$4 within global assumed reinsurance, all in the first quarter, which included exposures under political violence and terrorism policies, including aviation war, as well as credit and political risk insurance policies.

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Unfavorable (Favorable) Prior Accident Year Development for the Year Ended December 31, 2022

	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Workers' compensation	\$ (204)	\$ —	\$ —	\$ (204)
Workers' compensation discount				
accretion	36	—	—	36
General liability	25	—	31	56
Marine	2	—	—	2

Package business	(39)	—	—	(39)
Commercial property	(11)	—	—	(11)
Professional liability	(11)	—	—	(11)
Bond	(32)	—	—	(32)
Assumed reinsurance	19	—	—	19
Automobile liability	38	(14)	—	24
Homeowners	—	(1)	—	(1)
Net asbestos and environmental reserves [1]	—	—	—	—
Catastrophes	(60)	(2)	—	(62)
Uncollectible reinsurance	(1)	(2)	6	3
Other reserve re-estimates, net	7	6	14	27
Prior accident year development before change in deferred gain	(231)	(13)	51	(193)
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	—	—	229	229
Total prior accident year development	\$ (231)	\$ (13)	\$ 280	\$ 36

[1]The year ended December 31, 2022 included \$229 of adverse development on net asbestos and environmental reserves that was ceded to NICO but for which the Company recorded a deferred gain on retroactive reinsurance.

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Rollforward of Property and Casualty Insurance Product Liabilities for Unpaid Losses and LAE for the Year Ended December 31, 2021

	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 25,058	\$ 1,836	\$ 2,728	\$ 29,622
Reinsurance and other recoverables	4,271	28	1,426	5,725
Beginning liabilities for unpaid losses and loss adjustment expenses, net	20,787	1,808	1,302	23,897
Provision for unpaid losses and loss adjustment expenses				
Current accident year before catastrophes	5,407	1,840	—	7,247
Current accident year catastrophes	496	168	—	664
Prior accident year development [1]	141	(144)	202	199
Total provision for unpaid losses and loss adjustment expenses	6,044	1,864	202	8,110
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	(91)	—	(155)	(246)
Payments	(4,316)	(1,865)	(214)	(6,395)
Foreign currency adjustment	2	—	—	2
Ending liabilities for unpaid losses and loss adjustment expenses, net	22,426	1,807	1,135	25,368

Reinsurance and other recoverables	4,480	37	1,564	6,081
Ending liabilities for unpaid losses and loss adjustment expenses,				
gross	\$	26,906	\$	1,844
\$	2,699	\$	31,449	
Earned premiums and fee income	\$	9,575	\$	2,986
Loss and loss expense paid ratio [2]		45.1		62.5
Loss and loss expense incurred ratio		63.4		63.1
Prior accident year development (pts)				
[3]		1.5		(4.9)

[1]Prior accident year development does not include the benefit of a portion of losses ceded under the Navigators and A&E ADCs which, under retroactive reinsurance accounting, is deferred and is recognized over the period the ceded losses are recovered in cash from NICO. For additional information regarding the two adverse development cover reinsurance agreements, refer to Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

[2]The "loss and loss expense paid ratio" represents the ratio of paid losses and loss adjustment expenses to earned premiums and fee income.

[3]"Prior accident year development (pts)" represents the ratio of prior accident year development to earned premiums.

Current Accident Year Catastrophe Losses for the Year Ended December 31, 2021, Net of Reinsurance				
	Commercial Lines		Personal Lines	
				Total
Wind and hail	\$	157	\$	94
Winter storms [1]		151		18
Hurricanes and Tropical Storms		151		43
Wildfires		9		23
Losses ceded to the aggregate catastrophe treaty [2]		(29)		(10)
Catastrophes before assumed reinsurance		439		168
Global assumed reinsurance business [3]		57		—
Total catastrophe losses	\$	496	\$	168
				664

[1]Includes catastrophe losses from the February winter storms in Texas and other areas within Commercial Lines and Personal Lines of \$206 and \$24, respectively, gross of reinsurance, and \$151 and \$18, respectively, net of reinsurance under the Company's per occurrence property catastrophe treaty covering events other than earthquakes and named hurricanes and tropical storms. The reinsurance covers 70% of up to \$250 of losses in excess of \$100 from such events occurring within a seven day time period, subject to a \$50 annual aggregate deductible. These recoveries do not inure to the benefit of the aggregate property catastrophe treaty reinsurers. For further information on the treaty, refer to Enterprise Risk Management — Insurance Risk section of this MD&A.

[2]For further information on the aggregate catastrophe treaty, refer to Enterprise Risk Management — Insurance Risk section of this MD&A.

[3]Catastrophe losses incurred on global assumed reinsurance business are not covered under the Company's aggregate property catastrophe treaty. For further information on the treaty, refer to Enterprise Risk Management — Insurance Risk section of this MD&A.

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Unfavorable
Accident Year
Year Ended

	Total
Property & Casualty	Property & Casualty

		Commercial Lines	Personal Lines	Other Operations	Casualty Insurance	
	Commercial Lines					Commercial pers Lines
Workers' compensation	Workers' compensation \$	(190) \$	— \$	— \$	(190)	
Workers' compensation discount	Workers' compensation discount					
accretion	accretion	35	—	—	35	
General liability	General liability	454	—	—	454	
Marine	Marine	1	—	—	1	
Package business	Package business	(91)	—	—	(91)	
Commercial property	Commercial property	(26)	—	—	(26)	
Professional liability	Professional liability	(2)	—	—	(2)	
Bond	Bond	(26)	—	—	(26)	
Assumed reinsurance	Assumed reinsurance	(6)	—	—	(6)	
Automobile liability	Automobile liability	9	(90)	—	(81)	
Homeowners	Homeowners	—	3	—	3	
Net asbestos and environmental reserves	Net asbestos and environmental reserves	—	—	—	—	
Net asbestos and environmental reserves						
Net asbestos and environmental reserves						
Catastrophes	Catastrophes	(97)	(57)	—	(154)	
Uncollectible reinsurance	Uncollectible reinsurance	(5)	—	(1)	(6)	
Other reserve re-estimates, net	Other reserve re-estimates, net	(6)	—	48	42	
Prior accident year development before change in deferred gain						
		50	(144)	47	(47)	
Total prior accident year development						
Change in deferred gain on retroactive reinsurance included in other liabilities	Change in deferred gain on retroactive reinsurance included in other liabilities	91	—	155	246	
Total prior accident	Total prior accident					

year	year
development	development \$ 141 \$ (144) \$ 202 \$ 199

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Rollforward of Property and Casualty Insurance Product Liabilities for Unpaid Losses and LAE the factors contributing to unfavorable (favorable) for the Year Ended December 31, 2020

	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 23,363	\$ 2,201	\$ 2,697	\$ 28,261
Reinsurance and other recoverables [1]	4,029	68	1,178	5,275
Beginning liabilities for unpaid losses and loss adjustment expenses, net	19,334	2,133	1,519	22,986
Provision for unpaid losses and loss adjustment expenses				
Current accident year before catastrophes	5,493	1,695	—	7,188
Current accident year catastrophes	397	209	—	606
Prior accident year development [2]	44	(438)	258	(136)
Total provision for unpaid losses and loss adjustment expenses	5,934	1,466	258	7,658
Change in deferred gain on retroactive reinsurance included in other liabilities [2]	(102)	—	(210)	(312)
Payments	(4,348)	(1,791)	(265)	(6,404)
Net reserves transferred to liabilities held for sale	(45)	—	—	(45)
Foreign currency adjustment	14	—	—	14
Ending liabilities for unpaid losses and loss adjustment expenses, net	20,787	1,808	1,302	23,897
Reinsurance and other recoverables	4,271	28	1,426	5,725
Ending liabilities for unpaid losses and loss adjustment expenses, gross	\$ 25,058	\$ 1,836	\$ 2,728	\$ 29,622
Earned premiums and fee income	\$ 8,940	\$ 3,042		
Loss and loss expense paid ratio [3]	48.6	58.9		
Loss and loss expense incurred ratio	66.5	48.7		
Prior accident year development (pts) [4]	0.5	(14.6)		

[1] Includes a cumulative effect adjustment of \$1 and \$(1) for Commercial Lines and Property & Casualty Other Operations respectively, representing an adjustment to the ACL recorded on adoption of accounting guidance for credit losses on January 1, 2020. See Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements for further information.

[2] Prior prior accident year reserve development does not include the benefit of a portion of losses ceded under the Navigators 2023, 2022, and A&E ADCs which, under retroactive reinsurance accounting, is deferred and is recognized over the period the ceded losses are recovered in cash from NICO. For additional information

regarding the two adverse development cover reinsurance agreements, 2021 periods, refer to Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

[3]The "loss and loss expense paid ratio" represents the ratio of paid losses and loss adjustment expenses to earned premiums and fee income.

[4]"Prior accident year development (pts)" represents the ratio of prior accident year development to earned premiums.

Current Accident Year Catastrophe Losses for the Year Ended December 31, 2020, Net of Reinsurance				
	Commercial Lines	Personal Lines	Total	
Wind and hail	\$ 167	\$ 97	\$ 264	
Civil Unrest	105	—	105	
Hurricanes and Tropical Storms	96	51	147	
Wildfires	21	61	82	
Other	8	—	8	
Total catastrophe losses	\$ 397	\$ 209	\$ 606	

In December, 2019, the judge overseeing the bankruptcy of PG&E Corporation and Pacific Gas and Electric Company ("PG&E") approved an \$11 billion settlement of insurance subrogation claims to resolve all such claims arising from the 2017 Northern California wildfires and 2018 Camp wildfire. That settlement was contingent upon, among other things, the judge

entering an order confirming PG&E's chapter 11 bankruptcy plan ("PG&E Plan") incorporating the settlement agreement. On June 20, 2020, the bankruptcy court judge approved the PG&E Plan and PG&E subsequently transferred the \$11 billion settlement amount to a trust designed to allocate and distribute the settlement among subrogation holders, including certain of

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the Company's insurance subsidiaries. In the second quarter of 2020, the Company recorded an estimated \$289 subrogation benefit though the ultimate amount it collects will depend on how the Company's ultimate paid claims subject to subrogation

compare to other insurers' ultimate paid claims subject to subrogation. In 2020, the Company received distributions, net of attorney costs, of \$227.

Unfavorable (Favorable) Prior Accident Year Development for the Year Ended December 31, 2020				
	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty Insurance
Workers' compensation	\$ (110)	\$ —	\$ —	\$ (110)
Workers' compensation discount accretion	35	—	—	35
General liability	237	—	—	237
Marine	3	—	—	3
Package business	(58)	—	—	(58)
Commercial property	(4)	—	—	(4)
Professional liability	(14)	—	—	(14)
Bond	(19)	—	—	(19)
Assumed reinsurance	(6)	—	—	(6)
Automobile liability	27	(61)	—	(34)

Homeowners	—	7	—	7
Net asbestos and environmental reserves	—	—	(2)	(2)
Catastrophes	(149)	(380)	—	(529)
Uncollectible reinsurance	—	—	(8)	(8)
Other reserve re-estimates, net	—	(4)	58	54
Total prior accident year development	(58)	(438)	48	(448)
Change in deferred gain on retroactive reinsurance included in other liabilities	102	—	210	312
Total prior accident year development	\$ 44	\$ (438)	\$ 258	\$ (136)

For discussion of the factors contributing to unfavorable (favorable) for the prior accident year reserve development 2022, 2021, and 2020 periods, refer to Note 11 - Reserve for

Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

PROPERTY & CASUALTY OTHER OPERATIONS

Net reserves and reserve activity in Property & Casualty Other Operations are categorized and reported as asbestos, environmental, and "all other". The "all other" category of reserves covers a wide range of insurance and assumed reinsurance coverages, including, but not limited to, potential liability for construction defects, lead paint, silica, pharmaceutical products, head injuries, sexual molestation and sexual abuse and other long-tail liabilities. In addition to various insurance and assumed reinsurance exposures, "all other" includes unallocated loss adjustment expense reserves. "All other" also includes the Company's allowance for uncollectible reinsurance. When the Company commutes a ceded reinsurance contract or settles a ceded reinsurance dispute, net reserves for the related cause of loss (including asbestos, environmental or all other) are increased for the portion of the

allowance for uncollectible reinsurance attributable to that commutation or settlement.

Asbestos and Environmental Reserves

The vast majority of the Company's exposure to A&E relates to policy coverages provided prior to 1986 and is reported within the P&C Other Operations segment ("Run-off A&E"). In addition, since 1986 the Company has written asbestos and environmental exposures under general liability policies and pollution liability under homeowners policies, which are reported in the Commercial Lines and Personal Lines segments, respectively.

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Run-off A&E Summary as of December 31, 2022 December 31, 2023

		Asbestos		Environmental	Total Run-off A&E
		Asbestos		Asbestos Envir	
Gross	Gross				
	Direct	\$	1,316	\$ 373	\$1,689
	Assumed Reinsurance		458	64	522
	Total		1,774	437	2,211

	Direct			
	Direct			
	Direct			
	Assumed			
	Reinsurance			
	Total			
Ceded- other than NICO	Ceded- other than NICO	(476)	(63)	(539)
Total net reserves, before ceded losses to NICO	Total net reserves, before ceded losses to NICO	\$ 1,298	\$ 374	1,672
Ceded - NICO A&E ADC				
"Run-off" [1]	Ceded - NICO A&E ADC "Run-off" [1]			(1,282)
Net	Net			\$ 390

[1]Including \$1,282 \$1,476 of ceded losses for Run-off A&E and a \$38 reduction in ceded losses for Commercial Lines and Personal Lines, cumulative net incurred losses of \$1,244 \$1,438 have been ceded to NICO under an adverse development cover reinsurance agreement. See the section that follows entitled A&E Adverse Development Cover for additional information.

Rollforward of Run-off A&E Losses and LAE

	Asbestos Environmental	Total Run-off A&E			
	Asbestos		Asbestos	Environmental	Total Run-off A&E
2023					
Beginning net reserves before reinsurance recoverable from NICO					
Beginning net reserves before reinsurance recoverable from NICO					
Beginning net reserves before reinsurance recoverable from NICO					
Losses and loss adjustment expenses incurred before ceding to NICO A&E ADC					
Losses and loss adjustment expenses paid					
Reclassification of allowance for uncollectible reinsurance [1]					

Ending net reserves before reinsurance recoverable from NICO					
Reinsurance recoverable from NICO					
A&E ADC					
Ending net reserves					
2022	2022				
Beginning net reserves before reinsurance recoverable from NICO					
Beginning net reserves before reinsurance recoverable from NICO					
Beginning net reserves before reinsurance recoverable from NICO	Beginning net reserves before reinsurance recoverable from NICO	\$ 1,263	\$ 394	\$ 1,657	
Losses and loss adjustment expenses incurred before ceding to NICO	Losses and loss adjustment expenses incurred before ceding to NICO				
A&E ADC	A&E ADC	161	68	229	
Losses and loss adjustment expenses paid	Losses and loss adjustment expenses paid	(128)	(89)	(217)	
Reclassification of allowance for uncollectible reinsurance [1]	Reclassification of allowance for uncollectible reinsurance [1]	2	1	3	
Ending net reserves before reinsurance recoverable from NICO		\$ 1,298	\$ 374	1,672	
Reinsurance recoverable from NICO	Reinsurance recoverable from NICO				
A&E ADC	A&E ADC			(1,282)	
Ending net reserves	Ending net reserves		\$ 390		
2021	2021				
Beginning net reserves before reinsurance recoverable from NICO					
Beginning net reserves before reinsurance recoverable from NICO	Beginning net reserves before reinsurance recoverable from NICO	\$ 1,268	\$ 419	\$ 1,687	
Losses and loss adjustment expenses incurred before ceding to NICO					
A&E ADC	A&E ADC	104	51	155	

Losses and loss adjustment expenses paid		(112)	(76)	(188)
Reclassification of allowance for uncollectible reinsurance [1]		3	—	3
Ending net reserves before reinsurance recoverable from NICO				
	\$	1,263	\$	394
Reinsurance recoverable from NICO A&E ADC				(1,053)
Ending net reserves			\$	604
2020				
Beginning net reserves before reinsurance recoverable from NICO				
Beginning net reserves before reinsurance recoverable from NICO	Beginning net reserves before reinsurance recoverable from NICO	\$	1,308	\$
			346	\$1,654
Losses and loss adjustment expenses incurred before ceding to NICO A&E ADC	Losses and loss adjustment expenses incurred before ceding to NICO A&E ADC	130	106	236
Losses and loss adjustment expenses paid	Losses and loss adjustment expenses paid	(172)	(33)	(205)
Reclassification of allowance for uncollectible reinsurance [1]	Reclassification of allowance for uncollectible reinsurance [1]	2	—	2
Ending net reserves before reinsurance recoverable from NICO				
	\$	1,268	\$	419
Reinsurance recoverable from NICO A&E ADC	Reinsurance recoverable from NICO A&E ADC			(898)
Ending liability — net	Ending liability — net		\$	789

[1] Related to the reclassification of an allowance for uncollectible reinsurance from the "all other" category of P&C Other Operations reserves.

A&E Adverse Development Cover

Effective December 31, 2016, the Company entered into an A&E ADC reinsurance agreement with NICO **a subsidiary of Berkshire**, to reduce uncertainty about potential adverse development. Under the A&E ADC, the Company paid a reinsurance premium of \$650 for NICO to assume adverse net loss and allocated loss adjustment expense reserve development up to \$1.5 billion above the Company's existing net A&E reserves as of December 31, 2016 of approximately \$1.7 billion, including both Run-off A&E and A&E reserves in Commercial Lines and Personal Lines. The \$650 reinsurance

collateral trust account as security for NICO's claim payment obligations to the Company. The Company has retained the risk of collection on amounts due from other third-party reinsurers and continues to be responsible for claims handling and other administrative services, subject to certain conditions. The A&E ADC covers substantially all the Company's A&E reserve development up to the reinsurance limit.

Under retroactive reinsurance accounting, net adverse A&E reserve development after December 31, 2016 results in an offsetting reinsurance recoverable up to the \$1.5 billion **limit. Cumulative ceded losses up to the \$650 reinsurance**

premium was placed in a

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limit. Cumulative ceded losses up to the \$650 reinsurance premium paid have been recognized as a dollar-for-dollar offset to direct losses incurred. Cumulative ceded losses exceeding the \$650 reinsurance premium paid have resulted in a deferred gain. As of **December 31, 2022** **December 31, 2023**, the Company has incurred a cumulative **\$1,244** **\$1,438** in adverse development on A&E reserves that have been ceded under the A&E ADC treaty with NICO, including **\$1,282** **\$1,476** for Run-off A&E reserves, partially offset by a \$38 reduction for A&E reserves in Commercial Lines and Personal Lines. As such, **\$256** **\$62** of coverage is available for future adverse net reserve development, if any. As a result, the Company has recorded a **\$594** **\$788** deferred gain within other liabilities, representing the difference between the reinsurance recoverable of **\$1,244** **\$1,438** and ceded premium paid of \$650. The deferred gain is recognized over the claim settlement period in the proportion of the amount of cumulative ceded losses collected from the reinsurer to the estimated ultimate reinsurance recoveries. Consequently, until periods when the deferred gain is recognized as a benefit to earnings, cumulative adverse development of asbestos and environmental claims will result in charges against earnings, which may be significant.

Net and Gross Survival Ratios

Net and gross survival ratios are a measure of the quotient of the carried reserves divided by average annual payments (net of reinsurance and on a gross basis) and is an indication of the number of years that carried reserves would last (i.e., survive) if future annual payments were consistent with the calculated historical average.

Since December 31, 2016, asbestos and environmental net reserves have been declining since all adverse development has been ceded to NICO, up to a limit of \$1.5 billion, and the deferred gain on retroactive reinsurance has been recorded within other liabilities rather than in net loss and loss adjustment expense reserves. Recoveries from NICO will not be collected until the Company has cumulative loss payments of more than the attachment point of \$1.7 billion which was based on the carrying value of net reserves as of December 31, 2016. Accordingly, the payment of losses without any current collection of recoveries from NICO has reduced the Company's net loss reserves which decreases the net survival ratios such that, unadjusted, the net survival ratios would not be representative of the true number of years of average loss payments covered by the reserves. Therefore, the net survival ratios presented in the table below are calculated before considering the effect of the A&E ADC reinsurance agreement but net of other reinsurance in place.

Net and Gross Survival Ratios

		Asbestos	Environmental
		Asbestos	
		Asbestos	
		Asbestos	
One year net survival ratio			
One year net survival ratio			
One year net survival ratio	One year net survival ratio	10.1	4.1
Three year net survival ratio	Three year net survival ratio	9.3	5.7
Three year net survival ratio			
Three year net survival ratio			
One year gross survival ratio			
One year gross survival ratio			
One year gross survival ratio	One year gross survival ratio	11.0	4.0
Three year gross survival ratio	Three year gross survival ratio	9.3	5.2
Three year gross survival ratio			
Three year gross survival ratio			

Run-off A&E Paid and Incurred Losses and LAE Development

Asbestos	Environmental	Total A&E

		Paid Losses & LAE	Incurred Losses & LAE	Paid Losses & LAE	Incurred Losses & LAE	Paid Losses & LAE	Incurred Losses & LAE	
	Asbestos							
	Paid Losses & LAE	Asbestos		Environmental		Total A&E		
		Paid Losses & LAE	Incurred Losses & LAE	Paid Losses & LAE	Incurred Losses & LAE	Paid Losses & LAE	Incurred Losses & LAE	
2023								
Gross								
Gross								
Gross								
Ceded-other than NICO								
Net - Gross of ADC								
Ceded - NICO A&E ADC								
Net								
2022	2022							
Gross								
Gross								
Gross	Gross	\$ 160	\$ 227	\$ 106	\$ 80	\$ 266	\$ 307	
Ceded-other than NICO	Ceded-other than NICO	(32)	(66)	(17)	(12)	(49)	(78)	
Net - Gross of ADC	Net - Gross of ADC	\$ 128	\$ 161	\$ 89	\$ 68	217	229	
Ceded - NICO A&E ADC	Ceded - NICO A&E ADC					—	(229)	
Net	Net				\$ 217	\$ —		
2021	2021							
Gross	Gross	\$ 157	\$ 148	\$ 109	\$ 55	\$ 266	\$ 203	
Ceded-other than NICO	Ceded-other than NICO	(45)	(44)	(33)	(4)	(78)	(48)	
Net - Gross of ADC	Net - Gross of ADC	\$ 112	\$ 104	\$ 76	\$ 51	188	155	
Ceded - NICO A&E ADC	Ceded - NICO A&E ADC					—	(155)	
Net	Net				\$ 188	\$ —		
2020								
Gross								
Gross	Gross	\$ 252	\$ 170	\$ 40	\$ 141	\$ 292	\$ 311	

Ceded- other than NICO	Ceded- other than NICO	(80)	(40)	(7)	(35)	(87)	(75)
Net - Gross of ADC	Net - Gross of ADC	\$ 172	\$ 130	\$ 33	\$ 106	205	236
Ceded - NICO A&E ADC	Ceded - NICO A&E ADC					—	(238)
Net	Net				\$ 205	\$	(2)

Annual Reserve Reviews

Review of Asbestos and Environmental Reserves

The Company performs its regular comprehensive annual review of asbestos and environmental reserves in the fourth quarter, including both Run-off A&E (P&C Other Operations) and

asbestos and environmental reserves included in Commercial Lines and Personal Lines. As part of the evaluation of asbestos and environmental reserves in the fourth quarter of 2022, 2023, the Company reviewed all of its open direct domestic insurance accounts exposed to asbestos and environmental liability, as well as assumed reinsurance accounts.

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2023 comprehensive annual reviews

As a result of the 2023 fourth quarter review, the Company increased asbestos reserves before NICO reinsurance by \$156 in P&C Other Operations, primarily driven by an increase in the Company's share of liability due to insolvencies and cost sharing agreements, an increase in claim settlement rates, as well as higher defense costs. The increase in asbestos reserves was offset by a \$156 reinsurance recoverable under the NICO treaty.

As a result of the 2023 fourth quarter review, the Company increased environmental reserves before NICO reinsurance by \$38 in P&C Other Operations, primarily due to higher severity on recently emerged accounts, higher environmental site cleanup and monitoring costs, including increased estimates of liability for PFAS exposures, and higher legal expenses. The increase in environmental reserves was offset by a \$38 reinsurance recoverable under the NICO treaty.

The total \$194 increase in asbestos and environmental reserves in P&C Other Operations was offset by a \$194 reinsurance recoverable under the NICO treaty. Since cumulative losses ceded to the A&E ADC exceed the \$650 of ceded premium paid, the Company recognized a \$194 increase in deferred gain on retroactive reinsurance, resulting in the Company recording a charge to earnings of \$194 in 2023.

2022 comprehensive annual reviews

As a result of the 2022 fourth quarter review, the Company increased estimated asbestos reserves before NICO reinsurance by \$162, including \$161 in P&C Other Operations, primarily driven by an increase in the Company's share of liability due to insolvencies and cost sharing agreements, an increase in claim settlement rates, and higher claim settlement values and defense costs. The increase in asbestos reserves was offset by a \$162 reinsurance recoverable under the NICO treaty.

As a result of the 2022 fourth quarter review, the Company increased estimated environmental reserves before NICO reinsurance by \$67, including \$68 in P&C Other Operations, primarily due to increased estimates of liability for PFAS exposure, the resolution of one large mining account, higher environmental site cleanup and monitoring costs, and higher legal expenses. The increase in environmental reserves was offset by a \$67 reinsurance recoverable under the NICO treaty.

- **Known Direct Accounts-** includes both Major Asbestos Defendants and Non-Major Accounts, and represent approximately 72% of the Company's total Direct gross asbestos reserves as of December 31, 2022 compared to approximately 71% as of December 31, 2021. Major Asbestos Defendants have been defined as the "Top 70" accounts in Tillinghast's published Tiers 1 and 2 and Wellington accounts, while Non-Major accounts are comprised of all other direct asbestos accounts and largely represent smaller and more peripheral defendants. Major Asbestos Defendants have the fewest number of asbestos accounts.
- **Unallocated Direct Accounts-** includes an estimate of the reserves necessary for asbestos claims related to direct insureds that have not previously tendered asbestos claims to the Company and exposures related to liability claims that may not be subject to an aggregate limit under the applicable policies. These exposures represent approximately 28% of the Company's Direct gross asbestos reserves as of December 31, 2022 compared to approximately 29% as of December 31, 2021.

Review of "All Other" Reserves in Property & Casualty Other Operations

Prior year development on all other reserves resulted in increases of \$30, \$51 \$47 and \$50, \$47, respectively for calendar years 2023, 2022 2021 and 2020, 2021. Included in the 2022 2023 adverse reserve development was an increase in ULAE reserves, and an increase in reserves from reallocating a portion of general liability reserves from Commercial Lines to P&C Other Operations related to sexual molestation and sexual abuse claims. The reallocated reserves relate to excess liability policies written by a legal entity in P&C Other Operations for amounts owed to claimants under the agreement in principle reached with the BSA on sexual molestation and sexual abuse claims in third quarter 2021. In total for the Company, there was no change in the liability for settlement amounts owed on the BSA claims in the 2022 period. The increase in reserves for ULAE was primarily due to an increase in expected aggregate claim handling costs associated with asbestos and environmental claims.

The Company provides an allowance for uncollectible reinsurance, reflecting management's best estimate of reinsurance cessions that may be uncollectible in the future due to reinsurers' unwillingness or inability to pay. In performing its assessment, the Company evaluates the collectibility of the reinsurance recoverables and the adequacy of the allowance for uncollectible reinsurance associated with older, long-term casualty liabilities reported in Property & Casualty Other Operations. In conducting these evaluations, the Company used its most recent detailed evaluations of ceded liabilities reported in the segment. The Company analyzed the overall credit quality of the Company's reinsurers, recent trends in arbitration and litigation outcomes in disputes between cedants and reinsurers, and recent developments in commutation activity between reinsurers and cedants. As of 2023, 2022,

The total \$229 increase in asbestos and environmental reserves in P&C Other Operations was offset by a \$229 reinsurance recoverable under the NICO treaty. Since cumulative losses ceded to the A&E ADC exceed the \$650 of ceded premium paid, the Company recognized a \$229 increase in deferred gain on retroactive reinsurance, resulting in the Company recording a charge to earnings of \$229 in 2022.

2021 comprehensive annual reviews

As a result of the 2021 fourth quarter review, the Company increased estimated asbestos reserves before NICO reinsurance by \$106, including \$104 in P&C Other Operations, primarily due to an increase in claim settlement rates, claim settlement values, and defense costs, which more than offset the impact of a decline in claim filing frequency. Also contributing was an increase in the Company's estimated share of liability under pending or potential cost sharing agreements and settlements. The increase in asbestos reserves was offset by a \$106 reinsurance recoverable under the NICO treaty.

As a result of the 2021 fourth quarter review, the Company increased estimated environmental reserves before NICO reinsurance by \$49, including \$51 in P&C Other Operations, primarily due to the settlement of a large coal ash remediation claim, an increase in legal defense costs and higher site remediation costs. The increase in environmental reserves was offset by a \$49 reinsurance recoverable under the NICO treaty.

The total \$155 increase in asbestos and environmental reserves in P&C Other Operations was offset by a \$155 reinsurance recoverable under the NICO treaty. Since cumulative losses ceded to the A&E ADC exceed the \$650 of ceded premium paid, the Company recognized a \$155 increase in deferred gain on retroactive reinsurance, resulting in the Company recording a charge to earnings of \$155 in 2021.

For information regarding the 2020 2021 comprehensive annual review, refer to Part 2, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in The Hartford's 2021 2022 Form 10-K Annual Report.

Major Categories of Asbestos Accounts

Direct asbestos exposures include both Known and Unallocated Direct Accounts.

2021, and 2020 2021 the allowance for uncollectible reinsurance for Property & Casualty Other Operations totaled \$53, \$56 \$53 and \$60, \$53, respectively. Due to the inherent uncertainties as to collection and the length of time before reinsurance recoverables become due, particularly for older, long-term casualty liabilities, it is possible that future adjustments to the Company's reinsurance recoverables, net of the allowance, could be required.

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IMPACT OF RE-ESTIMATES ON PROPERTY & CASUALTY INSURANCE PRODUCT RESERVES

Estimating property and casualty insurance product reserves uses a variety of methods, assumptions and data elements. Ultimate losses may vary materially from the current estimates. Many factors can contribute to these variations and the need to change the previous estimate of required reserve levels. Prior accident year reserve development is generally due to the emergence of additional facts that were not known or anticipated at the time of the prior reserve estimate and/or due to changes in interpretations of information and trends.

The table below shows the range of annual reserve re-estimates experienced by The Hartford over the past ten years. The range of prior accident year development shown in the table below is net of losses ceded, including losses ceded under two adverse

development cover reinsurance agreements with NICO that are accounted for as a deferred gain on retroactive reinsurance. The amount of prior accident year development (as shown in the reserve rollforward) for a given calendar year is expressed as a percent of the beginning calendar year reserves, net of reinsurance. The ranges presented are significantly influenced by the facts and circumstances of each particular year and by the fact that only the last ten years are included in the range. Accordingly, these percentages are not intended to be a prediction of the range of possible future variability. For further discussion of the potential for variability in recorded loss reserves, see Preferred Reserving Methods by Line of Business and Impact of Key Assumptions on Reserves sections.

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Range of Prior Accident Year Unfavorable (Favorable) Development for the Ten Years Ended December 31, 2022 December 31, 2023

	Commercial Lines	Personal Lines	Property & Casualty Other Operations	Total Property & Casualty [1]
Annual range of prior accident year unfavorable (favorable) development for the ten years ended December 31, 2022 December 31, 2023	(1.3%) - 0.6% 0.4%	(20.5%) - 8.3%	0.9% - 9.8%	(1.9%) -2. 4% - 2.4%

[1]Excluding the reserve increases for asbestos and environmental reserves, over the past ten years, reserve re-estimates for total property and casualty insurance ranged from (1.9%) to 1.0%.

The potential variability of the Company's property and casualty insurance product reserves would normally be expected to vary by segment and the types of loss exposures insured by those segments. Illustrative factors influencing the potential reserve variability for each of the segments are discussed under Critical Accounting Estimates for Property & Casualty Insurance

Product Reserves and Asbestos and Environmental Reserves. See the section entitled Property & Casualty Other Operations, Annual Reserve Reviews about the impact that the A&E ADC retroactive reinsurance agreement with NICO has on net reserve changes of asbestos and environmental reserves.

The following table summarizes the effect of reserve re-estimates, net of reinsurance, on calendar year operations for the ten-year period ended December 31, 2022. The total of each column details the amount of reserve re-estimates made in the indicated calendar year and shows the accident years to which the re-estimates are applicable. The amounts in the total column on the far right represent the cumulative reserve re-estimates during the ten year period ended December 31, 2022 for the indicated accident year in each row. This table does not include Navigators Group reserve re-estimates for periods prior to the acquisition of the business on May 23, 2019.

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Effect of Net Reserve Re-estimates on Calendar Year Operations

	Calendar Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
By Accident Year											
2012 & Prior	\$ 192	\$ 326	\$ 307	\$ 275	\$ 81	\$(41)	\$ 4	\$ 252	\$ 555	\$ 36	1,987
2013		(98)	(43)	(29)	(33)	(2)	(26)	(15)	(35)	(10)	(291)
2014			(14)	20	(19)	(54)	(29)	(28)	(59)	(23)	(206)
2015				191	(41)	(93)	19	(16)	(70)	(23)	(33)

2016					(29)	14	(11)	(38)	(83)	(41)	(188)	
2017						9	(116)	(204)	(111)	(101)	(523)	
2018							78	(307)	(96)	22	(303)	
2019								(92)	(47)	39	(100)	
2020									(101)	(101)	(202)	
2021										9	9	
Increase (decrease) in net reserves [1]		192	228	250	457	(41)	(167)	(81)	(448)	(47)	(193)	150
Change in deferred gain on retroactive reinsurance included in other liabilities									312	246	229	
Total unfavorable (favorable) prior accident year development									\$ (136)	\$ 199	\$ 36	

[1]Increase (decrease) in net reserves by accident year in the above table is net of losses ceded, including losses ceded under two adverse development cover reinsurance agreements with NICO accounted for as a deferred gain on retroactive reinsurance. One agreement covers substantially all A&E reserve development for 2016 and prior accident years (the "A&E ADC") up to an aggregate limit of \$1.5 billion and the other covered substantially all reserve development of Navigators Insurance Company and certain of its affiliates for 2018 and prior accident years ("Navigators ADC") up to an aggregate limit of \$300. For calendar years before 2017, the 2012 and prior accident year development includes adverse development for A&E reserves. For additional information regarding the two adverse development cover reinsurance agreements, refer to Note 11 – Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

The commentary below explains, by accident year, the total prior accident year development recognized over the past 10 years.

Accident year 2012 and Prior

The net increases in estimates of ultimate losses for accident years 2012 and prior were driven mostly by increased reserves for asbestos and environmental reserves, and also by increased estimates for customs bonds, sexual molestation and sexual abuse and other mass torts claims. Also contributing was an increase in commercial automobile liability, offset by favorable development in personal automobile liability.

Accident year 2013

Estimates of ultimate losses were decreased for the 2013 accident year due to favorable frequency and/or medical severity trends for workers' compensation and favorable professional liability claim emergence. Favorable emergence of property lines of business, including catastrophes, for the 2013 accident year, was partially offset by increased reserves in automobile liability due to increased severity of large claims.

Accident years 2014 and 2015

Changes in estimates of ultimate losses for accident years 2014 and 2015 were largely driven by favorable frequency and medical severity trends for workers' compensation, partially offset by unfavorable frequency and severity trends for personal and commercial automobile liability and increased severity of liability claims on package business.

Accident year 2016

Estimates of ultimate losses were decreased for the 2016 accident year largely due to reserve decreases on workers' compensation, bond and personal automobile liability due to lower estimated severity, partially offset by unfavorable reserve

estimates for higher hazard general liability exposures due to increased frequency and severity trends, higher estimated severity in middle & large commercial and on the acquired Navigators Group book of business related to U.S. construction, premises liability, products liability and excess casualty.

Accident year 2017

Ultimate loss estimates were decreased for the 2017 accident year mainly due to release of reserves related to catastrophes, lower reserve estimates in personal automobile liability due to emergence of lower estimated severity and lower reserve estimates for workers' compensation related to lower than previously estimated claim severity, partially offset by increases in estimates of ultimate losses in general liability and bond. Partially offsetting was an increase to general liability reserves that was related to high hazard exposures which experienced increased frequency and severity trends.

Accident year 2018

Ultimate loss estimates were decreased for the 2018 accident year mainly due to reduction in estimated catastrophe reserves for California wildfires and for various wind and hail events. Reserve estimates were also reduced, to a lesser extent, for personal automobile liability and workers' compensation which decreased due to lower than previously expected claim severity. These reserve decreases were partially offset by increases in commercial automobile liability and general liability. Commercial automobile liability reserve increases were related to higher estimated severity on middle & large commercial claims. Increases in general liability reserves for middle market and complex liability claims were also largely due to higher than previously expected severity.

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Accident year 2019

Ultimate loss estimates were decreased for the 2019 accident year mainly due to favorable emergence of property lines of business, primarily related to catastrophes. In addition, reduced reserve estimates for personal automobile liability were largely offset by higher reserve estimates for commercial automobile liability.

Accident year 2020

Ultimate loss estimates were decreased for the 2020 accident year mainly due to favorable emergence of property lines of

business, inclusive of catastrophes. Reserve estimates were also reduced, to a lesser extent, for personal automobile liability due to lower estimated severity and for professional liability.

Accident year 2021

There were no significant changes in ultimate loss estimates.

GROUP BENEFIT LTD RESERVES, NET OF REINSURANCE

The Company establishes reserves for group life and accident & health contracts, including long-term disability coverage, for both reported claims and claims related to insured events that the Company estimates have been incurred but have not yet been reported. As long-term disability reserves are long-tail claim liabilities, they are discounted because the payment pattern and the ultimate costs are reasonably fixed and determinable on an individual claim basis. The Company held \$6,535 \$6,619 and \$6,437 \$6,535 of LTD unpaid losses and loss adjustment expenses, net of reinsurance, as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Reserving Methodology

How Reserves are Set - A Disabled Life Reserve ("DLR") is calculated for each LTD claim. The DLR for each claim is the expected present value of all future benefit payments starting with the known monthly gross benefit which is reduced for estimates of the expected claim recovery due to return to work or claimant death, offsets from other income including offsets from Social Security benefits, and discounting where the discount rate is tied to expected investment yield at the time the claim is incurred. Estimated future benefit payments represent the monthly income benefit that is paid until recovery, death or expiration of benefits. Claim recoveries are estimated based on claim characteristics such as age and diagnosis and represent an estimate of benefits that will terminate, generally as a result of the claimant returning to work or being deemed able to return to work. For claims recently closed due to recovery, a portion of the DLR is retained for the possibility that the claim reopens upon further evidence of disability. In addition, a reserve for estimated unpaid claim expenses is included in the DLR.

The DLR also includes a liability for potential payments to pending claimants beyond the elimination period who have not yet been approved for LTD. In these cases, the present value of future benefits is reduced for the likelihood of claim denial based on Company experience.

Estimates for IBNR claims are made by applying completion factors to expected emerged experience by line of business. Included within IBNR are bulk reserves for claims reported but still within the waiting period until benefits are paid, typically 3 or 6 months depending on the contract. Completion factors are

For all products, including LTD, there is a period generally ranging from two to twelve months, depending on the product and line of business, where emerged claims for an incurral year are not yet credible enough to be a basis for estimating reserves. In these cases, the ultimate loss is estimated using earned premium multiplied by an expected loss ratio based on pricing assumptions of claim incidence, claim severity, and earned pricing, pricing adjusted for emerging trends as needed.

Impact of Key Assumptions on Reserves

The key assumptions affecting long-term disability, which is the largest reserve within Group Benefits, include:

Discount Rate - The discount rate is the interest rate at which expected future claim cash flows are discounted to determine the present value. A higher selected discount rate results in a lower reserve. If the discount rate is higher than our future investment returns, our invested assets will not earn enough investment income to cover the discount accretion on our claim reserves which would negatively affect our profits. For each incurral year, the discount rates are estimated based on investment yields expected to be earned net of investment expenses. The incurral year is the year in which the claim is incurred and the estimated settlement pattern is determined. Once established, discount rates for each incurral year are unchanged except that LTD reserves assumed from the acquisition of Aetna's U.S. group life and disability business are all discounted using rates as of the November 1, 2017 acquisition date. The weighted average discount rate on LTD reserves was 3.2% and 3.3% 3.2% in 2022 2023 and 2021, 2022, respectively. Had the discount rate for each incurral year been 10 basis points lower at the time they were established, our LTD unpaid

derived from standard actuarial techniques using triangles that display historical claim count emergence by incurral month. These estimates are reviewed for reasonableness and are adjusted for current trends and other factors expected to cause a change in claim emergence. The reserves include an estimate of unpaid claim expenses, including a provision for the cost of initial set-up of the claim once reported.

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loss and loss adjustment expense reserves would be higher by \$28, \$30, before tax, as of December 31, 2022 December 31, 2023.

Claim Termination Rates (inclusive of mortality, recoveries, and expiration of benefits)

- Claim termination rates are an estimate of the rate at which claimants will cease receiving benefits during a given calendar year. Terminations result from a number of factors, including death, recoveries and expiration of benefits. The probability that benefits will terminate in each future month for each claim is estimated using a predictive model that uses past Company experience, contract provisions, job characteristics and other claimant-specific characteristics such as diagnosis, time since disability began, and age. Actual claim termination experience will vary from period to period. Over the past 10 years, claim

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termination rates for a single incurral year have generally increased and have ranged from 7% 4% below to 6% 13% above current assumptions over that time period. For a single recent incurral year (such as 2022 2023), a one percent decrease in our assumption for LTD claim termination rates would increase our reserves by \$11. \$13. For all incurral years combined, as of December 31, 2022,

December 31, 2023, a one percent decrease in our assumption for our LTD claim termination rates would increase our Group Benefits unpaid losses and loss adjustment expense reserves by \$25. \$27.

Impact of COVID-19 on 2022 Results of Operations

Within Group Benefits, the Company experienced excess mortality in its group life business of \$160 in 2022, primarily caused by direct and indirect impacts of COVID-19. Within the group disability business, in 2022 the Company recognized \$12 of COVID-19 related losses from short-term disability claims.

Current Trends Contributing to Reserve Uncertainty

While we have not seen a significant change in claim recovery patterns to date due to COVID-19, we We have observed delays in the Social Security Administration's processing of disability claims. Other potential pandemic-related risks, such as delays in medical care claims, which reduces or return-to-work and slows down the emerging risk recognition of long-COVID symptoms are being monitored. Also, if offsets to claimant benefits. If we have a downturn in the economy and/or in employment levels, we could experience an increase in claim incidence on long-term disability claims.

By investing in fixed income securities of similar duration to our liabilities, we hedge our interest rate exposure over a three year period at the time we price and sell long-term disability policies given average three year rate guarantees. Our weighted average discount rate assumption for the 2022 2023 incurral year is down up from that of the 2021 2022 incurral year.

EVALUATION OF GOODWILL FOR IMPAIRMENT

Goodwill balances are reviewed for impairment at least annually, or more frequently if events occur or circumstances change that would indicate that a triggering event for a potential impairment has occurred. The recognition and measurement of goodwill impairment is based on the excess of the carrying value of the reporting unit over its estimated fair value, up to the amount of the reporting unit's goodwill.

The estimated fair value of each reporting unit incorporates multiple inputs into discounted cash flow calculations including assumptions that market participants would make in valuing the reporting unit. Assumptions include levels of economic capital, future business growth, earnings projections, assets under management for Hartford Funds and the weighted average cost of capital used for purposes of discounting. Decreases in business growth, decreases in earnings projections and

increases in the weighted average cost of capital will all cause a reporting unit's fair value to decrease, increasing the possibility of impairment.

A reporting unit is defined as an operating segment or one level below an operating segment. The Company's reporting units for which goodwill has been allocated consist of Commercial Lines, Personal Lines, Group Benefits and Hartford Funds.

The annual goodwill assessment for the reporting units was completed as of October 31, 2022 October 31, 2023, and resulted in no write-downs of goodwill for the year ended December 31, 2022 December 31, 2023. All reporting units passed the annual impairment test with a significant margin. For information on goodwill see Note 10 - Goodwill & Other Intangible Assets of Notes to Consolidated Financial Statements.

VALUATION OF INVESTMENTS AND DERIVATIVE INSTRUMENTS

Fixed Maturities, Equity Securities, Short-term Investments, and Derivatives

The Company generally determines fair values using valuation techniques that use prices, rates, and other relevant information evident from market transactions involving identical or similar instruments. Valuation techniques also include, where appropriate, estimates of future cash flows that are converted into a single discounted amount using current market expectations. The Company uses a "waterfall" approach comprised of the following pricing sources which are listed in priority order: quoted prices, prices from third-party pricing services, internal matrix pricing, and independent broker quotes. The fair values of derivative instruments are determined primarily using a discounted cash flow model or option model technique and incorporate counterparty credit risk. In some cases, quoted market prices for exchange-traded transactions and transactions cleared through central clearing houses ("OTC-cleared") may be used and in other cases independent

Fixed Maturities, Equity Securities, Short-term Investments and Derivatives section in Note 4 - Fair Value Measurements of Notes to Consolidated Financial Statements.

Evaluation of Credit Losses on Fixed Maturities, AFS and ACL on Mortgage Loans

Each quarter, a committee of investment and accounting professionals evaluates investments to determine if a credit loss is present for fixed maturities, AFS or an ACL is required for mortgage loans. This evaluation is a quantitative and qualitative process, which is subject to risks and uncertainties. For further discussion of the accounting policies, see the Significant Investment Accounting Policies Section in Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements. For a discussion of credit losses recorded, see the Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments and ACL on Mortgage Loans sections within the Investment Portfolio Risks and Risk Management section of the MD&A.

broker quotes may be used. For further discussion, see the

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sections within the Investment Portfolio Risks and Risk Management section of the MD&A.

CONTINGENCIES RELATING TO CORPORATE LITIGATION AND REGULATORY MATTERS

Management evaluates each contingent matter separately. A loss is recorded if probable and reasonably estimable. Management establishes reserves for these contingencies at its "best estimate," or, if no one number within the range of possible losses is more probable than any other, the Company records an estimated reserve at the low end of the range of losses.

The Company has a quarterly monitoring process involving legal and accounting professionals. Legal personnel first identify outstanding corporate litigation and regulatory matters posing a reasonable possibility of loss. These matters are then jointly reviewed by accounting and legal personnel to evaluate the facts and changes since the last review in order to determine if a provision for loss should be recorded or adjusted, the amount that should be recorded, and the appropriate disclosure. The outcomes of certain contingencies currently being evaluated by

the Company, which relate to corporate litigation and regulatory matters, are inherently difficult to predict, and the reserves that have been established for the estimated settlement amounts are subject to significant changes. Management expects that the ultimate liability, if any, with respect to such lawsuits, after consideration of provisions made for estimated losses, will not be material to the consolidated financial condition of the Company. In view of the uncertainties regarding the outcome of these matters, as well as the tax-deductibility of payments, it is possible that the ultimate cost to the Company of these matters could exceed the reserve by an amount that would have a material adverse effect on the Company's consolidated results of operations and or liquidity in a particular quarterly or annual period.

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SEGMENT OPERATING SUMMARIES

COMMERCIAL LINES - RESULTS OF OPERATIONS

Underwriting Summary

			Increase (Decrease) From 2021	Increase (Decrease) From 2020
2022	2021	2020	to 2022	to 2021

																Increase (Decrease) From 2022	Increase (Decrease) From 2021
2023							2023					2022	2021	to 2023	to 2022		
Written premiums	Written premiums	\$11,158	\$10,041	\$8,969	11 %	12 %	Written premiums	\$12,279	\$	11,158	\$	10,041	10	10 %	11 %		
Change in unearned premium reserve	Change in unearned premium reserve	587	500	59	17 %	NM	Change in unearned premium reserve	638	587	587	500	500	9	9 %	17 %		
Earned premiums	Earned premiums	10,571	9,541	8,910	11 %	7 %	Earned premiums	11,641	10,571	10,571	9,541	9,541	10	10 %	11 %		
Fee income	Fee income	39	34	30	15 %	13 %	Fee income	41	39	39	34	34	5	5 %	15 %		
Losses and loss adjustment expenses	Losses and loss adjustment expenses																
Current accident year before catastrophes																	
Current accident year before catastrophes																	
Current accident year before catastrophes	Current accident year before catastrophes	5,959	5,407	5,488	10 %	(1 %)		6,575	5,959	5,959		5,407	5,407	10	10 %	10 %	
Current accident year catastrophes [1]	Current accident year catastrophes [1]	441	496	397	(11 %)	25 %	Current accident year catastrophes [1]	436	441	441	496	496	(1	(1 %)	(11 %)		
Prior accident year development [1]	Prior accident year development [1]	(231)	141	44		NM	Prior accident year development [1]	(225)	(231)	(231)	141	141	3	3 %	NM		
Total losses and loss adjustment expenses	Total losses and loss adjustment expenses	6,169	6,044	5,929	2 %	2 %	Total losses and loss adjustment expenses	6,786	6,169	6,169	6,044	6,044	10	10 %	2 %		
Amortization of DAC	Amortization of DAC	1,563	1,398	1,397	12 %	— %	Amortization of DAC	1,779	1,563	1,563	1,398	1,398	14	14 %	12 %		
Underwriting expenses	Underwriting expenses	1,788	1,678	1,594	7 %	5 %	Underwriting expenses	1,837	1,788	1,788	1,678	1,678	3	3 %	7 %		
Amortization of other intangible assets	Amortization of other intangible assets	29	29	28	— %	4 %	Amortization of other intangible assets	29	29	29	29	29	—	— %	— %		
Dividends to policyholders	Dividends to policyholders	29	24	29	21 %	(17 %)	Dividends to policyholders	39	29	29	24	24	34	34 %	21 %		
Underwriting gain (loss)		1,032	402	(37)	157 %	NM											
Underwriting gain							1,212		1,032		402		17 %		157 %		
Net investment income [2]																	
Net investment income [2]																	
Net investment income [2]	Net investment income [2]	1,415	1,502	1,160	(6 %)	29 %		1,532	1,415	1,415	1,502	1,502	8	8 %	(6 %)		

[1]For additional information on current accident year catastrophes and prior accident year development, see MD&A - Critical Accounting Estimates, Property and Casualty Insurance Product Reserves Development, Net of Reinsurance and Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

[2]For discussion of consolidated investment results, see MD&A - Investment Results.

[3]Includes integration costs in connection with the 2019 acquisition of Navigators Group.

[4]For discussion of income taxes, see Note 16 17 - Income Taxes of Notes to Consolidated Financial Statements.

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		2022	2021	2020						
2023					202320222021					
Small Commercial:	Small Commercial:									
Net new business premium	Net new business premium	\$ 768	\$ 673	\$ 557						
Policy count retention [1]		86 %	84 %	83 %						
Net new business premium										
Net new business premium										
Policy count retention										
Renewal written price increases										
Renewal written price increases										
Renewal written price increases	Renewal written price increases	3.8 %	3.2 %	2.0 %						
Renewal earned price increases	Renewal earned price increases	3.4 %	2.6 %	2.1 %						

[3] 2) Excludes Global Re and Continental Europe Operations and is before ceded reinsurance.

[4] 3) Excludes Global Re, offshore energy policies, credit and political risk insurance policies, political violence and terrorism ("PV&T") policies, and any business under which the managing agent of our Lloyd's Syndicate delegates underwriting authority to coverholders and other third parties.

Underwriting Ratios

					Increase (Decrease) From 2021	Increase (Decrease) From 2020			
		2022	2021	2020	to 2022	to 2021			
2023					2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Loss and loss adjustment expense ratio	Loss and loss adjustment expense ratio								
Current accident year before catastrophes									
Current accident year before catastrophes									
Current accident year before catastrophes	Current accident year before catastrophes	56.4	56.7	61.6	(0.3)	(4.9)			
Current accident year catastrophes	Current accident year catastrophes	4.2	5.2	4.5	(1.0)	0.7			
Prior accident year development	Prior accident year development	(2.2)	1.5	0.5	(3.7)	1.0			
Total loss and loss adjustment expense ratio	Total loss and loss adjustment expense ratio	58.4	63.3	66.5	(4.9)	(3.2)			
Expense ratio	Expense ratio	31.6	32.2	33.5	(0.6)	(1.3)			
Policyholder dividend ratio	Policyholder dividend ratio	0.3	0.3	0.3	—	—			
Combined ratio	Combined ratio	90.2	95.8	100.4	(5.6)	(4.6)			
Impact of current accident year catastrophes and prior year development	Impact of current accident year catastrophes and prior year development	(2.0)	(6.7)	(5.0)	4.7	(1.7)			
Underlying combined ratio	Underlying combined ratio	88.3	89.1	95.5	(0.8)	(6.4)			
Underlying combined ratio									
Underlying combined ratio									

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Net Income

1283

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Net income decreased increased primarily due to a change from net realized gains to lower net realized losses, and lower net investment income, partially offset by a higher underwriting gain, gain and higher net investment income. For further discussion of investment results, see MD&A - Investment Results.

Underwriting (Loss) Gain

1575

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Underwriting gain increased with the improvement primarily due to driven by the effect of earned premium growth a change from unfavorable prior accident year development in 2021 to favorable prior accident year development in 2022, and slightly lower current accident year catastrophes, partially offset by an increase in underwriting expenses. slightly lower favorable prior accident year development.

Underwriting expenses increased in 2022 due to higher staffing and performance-based commissions, investments in technology, and a decrease in the allowance for credit losses on premiums receivable in the 2021 period, partially offset by incremental savings from Hartford Next initiatives.

Expense ratio decreased in 2022 2023 driven by the impact of

Earned Premiums

2598

[1] Other of \$43, \$43 \$46 and \$46 \$52 for 2020, 2021, 2022 and 2022, 2023, respectively, is included in the total.

Written Premiums

2700

[1] Other written premiums of \$41, \$43, \$46 and \$46 \$52 for the year ended December 31, 2020 December 31, 2021, 2021 2022 and 2022, 2023, respectively, is included in the total.

Year ended December 31, 2023 compared to the year ended December 31, 2022

Earned premiums increased in 2023 due to written premium increases over the prior twelve months, including the effect of higher insured exposures.

higher earned premium, lower incentive compensation and incremental savings from the Hartford Next program, partially offset by investments in technology and higher underwriter staffing costs and performance-based commissions and the impact of a decrease in the allowance for credit losses on premiums receivable recognized in 2021. costs.

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Year ended December 31, 2022 compared to the year ended December 31, 2021

Current Accident Year Loss and LAE Ratio before Catastrophes

5071

Earned premiums increased in 2022 due to written premium increases over the prior 12 months including higher premiums from audits and endorsements, principally in workers' compensation due to an increasing exposure base from higher payrolls.

Written premiums increased in 2022 2023 driven by growth across small commercial, middle & large commercial and global specialty.

- Small commercial written premium increased in 2022 2023 driven by exposure growth from higher audit and endorsement premium, double-digit new business growth, higher policy count retention, and renewal written price increases in all lines, and higher insured exposures. Written premium grew in all lines of business, with the most significant growth in including package business, workers' compensation, auto and workers' compensation, excess and surplus lines.
- Middle & large commercial written premium increased in 2022 2023 driven by double-digit new business growth, renewal written price increases in all lines higher audit and endorsement premium and higher policy count retention. insured exposures. Written premium grew in nearly all lines across general industries, specialty markets, large property and industry verticals and specialty markets, verticals.
- Global specialty written premium increased in 2022 2023 driven by written price increases and higher retention, partially offset by a decline across almost all lines as well as an increase in gross new business. Written premium premiums grew in all across most U.S. lines, except international with the most significant growth in lines, and global reinsurance, wholesale and financial lines, reinsurance.

Renewal written price increases were recognized in nearly all lines in 2022, 2023, with moderating price increases across most lines in global specialty, other than director's and officer's.

- In small commercial, renewal written price increases were modestly higher in 2022, 2023, with mid-single high-single digit price increases in package business and automobile, automobile and double-digit increases in excess and surplus lines. Workers' compensation pricing was slightly positive, in but moderated from 2022 due to the effect of rising wages largely offset by lower rates, net rates and wage inflation.
- In middle market, the Company recognized mid-to-high high single-digit to low double-digit price increases in most lines other than workers' compensation, which experienced low single-digit written price increases as was slightly positive due to the effect of higher wages more than wage inflation largely offset by lower net rates.
- In global specialty, price increases continued to moderate from prior year levels and we achieved low-to-mid low single-digit renewal written price increases overall, with the highest increases in property, marine and professional liability, casualty lines.

Year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022

Current Accident Year Loss and LAE ratio before catastrophes

decreased increased slightly primarily due to lower in 2023 as a higher loss ratios ratio in global specialty lines and lower COVID-19 incurred losses, largely workers' compensation was offset by higher lower net non-catastrophe property losses in both small commercial and driven by middle market, & large commercial.

There were no current accident year COVID-19 incurred losses in the year ended December 31, 2022 compared to \$31 of COVID-19 incurred losses in 2021, including \$20 in workers' compensation and \$11 in financial and other lines.

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Catastrophes and Unfavorable (Favorable) Prior Accident Year Development

 5696

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Current accident year catastrophe losses for 2023 included losses from tornado, wind and hail events across several regions of the United States, and losses from winter storms along the East and West coasts.

Current accident year catastrophe losses for 2022 included losses for Hurricane Ian, tornado, wind and hail events primarily in the Midwest, South, Mountain West and Great Plains, losses from winter storms, including Winter Storm Elliott, and \$27 of losses, net of reinsurance, related to the Ukraine conflict.

Current accident year catastrophe losses for 2021 included losses from tornado, wind and hail events, mostly concentrated in the Midwest, Texas and Southeast as well as Hurricane Ida, and February winter storms primarily in the South.

Prior accident year development was net favorable for 2023 and included reserve decreases for workers' compensation, catastrophes, bond and package business, partially offset by reserve increases for general liability, assumed reinsurance and automobile liability.

Prior accident year development was net favorable for 2022 and included reserve decreases for workers' compensation, catastrophes, package business and bond, partially offset by reserve increases for automobile liability.

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reserves for sexual molestation and sexual abuse claims from Commercial Lines to P&C Other Operations. The reallocated reserves relate to excess liability policies written by a legal entity in P&C Other Operations for amounts owed to claimants under the agreement in principle reached with the BSA on sexual molestation and sexual abuse claims in third quarter 2021. In total for the Company, there was no change in 2022 in the liability for settlement amounts owed on the BSA claims.

Net unfavorable reserve development in 2021 included an increase in general liability that included a reserve increase related to the settlement with Boy Scouts of America on sexual molestation and sexual abuse claims, largely offset by reserve decreases for workers' compensation, package business, catastrophes, commercial property and bond.

Prior accident year development in 2021 included reserve increases related to Navigators Group on 2018 and prior accident years that was economically ceded to NICO but for which the benefit was not recognized in earnings as it has been recorded as a deferred gain on retroactive reinsurance.

2023 2024 Outlook

The In 2024, the Company expects Commercial Lines written premiums premium growth to arise from new business, including from expanding addressable markets and distribution, maintaining steady retention, and

property results.

general liability and assumed reinsurance. In 2022, an increase in reserves for general liability related to excess casualty and primary construction was largely offset by a reallocation of a portion of

increases in 2023 to be higher than written premiums pricing in 2022, with growth across the segment.

In 2023, management nearly all lines of business. Management expects mid-single digit renewal written pricing in lines other than workers' compensation and financial lines with increases, excluding workers' compensation, to be consistent with 2023, while workers' compensation pricing is expected to be flat to slightly negative. Written pricing increases in 2023 are 2024 may be driven by a number of factors affecting loss costs including the effects impact of materials, labor and social inflation higher reinsurance costs and on loss trends. While we anticipate slight, pricing-related headwinds in workers' compensation margins in 2024, we expect to generate earned pricing in excess of loss trends on the cost remainder of materials and labor for repairs.

The Company expects the Commercial Lines combined ratio will be 90.5 to 92.5 in 2023, compared to 90.2 in 2022, primarily due book, but remain subject to the effect of prior accident year reserve decreases inherent volatility in 2022, partially offset by lower current accident year catastrophe losses assumed for 2023 and a lower expense ratio. We expect overall earned pricing to keep pace with loss trends, while the expense ratio is expected to improve slightly driven by higher earned premium. The underlying combined ratio is expected to be 87.0 to 89.0 in 2023 compared to 88.3 in 2022.

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PERSONAL LINES - RESULTS OF OPERATIONS

Underwriting Summary

					Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021														
																	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022		
2023							2023										2022	2021	to 2023	to 2022
Written premiums	Written premiums	\$2,961	\$2,908	\$2,936	2 %	(1 %)	Written premiums	\$ 3,198	\$ 2,961	\$ 2,908	8	8 %	2 %							
Change in unearned premium reserve	Change in unearned premium reserve	12	(46)	(72)	126 %	36 %	Change in unearned premium reserve	111	12	12	(46)	(46)	NM	NM						
Earned premiums	Earned premiums	2,949	2,954	3,008	— %	(2 %)	Earned premiums	3,087	2,949	2,949	2,954	2,954	5	5 %	— %					
Fee income	Fee income	30	32	34	(6 %)	(6 %)	Fee income	30	30	30	32	32	—	— %	(6 %)					
Losses and loss adjustment expenses	Losses and loss adjustment expenses																			
Current accident year before catastrophes																				
Current accident year before catastrophes																				
Current accident year before catastrophes	Current accident year before catastrophes	1,969	1,840	1,695	7 %	9 %	2,287	1,969	1,969	1,840	1,840	16	16 %	7 %						
Current accident year catastrophes [1]	Current accident year catastrophes [1]	208	168	209	24 %	(20 %)	Current accident year catastrophes [1]	240	208	208	168	168	15	15 %	24 %					
Prior accident year development [1]	Prior accident year development [1]	(13)	(144)	(438)	91 %	67 %	Prior accident year development [1]	11	(13)	(13)	(144)	(144)	NM	NM	91 %					
Total losses and loss adjustment expenses	Total losses and loss adjustment expenses	2,164	1,864	1,466	16 %	27 %	Total losses and loss adjustment expenses	2,538	2,164	2,164	1,864	1,864	17	17 %	16 %					
Amortization of DAC	Amortization of DAC	228	230	244	(1 %)	(6 %)	Amortization of DAC	231	228	228	230	230	1	1 %	(1 %)					
Underwriting expenses	Underwriting expenses	594	615	591	(3 %)	4 %	Underwriting expenses	576	594	594	615	615	(3)	(3 %)	(3 %)					
Amortization of other intangible assets	Amortization of other intangible assets	2	2	4	— %	(50 %)	Amortization of other intangible assets	2	2	2	2	2	—	— %	— %					
Underwriting gain (loss)	Underwriting gain (loss)	(9)	275	737	(103 %)	(63 %)	Underwriting gain (loss)	(230)	(9)	(9)	275	275	NM	NM						
Net investment income [2]	Net investment income [2]	140	157	157	(11 %)	— %														
Net investment income [2]							171	140			157			22 % (11 %)						
Net realized gains (losses) [2]	Net realized gains (losses) [2]	(35)	29	(5)	NM		Net realized gains (losses) [2]	(16)	(35)	(35)	29	29	54	54 %	NM					
Net servicing and other income (expense) [3]	Net servicing and other income (expense) [3]	17	19	13	(11 %)	46 %	Net servicing and other income (expense) [3]	21	17	17	19	19	24	24 %	(11 %)					

Policy count retention [1]			
Automobile	85 %	84 %	84 %
Homeowners	84 %	84 %	85 %
Effective policy count retention [1]			
Automobile	84 %	86 %	85 %
Homeowners	84 %	85 %	85 %
Renewal written price increase			
Automobile	16.3 %	4.5 %	2.2 %
Homeowners	14.2 %	10.7 %	8.5 %
Renewal earned price increase			
Automobile	10.5 %	3.2 %	2.0 %
Homeowners	12.9 %	8.9 %	8.1 %

[1] Policy count retention represents the number of renewal policies issued during the current year period divided by the new and renewal policies issued in the prior period. Effective policy count retention represents the number of policies expected to renew in the current year period, based on contract effective dates, divided by the new and renewal policies effective in the prior period.

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Premium Measures

	2022	2021	2020
Policies in-force end of period (in thousands)			
Automobile	1,323	1,317	1,369
Homeowners	740	773	826
New business written premium			
Automobile	\$ 227	\$ 219	\$ 223
Homeowners	\$ 74	\$ 60	\$ 63
Policy count retention [1]			
Automobile	84 %	84 %	84 %
Homeowners	84 %	85 %	84 %
Renewal written price increase			
Automobile	4.5 %	2.2 %	2.4 %
Homeowners	10.7 %	8.5 %	6.4 %
Renewal earned price increase			
Automobile	3.2 %	2.1 %	3.4 %
Homeowners	8.9 %	8.1 %	5.7 %

[1] Policy count retention represents the ratio of the number of renewal policies issued during the current year period divided by the number of policies issued in the previous calendar period before considering policies cancelled subsequent to renewal.

Underwriting Ratios

		Increase (Decrease)	Increase (Decrease)					
		From 2021	From 2020					
		2022	2021	2020	to 2022	to 2021		
2023		2023	2022	2021	Increase (Decrease) From 2022 to 2023		Increase (Decrease) From 2021 to 2022	
Loss and loss adjustment expense ratio	Loss and loss adjustment expense ratio							
Current accident year before catastrophes								
Current accident year before catastrophes								

Current accident year before catastrophes	Current accident year before catastrophes	66.8	62.3	56.3	4.5	6.0
Current accident year catastrophes	Current accident year catastrophes	7.1	5.7	6.9	1.4	(1.2)
Prior accident year development	Prior accident year development	(0.4)	(4.9)	(14.6)	4.5	9.7
Total loss and loss adjustment expense ratio	Total loss and loss adjustment expense ratio	73.4	63.1	48.7	10.3	14.4
Expense ratio	Expense ratio	26.9	27.6	26.8	(0.7)	0.8
Combined ratio	Combined ratio	100.3	90.7	75.5	9.6	15.2
Impact of current accident year catastrophes and prior year development	Impact of current accident year catastrophes and prior year development	(6.7)	(0.8)	7.7	(5.9)	(8.5)
Underlying combined ratio	Underlying combined ratio	93.7	89.9	83.1	3.8	6.8

Product Combined Ratios

					Increase (Decrease) From 2021	Increase (Decrease) From 2020									
					2022	2021	2020	to 2022	to 2021						
2023							2023	2022	2021	Increase (Decrease) From 2022 to 2023			Increase (Decrease) From 2021 to 2022		
Automobile	Automobile														
Combined ratio															
Combined ratio															
Combined ratio	Combined ratio	104.1	92.9	85.5			11.2		7.4						
Underlying combined ratio	Underlying combined ratio	101.3	95.9	88.0			5.4		7.9						
Homeowners	Homeowners														
Combined ratio	Combined ratio	92.2	86.8	54.2			5.4		32.6						
Combined ratio															
Combined ratio															
Underlying combined ratio	Underlying combined ratio	77.0	76.5	72.5			0.5		4.0						

Net Income (Loss)



Year ended December 31, 2023 compared to the year ended December 31, 2022

Net loss changed from net income in 2022, largely driven by an increase in the underwriting loss, partially offset by an increase in net investment income and a decrease in net realized losses.

Underwriting Gain (Loss)

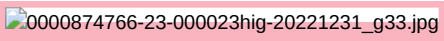


Year ended December 31, 2023 compared to the year ended December 31, 2022

Underwriting loss increased in 2023, driven by higher current accident year losses before catastrophes, an increase in current accident year catastrophe losses and a change from favorable to unfavorable prior accident year development, partially offset by the effect of an increase in earned premium due to renewal written price increases, and a decrease in direct marketing costs.

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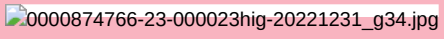
Net Income



Year ended December 31, 2022 compared to the year ended December 31, 2021

Net income Expense ratio decreased in 2022, largely driven by a change from underwriting gain to an underwriting loss, a change from net realized gains to net realized losses, and a decrease in net investment income.

Underwriting Gain (Loss)



Year ended December 31, 2022 compared to the year ended December 31, 2021

Underwriting gain (loss) changed from a gain to a loss in 2022, 2023 primarily due to higher current accident year loss lower direct marketing costs, before catastrophes in automobile, a decrease in net favorable prior accident year reserve development and to a lesser extent, an increase in current accident year catastrophe losses the impact of higher earned premium and higher current accident year loss costs before catastrophes in homeowners.

Underwriting expenses and the expense ratio decreased in 2022 as lower direct marketing costs and incremental cost savings from the Hartford Next initiative were partially offset by higher technology and operations staffing costs.

savings.

Earned Premiums



Year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022

Earned premiums were down slightly increased in 2022 2023 due to the effect of a decline an increase in written premium over the prior twelve months across in both Agency channels due to non-renewals exceeding new business, primarily automobile and in automobile, largely offset by an increase in AARP direct homeowners.

Written Premiums



Written premiums increased in automobile in 2022 2023 due to an increase in new business and the effect of written pricing increases. Written premiums increased in homeowners in 2022 primarily due to an increase in new business and the effect of written pricing increases in both automobile and homeowners, partially offset by slightly lower policy count retention, non-renewals.

Renewal written pricing increases were higher for both automobile and homeowners in 2022 2023 primarily in response to recent higher loss cost trends as well as higher insured values in homeowners.

Policy count retention for slightly increased in automobile, and was flat in 2022 while, stable for homeowners in 2023.

Effective policy count retention was down partly due decreased both for automobile and for homeowners in 2023 in response to policyholder response to renewal written pricing increases.

Policies in-force increased slightly in 2022 as of the end of 2023 decreased for both automobile and for homeowners compared to the end of 2021 2022, reflecting the level of new business in relation to non-renewed policies.

Current Accident Year Loss and Loss Adjustment Expense Ratio before Catastrophes



Year ended December 31, 2023 compared to the year ended December 31, 2022

Current accident year loss and LAE ratio before catastrophes increased in both automobile and homeowners in 2023. The increase in automobile was primarily due to an increase in new automobile liability and physical damage claim severity, as well as a higher level of frequency in the current period due to driving continuing to return to more normalized levels, partially offset by the impact of earned pricing increases. The automobile severity increases include the inflationary effects on bodily injury claims and automobile parts and repairs. For homeowners, the increase in the current accident year loss and LAE ratio before catastrophes was due to an increase in severity for both weather and non-weather claims, partially offset by earned pricing increases. Contributing to the increase in homeowners severity was the effect of higher rebuilding costs due to inflation.

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business, and decreased for homeowners reflecting the level of new business in relation to non-renewed policies.

Current Accident Year Loss and Loss Adjustment Expense Ratio before Catastrophes

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Year ended December 31, 2022 compared to the year ended December 31, 2021

Current accident year loss and LAE ratio before catastrophes increased in both automobile and homeowners in 2022. The increase in automobile was due to an increase in automobile liability claim frequency and severity and higher physical damage claim severity due to inflationary effects on parts and repairs, partially offset by earned pricing increases. For homeowners, the increase in the current accident year loss and LAE ratio before catastrophes was due to an increase in homeowners' severity that was partially offset by earned pricing increases and lower frequency of both weather and non-weather claims. Contributing to the increase in homeowners severity was the effect of higher rebuilding costs due to inflation and a greater proportion of non-weather claims, which have higher average severity.

Year ended December 31, 2022 compared to the year ended December 31, 2021

Current accident year catastrophe losses increased in 2022 compared to the prior year. Current accident year catastrophe losses for 2023 included tornado, wind and hail events across several regions of the United States, losses from winter storms primarily on the East and West coasts, and to a lesser extent, wildfire events and hurricanes and tropical storms. Current accident year catastrophe losses for 2022 included losses for Hurricane Ian as well as wind and hail events primarily in the Northern Plains, Midwest, South and Mountain West, and losses from winter storms. Current accident year catastrophe losses for 2021 included losses from Hurricane Ida, tropical storms, California wildfires, and February winter storms as well as losses largely from tornado, wind and hail events, mostly concentrated in Texas, the Southeast, Midwest and Mountain West.

Prior accident year development was less favorable in 2022, with lower reserve reductions for automobile liability and catastrophes. Net favorable prior accident year development in the 2022 period was 2023, primarily driven by automobile liability, physical damage, partially offset by decreases in reserves related to homeowners and catastrophes. Prior accident year development was favorable for 2021, with a reduction in personal automobile liability and a decrease in catastrophe reserves, 2022, primarily driven by reductions automobile liability.

2024 Outlook

In 2024, the Company expects written premium growth largely from strong renewal written pricing increases. Retention is expected to moderate while growth in estimates new business will be driven by increased marketing spend and the continued roll out of our new Prevail automobile and homeowners' product which is available in 39 states as of December 31, 2023, with additional states expected during the year. We expect 2024 annual written pricing in both automobile and homeowners' to be consistent with fourth quarter 2023 results. Loss ratios are expected to improve in automobile and earned pricing is expected to remain above loss cost trends in homeowners', however both are subject to volatility in severity trends, for prior year hurricanes, tornado & hail which we are expecting moderation from the elevated levels that have occurred over the past couple of years due to supply chain and wildfires, including other inflationary pressures, and the benefit impact of higher expected subrogation recoveries related to the 2017 and 2018 California wildfires, volatile catastrophe results.

Current Accident Year Catastrophes and Unfavorable (Favorable) Prior Accident Year Development 4178

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2023 Outlook

Written premium is expected to increase in 2023 compared with 2022 largely driven by written pricing increases.

In 2023, the Company expects double-digit written pricing increases in both automobile and home as the effect of recent automobile claim frequency and severity trends are reflected in automobile rate filings, and rate increases in homeowners reflect increasing property loss cost trends.

The Company expects the combined ratio for Personal Lines will be 100.5 to 102.5 in 2023 compared to 100.3 in 2022 due to a continuation of elevated auto and homeowners' loss cost severity and, to a lesser extent, increased auto frequency, as well as the effect of prior accident year reserve decreases in 2022, partly offset by the effect of earned pricing increases. The underlying combined ratio for Personal Lines is expected to be 93.0 to 95.0 in 2023 compared to 93.7 in 2022.

PROPERTY & CASUALTY OTHER OPERATIONS - RESULTS OF OPERATIONS

Underwriting Summary

						Increase (Decrease) From 2021	Increase (Decrease) From 2020										
		2022	2021	2020	to 2022	to 2021											
							2023	2022	2021	2023	2022	2021	2023	2022			
Losses and loss adjustment expenses	Losses and loss adjustment expenses																
Losses and loss adjustment expenses																	
Losses and loss adjustment expenses																	
Prior accident year development [1]																	
Prior accident year development [1]																	
Prior accident year development [1]	Prior accident year development [1]	\$ 280	\$ 202	\$ 258	39 %	(22 %)	\$ 224	\$ 280	\$ 202	(20)	(20 %)	39 %					
Total losses and loss adjustment expenses	Total losses and loss adjustment expenses	280	202	258	39 %	(22 %)	Total losses and loss adjustment expenses	224	280	280	202	202	(20)	(20 %)	39 %		
Underwriting expenses	Underwriting expenses	9	8	11	13 %	(27 %)	Underwriting expenses	4	9	9	8	8	(56)	(56 %)	13 %		
Underwriting loss	Underwriting loss	(289)	(210)	(269)	(38 %)	22 %	Underwriting loss	(228)	(289)	(289)	(210)	(210)	21	21 %	(38 %)		
Net investment income [2]	Net investment income [2]	63	75	55	(16 %)	36 %	Net investment income [2]	69	63	63	75	75	10	10 %	(16 %)		
Net realized gains (losses) [2]	Net realized gains (losses) [2]	(16)	13	(1)		NM	Net realized gains (losses) [2]	(7)	(16)	(16)	13	13	56	56 %	NM		
Other income (expenses)	Other income (expenses)	—	(1)	1	100 %	NM	Other income (expenses)	—	—	—	(1)	(1)	—	— %	100 %		
Loss before income taxes	Loss before income taxes	(242)	(123)	(214)	(97 %)	43 %	Loss before income taxes	(166)	(242)	(242)	(123)	(123)	31	31 %	(97 %)		
Income tax benefit [3]	Income tax benefit [3]	(52)	(28)	(46)	(86 %)	39 %	Income tax benefit [3]	(36)	(52)	(52)	(28)	(28)	31	31 %	(86 %)		
Net loss	Net loss	\$ (190)	\$ (95)	\$ (168)	(100 %)	43 %	Net loss	\$ (130)	\$ (190)	\$ (95)	32	32 %	(100 %)				

[1]For discussion of prior accident year development, see MD&A - Critical Accounting Estimates, Property and Casualty Insurance Product Reserves, Net of Reinsurance and Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

[2]For discussion of consolidated investment results, see MD&A - Investment Results.

[3]For discussion of income taxes, see Note 16 17 - Income Taxes of Notes to Consolidated Financial Statements.

Net loss increased decreased primarily due to a higher lower underwriting loss, a change from net realized gains in the 2021 period to lower net realized losses, in the 2022 period and a decrease an increase in net investment income.

Underwriting loss increased decreased, primarily due to higher lower unfavorable prior accident year reserve development. development in the 2023 period.

Unfavorable prior accident year reserve development for the year ended **December 31, 2022** **December 31, 2023** was primarily due to a \$194 increase in A&E reserves and a \$23 increase in related ULAE

reserves. Unfavorable prior accident year development in 2022 included a \$229 increase in A&E reserves, and reallocating a portion of general liability reserves from Commercial Lines to P&C Other Operations related to sexual molestation and sexual abuse claims. The reallocated reserves relate to excess liability policies written by a legal entity in P&C Other Operations for amounts owed to claimants under the agreement in principle reached with the BSA on sexual molestation and sexual abuse claims in third quarter 2021. In total for the Company, there was no change in the liability for settlement amounts owed on the BSA claims in the 2022 period. Unfavorable

Before NICO reinsurance in 2023, A&E reserves were increased by \$194 in P&C Other Operations, including \$156 for asbestos and \$38 for environmental. Cumulative adverse A&E reserve development ceded to NICO for both ongoing operations and P&C Other Operations totaled \$1,438 through December 31, 2023 and since this amount exceeds ceded premium paid for the A&E ADC of \$650, the Company has recognized a \$788 deferred gain on retroactive reinsurance as of December 31, 2023, within other liabilities, including a \$194 increase in deferred gain in 2023 recognized within P&C Other Operations.

Asbestos reserves prior accident year development in 2021 included a \$155 increase in A&E reserves, 2023 before NICO reinsurance of \$156 was primarily due to an increase in the Company's share of liability due to insolvencies and cost sharing agreements, an increase in claim settlement rates, as well as higher defense costs.

Environmental reserves prior accident year development in 2023 before NICO reinsurance of \$38 was primarily due to higher severity on recently emerged accounts, higher environmental site cleanup and monitoring costs, including increased estimates of liability for sexual molestation PFAS exposures, and sexual abuse claims, primarily on assumed reinsurance, and a \$14 increase in higher legal expenses.

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ULAE reserves, partially offset by a reduction in the allowance for uncollectible reinsurance.

Before NICO reinsurance in 2022, A&E reserves were increased by \$229 in P&C Other Operations, including \$161 for asbestos and \$68 for environmental. Cumulative adverse A&E reserve development ceded to NICO for both ongoing operations and P&C Other Operations totaled \$1,244 through December 31, 2022 and since this amount exceeds ceded premium paid for the A&E ADC of \$650, the Company has recognized a \$594 deferred gain on retroactive reinsurance as of December 31, 2022, within other liabilities, including a \$229 increase in deferred gain in 2022 recognized within P&C Other Operations.

Asbestos reserves prior accident year development in 2022 before NICO reinsurance of \$161 was primarily due to an increase in the Company's share of liability due to insolvencies and cost sharing agreements, an increase in claim settlement rates, and higher claim settlement values and defense costs.

Environmental reserves prior accident year development in 2022 before NICO reinsurance of \$68 was primarily due to increased estimates of liability for PFAS exposure, the resolution of one large mining account, higher environmental site cleanup and monitoring costs, and higher legal expenses.

GROUP BENEFITS - RESULTS OF OPERATIONS

Operating Summary

			Increase (Decrease)	Increase (Decrease)
			From 2021	From 2020
	2022	2021	to 2022	to 2021

														Increase (Decrease) From 2022 to 2023		Increase (Decrease) From 2021 to 2022			
2023								2023				2022		2021		2023		2022	
Premiums and other considerations	Premiums and other considerations	\$6,057	\$5,687	\$5,536	7 %	3 %	Premiums and other considerations	\$6,515	\$6,057	\$5,687	8	8 %	7 %						
Net investment income [1]	Net investment income [1]	524	550	448	(5 %)	23 %	Net investment income [1]	469	524	550	(10)	(10 %)	(5 %)						
Net realized gains (losses) [1]	Net realized gains (losses) [1]	(122)	130	22	(194 %)	NM	Net realized gains (losses) [1]	(45)	(122)	130	63	63 %	(194 %)						
Total revenues	Total revenues	6,459	6,367	6,006	1 %	6 %	Total revenues	6,939	6,459	6,367	7	7 %	1 %						
Benefits, losses and loss adjustment expenses	Benefits, losses and loss adjustment expenses	4,520	4,612	4,137	(2 %)	11 %	Benefits, losses and loss adjustment expenses	4,683	4,517	4,602	4	4 %	(2 %)						
Amortization of DAC	Amortization of DAC	33	40	50	(18 %)	(20 %)	Amortization of DAC	34	33	40	3	3 %	(18 %)						
Insurance operating costs and other expenses	Insurance operating costs and other expenses	1,467	1,373	1,308	7 %	5 %	Insurance operating costs and other expenses	1,514	1,467	1,373	3	3 %	7 %						
Amortization of other intangible assets	Amortization of other intangible assets	40	40	40	— %	— %	Amortization of other intangible assets	40	40	40	—	— %	— %						
Total benefits, losses and expenses	Total benefits, losses and expenses	6,060	6,065	5,535	— %	10 %	Total benefits, losses and expenses	6,271	6,057	6,055	4	4 %	— %						
Income before income taxes	Income before income taxes	399	302	471	32 %	(36 %)	Income before income taxes	668	402	312	66	66 %	29 %						
Income tax expense [2]	Income tax expense [2]	75	53	88	42 %	(40 %)	Income tax expense [2]	133	75	56	77	77 %	34 %						
Net income	Net income	\$ 324	\$ 249	\$ 383	30 %	(35 %)	Net income	\$ 535	\$ 327	\$ 256	64	64 %	28 %						

[1]For discussion of consolidated investment results, see MD&A - Investment Results.

[2]For discussion of income taxes, see Note 16.17 - Income Taxes of Notes to the Consolidated Financial Statements.

Premiums and Other Considerations

						Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021											
2023						2022	2021	2020										
																Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022	
Fully insured — ongoing premiums	Fully insured — ongoing premiums	\$5,858	\$5,502	\$5,305	6 %	4 %	Fully insured — ongoing premiums	\$6,290	\$5,858	\$5,502	7	7 %	6 %					
Buyout premiums	Buyout premiums	12	2	56	NM	(96 %)	Buyout premiums	8	12	2	2	(33)	(33 %)	NM				
Fee income	Fee income	187	183	175	2 %	5 %	Fee income	217	187	183	183	16	16 %	2 %				

Total premiums and other considerations	Total premiums and other considerations	\$6,057	\$5,687	\$5,536	7 %	3 %	Total premiums and other considerations	\$6,515	\$6,057	\$5,687	8 %	7 %
Fully insured ongoing sales, excluding buyouts		\$801	\$760	\$717	5 %	6 %						
Fully insured ongoing sales	Fully insured ongoing sales	\$839	\$801	\$760	5 %	5 %						

Ratios, Excluding Buyouts

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Group disability loss ratio	67.1 %	68.3 %	68.2 %	(1.2)	0.1
Group life loss ratio	83.5 %	87.4 %	101.5 %	(3.9)	(14.1)
Total loss ratio	71.8 %	74.5 %	80.9 %	(2.7)	(6.4)
Expense ratio [1]	24.3 %	25.3 %	25.5 %	(1.0)	(0.2)

[1]Integration and transaction costs related to the acquisition of Aetna's U.S. group life and disability business are not included in the expense ratio.

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Ratios, Excluding Buyouts

	2022	2021	2020	Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021
Group disability loss ratio	68.3 %	68.2 %	66.1 %	0.1	2.1
Group life loss ratio	87.5 %	101.9 %	87.5 %	(14.4)	14.4
Total loss ratio	74.6 %	81.1 %	74.5 %	(6.5)	6.6
Expense ratio [1]	25.3 %	25.5 %	25.2 %	(0.2)	0.3

[1]Integration and transaction costs related to the acquisition of Aetna's U.S. group life and disability business are not included in the expense ratio.

Margin

	2022	2021	2020	Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021
Net income margin	5.0 %	3.9 %	6.4 %	1.1	(2.5)
Adjustments to reconcile net income margin to core earnings margin:					
Net realized losses (gains), before tax	1.8 %	(2.0 %)	(0.4 %)	3.8	(1.6)
Net realized losses (gains), before tax					
Net realized losses (gains), before tax	0.4 %	1.8 %	(2.0 %)	(1.4)	3.8

Integration and other non-recurring M&A costs, before tax	Integration and other non-recurring M&A costs, before tax	0.1 %	0.1 %	0.3 %	0.0	(0.2)	Integration and other non-recurring M&A costs, before tax	0.1 %	0.1 %	0.1 %	0.0
Income tax expense (benefit)	Income tax expense (benefit)	(0.4 %)	0.5 %	— %	(0.9)	0.5	Income tax expense (benefit)	(0.1 %)	(0.5 %)	0.5 %	(1.0)
Impact of excluding buyouts from denominator of core earnings margin		— %	— %	0.1 %	0.0	(0.1)					
Core earnings margin	Core earnings margin	6.5 %	2.5 %	6.4 %	4.0	(3.9)	Core earnings margin	8.1 %	6.5 %	2.6 %	1.6
Net Income							Fully Insured Ongoing Premiums				
 440							 1127				

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Net income increased primarily due to a lower loss ratio, and additional earnings generated by growth in the effect of higher fully insured ongoing premium, premiums, including a lower expense ratio, and lower net realized losses, partially offset by a change from net realized gains in the 2021 period to net realized losses in the 2022 period, a decrease in net investment income, and higher insurance operating expenses, income.

Insurance operating costs and other expenses were higher as primarily due to the effect of premium growth, including higher claim commissions and staffing costs to handle pandemic related claims, and an increase increased investments in technology, costs were partially offset by incremental expense savings from the Hartford Next operational transformation and cost reduction program, lower incentive compensation.

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Fully insured ongoing premiums increased primarily in group disability, life and other driven by strong persistency and new business sales as well as an increase in exposure on existing accounts resulting from accounts.

Fully insured ongoing sales increased enrollment, low unemployment, and wage primarily due to increases as well as strong persistency, in group life sales, partially offset by a decrease in group disability sales.

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Fully insured ongoing sales, excluding buyouts increased due to growth from existing customers, including from increased enrollment and customer expansion.



Ratios

Year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022

Total loss Loss ratio decreased 6.5 improved 2.7 points for 2022 due 2023 compared to a the prior year period reflecting lower group life and group disability loss ratio ratios. The group life loss ratio decreased 14.4 3.9 points driven by a 17.7 point decrease in excess lower level of mortality claims partially offset by a higher loss ratio on accidental death business and an increase in expense reserves. For compared to the twelve month period ended December 31, 2022 and 2021, excess prior year period.

mortality losses were \$160 and \$583, respectively. The group disability loss ratio was consistent with prior year as decreased 1.2 points due to favorable development related to estimates of long-term disability claim incidence and lower COVID-19 related recoveries, partially offset by higher incidence in paid family leave and short-term disability losses were offset by less favorable long-term disability claim recoveries and a lower New York Paid Family Leave risk adjustment benefit products.

Expense ratio decreased slightly in 2022 2023 driven by the effect of higher earned premiums, and incremental expense savings from the Hartford Next operational transformation and cost reduction program, lower incentive compensation, partially offset by higher claim staffing costs to handle pandemic related claims and an increase increased investments in technology costs technology.

2023 2024 Outlook

The In a highly competitive pricing environment, the Company expects Group Benefits growth in fully insured ongoing premiums to increase in 2023 2024 due to higher continued strong book persistence and continued strong sales.

With COVID shifting sales, including from pandemic voluntary product offerings, state paid family and medical leave and an emphasis on small to endemic state, excess mortality losses are expected to improve mid-size employer groups. The level of long-term disability incidence and recoveries, both of which were favorable in 2023, compared to 2022, though we expect mortality trends will settle above pre-pandemic levels and we are pricing impact the business accordingly. As a result, group disability loss ratio. The group life loss ratios are expected to improve versus 2022. In group disability, we expect some modest moderation ratio, which had been elevated during the pandemic, improved in 2023 and may be impacted by the effect of favorable incidence increasing pricing and recovery loss trends in 2023.

Compared to an endemic state. We expect the long-term net income margin of 5.0% in 2022, the net income margin outlook for 2023 is expected this business to be between 6.0% and 7.0% as the Company approximately 6% to 7%, which does not assume in its plan that any net realized gains or losses in 2022 will recur in 2023. Compared to a core earnings margin of 6.5% in 2022, the core earnings margin in 2023 and is expected to be between 6.0% and 7.0%, subject to uncertainty on mortality and long-term disability loss cost trends trends as well as volatility in net investment income.

HARTFORD FUNDS - RESULTS OF OPERATIONS

Operating Summary

						Increase (Decrease) From 2021	Increase (Decrease) From 2020							
		2022	2021	2020	to 2022	to 2021								
									2023		2022	2021	Increase (Decrease) From 2022	Increase (Decrease) From 2021
2023									2023		2022	2021	to 2023	to 2022
Fee income and other revenue	Fee income and other revenue	\$ 1,044	\$ 1,189	\$ 989	(12 %)	20 %	Fee income and other revenue	\$ 973	\$ 1,044	\$ 1,189	(7	(7 %)	(12 %)	
Net investment income	Net investment income	9	5	4	80 %	25 %	Net investment income	17	9	9	5	5	89	89 % 80 %
Net realized gains (losses)	Net realized gains (losses)	(24)	4	8	NM	(50 %)	Net realized gains (losses)	10	(24)	(24)	4	4	NM	NM
Total revenues	Total revenues	1,029	1,198	1,001	(14 %)	20 %	Total revenues	1,000	1,029	1,029	1,198	1,198	(3	(3 %) (14 %)
Amortization of contingent deferred commissions [1]		11	12	14	(8 %)	(14 %)								
Operating costs and other expenses														
Operating costs and other expenses														
Operating costs and other expenses	Operating costs and other expenses	815	913	773	(11 %)	18 %	781	826	826	925	925	(5	(5 %)	(11 %)

Total benefits, losses and expenses	Total benefits, losses and expenses	826	925	787	(11 %)	18 %	Total benefits, losses and expenses	781	826	826	925	925	(5	(5 %)	(11 %)
Income before income taxes	Income before income taxes	203	273	214	(26 %)	28 %	Income before income taxes	219	203	203	273	273	8	8 %	(26 %)
Income tax expense [2]		41	56	44	(27 %)	27 %									
Income tax expense [1]	Income tax expense [1]						45		41		56		10 %	(27 %)	
Net income	Net income	\$ 162	\$ 217	\$ 170	(25 %)	28 %	Net income	\$ 174	\$ 162	\$ 162	\$ 217	\$ 217	7	7 %	(25 %)
Daily average Hartford Funds AUM	Daily average Hartford Funds AUM	\$135,124	\$151,347	\$120,908	(11 %)	25 %	Daily average Hartford Funds AUM	\$127,019	\$ 135,124	\$ 135,124	\$ 151,347	\$ 151,347	(6	(6 %)	(11 %)
Return on Assets ("ROA") [3]		12.0	14.3	14.1	(2.3)	0.2									
ROA [2]	ROA [2]						13.7		12.0		14.3		1.7	(2.3)	
Adjustments to reconcile ROA to ROA, core earnings:	Adjustments to reconcile ROA to ROA, core earnings:														
Effect of net realized losses (gains), excluded from core earnings, before tax	Effect of net realized losses (gains), excluded from core earnings, before tax	1.7	(0.3)	(0.7)	2.0	0.4									
Effect of net realized losses (gains), excluded from core earnings, before tax							(0.8)		1.7		(0.3)		(2.5)	2.0	
Effect of income tax expense (benefit)	Effect of income tax expense (benefit)	(0.4)	0.1	0.1	(0.5)	0.0	0.1	(0.4)	(0.4)	0.1	0.1	0.5	0.5	(0.5)	
Return on Assets ("ROA"), core earnings [3]		13.3	14.1	13.5	(0.8)	0.6									
ROA, core earnings [2]	ROA, core earnings [2]						13.0		13.3		14.1		(0.3)	(0.8)	

[1] Reported in amortization of DAC in the Consolidated Statements of Operations.

[2] For discussion of income taxes, see Note 16 17 - Income Taxes of Notes to Consolidated Financial Statements.

[3] [2] Represents annualized earnings divided by a daily average of assets under management, as measured in basis points.

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Hartford Funds Segment AUM

	2022	2021	2020	Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021
Mutual Fund and ETF AUM - beginning of period	\$ 142,632	\$ 124,627	\$ 112,533	14 %	11 %

Sales - Mutual Fund	29,833	32,399	28,604	(8 %)	13 %
Redemptions - Mutual Fund	(37,981)	(28,653)	(31,412)	(33 %)	9 %
Net flows - ETF	197	121	(276)	63 %	144 %
Net Flows - Mutual Fund and ETF	(7,951)	3,867	(3,084)	NM	NM
Change in market value and other	(22,209)	14,138	15,178	NM	(7 %)
Mutual Fund and ETF AUM - end of period	112,472	142,632	124,627	(21 %)	14 %
Talcott Resolution life and annuity separate account AUM [1]	11,635	15,263	14,809	(24 %)	3 %
Hartford Funds AUM - end of period	\$ 124,107	\$ 157,895	\$ 139,436	(21 %)	13 %

[1]Represents AUM of the life and annuity business sold in May 2018 that is still managed by the Company's Hartford Funds segment.

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Mutual Fund and ETF AUM - beginning of period	\$ 112,472	\$ 142,632	\$ 124,627	(21 %)	14 %
Sales - Mutual Fund	20,960	29,833	32,399	(30 %)	(8 %)
Redemptions - Mutual Fund	(28,606)	(37,981)	(28,653)	25 %	(33 %)
Net flows - ETF	619	197	121	NM	63 %
Net Flows - Mutual Fund and ETF	(7,027)	(7,951)	3,867	12 %	NM
Change in market value and other	13,871	(22,209)	14,138	NM	NM
Mutual Fund and ETF AUM - end of period	119,316	112,472	142,632	6 %	(21 %)
Third-party life and annuity separate account AUM	11,709	11,635	15,263	1 %	(24 %)
Hartford Funds AUM - end of period	\$ 131,025	\$ 124,107	\$ 157,895	6 %	(21 %)

Mutual Fund and ETF AUM by Asset Class

						Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021													
						2022	2021	2020											Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
2023																2023	2022	2021	to 2023	to 2022
Equity - Mutual Funds	Equity - Mutual Funds	\$ 73,782	\$ 95,703	\$ 82,123	(23 %)	17 %	Equity - Mutual Funds	\$ 79,352	\$ 73,782	\$ 95,703	8	8 %	(23 %)							
Fixed Income - Mutual Funds	Fixed Income - Mutual Funds	15,861	20,113	17,034	(21 %)	18 %	Fixed Income - Mutual Funds	16,773	15,861	15,861	20,113	20,113	6	6 %	(21 %)					
Multi-Strategy Investments - Mutual Funds [1]	Multi-Strategy Investments - Mutual Funds [1]	19,975	23,610	22,645	(15 %)	4 %	Multi-Strategy Investments - Mutual Funds [1]	19,292	19,975	19,975	23,610	23,610	(3)	(3 %)	(15 %)					
Equity - ETF	Equity - ETF	1,805	2,230	2,207	(19 %)	1 %	Equity - ETF	2,141	1,805	1,805	2,230	2,230	19	19 %	(19 %)					
Fixed Income - ETF	Fixed Income - ETF	1,049	976	618	7 %	58 %	Fixed Income - ETF	1,758	1,049	1,049	976	976	68	68 %	7 %					
Mutual Fund and ETF AUM	Mutual Fund and ETF AUM	\$112,472	\$142,632	\$124,627	(21 %)	14 %	Mutual Fund and ETF AUM	\$119,316	\$ 112,472	\$ 142,632	6	6 %	(21 %)							

[1]Includes balanced, allocation, and alternative investment products.

Net Income
589

Hartford Funds AUM
931

Year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**

Net income decreased increased for the year ended **December 31, 2022** **December 31, 2023**, primarily due driven by net realized gains compared to lower net realized losses in 2022 and higher net investment income, partially offset by a decrease in fee income net of variable expenses as a result of driven by a decrease in daily average assets under management. Additionally, net income decreased from net realized losses in 2022 related to investments in funds seeded by the Company, AUM.

December 31, 2022 **2023** compared to **December 31, 2021** **December 31, 2022**

Hartford Funds AUM decreased increased primarily due to a decrease an increase in market values, partly offset by net outflows over the previous twelve months and, to a lesser extent, due months. Net outflows were \$7.0 billion for the year ended **December 31, 2023** compared to net outflows. Net outflows were of \$8.0 billion for the year ended **December 31, 2022** compared to net inflows of \$3.9 billion for the year ended **December 31, 2021**.

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2023 2024 Outlook

Given the lower level of assets under management as the result of market declines Assuming continued growth in 2022, equity markets in 2024, the Company expects lower net income for Hartford Funds to increase from 2023 to 2024.

income in 2023 than in 2022, though subject to uncertainty based on how markets perform in 2023.

CORPORATE - RESULTS OF OPERATIONS

Operating Summary

											Increase (Decrease)		Increase (Decrease)					
											From 2022 to 2023		From 2021 to 2022					
2023											2023	2022	2021	2023	2022			
Fee income [1]											Fee income [1]		\$ 39	\$ 49	\$ 50	(20 %)	(2 %)	
						Increase (Decrease) From 2021 to 2022	Increase (Decrease) From 2020 to 2021											
	2022	2021	2020															
Fee income [1]	\$ 49	\$ 50	\$ 49		(2 %)	2 %												
Net investment income																		
Net investment income																		
Net investment income	Net investment income	26	24	22	8 %	9 %	47	26	26	24	24	81	81 %	8 %				
Net realized gains (losses)	Net realized gains (losses)	(45)	73	22	(162 %)	NM	Net realized gains (losses)	26	(45)	(45)	73	73	NM	NM				
Other revenue (loss)	Other revenue (loss)	1	(10)	53	110 %	(119 %)	Other revenue (loss)	2	1	1	(10)	(10)	100	100 %	NM			
Total revenues	Total revenues	31	137	146	(77 %)	(6 %)	Total revenues	114	31	31	137	137	NM	NM (77 %)				
Benefits, losses and loss adjustment expenses [2]	Benefits, losses and loss adjustment expenses [2]	9	7	15	29 %	(53 %)	Benefits, losses and loss adjustment expenses [2]	7	8	8	8	8	(13)	(13 %)	— %			
Insurance operating costs and other expenses [1]	Insurance operating costs and other expenses [1]	61	90	76	(32 %)	18 %												
Insurance operating costs and other expenses [1]																		
Insurance operating costs and other expenses [1]											68		61		90		11 % (32 %)	
Interest expense [3]																		

Interest expense [3]															
Interest expense [3]	Interest expense [3]	213	234	236	(9 %)	(1 %)		199	213	213		234	234	(7 (7 %)	(9 %)
Restructuring and other costs	Restructuring and other costs	13	1	104	NM	(99 %)	Restructuring and other costs	6	13	13		1	1	(54 (54 %)	NM
Total benefits, losses and expenses	Total benefits, losses and expenses	296	332	431	(11 %)	(23 %)	Total benefits, losses and expenses	280	295	295		333	333	(5 (5 %)	(11 %)
Loss before income taxes	Loss before income taxes	(265)	(195)	(285)	(36 %)	32 %	Loss before income taxes	(166)	(264)	(264)		(196)	(196)	37 37 %	(35 %)
Income tax benefit [4]	Income tax benefit [4]	(69)	(47)	(63)	(47 %)	25 %	Income tax benefit [4]	(45)	(69)	(69)		(47)	(47)	35 35 %	(47 %)
Net loss	Net loss	(196)	(148)	(222)	(32 %)	33 %	Net loss	(121)	(195)	(195)		(149)	(149)	38 38 %	(31 %)
Preferred stock dividends	Preferred stock dividends	21	21	21	— %	— %	Preferred stock dividends	21	21	21		21	21	— — %	— %
Net loss available to common stockholders	Net loss available to common stockholders	\$ (217)	\$ (169)	\$ (243)	(28 %)	30 %	Net loss available to common stockholders	\$ (142)	\$ (216)	\$ (216)		\$ (170)	\$ (170)	34 34 %	(27 %)

[1]Includes investment management fees and expenses related to managing third party business, including management of a portion of the invested assets of Talcott Resolution, third-party assets.

[2]Includes benefits expense on life and annuity business previously underwritten by the Company.

[3]For discussion of debt, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

[4]For discussion of income taxes, see Note 16 17 - Income Taxes of Notes to Consolidated Financial Statements.

Net loss available to common stockholders



481

Year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022

Net loss available available to common stockholders for the year ended December 31, 2022 increased December 31, 2023 decreased primarily due to a change from net realized gains in the 2021 period to net realized losses in the 2022 period as well as restructuring charges and to net realized gains in the 2023 period, higher net investment income, lower interest expense, a loss on extinguishment of debt incurred in the 2022 period.

These changes were partially offset by legal and consulting costs incurred in the 2021 period associated with the unsolicited proposals from Chubb Limited to acquire the Company, lower interest expense in the 2022 period and the effect of lower restructuring costs, partially offset by a loss of \$11 \$14, before tax, capital-based state tax expense covering several years recorded in the 2021 2023 period from the Company's previously owned equity interest in Talcott Resolution, related to recently released guidance.

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Interest Expense



1171

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Year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022

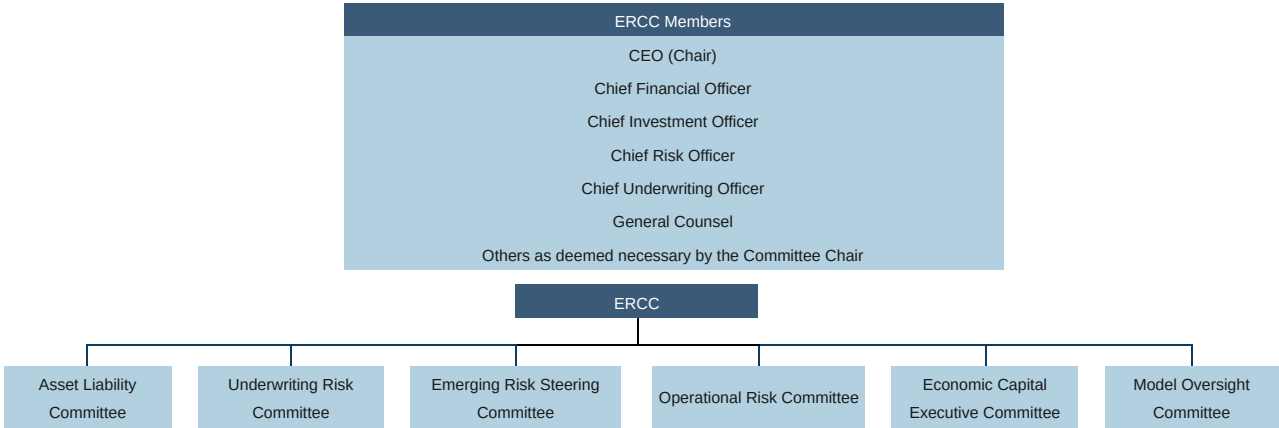
subordinated debentures in April 2022, partially offset by the issuance of \$600 in 2.9% senior notes in September 2021, 2022.

Interest expense decreased for the year ended December 31, 2022 December 31, 2023 due due to the redemption of \$600 in 7.875% junior

ENTERPRISE RISK MANAGEMENT

The Company's Board of Directors has ultimate responsibility for risk oversight, as described more fully in our Proxy Statement, while management is tasked with the day-to-day management of the Company's risks.

The Company manages and monitors risk through risk policies, controls and limits. At the senior management level, an Enterprise Risk and Capital Committee ("ERCC" ("ERCC")) oversees the risk profile and risk management practices of the Company. As illustrated below, a number of functional committees sit underneath the ERCC, providing oversight of specific risk areas and recommending risk mitigation strategies to the ERCC.



The Company's enterprise risk management ("ERM") function supports the ERCC and functional committees, and is tasked with, among other things:

- risk identification and assessment;
- the development of risk appetites, tolerances, and limits;
- risk monitoring; and
- internal and external risk reporting.

The Company categorizes its main risks as insurance risk, operational risk and financial risk, each of which is described in

more detail below.

INSURANCE RISK

Insurance risk is the risk of losses of both a catastrophic and non-catastrophic nature on the P&C and Group Benefits products the Company has sold. Catastrophe insurance risk is the exposure arising from both natural catastrophes (e.g., weather, earthquakes, wildfires, pandemics) and man-made catastrophes (e.g., terrorism, cyber-attacks) that create a

concentration or aggregation of loss across the Company's insurance or asset portfolios.

Sources of Insurance Risk Non-catastrophe insurance risks exist within each of the Company's segments except Hartford Funds and include:

- **Property-** Risk of loss to personal or commercial property from automobile related accidents, weather, explosions, smoke, shaking, fire, theft, vandalism, inadequate installation, faulty equipment, collisions and falling objects, and/or machinery mechanical breakdown resulting in physical damage, losses from PV&T and other covered perils.
- **Liability-** Risk of loss from automobile related accidents, uninsured and underinsured drivers, lawsuits from accidents, defective products, breach of warranty, negligent acts by professional practitioners, environmental claims, latent exposures, fraud, coercion, forgery, failure to fulfill obligations per contract surety, liability from errors and omissions, losses from **CPR** credit and political risk insurance ("CPR") coverages, losses from derivative lawsuits, and other securities actions and covered perils.

- **Mortality**- Risk of loss from unexpected trends in insured deaths impacting timing of payouts from group life insurance, personal or commercial automobile related accidents, and death of employees or executives during the course of employment, while on disability, or while collecting workers compensation benefits.
- **Morbidity**- Risk of loss to an insured from illness incurred during the course of employment or illness from other covered perils.
- **Disability**- Risk of loss incurred from personal or commercial automobile related losses, accidents arising outside of the workplace, injuries or accidents incurred during the course of employment, or from equipment, with each loss resulting in **short term short-term** or long-term disability payments.
- **Longevity**- Risk of loss from increased life expectancy trends among policyholders receiving long-term benefit payments.
- **Cyber Insurance**- Risk of loss to property, breach of data and business interruption from various types of cyber-attacks.

Catastrophe risk primarily arises in the property, automobile, workers' compensation, casualty, group life, and group disability lines of business but could also arise from other coverages such as losses under PV&T and CPRI policies. Not all insurance losses arising from catastrophe risk are categorized as catastrophe losses within the segment operating results. For example, losses arising from the COVID-19 pandemic were not

can arise from various unpredictable events and can have significant effects on the Company's earnings and may result in losses that could constrain its liquidity.

Management The Company's policies and procedures for managing these risks include disciplined underwriting protocols, exposure controls, sophisticated risk-based pricing, risk modeling, risk transfer, and capital management strategies. The Company has established underwriting guidelines for both individual risks, including individual policy limits, and risks in the aggregate, including aggregate exposure limits by geographic zone and peril. The Company uses both internal and third-party models to estimate the potential loss resulting from various catastrophe events and the potential financial impact those events would have on the Company's financial position and results of operations across its businesses.

The Hartford closely monitors scientific literature on climate change to help identify climate change risks impacting our business. We use data from the scientific community and other outside experts including partnerships with third-party catastrophe modeling firms to inform our risk management activities and stay abreast of potential implications of climate-related impacts that we incorporate into our risk assessment. We regularly study these climate change implications and incorporate these risks into our catastrophe risk assessment and management strategy through product pricing, underwriting and management of aggregate risk to manage implications of severe weather and climate change in our insurance portfolio.

In addition, certain insurance products offered by The Hartford provide coverage for losses incurred due to cyber events and the Company has assessed and modeled how those products would respond to different events in order to manage its aggregate exposure to losses incurred under the insurance policies we sell. The Company models numerous deterministic scenarios including losses caused by malware, data breach, distributed denial of service attacks, intrusions of cloud environments and attacks of power grids.

Among specific risk tolerances set by the Company, risk limits are set for natural catastrophes, terrorism risk and pandemic risk.

categorized as catastrophe losses within either the P&C or Group Benefits segments as the pandemic was not identified as a catastrophe event by the Property Claim Service in the U.S. See the term Current Accident Year Catastrophe Ratio within the Key Performance Measures section of MD&A for an explanation of how the Company defines catastrophe losses in its financial reporting.

Impact Non-catastrophe insurance risk can arise from unexpected loss experience, underpriced business and/or underestimation of loss reserves and can have significant effects on the Company's earnings. Catastrophe insurance risk

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Risk	Risk	Definition	Details and Company Limits	Risk	Definition	Details and Company Limits

Natural catastrophe	Natural catastrophe	Exposure arising from natural phenomena (e.g., earthquakes, wildfires, etc.) that create a concentration or aggregation of loss across the Company's insurance or asset portfolios and the inherent volatility of weather or climate pattern changes.	The Company generally limits its estimated before tax loss as a result of natural catastrophes for property & casualty exposures from a single 250-year event to less than 30% of the reported capital and surplus of the property and casualty insurance subsidiaries prior to reinsurance and to less than 15% of the reported capital and surplus of the property and casualty insurance subsidiaries after reinsurance. The Company generally limits its estimated before tax loss from an aggregation of multiple natural catastrophe events for an all-peril annual aggregate 100-year event to less than 18% reported capital and surplus of the property and casualty insurance subsidiaries after reinsurance. From time to time the estimated loss from natural catastrophes may fluctuate above or below these limits due to changes in modeled loss estimates, exposures or statutory surplus. [1]			Natural catastrophe	Exposure arising from natural phenomena (e.g., earthquakes, wildfires, etc.) that create a concentration or aggregation of loss across the Company's insurance or asset portfolios and the inherent volatility of weather or climate pattern changes.	The Company generally limits its estimated before tax loss as a result of natural catastrophes for property & casualty exposures from a single 250-year event to less than 30% of the reported capital and surplus of the property and casualty insurance subsidiaries prior to reinsurance and to less than 15% of the reported capital and surplus of the property and casualty insurance subsidiaries after reinsurance. The Company generally limits its estimated before tax loss from an aggregation of multiple natural catastrophe events for an all-peril annual aggregate 100-year event to less than 18% reported capital and surplus of the property and casualty insurance subsidiaries after reinsurance. From time to time the estimated loss from natural catastrophes may fluctuate above or below these limits due to changes in modeled loss estimates, exposures or statutory surplus. [1]			The table below represents the estimated before tax catastrophe loss exceedance probabilities, from an aggregate of all catastrophe events occurring in a one-year timeframe before and after reinsurance and from a single hurricane or earthquake occurrence.		
			Modeled Loss Gross and Net of Reinsurance [2]										
			Probability of Loss Exceedance [3]	Gross of Reinsurance	Net of Reinsurance					Probability of Loss Exceedance [3]	Gross of Reinsurance	Net of Reinsurance	
			Aggregate annual all-peril (1-in-100) (1.0%)	\$ 2,247	\$ 1,320								
			Aggregate annual all-peril (1-in-250) (0.4%)	\$ 3,111	\$ 1,888								
			Hurricane single occurrence (1-in-100) (1.0%)	\$ 1,269	\$ 523								
			Hurricane single occurrence (1-in-250) (0.4%)	\$ 1,965	\$ 1,067								
			Earthquake single occurrence (1-in-100) (1.0%)	\$ 860	\$ 442								
			Earthquake single occurrence (1-in-250) (0.4%)	\$ 1,463	\$ 651								

Terrorism	Terrorism	The risk of losses from terrorist attacks, including losses caused by single-site and multi-site conventional attacks, as well as the potential for attacks using nuclear, biological, chemical or radiological weapons ("NBCR").	Enterprise limits for terrorism apply to aggregations of risk across property & casualty, group benefits and specific asset portfolios and are defined based on a deterministic, single-site conventional terrorism attack scenario. The Company manages its potential estimated loss from a conventional terrorism loss scenario, up to \$2.0 billion net of reinsurance and \$2.5 billion gross of reinsurance, before coverage under TRIPRA. In addition, the Company monitors exposures monthly and employs both internally developed and vendor-licensed loss modeling tools as part of its risk management discipline. Our modeled exposures to conventional terrorist attacks around landmark locations may fluctuate above and below our stated limits.
Terrorism			
Terrorism		The risk of losses from terrorist attacks, including losses caused by single-site and multi-site conventional attacks, as well as the potential for attacks using nuclear, biological, chemical or radiological weapons ("NBCR").	Enterprise limits for terrorism apply to aggregations of risk across property & casualty, group benefits and specific asset portfolios and are defined based on a deterministic, single-site conventional terrorism attack scenario. The Company manages its potential estimated loss from a conventional terrorism loss scenario, up to \$2.0 billion net of reinsurance and \$2.5 billion gross of reinsurance, before coverage under TRIPRA. In addition, the Company monitors exposures monthly and employs both internally developed and vendor-licensed loss modeling tools as part of its risk management discipline. Our modeled exposures to conventional terrorist attacks around landmark locations may fluctuate above and below our stated limits.
Pandemic	Pandemic	The exposure to loss arising from widespread influenza or other pathogens or bacterial infections that create an aggregation of loss across the Company's insurance or asset portfolios.	The Company generally limits its estimated before tax loss from a single 250 year pandemic event to less than 18% of the aggregate reported capital and surplus of the property and casualty and group benefits insurance subsidiaries. In evaluating these scenarios, the Company assesses the impact on group life, short-term disability, long-term disability and property & casualty claims. While ERM has a process to track and manage these limits, from time to time, the estimated loss for pandemics may fluctuate above or below these limits due to changes in modeled loss estimates, exposures, or statutory surplus. In addition, the Company assesses losses in the investment portfolio associated with market declines in the event of a widespread pandemic. [1]
Pandemic		The exposure to loss arising from widespread influenza or other pathogens or bacterial infections that create an aggregation of loss across the Company's insurance or asset portfolios.	The Company generally limits its estimated before tax loss from a single 250 year pandemic event to less than 18% of the aggregate reported capital and surplus of the property and casualty and group benefits insurance subsidiaries. In evaluating these scenarios, the Company assesses the impact on group life, short-term disability, long-term disability and property & casualty claims. While ERM has a process to track and manage these limits, from time to time, the estimated loss for pandemics may fluctuate above or below these limits due to changes in modeled loss estimates, exposures, or statutory surplus. In addition, the Company assesses losses in the investment portfolio associated with market declines in the event of a widespread pandemic. [1]

[1]For U.S. insurance subsidiaries, reported capital and surplus is equal to actual U.S. statutory capital and surplus. For Navigators Insurers in non-U.S. jurisdictions, reported capital and surplus is equal to U.S. GAAP equity of those subsidiaries less certain assets such as goodwill and other intangible assets.

[2]The loss estimates represent total property modeled losses for hurricane single occurrence events, property and workers' compensation modeled losses for earthquake single occurrence events, and modeled aggregate annual losses for natural catastrophes from all perils (hurricane, flood, earthquake, hail, tornado, wildfire and winter storms). The net loss estimates provided assume that the Company is able to recover all losses ceded to reinsurers under its reinsurance programs. The Company also manages natural catastrophe risk for group life and group disability, which in combination with property and workers compensation loss estimates are subject to separate enterprise risk management net aggregate loss limits as a percent of enterprise surplus.

[3]The modeled probability of loss exceedance represents the likelihood of a loss from single peril occurrence or from an aggregate of catastrophe events from all perils to exceed the indicated amount in a one-year time frame.

Reinsurance as a Risk Management Strategy

The Company uses reinsurance to transfer certain risks to reinsurance companies based on specific geographic or risk concentrations. A variety of traditional reinsurance products are used as part of the Company's risk management strategy, including excess of loss occurrence-based products that reinsure property and workers' compensation exposures, and individual risk (including facultative reinsurance) or quota share arrangements, that reinsure losses from specific classes or lines of business. The Company has no significant finite risk contracts in place and the statutory surplus benefit from all such prior year

contracts is immaterial. The Hartford also participates in governmentally administered reinsurance facilities such as the Florida Hurricane Catastrophe Fund ("FHCF"), **TRIPRA** the **Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA")** and other reinsurance programs relating to particular risks or specific lines of business.

Reinsurance for Catastrophes- The Company utilizes various reinsurance programs to mitigate catastrophe losses including excess of loss occurrence-based treaties covering property and workers' compensation, **a catastrophe bond**, an aggregate property catastrophe treaty, and individual risk agreements **(including facultative reinsurance) that reinsure losses from specific classes or lines**

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(including facultative reinsurance) that reinsure losses from specific classes or lines of business. The aggregate property catastrophe treaty covers the aggregate losses of catastrophe events designated by the Property Claim Services office of Verisk and, for international business, net losses arising from two or more risks involved in the same loss occurrence totaling at least \$500 thousand, in excess of a \$750 retention. The occurrence-based property catastrophe treaty responds in excess of **\$150 \$200** per occurrence for all perils other than earthquakes and named hurricanes and **tropical storms**.

tropical storms. For earthquakes and named tropical storms the occurrence based property treaty responds in excess of \$350 per occurrence. The occurrence property catastrophe treaty and workers' compensation catastrophe treaties beginning with the January 1, 2021 renewal do not cover pandemic losses, as most industry reinsurance programs exclude communicable disease. The Company has reinsurance in place to cover individual group life losses in excess of \$1 per person.

Primary Catastrophe **Treaty** Reinsurance Coverages as of **January 1, 2023** **January 1, 2024** [1]

	Portion of losses reinsured	Portion of losses retained by The Hartford
Per Occurrence Property Catastrophe Treaty from 1/1/2023 2024 to 12/31/2023 2024 [1] [2]		
Losses of \$0 to \$150 \$200	None	100% retained
Losses of \$150 \$200 to \$350 for earthquakes and named hurricanes and tropical storms [3]	None	100% retained
Losses of \$150 \$200 to \$350 from one event other than earthquakes and named hurricanes and tropical storms [3]	60% 40% of \$200 \$150 in excess of \$150 \$200	40% 60% co-participation
Losses of \$350 to \$500 from one event (all perils)	75% of \$150 in excess of \$350	25% co-participation
Losses of \$500 to \$1.1 billion \$1.2 billion from one event [4] (all perils)	90% of \$600 \$700 in excess of \$500	10% co-participation
Per Occurrence Property Catastrophe Bond from 1/1/2024 to 12/31/2026 [5]		
Losses of \$1.1 billion to \$1.4 billion for tropical cyclone and earthquake events [6]	66.67% of \$300 in excess of \$1.1 billion	33.33% of \$300 in excess of \$1.1 billion
Aggregate Property Catastrophe Treaty for 1/1/2023 2024 to 12/31/2023 2024 [5] [7]		
\$0 to \$750 of aggregate losses	None	100% retained Retained
\$750 to \$950 of aggregate losses	100%	None
Workers' Compensation Catastrophe Treaty for 1/1/2023 2024 to 12/31/2023 2024		
Losses of \$0 to \$100 from one event	None	100% retained Retained
Losses of \$100 to \$450 from one event [6] [8]	80% of \$350 in excess of \$100	20% co-participation

[1]These **treaties agreements** do not cover the assumed reinsurance business which purchases its own retrocessional coverage.

[2]In addition to the Per Occurrence Property Catastrophe Treaty, for Florida homeowners wind events, The Hartford has purchased the mandatory FHCF reinsurance for the annual period starting **June 1, 2022 June 1, 2023**. Retention and coverage varies by writing company. The writing company with the largest coverage under FHCF is Hartford Insurance Company of the Midwest, with coverage of **\$41 \$38** in per event losses in excess of a **\$19 \$20** retention (estimates are based on best available information at this time and are periodically updated as information is made available by Florida).

[3]Named hurricanes and tropical storms are defined as any storm or storm system declared to be a hurricane or tropical storm by the US National Hurricane Center, US Weather Prediction Center, or their successor organizations (being divisions of the US National Weather Service).

[4]Portions of this layer of coverage extend beyond a traditional one year term.

[5]Refer to "Catastrophe Bond" discussion below for further information.

[6]Tropical cyclones are defined as a storm or storm system that has been declared by National Weather Service or any division or agency thereof (including the National Hurricane Center or the Weather Prediction Center) or any of their successors to be a hurricane, tropical storm, or tropical depression.

[7]The aggregate treaty is not limited to a single event; rather, it is designed to provide reinsurance protection for the aggregate of all catastrophe events (up to \$350 per event), either designated by the Property Claim Services office of Verisk or, for international business, net losses arising from two or more risks involved in the same loss occurrence totaling at least \$500 thousand. All catastrophe losses, except assumed reinsurance business losses, apply toward satisfying the \$750 attachment point under the aggregate treaty.

[6] [8]In addition to the limits shown, the workers' compensation reinsurance includes a non-catastrophe, industrial accident layer, providing coverage for 80% of \$25 in per event losses in excess of a \$25 retention.

In addition to the property catastrophe reinsurance coverage described in the above table, the Company has other reinsurance agreements that cover property catastrophe losses, some of which provide for reinstatement of limits in the event of loss with reinstatement provisions varying depending on the layer of coverage. The Per Occurrence Property Catastrophe Treaty and Workers' Compensation Catastrophe Treaty include a provision to reinstate one limit in the event that a catastrophe loss exhausts limits on one or more layers under the treaties.

Catastrophe Bond- The Company has property catastrophe protection in the form of catastrophe bonds issued through an indemnity agreement with Foundation Re IV Ltd. ("Foundation Re IV"), an independent Bermuda company registered as a special purpose insurer under the Bermuda Insurance Act 1978 and related rules and regulations. The agreement provides fully collateralized loss coverage on the Company's commercial and personal property and automobile physical damage in all 50 states of the United States of America, the District of Columbia and Puerto Rico from tropical cyclone and earthquake events.

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The reinsurance agreement with Foundation Re IV provides indemnity per occurrence excess of loss coverage of 66.67% of \$300 in losses in excess of \$1.1 billion for the treaty term effective January 1, 2024, through December 31, 2026. The attachment point and maximum limit under this agreement are reset annually to adjust the expected loss of the layer within a predetermined range. The Company has not incurred any losses that have resulted or are expected to result in a recovery under the reinsurance agreement with Foundation Re IV since its inception.

Under the terms of the reinsurance agreement, the Company is obligated to pay annual reinsurance premiums to Foundation Re IV for the reinsurance coverage. Amounts payable to the Company under the reinsurance agreement with respect to any covered event cannot exceed the Company's actual losses from such event. The principal amount of the catastrophe bonds will be reduced by any amounts paid to the Company under the reinsurance agreement.

The reinsurance agreement meets the requirements to be accounted for as reinsurance in accordance with the guidance for reinsurance contracts. In connection with the reinsurance agreement, Foundation Re IV issued \$200 in notes (generally referred to as "catastrophe bonds") to investors in amounts equal to the full coverage provided under the reinsurance agreement. The proceeds of the issuance were deposited in a reinsurance trust account.

As with any reinsurance agreement, there is credit risk associated with collecting amounts due from reinsurers. Foundation Re IV's credit risk is mitigated by a reinsurance trust account that has been funded by Foundation Re IV with money market funds that invest solely in direct government obligations and obligations backed by the U.S. government. The money market funds must have the highest principal stability ratings from S&P Global Ratings ("S&P") or Moody's Investors Service, Inc. ("Moody's") on the issuance date of the bonds and thereafter must be rated by S&P or Moody's, as applicable. Other permissible investments include money market funds which invest in repurchase and reverse repurchase agreements collateralized by direct government obligations and obligations of any agency backed by the U.S. government with terms of no more than 397 calendar days, and cash.

At the time the agreement was entered into with Foundation Re IV, the Company evaluated the applicability of the accounting guidance that addresses variable interest entities ("VIEs") and concluded that it was a VIE. However, while Foundation Re IV was determined to be a VIE, the Company concluded that it did not have a variable interest in the entity, as the variability in its results, caused by the reinsurance agreement, is expected to be absorbed entirely by the investors in the catastrophe bonds issued by Foundation Re IV and residual amounts earned by it, if any, are expected to be absorbed by the equity investor (the Company has neither an equity nor a residual interest in Foundation Re IV).

Accordingly, the Company is not the primary beneficiary of Foundation Re IV and does not consolidate that entity in the Company's consolidated financial statements. Additionally, because the Company has no intention to pursue any transaction that would result in it acquiring interest in and becoming the primary beneficiary of Foundation Re IV, the

consolidation of that entity in the Company's consolidated financial statements in future periods is unlikely.

Reinsurance for Terrorism- For the risk of terrorism, private sector catastrophe reinsurance capacity is generally limited and largely unavailable for terrorism losses caused by nuclear, biological, chemical or radiological attacks. As such, the Company's principal reinsurance protection against large-scale terrorist attacks is the coverage currently provided through TRIPRA to the end of 2027.

TRIPRA provides a backstop for insurance-related losses resulting from any "act of terrorism", which is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General, for losses that exceed a threshold of industry losses of \$200. Under the program, in any one calendar year, the federal government will pay a percentage of losses incurred from a certified act of terrorism after an insurer's losses exceed 20% of the Company's eligible direct commercial earned premiums of the prior calendar year up to a combined annual aggregate limit for the federal government and all insurers of \$100 billion. The percentage of losses paid by the federal government is 80%. The Company's estimated deductible under the program is ~~\$1.9 billion~~ \$2.0 billion for 2023, 2024. If an act of terrorism or acts of terrorism result in covered losses exceeding the \$100 billion annual industry aggregate limit, Congress would be responsible for determining how additional losses in excess of \$100 billion will be paid.

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Reinsurance for A&E and Navigators Group Reserve Development - The Company has two ADC reinsurance agreements in place, both of which are accounted for as retroactive reinsurance. One agreement covers substantially all A&E reserve development for 2016 and prior accident years (the "A&E ADC") up to an aggregate limit of \$1.5 billion and the other covered substantially all reserve development of Navigators Insurance Company ("NIC") and certain of its affiliates for 2018 and

prior accident years ("Navigators (the "Navigators ADC") up to an aggregate limit of \$300. As the Company has ceded all of the \$300 available limit under the Navigators ADC, there is no remaining limit available as of **December 31, 2022** December 31, 2023. As of December 31, 2023, the Company has paid Navigators claims in excess of the \$1.816 billion acquisition date reserves plus the \$100 retention. The Company expects to begin amortizing the deferred gain into income in the first quarter of 2024 as recoveries are received. For more information on the A&E ADC and the Navigators ADC, see Note 1, Basis of Presentation and Significant Accounting Policies, and Note 11, Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.

Reinsurance Recoverables

Property and Casualty insurance product reinsurancerecoverables represent loss and loss adjustment expense recoverables from a number of entities, including reinsurers and pools. A portion of the total gross reinsurance recoverables balance relates to the Company's participation in various mandatory (assigned) and involuntary risk pools and the value of annuity contracts held under structured settlement agreements.

Group Benefits and Corporate reinsurance recoverablesrepresent reserves for future policy benefits and unpaid loss and loss adjustment expenses and other policyholder funds and

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benefits payable that are recoverable from a number of reinsurers.

The table below shows the gross and net reinsurance recoverables reported in the Property and Casualty and Group Benefits reporting segments as well as Corporate.

To manage reinsurer credit risk, a reinsurance security review committee evaluates the credit standing, financial performance, management and operational quality of each potential reinsurer.

In placing reinsurance, the Company considers the nature of the risk reinsured, including the expected liability payout duration, and establishes limits tiered by reinsurer credit rating.

Where its contracts permit, the Company secures future claim obligations with various forms of collateral or other credit enhancement,

including irrevocable letters of credit, secured trusts, funds held accounts and group wide offsets. As part of its reinsurance recoverable review, the Company analyzes recent developments in commutation activity between reinsurers and cedants, recent trends in arbitration and litigation outcomes in disputes between cedants and reinsurers and the overall credit

quality of the Company's reinsurers. For further discussion on reinsurance recoverables, including details of recoverables by AM Best credit rating, see Note 8 – Reinsurance of Notes to Consolidated Financial Statements.

Annually, the Company completes evaluations of the reinsurance recoverable asset associated with older, long-term casualty liabilities reported in the Property & Casualty Other Operations reporting segment and the allowance for uncollectible reinsurance reported in the Commercial Lines and Group Benefits reporting segments as well as the Corporate category. For a discussion regarding the results of the evaluation of older, long-term casualty liabilities reported in the Property & Casualty Other Operations reporting segment, see MD&A - Critical Accounting Estimates, Property and Casualty Insurance Product Reserves, Net of Reinsurance. For a discussion of the allowance for uncollectible reinsurance, see Note 8 – Reinsurance of Notes to Consolidated Financial Statements.

Reinsurance Recoverables as of December 31,

		Property and Casualty		Group Benefits		Corporate		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Property and Casualty		2023		2023		2022		2023	
2023		2023		2022		2023		2022	
Paid loss and loss adjustment expenses	Paid loss and loss adjustment expenses	\$ 300	\$ 319	\$ 6	\$ 5	\$ —	\$ —	\$ 306	\$ 324

Unpaid loss and loss adjustment expenses	Unpaid loss and loss adjustment expenses	6,257	5,774	245	246	263	278	6,765	6,298
Gross reinsurance recoverables	Gross reinsurance recoverables	6,557	6,093	251	251	263	278	7,071	6,622
Allowance for uncollectible reinsurance	Allowance for uncollectible reinsurance	(102)	(96)	(1)	(1)	(2)	(2)	(105)	(99)
Net reinsurance recoverables	Net reinsurance recoverables	\$6,455	\$5,997	\$250	\$250	\$261	\$276	\$6,966	\$6,523

Guaranty Funds and Other Insurance-related Assessments

As part of its risk management strategy, the Company regularly monitors the financial strength of other insurers and, in particular, activity by insurance regulators and various state guaranty associations in the U.S. relating to troubled insurers. In all states, insurers licensed to transact certain classes of insurance are required to become members of a guaranty fund.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, human error, or from external events.

operational risk on an aggregate basis. ERM is responsible for

Sources of Operational Risk Operational risk is inherent in the Company's business and functional areas. Operational risks include: compliance with laws and regulations, cybersecurity, business disruption, technology failure, inadequate execution or process management, reliance on model and data analytics, internal fraud, external fraud, third party dependency and attraction and retention of talent.

Impact Operational risk can result in financial loss, disruption of our business, regulatory actions or damage to our reputation.

Management Responsibility for day-to-day management of operational risk lies within each business unit and functional area. ERM provides an enterprise-wide view of the Company's



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establishing, maintaining and communicating the framework, principles and guidelines of the Company's operational risk management program. Operational risk mitigation strategies include the following:

- Establishing policies and monitoring risk tolerances and exceptions;
- Conducting business risk assessments and implementing action plans where necessary;
- Validating existing crisis management protocols;
- Identifying and monitoring emerging risks; and
- Purchasing insurance coverage.

Cybersecurity Risk

The Hartford has implemented an **For** information protection program with established governance routines that promote an adaptive approach for assessing and managing risks. The Hartford employs a 'defense-in-depth' strategy that uses multiple security measures to protect the integrity of the Company's information assets. This 'defense-in-depth' strategy aligns to the National Institute of Standards and Technology ("NIST") Cyber Security Framework and provides preventative, detective and responsive measures that collectively protects the Company. The Hartford continually assesses cyber capabilities and threat detection. Various cyber assurance methods, including security metrics, third party security assessments, external penetration testing, red team exercises, and cyber incident response exercises are used to test the effectiveness of the overall cybersecurity control environment. Additionally, the Company collaborates with industry associations, government authorities, peers and external advisors to monitor the threat environment and to inform our security practices.

The Hartford, like many other large financial services companies, blocks attempted cyber intrusions on a daily basis. In the event of a cyber intrusion, the Company invokes its Cyber Incident Response Program (the "Program") commensurate with the nature of the intrusion. While the actual methods employed differ based on the event, our approach uses internal teams **prevention, detection, mitigation** and outside advisors with specialized skills to support the response and recovery efforts and requires elevation **remediation** of issues, as necessary, to senior management. In addition, we have procedures to ensure timely notification of critical cybersecurity incidents, pursuant to the Program to help identify employees who may have material non-public information and to implement blackout restrictions on trading the Company's securities during the investigation and assessment of such cybersecurity incidents. **see Part I, Item 1C – Cybersecurity.**

From a governance perspective, senior members of our Enterprise Risk Management, Information Protection and Internal Audit functions provide detailed, regular reports on cybersecurity matters to the Board. The Audit Committee, which oversees controls for the Company's major risk exposures, has principal responsibility for oversight of cybersecurity risk. The topics covered by these updates include the Company's activities, policies and procedures to prevent, detect and respond to cybersecurity incidents, as well as lessons learned from cybersecurity incidents and internal and external testing of our cyber defenses. In 2022, the Audit Committee received five updates on cybersecurity matters.

FINANCIAL RISK

Financial risks include direct and indirect risks to the Company's financial objectives from events that impact financial market conditions and the value of financial assets. Some events may cause correlated movement in multiple risk factors. The primary sources of financial risks are the Company's invested assets.

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Consistent with its risk appetite, the Company establishes financial risk limits to control potential loss on a U.S. GAAP, statutory, and economic basis. Exposures are actively monitored and managed, with risks mitigated where appropriate. The Company uses various risk management strategies, including limiting aggregation of risk, portfolio re-balancing and hedging with over-the-counter ("OTC") OTC and exchange-traded derivatives with counterparties meeting the appropriate regulatory and due diligence requirements. Derivatives are utilized may be used to achieve the following Company-approved objectives: (1) hedging risk arising from interest rate, equity market, commodity market, credit spread and issuer default, price or currency exchange rate risk or volatility; (2) managing liquidity; (3) controlling transaction costs; and (4) engaging in income generation covered call transactions and synthetic replication transactions. Derivative activities are monitored and evaluated by the Company's compliance and risk management teams and reviewed by senior management. The Company identifies different categories of financial risk, including liquidity, credit, interest rate, equity, and foreign currency exchange.

Liquidity Risk

Liquidity risk is the risk to current or prospective earnings or capital arising from the Company's inability or perceived inability to meet its contractual funding obligations as they come due.

Sources of Liquidity Risk Sources of liquidity risk include funding risk, company-specific liquidity risk and market liquidity risk resulting from differences in the amount and timing of sources and uses of cash as well as company-specific and general market conditions. Stressed market conditions may impact the ability to sell assets or otherwise transact business and may result in a significant loss in value of the investment portfolio.

Impact Inadequate capital resources and liquidity could negatively affect the Company's overall financial strength and its ability to generate cash flows from its businesses, borrow funds at competitive rates, and raise new capital to meet operating and growth needs.

Management The Company has defined ongoing monitoring and reporting requirements to assess liquidity across the enterprise under both current and stressed market conditions. The Company measures and manages liquidity risk exposures and funding needs within prescribed limits across legal entities, taking into account legal, regulatory and operational limitations to the transferability of liquid assets among legal entities. The Company also monitors internal and external conditions, and identifies material risk changes and emerging risks that may impact operating cash flows or liquid assets. The liquidity requirements of The Hartford Financial Services Group, Inc. ("HFSG Holding Company") have been and will continue to be met by the HFSG Holding Company's

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fixed maturities, short-term investments and cash, and dividends from its subsidiaries, principally from its insurance operations, as well as the issuance of common stock, debt or other capital securities and borrowings from its credit facilities as needed. The Company maintains multiple sources of contingent liquidity including a revolving credit facility, an intercompany liquidity agreement that allows for short-term advances of funds among the HFSG Holding Company and certain affiliates, and access to collateralized advances from the Federal Home Loan Bank of

Boston ("FHLBB") for certain affiliates. The Company's CFO has primary responsibility for liquidity risk.

Credit Risk and Counterparty Risk

Credit risk is the risk to earnings or capital due to uncertainty of an obligor's or counterparty's ability or willingness to meet its obligations in accordance with contractually agreed upon terms. Credit risk is comprised of three major factors: the risk of change in credit quality, or credit migration risk; the risk of default; and the risk of a change in value due to changes in credit spreads.

Sources of Credit Risk The majority of the Company's credit risk is concentrated in its investment holdings and use of derivatives, but it is also present in the Company's ceded reinsurance activities and various insurance products.

Impact A decline in creditworthiness is typically reflected as an increase in an investment's credit spread and an associated decline in the investment's fair value, potentially resulting in recording an ACL and an increased probability of a realized loss upon sale. In certain instances, counterparties may default on their obligations and the Company may realize a loss on default. Premiums receivable, including premiums for retrospectively rated plans, reinsurance recoverable and deductible losses recoverable are also subject to credit risk based on the counterparty's inability to pay.

Management The objective of the Company's enterprise credit risk management strategy is to identify, quantify, and manage credit risk in aggregate and to limit potential losses in accordance with the Company's credit risk management policy. The Company manages its credit risk by managing aggregations of risk, holding a diversified mix of issuers and counterparties across its investment, reinsurance, and insurance portfolios, and limiting exposure to any specific reinsurer or counterparty. Potential credit losses can be mitigated through diversification (e.g., geographic regions, asset types, industry sectors), hedging and the use of collateral to reduce net credit exposure.

The Company manages credit risk through the use of various surveillance, analyses and governance processes. The investment and reinsurance areas have formal policies and procedures for counterparty approvals and authorizations, which establish criteria defining minimum levels of creditworthiness and financial stability for eligible counterparties. Potential investments are subject to underwriting reviews and private securities are subject to management approval. Mitigation strategies vary across the three sources of credit risk, but may include:

- Hedging through use of credit default swaps;
 - Clearing derivative transactions through central clearing houses that require daily variation margin;
 - Entering into derivative and reinsurance contracts only with strong creditworthy institutions;
 - Requiring collateral; and
 - Non-renewing policies/contracts or reinsurance treaties.
- Investing in a portfolio of high-quality and diverse securities;
 - Selling investments subject to heightened credit risk;

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The Company has developed credit exposure thresholds which are based upon counterparty ratings. Aggregate counterparty credit quality and exposure are monitored on a daily basis utilizing an enterprise-wide credit exposure information system that contains data on issuers, ratings, exposures, and credit limits. Exposures are tracked on a current and potential basis and aggregated by ultimate parent of the counterparty across investments, reinsurance receivables, insurance products with credit risk, and derivatives.

As of [December 31, 2022](#) [December 31, 2023](#), the Company had no investment exposure to any credit concentration risk of a single issuer or counterparty greater than 10% of the Company's stockholders' equity, other than the U.S. government and certain U.S. government agencies. For further discussion of concentration of credit risk in the investment portfolio, see the Concentration of Credit Risk section in Note 5 - Investments of Notes to Consolidated Financial Statements.

Assets and Liabilities Subject to Credit Risk

Investments Essentially all of the Company's invested assets are subject to credit risk. [In 2023](#), there were net credit losses on fixed maturities, AFS and an increase in the ACL on mortgage loans of \$14 and \$15 respectively. [In 2022](#), there were net credit losses on fixed maturities, AFS and an increase in the ACL on mortgage loans of \$18 and \$7 respectively. [In 2021](#), there were net credit recoveries on fixed maturities, AFS and a decrease in the ACL on mortgage loans of \$4 and \$9 respectively, primarily due to an improved economic environment. Refer to the Investment Portfolio Risk section of Financial Risk Management under "Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments" and "ACL on Mortgage Loans".

Reinsurance recoverables Reinsurance recoverables, net of an allowance for uncollectible reinsurance, were [\\$6,966](#) [\\$7,104](#) and [\\$6,523](#) [\\$6,964](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021](#) [2022](#) respectively. Refer to the Enterprise Risk Management section of the MD&A under "Reinsurance as a Risk Management Strategy."

Premiums receivable and agents' balances Premiums receivable and agents' balances, net of an ACL, were [\\$4,949](#) [\\$5,607](#) and [\\$4,445](#) [\\$4,949](#), as of [December 31, 2022](#) [December 31, 2023](#) and [2021](#) [2022](#), respectively. For a discussion regarding collectibility of these balances, see Note 7 - Premiums Receivable and Agents' Balances of Notes to Consolidated Financial Statements.

Credit Risk of Derivatives

The Company uses various derivative counterparties in executing its derivative transactions. The use of counterparties creates credit risk that the counterparty may not perform in accordance with the terms of the derivative transaction.

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Downgrades to the credit ratings of the Company's insurance operating companies may have adverse implications for its use of derivatives. In some cases, downgrades may give derivative counterparties for OTC derivatives and clearing brokers for OTC-cleared derivatives the right to cancel and settle outstanding derivative trades or require additional collateral to be posted. In addition, downgrades may result in counterparties and clearing brokers becoming unwilling to engage in or clear additional derivatives or may require additional collateralization before entering into any new trades.

Managing the Credit Risk of Counterparties to Derivative Instruments

The Company also has derivative counterparty exposure policies which limit the Company's exposure to credit risk. The Company monitors counterparty exposure on a monthly basis to ensure compliance with Company policies and statutory limitations. The Company's policies with respect to derivative counterparty exposure establishes market-based credit limits, favors long-term financial stability and creditworthiness of the counterparty and typically requires credit enhancement/credit risk reducing agreements, which are monitored and evaluated by the Company's risk management team and reviewed by senior management.

The Company minimizes the credit risk of derivative instruments by entering into transactions with high quality counterparties primarily rated A or better. The Company also generally requires that OTC derivative contracts be governed by an International Swaps and Derivatives Association ("ISDA") Master Agreement, which is structured by legal entity and by counterparty and permits right of offset. The Company enters into credit support annexes in conjunction with the ISDA agreements, which require daily collateral settlement based upon agreed upon thresholds.

The Company also has derivative counterparty exposure policies which limit the Company's exposure to credit risk. Credit exposures are generally quantified based on the prior business day's net fair value, including income accruals, of all derivative positions transacted with a single counterparty for each separate legal entity. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated and are not necessarily reflective of credit risk. The Company enters into collateral arrangements in connection with its derivatives positions and collateral is pledged to or held by, or on behalf of, the Company to the extent the exposure is greater than zero, subject to minimum transfer thresholds, if applicable. In accordance with industry standards and the contractual requirements, collateral is typically settled on the same business day. For further discussion, see the Derivative Commitments section of Note 14 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements.

Use of Credit Derivatives

The Company may also use credit default swaps to manage credit exposure or to assume credit risk to enhance yield.

Credit Risk Reduced Through Credit Derivatives

The Company uses credit derivatives to purchase credit protection with respect to a single entity or referenced index. The Company purchases credit protection through credit default swaps to economically hedge and manage credit risk of certain fixed maturity investments across multiple sectors of the investment portfolio. As of December 31, 2023 the Company did not hold credit derivatives that purchase credit protection. As of December 31, 2022 and 2021, the notional amount and fair value related to credit derivatives that purchase credit

protection was \$11 and \$112, respectively, while the fair value was \$0 and \$(2), less than \$1, respectively. These amounts do not include positions that are in offsetting relationships.

Credit Risk Assumed Through Credit Derivatives

The Company may also enter into credit default swaps that assume credit risk as part of replication transactions. Replication transactions are used as an economical means to synthetically replicate the characteristics and performance of assets that are permissible investments under the Company's investment policies. These swaps primarily reference investment grade

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single corporate issuers and indexes. As of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), the Company did not hold credit default swaps that assume credit risk.

For further information on credit derivatives, see Note 6 - Derivatives of Notes to Consolidated Financial Statements.

Credit Risk of Business Operations

A portion of the Company's Commercial Lines business is written with large deductibles or under retrospectively-rated plans. Under some commercial insurance contracts with a large deductible, the Company is obligated to pay the claimant the full amount of the claim and the Company is subsequently reimbursed by the policyholder for the deductible amount. As such, the Company is subject to credit risk until reimbursement is made. Retrospectively-rated policies are utilized primarily for workers' compensation coverage, whereby the ultimate premium is adjusted based on actual losses incurred. Although the premium adjustment feature of a retrospectively-rated policy substantially reduces insurance risk for the Company, it presents credit risk to the Company. The Company's results of operations could be adversely affected if a significant portion of such policyholders failed to reimburse the Company for the deductible amount or the amount of additional premium owed under retrospectively-rated policies. The Company manages these credit risks through credit analysis, collateral requirements, and [regular monitoring, oversight](#). For more information, see Note 7- Premiums Receivable and Agents' Balances of Notes to Consolidated Financial Statements.

Interest Rate Risk

Interest rate risk is the risk of financial loss due to adverse changes in the value of assets and liabilities arising from movements in interest rates. Interest rate risk encompasses exposures with respect to changes in the level of interest rates, the shape of the term structure of rates and the volatility of interest rates. Interest rate risk does not include exposure to changes in credit spreads.

Sources of Interest Rate Risk The Company has exposure to interest rate risk arising from investments in fixed maturities and commercial mortgage loans, issuances by the Company of debt securities, preferred stock and similar securities, discount rate assumptions associated with the Company's claim reserves and pension and other postretirement benefit obligations, and assets that support the Company's pension and other postretirement benefit plans.

Impact Changes in interest rates from current levels can have both favorable and unfavorable effects for the Company.

Assets and Liabilities Subject to Interest Rate Risk

Fixed income investments The fair value of fixed income investments, which include fixed maturities, commercial mortgage loans, and short-term investments, was \$50.1 billion and \$46.4 billion at December 31, 2023 and \$51.9 billion at December 31, 2022 and 2021, 2022, respectively. The weighted average duration of the portfolio, including derivative instruments, was approximately 4.0 3.8 years and 4.3 4.0 years as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Changes in the fair value of fixed maturities due to changes in interest rates are reflected as a component of AOCI.

Long-term debt obligations The Company's variable rate debt obligations will generally result in increased interest expense as a result of higher interest rates; the inverse is true during a declining interest rate environment. However, as explained in Note 13 14 - Debt of Notes to Consolidated Financial Statements, the Company has entered into an interest-rate swap agreement to effectively convert variable interest rate payments on its 3 Month London Inter-Bank Offered Rate ("LIBOR") + 2.125% notes \$500 junior subordinated debentures due 2067 to fixed interest payments. Changes in the value of fixed rate long-term debt as a result of changes in interest rates will impact the fair value of these instruments but not the carrying value in the Company's Consolidated Balance Sheets.

Group life and disability product liabilities The cash outflows associated with contracts issued by the Company's Group Benefits segment, primarily group life and short and long-term disability policy liabilities, are not interest rate sensitive but vary based on timing. Though the aggregate cash flow payment streams are relatively predictable, these products rely upon actuarial pricing assumptions (including mortality and morbidity) and have an element of cash flow uncertainty. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had \$8,540 \$8,586 and \$8,609, \$8,479, respectively of reserves for group life and disability contracts. Changes in the value of the For most Group Benefits liabilities, as a result of changes in interest rates will impact the fair value of these instruments but not the carrying value in the Company's Consolidated Balance Sheets. For long-duration insurance contracts, including paid-up life and life conversions, changes in interest rates will impact both the fair value and the carrying value in the Company's Consolidated Balance Sheets.

Pension and other postretirement benefit obligations The Company's pension and other postretirement benefit obligations are exposed to interest rate risk based upon the sensitivity of present value obligations to changes in liability discount rates as well as the sensitivity of the fair value of investments in the plan portfolios to changes in interest rates. The discount rate assumption is based upon an interest rate yield curve that reflects high-quality fixed income investments consistent with the maturity profile of the expected liability cash flows. The Company is exposed to the risk of having to make additional plan contributions if the plans' investment returns, including from investments in fixed maturities, are lower than expected. (For For further discussion of discounting pension and other postretirement benefit obligations, refer to Note 18 19 - Employee Benefit Plans of Notes to Consolidated Financial Statements.)

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Interest Rate Sensitivity

Group Life and Disability Reserves and Invested Assets Supporting Them

Included in the following table is the before tax change in the net economic value of contracts issued by the Company's Group Benefits segment, primarily group life and disability, for which fixed valuation discount rate assumptions are established based upon investment returns assumed in pricing, along with the corresponding invested assets. For long-duration insurance contracts the discount rate is updated quarterly with an equivalent single rate that is based on a current market observable, upper-medium grade fixed maturity yield. This has been interpreted to represent a yield based on single-A credit rated fixed maturity instruments with similar duration to the related liability. Also included in this analysis are the interest rate sensitive derivatives used by the Company to hedge its exposure to interest rate risk in the investment portfolios supporting these contracts. This analysis does not include the assets and corresponding liabilities of other insurance products such as automobile, property, workers' compensation and general liability insurance. Certain financial instruments, such as limited partnerships and other alternative investments, have been omitted from the analysis as the interest rate sensitivity of these investments is generally lower and less predictable than fixed income investments. The calculation of the estimated hypothetical change in net economic value below assumes a 100 basis point upward and downward parallel shift in the yield curve.

The selection of the 100 basis point parallel shift in the yield curve was made only as an illustration of the potential hypothetical impact of such an event and should not be construed as a prediction of future market events. Actual results could differ materially from those illustrated below due to the nature of the estimates and assumptions used in the analysis. The Company's sensitivity analysis calculation assumes that the composition of invested assets and liabilities remain materially consistent throughout the year and that the current relationship between short-term and long-term interest rates will remain constant over time. As a result, these calculations may not fully capture the impact of portfolio re-allocations, significant product sales or non-parallel changes in interest rates.

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Interest Rate Sensitivity of Group Benefits Reserves and Invested Assets Supporting Them										
Change in Net Economic Value as of December 31,										
2022 2021										
Change in Net Economic Value as of December 31,										
2023 2023 2022										
Basis point shift	Basis point shift	-100	+100	-100	+100	Basis point shift	-100	+100	+100	-100
Increase (decrease) in economic value, before tax	Increase (decrease) in economic value, before tax	\$ 71	\$(71)	\$101	\$(94)					

The carrying value of assets related to supporting Group Benefits, primarily long-term disability reserves, was \$9.8 billion \$10.3 billion and \$11.3 billion \$9.8 billion, as of December 31, 2022 December 31, 2023 and 2021 2022, respectively, and included fixed maturities, commercial mortgage loans and short-term investments. The assets are monitored and managed within set duration guidelines and are evaluated on a daily basis, as well as annually, using scenario simulation techniques in compliance with regulatory requirements.

Invested Assets not Supporting Group Life and Disability Reserves

The following table provides an analysis showing the estimated before tax change in the fair value of the Company's investments and related derivatives, excluding assets supporting group life and disability reserves which are included in the table above, assuming 100 basis point upward and

downward parallel shifts in the yield curve as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#). Certain financial instruments, such as limited partnerships and other alternative investments, have been omitted from the analysis as the interest rate sensitivity of these investments is generally lower and less predictable than fixed income investments.

Interest Rate Sensitivity of Invested Assets (Excluding Those Supporting Group Benefits Reserves)

Change in Fair Value as of December 31,												Change in Fair Value as of December 31,	
2022						2021							
Change in Fair Value as of December 31,												2023	
2023												2022	
Basis point shift	Basis point shift	-100	+100	-100	+100	Basis point shift	-100	+100	+100	-100	-100	+100	
Increase (decrease) in fair value, before tax	Increase (decrease) in fair value, before tax	\$1,554	\$(1,470)	\$1,841	\$(1,730)								

The carrying value of fixed maturities, commercial mortgage loans and short-term investments, excluding those related to supporting Group Benefits short and long-term disability reserves, was [\\$36.6 billion](#) [\\$39.8 billion](#) and [\\$40.6 billion](#) [\\$36.6 billion](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), respectively.

Long-term Debt

A 100 basis point parallel decrease in the yield curve would result in an increase in the fair value of long-term debt by [\\$426](#) [\\$444](#) and [\\$732](#) [\\$426](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), respectively. A 100 basis point parallel increase in the yield curve would result in a decrease in the fair value of long-term debt by [\\$357](#) [\\$373](#) and [\\$600](#) [\\$357](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), respectively. Changes in the value of long-term debt as a result of changes in interest rates will not impact the carrying value in the Company's Consolidated Balance Sheets.

Pension and Other Postretirement Plan Obligations

A 100 basis point parallel decrease in the yield curve would impact both the value of the underlying pension assets and the value of the liabilities, resulting in an increase in the unfunded liabilities (or decrease in asset) for pension and other postretirement plan obligations of [\\$22](#) [\\$12](#) and [\\$36](#) [\\$22](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), respectively. A 100 basis point parallel increase in the yield curve would have the inverse effect and result in a decrease in the unfunded liabilities (or increase in assets) for pension and other postretirement plan obligations of [\\$10](#) [\\$3](#) and [\\$17](#) [\\$10](#) as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), respectively. Gains or losses due to changes in interest rates the yield curve on the pension and postretirement plan obligations are recorded within AOCI and are amortized into the actuarial loss component of net periodic benefit cost when they exceed a threshold.

Discontinuation of LIBOR The U.K. Financial Conduct Authority ("FCA") announced that publication of U.S. dollar LIBOR on a representative basis would cease immediately after June 30, 2023. The Company continues to monitor the potential impacts of the discontinuation of LIBOR, which is used as a benchmark or reference rate for certain investments and derivatives the Company owns, and floating rate debt the Company has issued. Uncertainties and risks relating to the transition from LIBOR have been reduced by the federal Adjustable Interest Rate (LIBOR) Act, which addresses replacement of LIBOR in certain contracts governed by U.S. law (including the law of any U.S. state), including investments, derivatives and the outstanding floating rate subordinated

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debentures issued by the Company. As such, the Company expects minimal impact from the transition.

There is a risk that certain derivatives may no longer qualify for hedge accounting if reference rates change on derivative contracts but the reference interest rate of the instruments being hedged do not change in a substantially similar manner. The Company has adopted the FASB's temporary guidance which allows for contract modifications made solely due to rate reform and to maintain hedge accounting when the hedging effectiveness between the financial instrument and its hedge is only affected by the change to the reference rate. On December 21, 2022, the FASB extended the effective date for the temporary guidance and which now expires for contract modifications made and hedge relationships entered into or evaluated after December 31, 2024. After that date, there is uncertainty whether certain outstanding derivative contracts will continue to qualify for hedge accounting because the replacement rate of the financial instrument being hedged is not sufficiently matched to the reference rate of the derivative contract.

Equity Risk

Equity risk is the risk of financial loss due to changes in the value of global equities or equity indices.

Sources of Equity Risk

The Company has exposure to equity risk from invested assets, assets that support the Company's pension and other postretirement benefit plans, and fee income derived from Hartford Funds **assets under management AUM**.

Impact The investment portfolio is exposed to losses from market declines affecting equity securities and derivatives, which could negatively impact the Company's reported earnings. In addition, investments in limited partnerships and other alternative investments generally have a level of correlation to domestic equity market levels and can expose the Company to losses in earnings if valuations decline; however, earnings impacts are recognized on a lag as results from private equity investments and other funds are generally reported on a three-month delay. For assets supporting pension and other postretirement benefit plans, the Company may be required to make additional plan contributions if equity investments in the plan portfolios decline in value. Hartford Funds earnings are also significantly influenced by the U.S. and other equity markets. Generally, declines in equity markets will reduce the value of average daily **assets under management AUM** and the amount of fee income generated from those assets. Increases in equity markets will generally have the inverse impact.

Management The Company uses various approaches in managing its equity exposure, including limits on the proportion of assets invested in equities, diversification of the equity portfolio, and, at times, hedging of changes in equity indices. **During the first half of 2023, the Company reduced its exposure to equity securities through sales.** For assets supporting pension and other postretirement benefit plans, the asset allocation mix is reviewed on a periodic basis. In order to minimize risk, the pension plans maintain a listing of permissible and prohibited investments and impose concentration limits and investment quality requirements on permissible investment options.

Assets and Liabilities Subject to Equity Risk

Investment portfolio The investment portfolio is exposed to losses from market declines affecting equity securities and derivatives, and certain alternative assets and limited partnerships. Generally, declines in equity markets will



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reduce the value of these types of investments and could negatively impact the Company's earnings while increases in equity will have the inverse impact. For equity securities, the changes in fair value are reported in net realized gains and losses. For alternative assets and limited partnerships, the Company's share of earnings for the period is recorded in net investment income, though typically on a delay based on the availability of the underlying financial statements. For a discussion of equity sensitivity, see below.

Assets supporting pension and other postretirement benefit plans The Company may be required to make additional plan contributions if equity investments in the plan portfolios decline in value. For a discussion of equity sensitivity, see below.

Declines in value are recognized as unrealized losses in AOCI. Increases in equity markets are recognized as unrealized gains in AOCI. Unrealized gains and losses in AOCI are amortized into the actuarial loss component of net periodic benefit cost when they exceed a threshold. For further discussion of equity risk associated with the pension plans, see Note 18 19 - Employee Benefit Plans of Notes to Consolidated Financial Statements.

Assets under management Assets under management AUM in Hartford Funds may decrease in value during equity market declines, which would result in lower earnings because fee income is earned based upon the value of assets under management. AUM.

Equity Sensitivity

Investment portfolio and the assets supporting pension and other postretirement benefit plans

Included in the following tables are the estimated before tax change in the economic value of the Company's invested assets and assets supporting pension and other postretirement benefit plans with sensitivity to equity risk. The calculation of the hypothetical change in economic value below assumes a 20% upward and downward shock to the Standard & Poor's 500 Composite Price Index ("S&P 500"). For limited partnerships and other alternative investments, the movement in economic value is calculated using a beta analysis largely derived from historical experience relative to the S&P 500.

The selection of the 20% shock to the S&P 500 was made only as an illustration of the potential hypothetical impact of such an event and should not be construed as a prediction of future market events. Actual results could differ materially from those illustrated below due to the nature of the estimates and assumptions used in the analysis. These calculations do not capture the impact of portfolio re-allocations.

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Equity Sensitivity

		As of December 31, 2022			As of December 31, 2021				
		Shock to S&P 500			Shock to S&P 500				
		As of December 31, 2023			As of December 31, 2023			As of December 31, 2022	
		Shock to S&P 500			Shock to S&P 500			Shock to S&P 500	
(Before tax)	(Before tax)	Fair Value	+20%	-20%	Fair Value	+20%	-20%	(Before tax)	Fair Value
Investment Portfolio	Investment Portfolio	\$5,978	\$676	\$(676)	\$5,447	\$641	\$(641)		
Assets supporting pension and other postretirement benefit plans	Assets supporting pension and other postretirement benefit plans	\$ 820	\$ 84	\$(84)	\$1,245	\$167	\$(167)		

Hartford Funds assets under management

Hartford Funds earnings are significantly influenced by the U.S. and other equity markets. If equity markets were to hypothetically decline 20% and remain depressed for one year, the estimated before tax impact on reported Hartford Funds earnings for that one year period is approximately \$50 \$55 as of December 31, 2022 December 31, 2023. The selection of the 20% shock to the S&P 500 was made only as an illustration of the potential hypothetical impact of such an event and should not be construed as a prediction of future market events. Actual results could differ materially due to the nature of the estimates and assumptions used in the analysis.

Foreign Currency Exchange Risk

Foreign currency exchange risk is the risk of financial loss due to changes in the relative value between currencies.

Sources of Currency Risk The Company has foreign currency exchange risk in non-U.S. dollar denominated cash, fixed maturities, equities, and derivative instruments. In addition, the Company has non-U.S. subsidiaries, some with functional currencies other than U.S. dollar, and which transact business in

multiple currencies resulting in assets and liabilities denominated in foreign currencies.

Impact Changes in relative values between currencies can create variability in cash flows and realized or unrealized gains and losses on changes in the fair value of assets and liabilities. The impact on the fair value of fixed maturities, AFS due to changes in foreign currency exchange rates, in relation to functional currency, is reported in unrealized gains or losses as part of other comprehensive income. income ("OCI"). The realization of gains or losses resulting from investment sales or from changes in investments that record changes in fair value through the income statement due to changes in foreign currency exchange rates is reflected through net realized gains and losses.

In regards regard to insurance and reinsurance contracts that the Company enters into for which we are obligated to pay losses in a foreign currency, the impact of changes in foreign currency exchange rates on assets and liabilities related to these contracts is reflected through net realized gains and losses. These assets or liabilities include, but are not limited to, cash and cash equivalents, premiums receivable, reinsurance recoverables, and unpaid losses and loss adjustment expenses. Additionally, the Company translates the assets, liabilities, and income of non-U.S. dollar functional currency legal entities into

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U.S. dollars. This translation amount is reported as a component of other comprehensive income.

Management The Company manages its foreign currency exchange risk primarily through asset-liability matching and through the use of derivative instruments. However, legal entity

capital is invested in local currencies in order to satisfy regulatory requirements and to support local insurance operations. The foreign currency exposure of non-U.S. dollar denominated investments will most commonly be reduced through the sale of the assets or through hedges using foreign currency swaps and forwards.

Assets and Liabilities Subject to Foreign Currency Exchange Risk

Investment portfolio The Company is exposed to foreign exchange risk affecting non-U.S. dollar denominated cash, fixed maturities, equities, and derivative instruments. Changes in relative values between currencies can positively or negatively impact net realized gains and losses or unrealized gains (losses) as part of other comprehensive income.

Assets supporting pension plan As of December 31, 2022, the Company had immaterial exposure to non-U.S. dollar investments within pension plan assets. As of December 31, 2021, the Company had \$97 of non-U.S. dollar investments. Changes in relative values between currencies can positively or negatively impact unrealized gains and losses in AOCI. Unrealized gains and losses in AOCI are amortized into the actuarial loss component of net periodic benefit cost when they exceed a threshold. These amounts are excluded from the sensitivity analysis below.

Insurance contract related assets and liabilities The Company has non-U.S. dollar denominated insurance and reinsurance contracts and associated premiums receivable, reinsurance recoverables and unpaid losses and loss adjustment expenses, that are exposed to foreign exchange risk. For contracts that are within U.S. dollar functional currency legal entities, changes in foreign currency exchange rates can positively or negatively impact net realized gains and losses. For contracts within non-U.S. dollar functional currency legal entities, changes in the functional currency relative to the U.S. dollar can positively or negatively impact other comprehensive income.

Foreign Currency Sensitivity

For the Company's primary currencies that create foreign exchange risk, the following table provides the estimated impact of a hypothetical 10% unfavorable change in exchange rates. Actual results could differ materially due to the nature of the estimates and assumptions used in the analysis. The amounts presented are in U.S. dollars and before tax.

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Foreign Currency Sensitivity [1]

GBP		GBP	CAD	10% Unfavorable Change
December 31, 2023				
Net assets (liabilities)				
Net assets (liabilities)				
Net assets (liabilities)				
		10%		
		Unfavorable		
		GBP CAD	Change	
December 31, 2022	December 31, 2022			
December 31, 2022				

December 31, 2022				
Net assets	Net assets			
(liabilities)	(liabilities)	\$ 174	\$ 185	\$ (33)
December 31, 2021				
Net assets	Net assets			
(liabilities)	(liabilities)	\$ 287	\$ 132	\$ (38)
Net assets (liabilities)				

[1]Table excludes currencies where the value of net assets in U.S. dollar equivalent is less than 1% of total net assets of the Company.

Financial Risk on U.S. Statutory Capital

U.S. Statutory surplus amounts and RBC ratios may increase or decrease in any period depending upon a variety of factors and may be compounded in extreme scenarios or if multiple factors occur at the same time. At times, the impact of changes in certain market factors or a combination of multiple factors on RBC ratios can be counterintuitive. Factors include:

- A decrease in the value of certain fixed-income and equity securities in our investment portfolio, due in part to credit spreads widening, an increase in interest rates, or a decline in equity market levels, may result in a decrease in statutory surplus and RBC ratios;
 - A decline in investment yields may reduce our net investment income, which may result in a decrease in statutory surplus and RBC ratios;
- statutory capital and surplus of our U.S. insurance subsidiaries as well as the level of GAAP capital held by the Company in determining the Company's financial strength and credit ratings. Rating agencies may implement changes to their internal models that have the effect of increasing or decreasing the amount of capital we must hold in order to maintain our current ratings.

- Decreases in the value of certain derivative instruments that do not get hedge accounting, may reduce statutory surplus and RBC ratios; and
- Non-market factors can also impact the amount and volatility of either our actual or potential obligation, as well as the related statutory surplus and RBC ratios.

Most of these factors are outside of the Company's control. Among other factors, rating agencies consider the level of



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Investment Portfolio Risk

The following table presents the Company's fixed maturities, AFS, by credit quality. The credit ratings referenced throughout this section are based on availability and are generally the midpoint of the available ratings among Moody's, S&P, and Fitch. If no rating is available from a rating agency, then an internally developed rating is used. Accrued interest receivable investment income

related to fixed maturities are recorded in other assets on the Consolidated Balance Sheets and are is not included in the amortized cost or fair value of the fixed maturities. For further information refer to Note 5 - Investments of Notes to Consolidated Financial Statements.

Fixed Maturities, AFS by Credit Quality

		December 31, 2022			December 31, 2021				December 31, 2023					December 31, 2022	
		Percent			Percent				Percent of					Amortized	Fair V
		of Total			of Total				Total Fair						
		Amortized	Fair	Fair	Amortized	Fair	Fair		Amortized	Fair Value	Value	Amortized	Fair V		
		Cost	Value	Value	Cost	Value	Value		Cost	Fair Value	Value	Cost	Fair V		
United States	United States							United States							
Government/Government	Government/Government							Government/Government							
agencies	agencies	\$ 5,573	\$ 5,025	13.9 %	\$ 5,706	\$ 5,881	13.7 %	agencies	\$ 5,174	\$ 4,776	12.0 %	\$ 5,573	\$ 5,025		
AAA	AAA	6,171	5,824	16.1 %	5,917	6,133	14.3 %	AAA	7,277	7,055	17.7 %	6,171	5,824		
AA	AA	7,136	6,650	18.4 %	7,279	7,718	18.0 %	AA	7,527	7,270	18.3 %	7,136	6,650		
A	A	9,758	8,968	24.7 %	10,277	10,962	25.6 %	A	10,253	9,828	24.7 %	9,758	8,968		
BBB	BBB	8,918	7,973	22.0 %	9,196	9,708	22.7 %	BBB	9,710	9,198	23.1 %	8,918	7,973		
BB & below	BB & below	1,977	1,791	4.9 %	2,413	2,445	5.7 %	BB & below	1,785	1,691	4.2 %	1,977	1,791		
Total fixed maturities, AFS	Total fixed maturities, AFS	\$ 39,533	\$36,231	100.0 %	\$ 40,788	\$42,847	100.0 %	Total fixed maturities, AFS	\$ 41,726	\$ 39,818	100.0 %	\$ 39,533	\$ 36,231		

The fair value of fixed maturities, AFS decreased as compared to December 31, 2021, primarily due to a decline in valuations due net additions of corporate bonds and ABS, partially offset by net reductions to higher interest rates U.S. treasuries and wider credit spreads, tax-exempt municipal bonds. The decline was also due to the reinvestment higher valuations as a result of sales and maturities into other asset classes, tighter credit

spreads. Fixed maturities, FVO are not included in the preceding table. For further discussion on FVO securities see Note 4 - Fair Value Measurements of Notes to Consolidated Financial Statements.

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Fixed Maturities, AFS by Type

		December 31, 2022					December 31, 2021					December 31, 2022			
		Percent					Percent					Percent of			
		of Total					of Total					Gross			
		Amortized	Gross	Gross	Fair	Fair	Amortized	Gross	Gross	Fair	Fair	Amortized	Gross	Unrealized	Gross
		Cost	ACL	Gains	Losses	Value	Cost	ACL	Gains	Losses	Value	Cost	ACL	Gains	Value
Asset-backed securities ("ABS")															
ABS															
Consumer loans	Consumer loans	\$ 1,538	\$ —	\$ —	\$ (41)	\$ 1,497	\$ 959	\$ —	\$ 11	\$ (2)	\$ 968				
Consumer loans															
Consumer loans												\$ 2,414	\$ —	\$ 10	\$ —
Other	Other	478	—	—	(34)	444	166	—	2	(1)	167				

Other																					
Other														933		—		8			
CLO	CLO	3,040	—	3	(102)	2,941	8.1 %	3,019	—	8	(2)	3,025	7.1 %	CLO	3,104	—	—	3	3	(1)	
Commercial Mortgage-Backed Securities ("CMBS")	Commercial Mortgage-Backed Securities ("CMBS")																				
Commercial Mortgage-Backed Securities ("CMBS")																					
Commercial Mortgage-Backed Securities ("CMBS")																					
Agency [1]																					
Agency [1]																					
Agency [1]	Agency [1]	1,268	(10)	14	(115)	1,157	3.2 %	1,390	—	75	(5)	1,460	3.4 %		1,179	(12)	(12)	14	14	(119)	(119)
Bonds	Bonds	2,263	—	2	(228)	2,037	5.6 %	2,327	—	92	(9)	2,410	5.6 %	Bonds	2,150	—	—	—	—	(21)	(21)
Interest only	Interest only	184	—	5	(15)	174	0.5 %	238	—	12	(1)	249	0.6 %	Interest only	137	—	—	5	5	(1)	(1)
Corporate	Corporate																				
Basic industry																					
Basic industry																					
Basic industry	Basic industry	797	—	1	(64)	734	2.0 %	761	—	34	(5)	790	1.8 %		967	—	—	7	7	(39)	(39)
Capital goods	Capital goods	1,380	—	2	(117)	1,265	3.5 %	1,442	—	84	(9)	1,517	3.5 %	Capital goods	1,630	—	—	19	19	(6)	(6)
Consumer cyclical	Consumer cyclical	1,100	—	—	(97)	1,003	2.8 %	1,161	(1)	50	(5)	1,205	2.8 %	Consumer cyclical	1,331	(4)	(4)	20	20	(5)	(5)
Consumer non-cyclical	Consumer non-cyclical	2,102	—	6	(188)	1,920	5.3 %	2,473	—	134	(8)	2,599	6.1 %	Consumer non-cyclical	2,232	—	—	27	27	(12)	(12)
Energy	Energy	1,076	—	3	(92)	987	2.7 %	1,405	—	99	(2)	1,502	3.5 %	Energy	1,261	—	—	13	13	(5)	(5)
Financial services	Financial services	4,923	—	8	(441)	4,490	12.4 %	4,648	—	214	(20)	4,842	11.3 %	Financial services	5,434	—	—	30	30	(28)	(28)
Tech./comm.	Tech./comm.	2,312	(2)	9	(249)	2,070	5.7 %	2,658	—	216	(11)	2,863	6.7 %	Tech./comm.	2,470	(2)	(2)	47	47	(14)	(14)
Transportation	Transportation	731	—	1	(81)	651	1.8 %	744	—	43	(3)	784	1.8 %	Transportation	803	—	—	8	8	(6)	(6)
Utilities	Utilities	1,871	—	3	(212)	1,662	4.6 %	1,917	—	141	(8)	2,050	4.8 %	Utilities	2,155	(3)	(3)	25	25	(14)	(14)
Other	Other	502	—	—	(51)	451	1.2 %	535	—	23	(3)	555	1.3 %	Other	408	—	—	1	1	(3)	(3)
Foreign govt./govt. agencies	Foreign govt./govt. agencies	596	—	—	(49)	547	1.5 %	883	—	33	(6)	910	2.1 %	Foreign govt./govt. agencies	583	—	—	6	6	(2)	(2)
Municipal bonds	Municipal bonds																				
Taxable	Taxable	1,062	—	2	(148)	916	2.5 %	1,079	—	83	(2)	1,160	2.7 %								
Taxable																					
Taxable														1,211		—		7			
Tax-exempt	Tax-exempt	5,656	—	91	(367)	5,380	14.9 %	6,394	—	704	(1)	7,097	16.6 %	Tax-exempt	4,996	—	—	124	124	(18)	(18)
Residential Mortgage-	Residential Mortgage-																				

Non-Agency	1,263	1,144	526	477	300	260	189	169	15	12	2,293	2,062
Sub-Prime	1	1	12	12	5	5	10	10	12	12	40	40
Total RMBS	1,264	1,145	2,880	2,674	305	265	199	179	27	24	4,675	4,287
Total CMBS & RMBS	\$ 2,212	\$ 2,031	\$ 4,638	\$ 4,255	\$ 676	\$ 582	\$ 353	\$ 305	\$ 262	\$ 239	\$ 8,141	\$ 7,412

Exposure to CMBS and RMBS as of December 31, 2022

	AAA		AA		A		BBB		BB and Below		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
CMBS												
Agency [1]	\$ 1,264	\$ 1,154	\$ 4	\$ 3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,268	\$ 1,157
Bonds	908	840	568	504	424	370	138	116	225	207	2,263	2,037
Interest Only	101	96	74	70	—	—	8	7	1	1	184	174
Total CMBS	2,273	2,090	646	577	424	370	146	123	226	208	3,715	3,368
RMBS												
Agency	1,845	1,652	20	19	—	—	—	—	—	—	1,865	1,671
Non-Agency	1,166	1,036	501	428	353	288	236	198	21	15	2,277	1,965
Alt-A	—	—	—	—	—	—	1	1	6	6	7	7
Sub-Prime	3	3	21	21	10	10	8	8	23	23	65	65
Total RMBS	3,014	2,691	542	468	363	298	245	207	50	44	4,214	3,708
Total CMBS & RMBS	\$ 5,287	\$ 4,781	\$ 1,188	\$ 1,045	\$ 787	\$ 668	\$ 391	\$ 330	\$ 276	\$ 252	\$ 7,929	\$ 7,076

Exposure to CMBS and RMBS as of December 31, 2021

		AAA		AA		A		BBB		BB and Below		Total	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
AAA													
Amortized Cost													
CMBS													
Agency [1]													
Agency [1]													
Agency [1]		\$ 1,380	\$ 1,450	\$ 10	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,390	\$ 1,460
Bonds		950	995	571	593	439	453	182	186	185	183	2,327	2,410
Interest Only		134	141	92	96	1	1	10	10	1	1	238	249
Total CMBS		2,464	2,586	673	699	440	454	192	196	186	184	3,955	4,119
RMBS													
Agency		1,315	1,347	22	23	—	—	—	—	—	—	1,337	1,370

Agency													
Agency													
Non-	Non-												
Agency	Agency	840	845	554	552	477	473	199	196	31	30	2,101	2,096
Alt-A		—	—	—	—	—	—	—	—	12	13	12	13
Sub-	Sub-												
Prime	Prime	6	7	34	35	47	48	24	24	49	50	160	164
Total RMBS													
Total RMBS													
Total	Total												
RMBS	RMBS	2,161	2,199	610	610	524	521	223	220	92	93	3,610	3,643
Total													
CMBS													
&													
RMBS	RMBS	\$ 4,625	\$ 4,785	\$ 1,283	\$ 1,309	\$ 964	\$ 975	\$ 415	\$ 416	\$ 278	\$ 277	\$ 7,565	\$ 7,762

[1]Includes securities with pools of loans issued by the Small Business Administration which are backed by the full faith and credit of the U.S. government.

As of December 31, 2023, the credit quality of the majority of agency-backed CMBS and RMBS changed from AAA to AA+ due to a downgrade of U.S. government-sponsored enterprises by Fitch in August of 2023.

participated loan, and the relationship between the Company as loan originator, lead participant and servicer and the third party

The Company also has exposure to commercial mortgage loans. These loans are collateralized by real estate properties that are diversified both geographically throughout the United States and by property type. These commercial loans are originated by the Company as high quality whole loans, and the Company may sell participation interests in one or more loans to third parties. A loan participation interest represents a pro-rata share in interest and principal payments generated by the

as a participant are governed by a participation agreement.

As of December 31, 2023, mortgage loans had an amortized cost of \$6.1 billion and carrying value of \$6.1 billion, with an ACL of \$51. As of December 31, 2022, mortgage loans had an amortized cost of \$6.0 billion and carrying value of \$6.0 billion, with an ACL of \$36. As of December 31, 2021, mortgage loans had an amortized cost of \$5.4 billion and carrying value of \$5.4 billion, with an ACL of \$29. The increase in the allowance was primarily attributable to the deteriorating revised economic conditions and the potential impact on real estate scenarios, lower property valuations, and to overall weaker real estate fundamentals.

The Company funded \$589 million of commercial mortgage loans with a lesser extent, net additions weighted average loan-to-value ("LTV") ratio of new loans, 57%

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The Company funded \$913 million of commercial mortgage loans with a weighted average loan-to-value ("LTV") ratio of 56% and a weighted average yield of 3.6% 7.2% during the twelve months ended December 31, 2022 December 31, 2023. The Company continues to originate commercial mortgage loans in high growth markets across the country focusing primarily on institutional-quality multi-family industrial and industrial multi-family properties with strong LTV ratios. There were no mortgage loans held for sale as of December 31, 2022 December 31, 2023, or December 31, 2021 December 31, 2022.

Municipal Bonds

The following table presents the Company's exposure to municipal bonds by type and weighted average credit quality included in the preceding Securities by Type table.

Available For Sale Investments in Municipal Bonds						
December 31, 2022			December 31, 2021			
			Weighted Average		Weighted Average	
Amortized Cost	Fair Value	Credit Quality	Amortized Cost	Fair Value	Credit Quality	
December 31, 2023			December 31, 2023			

										Weighted Average													
Amortized Cost										Amortized Fair Credit													
										Cost Value Quality													
General Obligation	General Obligation	\$	863	\$	838	AA	\$	910	\$1,031	AA+	General Obligation	\$	807	\$	814	AA	AA		\$	863	\$	838	
Pre-refunded [1]	Pre-refunded [1]										Pre-refunded [1]												
			235		242	AAA		487	519	AAA		155		158	158	AA+	AA+		235		242	242	
Revenue	Revenue																						
Transportation	Transportation																						
Transportation	Transportation	1,435	1,342	A+		1,404	1,579	A+		1,325	1,298	1,298		A+	A+			1,435	1,342	1,342		A+	
Health Care	Health Care									Health													
		1,132	1,012	A+		1,274	1,397	A+		Care	974		902	902	A+	A+			1,132		1,012	1,012	
Leasing [2]	Leasing [2]									Leasing													
		714	659	AA-		813	874	AA-		[2]	761		732	732	AA-	AA-			714		659	659	
Education	Education	601	572	AA		670	748	AA		Education	527		520	520	AA	AA			601		572	572	
Water & Sewer	Water & Sewer	411	384	AA		504	538	AA		Water &													
										Sewer	362		347	347	AA+	AA+			411		384	384	
Power	Power										Power	275			271	A			280			268	
Sales Tax	Sales Tax	304	295	AA		370	436	AA		Sales Tax	231		237	237	AA	AA			304		295	295	
Power	Power	280	268	A		317	357	A+															
Housing	Housing	73	62	AA-		98	103	AA		Housing	179		172	172	AA	AA			73		62	62	
Other	Other	670	622	A+		626	675	AA-		Other	611		588	588	A+	A+			670		622	622	
Total Revenue	Total Revenue									Total													
		5,620	5,216	AA-		6,076	6,707	AA-		Revenue	5,245		5,067	5,067	AA-	AA-			5,620		5,216	5,216	
Total Municipal	Total Municipal										Total												
		\$	6,718	\$	6,296	AA-	\$	7,473	\$8,257	AA-	Municipal	\$	6,207	\$	6,039	AA-	AA-		\$	6,718	\$	6,296	

[1]Pre-refunded bonds are bonds for which an irrevocable trust containing sufficient U.S. treasury, agency, or other securities has been established to fund the remaining payments of principal and interest.

[2]Leasing revenue bonds are generally the obligations of a financing authority established by the municipality that leases facilities back to a municipality. The notes are typically secured by lease payments made by the municipality that is leasing the facilities financed by the issue. Lease payments may be subject to annual appropriation by the municipality or the municipality may be obligated to appropriate general tax revenues to make lease payments.

As of December 31, 2023, the largest issuer concentrations were the New York City Transitional Finance Authority, the State of Illinois, and the Metropolitan Transportation Authority, which each comprised less than 3% of the municipal bond portfolio and were primarily comprised of general obligation and revenue bonds. As of December 31, 2022, the largest issuer concentrations were the Grand Parkway Transportation Corporation of Texas, the New York City Transitional Finance Authority, and the New York City Municipal Water Finance Authority, which each comprised less than 3% of the municipal bond portfolio and were primarily comprised of general obligation and revenue bonds. As of December 31, 2021, the largest issuer concentrations were the New York State Dormitory Authority, the State of California, and the Pennsylvania State Turnpike Commission, which each comprised less than 3% of the municipal bond portfolio and were primarily comprised of general obligation and revenue bonds. In total, municipal bonds make up 12% 11% of the fair value of the Company's investment portfolio.

Limited Partnerships and Other Alternative Investments

The following table presents the Company's investments in limited partnerships and other alternative investments which include real estate joint ventures, real estate funds, private equity funds, other funds, and other alternative investments. Private equity funds primarily consist of investments in funds whose assets typically consist of a diversified pool of investments in small to mid-sized non-public businesses with high growth potential and strong owner sponsorship, as well as limited exposure to public markets.

Income or losses on investments in limited partnerships and other alternative investments are recognized on a lag as results from private equity investments and other funds are generally reported on a three-month delay.

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Limited Partnerships and Other Alternative Investments - Net Investment Income

Year Ended December 31,					
Year Ended December 31,					
Year Ended December 31,					
Year Ended December 31,					
2022	2021	2020	2023	2022	2021

		Yield		Yield		Yield			Amount		Yield [1]		Amount		Yield [1]		Amount		Yield [1]	
		Amount	[1]	Amount	[1]	Amount	[1]		Amount		Yield [1]		Amount		Yield [1]		Amount		Yield [1]	
Real estate joint ventures and funds	Real estate joint ventures and funds	\$ 316	21.9 %	\$ 149	18.4 %	\$ 85	20.3 %	Real estate joint ventures and funds	\$ (10)	(0.5)	(0.5) %		\$ 316	21.9	21.9 %		\$ 149	18.4	18.4 %	
Private equity funds	Private equity funds	186	14.2 %	456	51.3 %	106	12.4 %	Private equity funds	161	9.9	9.9 %		186	14.2	14.2 %		456	51.3	51.3 %	
Other funds	Other funds	32	10.5 %	33	17.7 %	9	7.1 %	Other funds	29	6.6	6.6 %		32	10.5	10.5 %		33	17.7	17.7 %	
Other alternative investments	Other alternative investments							Other alternative investments												
[2]	[2]	(19)	(3.8 %)	94	22.6 %	22	5.4 %	[2]	32	6.6	6.6 %		(19)	(3.8)	(3.8) %		94	22.6	22.6 %	
Total	Total	\$ 515	14.4 %	\$ 732	31.8 %	\$ 222	12.3 %	Total	\$ 212	4.8	4.8 %		\$ 515	14.4	14.4 %		\$ 732	31.8	31.8 %	

[1]Yields calculated using annualized net investment income divided by the monthly average invested assets.

[2]Consists of an insurer-owned life insurance policy which is primarily invested in private equity **fixed income**, **hedge funds** and **public equity**, **fixed income**.

Investments in Limited Partnerships and Other Alternative Investments

		December 31, 2022		December 31, 2021																
		Amount	Percent	Amount	Percent															
		December 31, 2023						December 31, 2023						December 31, 2022						
		Amount						Amount						Amount						
Real estate joint ventures and funds	Real estate joint ventures and funds	\$ 1,713	41.0 %	\$ 1,315	39.2 %	Real estate joint ventures and funds		\$ 1,931	40.4	40.4 %		\$ 1,713	41.0	41.0 %						
Private equity funds	Private equity funds	1,565	37.5 %	1,256	37.5 %	Private equity funds		1,838	38.4	38.4 %		1,565	37.5	37.5 %						
Other funds	Other funds	413	9.9 %	274	8.2 %	Other funds		498	10.4	10.4 %		413	9.9	9.9 %						
Other alternative investments	Other alternative investments					Other alternative investments [1]														
[1]	[1]	486	11.6 %	508	15.1 %			518	10.8	10.8 %		486	11.6	11.6 %						
Total	Total	\$ 4,177	100.0 %	\$ 3,353	100.0 %	Total		\$ 4,785	100.0	100.0 %		\$ 4,177	100.0	100.0 %						

[1]Consists of an insurer-owned life insurance policy which is primarily invested in private equity **fixed income**, **hedge funds** and **public equity**, **fixed income**.

Fixed Maturities, AFS — Unrealized Loss Aging

The total gross unrealized losses were **\$3.4 billion** **\$2.3 billion** as of **December 31, 2022** **December 31, 2023**, and have **increased \$3.3 billion** **decreased \$1.1 billion** from **December 31, 2021** **December 31, 2022**, primarily due to **higher interest rates** and **wider tighter** credit spreads. As of **December 31, 2022** **December 31, 2023**, **\$2,567** **\$1.9 billion** of the gross unrealized losses were associated with fixed maturities, AFS depressed less than 20% of amortized cost. The remaining **\$875** **\$417** of gross unrealized losses were associated with fixed maturities, AFS depressed greater than 20%. The fixed maturities, AFS depressed more than 20% primarily related to corporate fixed maturities, **CMBS**, **RMBS**, and municipal bonds **and RMBS** that are mainly depressed because current interest rates are higher **and and/or** market spreads are wider than at the respective purchase dates.

As part of the Company's ongoing investment monitoring process, the Company has reviewed its fixed maturities, AFS in an unrealized loss position and concluded that these fixed maturities are temporarily depressed and are expected to recover in value as the investments approach maturity or as market spreads tighten. For these fixed maturities in an unrealized loss position where an ACL has not been recorded, the Company's best estimate of expected future cash flows are sufficient to recover the amortized cost basis of the investment. Furthermore, the Company neither has an intention to sell nor does it expect to be required to sell these investments. For further information regarding the Company's ACL analysis, see the Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments section below.

Unrealized Loss Aging for Fixed Maturities, AFS

	December 31, 2022						December 31, 2021					December 31, 2023						December 3		
Consecutive Months	Consecutive Months	Amortized		Unrealized		Fair	Amortized		Unrealized		Fair	Consecutive Months	Amortized		Unrealized		Fair	Consecutive Months	Amortized	
		Items	Cost	ACL	Loss	Value	Items	Cost	ACL	Loss	Value		Items	Cost	ACL	Loss	Value	Items	Cost	ACL
Three months or less	Three months or less	200	\$ 786	\$ —	(15)	\$ 771	640	\$ 6,193	\$ —	(32)	\$ 6,161									

Greater than three to six months	Greater than three to six months	809	6,175	—	(234)	5,941	404	3,249	—	(55)	3,194
Greater than six to nine months	Greater than six to nine months	1,024	7,598	—	(561)	7,037	101	571	—	(5)	566
Greater than nine to eleven months	Greater than nine to eleven months	1,859	12,994	(6)	(1,510)	11,478	171	1,041	—	(29)	1,012
Twelve months or more	Twelve months or more	1,044	8,218	(6)	(1,122)	7,090	184	631	—	(23)	608
Total	Total	4,936	\$ 35,771	\$(12)	\$ (3,442)	\$32,317	1,500	\$ 11,685	\$—	\$ (144)	\$11,541

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Unrealized Loss Aging for Fixed Maturities, AFS Continuously Depressed Over 20%

December 31, 2022												December 31, 2021											
December 31, 2023												December 31, 2023											
Consecutive Months	Consecutive Months	Amortized Items	Cost	ACL	Loss	Fair Value	Amortized Items	Cost	ACL	Loss	Fair Value	Consecutive Months	Amortized Items	Cost	ACL	Loss	Fair Value	Consecutive Months	Amortized Items	Cost	ACL	Loss	Fair Value
Three months or less	Three months or less	98	\$	543	\$—	\$ (116)	\$ 427	—	\$	—	\$—	\$	—	\$—	\$	—	\$—						
Greater than three to six months	Greater than three to six months	215		2,021	—	(490)	1,531	—		—	—	—		—	—	—	—						
Greater than six to nine months	Greater than six to nine months	89		791	—	(253)	538	—		—	—	—		—	—	—	—						
Greater than nine to eleven months	Greater than nine to eleven months	7		34	(2)	(14)	18	—		—	—	—		—	—	—	—						
Twelve months or more	Twelve months or more	17		5	(1)	(2)	2	20		5	—	(3)	2										
Total	Total	426	\$	3,394	\$(3)	\$(875)	\$2,516	20	\$	5	\$—	\$(3)	\$ 2										

Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments

For the year ended **December 31, 2022** **December 31, 2023**

The Company recorded net credit losses of **\$18, \$14**, primarily attributable to increases in the allowance for credit losses **ACL** of **\$10** on CMBS where projected cash flows are lower than originally expected due to faster prepayments, **\$3** on issuers with exposure to Russia, **\$3, \$12** related to a private three below investment grade corporate utilities issuer, issuers and **\$2** related to a public corporate cable satellite issuer, **CMBS that had an ACL in the prior period driven by prepayments**. Unrealized losses on securities with an ACL recognized in other comprehensive income were **\$6, \$4**. For further information, refer to Note 5 - Investments of Notes to Consolidated Financial Statements.

Intent-to-sell impairments of **\$6** related to two corporate issuers in the financial services and utilities sectors, and an issuer with exposure to Russia that had an ACL prior to disposal. **There were no intent-to-sell impairments.**

The Company incorporates its best estimate of future performance using internal assumptions and judgments that are informed by economic and industry specific trends, as well as our expectations with respect to security specific developments.

Future intent-to-sell impairments or credit losses may develop as the result of changes in our intent to sell specific securities that are in an unrealized loss position or if modeling assumptions, such as macroeconomic factors or security specific developments, change unfavorably from our current modeling assumptions, resulting in lower cash flow expectations.

For the year ended **December 31, 2021** **December 31, 2022**

The Company recorded a net decrease in the ACL credit losses of **\$4**, driven by **\$18**, primarily attributable to increases in the fair value of corporate issuers that had an ACL in prior periods, partially offset by allowance for credit losses of **\$10** on CMBS, **\$3** on issuers with exposure to Russia, **\$3** related to a media/entertainment company, private corporate utilities issuer, and **\$2** related to a public corporate cable satellite issuer. Unrealized losses on securities with an ACL recognized in other comprehensive income were **less than \$1, \$6**

There were no intent-to-sell impairments. Intent-to-sell impairments of **\$6** related to two corporate issuers in the financial services and utilities sectors, and an issuer with exposure to Russia that had an ACL prior to disposal.

individual mortgage loans where the borrower is experiencing financial difficulties, the Company records an ACL on the pool of mortgage loans based on lifetime expected credit losses. For further information, refer to Note 5 - Investments of Notes to Consolidated Financial Statements.

The Company recorded an increase in the ACL on mortgage loans of \$15. The increase is primarily attributable to revised economic scenarios, lower property valuations, and overall weaker real estate fundamentals. The Company did not record an ACL on any individual mortgage loans.

For the year ended December 31, 2022

The Company recorded an increase in the ACL on mortgage loans of **\$7**. The increase was primarily attributable to the deteriorating economic conditions and the potential impact on real estate property valuations, and to a lesser extent, net additions of new loans. **The Company did not record an ACL on any individual mortgage loans.**

For the year ended December 31, 2021

The Company recorded a decrease in the ACL on mortgage loans of **\$9**. The decrease was primarily the result of improved economic scenarios, partially offset by an increase driven by net additions of new loans. The Company did not record an ACL on any individual mortgage loans.

ACL on Mortgage Loans

For the year ended **December 31, 2022** **December 31, 2023**

The Company reviews mortgage loans on a quarterly basis to estimate the ACL with changes in the ACL recorded in net realized gains and losses. Apart from an ACL recorded on

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CAPITAL RESOURCES AND LIQUIDITY

The following section discusses the overall financial strength of The Hartford and its insurance operations including their ability to generate cash flows from each of their business segments, borrow funds at competitive rates and raise new capital to meet operating and growth needs.

SUMMARY OF CAPITAL RESOURCES AND LIQUIDITY

Capital available to the holding company as of December 31, 2022 December 31, 2023:

- \$1.0 1.1 billion in fixed maturities, short-term investments, investment sales receivable and cash at the HFSG Holding Company.
- A senior unsecured revolving credit facility that provides for borrowing capacity up to \$750 of unsecured credit through October 27, 2026. As of December 31, 2022 December 31, 2023, there were no borrowings outstanding.

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- An intercompany liquidity agreement that allows for short-term advances of funds among the HFSG Holding Company and certain affiliates of up to **\$2.0 billion** **\$2.0 billion** for liquidity and other general corporate purposes. As of **December 31, 2022**, **\$2.0 billion** **was available and there were no amounts outstanding at the HFSG Holding Company.** **As of February 23, 2023** **December 31, 2023**, **\$1.9 billion** was available, **\$100** was outstanding between certain affiliates, and there were no amounts outstanding at the HFSG Holding Company.

2023 2024 expected dividends and other sources of capital:

The future payment of dividends from our subsidiaries is dependent on several factors including business results, capital position and liquidity of our subsidiaries.

- **P&C** - The Company's property and casualty insurance subsidiaries have regulatory dividend capacity of **\$1.8 billion** for **2023**, and expect available net dividends to the **2024**. **The HFSG Holding Company** **of expects to receive approximately** **\$1.5 billion of net dividends in 2024** after considering state deposit and regulatory capital requirements to support growth in certain entities, dividends that are expected to be subsequently contributed to P&C subsidiaries and dividends related to interest on intercompany notes. **The HFSG Holding Company expects to receive approximately \$1.5 billion of net dividends from the Company's property and casualty insurance subsidiaries in 2023.**
- **Group Benefits** - Hartford Life and Accident Insurance Company ("HLA") has regulatory dividend capacity of **\$408 \$609** in **2023 2024** with approximately **\$400 \$600** of dividends expected in **2023, 2024**.
- **Hartford Funds** - HFSG Holding Company expects to receive approximately **\$125 \$130** in dividends from Hartford Funds in **2023, 2024**.

Equity repurchase program:

In **2022 2023**, the Company repurchased **22.3 million 19.2 million** common shares for **\$1.6 billion \$1.4 billion** under **two the \$3.0 billion** share repurchase programs **program** authorized by the Board of **Directors**. **The Company had a \$3.0 billion share repurchase authorization which was Directors**, effective through **December 31, 2022**. In addition to this authorization, in **July 2022**, the Board of Directors approved a **\$3.0 billion share repurchase authorization effective from August 1, 2022 to December 31, 2024**. As of **December 31, 2022** **December 31, 2023**, the Company has **\$2.75 billion \$1.35 billion** remaining for equity repurchases under the share repurchase **program effective through 2024, program**. During the period **January 1, 2023** **January 1, 2024** through **February 23, 2023** **February 22, 2024**, the Company repurchased approximately **2.7 million 2.3 million** common shares for **\$209, \$200**.

The timing of any repurchases is dependent on several factors, including the market price of the Company's securities, the Company's capital position, consideration of the effect of any repurchases on the Company's financial strength or credit ratings, the Company's blackout periods, and other considerations.

LIQUIDITY REQUIREMENTS AND SOURCES OF CAPITAL

The Hartford Financial Services Group, Inc. ("HFSG Holding Company")

The liquidity requirements of the **holding company of The Hartford Financial Services Group, Inc. HFSG Holding Company** will primarily be met by HFSG Holding Company's fixed maturities; short-term investments and cash; and dividends from its subsidiaries, principally its insurance operations. The Company maintains sufficient liquidity and has a variety of contingent

Expected liquidity requirements for the next twelve months as of December 31, 2022 December 31, 2023:

- **\$194** of interest on debt, including, for the 3-month LIBOR plus 2.125% Notes due 2067, **interest at net of settlements on a rate of 4.39% given the 10-year related** interest rate swap agreement the Company entered into in April 2017; swap. See Note 14 - Debt of Notes to Consolidated Financial Statements;
- **\$21** dividends on preferred stock, subject to the discretion of the Board of Directors; and
- **\$540 570** of common stockholders' dividends, subject to the discretion of the Board of Directors and before share repurchases.

Expected liquidity requirements for beyond the next twelve months as of December 31, 2022 December 31, 2023:

- Interest on debt and debt repayments, see Note **13 14** - Debt of Notes to Consolidated Financial Statements.
- Preferred stock and common stock dividends, subject to the discretion of the Board of Directors.

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liquidity resources to manage liquidity across a range of economic scenarios.

The HFSG Holding Company expects to continue to receive dividends from its operating subsidiaries in the future and manages capital in its operating subsidiaries to be sufficient under significant economic stress scenarios. Dividends from subsidiaries and other sources of funds at the holding company may be used to repurchase shares under the authorized share repurchase program at the discretion of management.

Under significant economic stress scenarios, the Company has the ability to meet short-term cash requirements, if needed, by borrowing under its revolving credit facility or by having its insurance subsidiaries take collateralized advances under a facility with the FHLBB. The Company could also choose to have its insurance subsidiaries sell certain highly liquid, high quality fixed maturities or the Company could issue debt in the public markets under its shelf registration.

Debt

On September 21, 2021, The Hartford issued \$600 of 2.9% senior notes ("2.9% Notes") due September 15, 2051 for net proceeds of approximately \$588, after deducting underwriting discounts and expenses from the offering. Interest is payable



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semi-annually in arrears on March 15 and September 15, commencing March 15, 2022. The Hartford, at its option, can redeem the 2.9% Notes at any time, in whole or part, at a redemption price equal to the greater of 100% of the principal amount being redeemed or a make-whole amount based on a comparable maturity US Treasury plus 20 basis points, plus any accrued and unpaid interest, except the 2.9% Notes may be redeemed at par within six months of maturity.

After receiving proceeds from the issuance of the 2.9% Notes, in second quarter in 2022, The Hartford redeemed at par \$600 aggregate principal amount of its 7.875% junior subordinated debentures due 2042 and recognized, in insurance operating costs and other expenses, a loss on extinguishment of debt of \$9, before tax, for unamortized debt issuance costs.

For additional information on Debt, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

DIVIDENDS

The Hartford's Board of Directors declared the following quarterly dividends since October 1, 2022 October 1, 2023:

Common Stock Dividends

Declared	Record	Payable	Amount per share
October 27, 2022 26, 2023	December 1, 2022 2023	January 4, 2023 3, 2024	\$ 0.425 0.470
February 22, 2023 21, 2024	March 6, 2023 4, 2024	April 4, 2023 2, 2024	\$ 0.425 0.470

Preferred Stock Dividends

Declared	Record	Payable	Amount per share
December 14, 2022 13, 2023	February 1, 2023 2024	February 15, 2023 2024	\$ 375.00
February 22, 2023 21, 2024	May 1, 2023 2024	May 15, 2023 2024	\$ 375.00

There are no current restrictions on HFSG Holding Company's ability to pay dividends to its stockholders.

For a discussion of restrictions on dividends to HFSG Holding Company from its insurance subsidiaries, see the following "Dividends from Subsidiaries" discussion. For a discussion of potential restrictions on the HFSG Holding Company's ability to pay dividends, see Part I, Item 1A, — Risk Factors for the risk factor "Our ability to declare and pay dividends is subject to limitations."

any dividend, which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of (i) 10% of the insurer's statutory policyholder surplus as of December 31 of the preceding year or (ii) net income (or net gain from operations, if such company is a life insurance company) for the preceding year, in each case determined under statutory insurance accounting principles. In addition, if any dividend of a Connecticut-domiciled insurer exceeds the insurer's earned surplus, it requires the prior approval of the Connecticut Insurance Commissioner.

Property casualty insurers domiciled in New York, including Navigators Insurance Company ("NIC") NIC and Navigators Specialty Insurance Company ("NSIC"), generally may not, without notice to and approval by the state insurance commissioner, pay dividends out of earned surplus in any twelve-month period that exceeds the lesser of (i) 10% of the insurer's statutory policyholders' surplus as of the most recent financial statement on file, or (ii) 100% of its adjusted net investment income, as defined, for the same twelve month period.

The insurance holding company laws of the other jurisdictions in which The Hartford's insurance subsidiaries are incorporated (or deemed commercially domiciled) generally contain similar (although in certain instances more restrictive) limitations on the payment of dividends. In addition to statutory limitations on paying dividends, the Company also takes other items into consideration when determining dividends from subsidiaries. These considerations include, but are not limited to, expected earnings and capitalization, regulatory capital requirements, liquidity requirements and state deposit requirements of the individual subsidiary.

Corporate members of Lloyd's syndicates may pay dividends to its parent to the extent of available profits that have been distributed from the syndicate in excess of the FAL capital requirement and subject to restrictions imposed under UK Company Law. The FAL is determined based on the syndicate's solvency capital requirement ("SCR") SCR under the Solvency II capital adequacy model, the current regulatory framework governing UK domiciled insurers, plus a Lloyd's specific economic capital assessment.

Insurers domiciled in the United Kingdom may pay dividends to their parent out of their statutory profits subject to restrictions imposed under U.K. Company law and Solvency II.

In 2022 2023, HFSG Holding Company received \$240 \$408 of dividends from HLA and

DIVIDENDS FROM SUBSIDIARIES

Dividends to HFSG Holding Company from its insurance subsidiaries are restricted by insurance regulation. The Company's principal insurance subsidiaries are domiciled in the United States and the United Kingdom.

The payment of dividends by Connecticut-domiciled insurers is limited under the insurance holding company laws of Connecticut. These laws require notice to and approval by the state insurance commissioner for the declaration or payment of

\$157 \$129 from Hartford Funds. In addition, HFSG Holding Company received \$1.4 billion \$1.5 billion of net dividends from P&C subsidiaries in 2022 2023 which excludes \$395 \$100 of P&C dividends that were subsequently contributed to P&C subsidiaries and \$50 of P&C dividends related to interest payments on an intercompany note owed by Hartford Holdings, Inc. ("HHI") to Hartford Fire Insurance Company. Refer to "2023 expected dividends and other sources of capital" for expected payments of dividends from our subsidiaries in 2023.

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payments on an intercompany note owed by Hartford Holdings, Inc. ("HHI") to Hartford Fire Insurance Company. Refer to "2024 expected dividends and other sources of capital" for expected payments of dividends from our subsidiaries in 2024.

Membership allows these subsidiaries access to collateralized advances, which may be short- or long-term with fixed or variable rates. Advances may be used to support general

OTHER SOURCES OF CAPITAL FOR THE HFSG HOLDING COMPANY

The Hartford endeavors to maintain a capital structure that provides financial and operational flexibility to its insurance subsidiaries, ratings that support its competitive position in the financial services marketplace (see the "Ratings" section below for further discussion), and stockholder returns. As a result, the Company may from time to time raise capital from the issuance of debt, common equity, preferred stock, equity-related debt or other capital securities and is continuously evaluating strategic opportunities. The issuance of debt, common equity, equity-related debt or other capital securities could result in the dilution of stockholder interests or reduced net income to common stockholders due to additional interest expense or preferred stock dividends.

Shelf Registrations

The Hartford filed an automatic shelf registration statement with the Securities and Exchange Commission ("the SEC") on February 22, 2022 that permits it to offer and sell debt and equity securities during the three-year life of the registration statement.

For further information regarding Shelf Registrations, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

Revolving Credit Facility

The Hartford has a senior unsecured revolving credit facility (the "Credit Facility") that provides up to \$750 of unsecured credit through October 27, 2026. As of December 31, 2022 December 31, 2023, no borrowings were outstanding and no letters of credit were issued under the Credit Facility and The Hartford was in compliance with all financial covenants. For further information regarding the Credit Facility, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

Intercompany Liquidity Agreements

The Company has \$2.0 billion available under an intercompany liquidity agreement that allows for short-term advances of funds among the HFSG Holding Company and certain affiliates of up to \$2.0 billion for liquidity and other general corporate purposes. The Connecticut Department of Insurance ("CTDOI") granted approval for certain affiliated insurance companies that are parties to the agreement to treat receivables from a parent, including the HFSG Holding Company, as admitted assets for statutory accounting purposes.

As of December 31, 2022 December 31, 2023, \$2.0 billion was available and there were no amounts outstanding at the HFSG Holding Company.

As of February 23, 2023, \$1.9 billion \$1.9 billion was available, \$100 was outstanding between certain affiliates and there were no amounts outstanding at the HFSG Holding Company.

Collateralized Advances with Federal Home Loan Bank of Boston

The Company's subsidiaries, Hartford Fire Insurance Company ("Hartford Fire") and HLA, are members of the FHLBB.

corporate purposes, which would be presented as short- or long-term debt, or to earn incremental investment income, which would be presented in other liabilities consistent with other collateralized financing transactions. As of December 31, 2022 December 31, 2023, there were no advances outstanding. The CTDOI permits Hartford Fire and HLA to pledge up to \$1.3 billion and \$0.6 billion \$0.7 billion in qualifying assets, respectively, without prior approval, to secure FHLBB advances in 2023, 2024. For further information regarding the Company's collateralized advances with Federal Home Loan Bank of Boston, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

Lloyd's Letter of Credit FacilitiesFacility

The Hartford has entered into a committed credit facility agreement with a syndicate of lenders (the "Club Lloyd's Facility"). The Club Lloyd's Facility has two tranches with one tranche extending a \$74 commitment and the other tranche extending a £79 million (\$95 101 as of December 31, 2022 December 31, 2023) commitment. As of December 31, 2022 December 31, 2023, letters of credit with an aggregate face amount of \$74 and £79 million, or \$95, \$101, were outstanding under the Club Lloyd's Facility.

Among other covenants, the Club Lloyd's Facility contains financial covenants regarding The Hartford's consolidated net worth and financial leverage and that limit the amount of letters of credit that can support Funds at Lloyd's, consistent with Lloyd's requirements. As of December 31, 2022 December 31, 2023, The Hartford was in compliance with all financial covenants of the facility. For further information regarding the Club Lloyd's Facility, see Note 13 14 - Debt of Notes to Consolidated Financial Statements.

Other Sources and Uses of Capital

As part of the sale of the former retained interest in Talcott Resolution, which was completed on June 30, 2021, the Company received \$217 of proceeds.

In May 2021, the Company contributed €15 million (\$18) to Navigators Holdings (Europe) N.V., a Belgium holding company. On December 29, 2021, the Company received approximately \$20, before \$9 of transaction costs, related to the sale of its Continental Europe Operations.

PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

While the Company has significant discretion in making voluntary contributions to the U.S. qualified defined benefit pension plan, minimum contributions are mandated in certain circumstances pursuant to the Employee Retirement Income Security Act of 1974, as amended by the Pension Protection Act of 2006, the Worker, Retiree, and Employer Recovery Act of 2008, the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) and Internal Revenue Code regulations. The Company did not make any contributions to the U.S. qualified defined benefit pension plan in 2023, 2022 and 2021. In 2023, the Company funded \$3 to a rabbi trust that is designated for other defined benefit pension plans and contributed \$1 to the Canadian Pension Plan. There were no plan contributions in 2022 or 2021 for other defined benefit pension plans. The Company made direct benefit payments of \$5, \$5 and \$7 on behalf of the other postretirement plans in 2023, 2022 and 2021, and made contributions to this pension plan of approximately \$70 in 2020, respectively. No other contributions were made to the other postretirement plans in 2023, 2022 2021 and 2020, 2021. The Company's 2023, 2022 2021 and 2020 2021 required minimum funding contributions were immaterial. The Company does not have a 2023 2024 required minimum funding contribution for the U.S. qualified defined benefit pension plan and the funding requirements for all pension plans are expected to be immaterial. The Company has not determined whether, and to what extent, contributions may be made to the U.S.

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immaterial. The Company has not determined whether, and to what extent, contributions may be made to the U.S. qualified defined benefit pension plan in 2023, 2024. The Company will monitor the funded status of the U.S. qualified defined benefit pension plan during 2023, 2024 to make this determination. As of December 31, 2022, December 31, 2023, the U.S. qualified defined benefit pension plan is fully funded and in an asset position. For further discussion of pension and other postretirement benefit obligations, see Note 18, 19 - Employee Benefit Plans of Notes to Consolidated Financial Statements.

DERIVATIVE COMMITMENTS

Certain of the Company's derivative agreements contain provisions that are tied to the financial strength ratings, as set by nationally recognized statistical rating agencies, of the individual legal entity that entered into the derivative agreement. If the legal entity's financial strength were to fall below certain ratings, the counterparties to the derivative agreements could terminate agreements and demand immediate settlement of the outstanding net derivative positions transacted under each agreement. For further information, refer to Note 14, 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements.

As of December 31, 2022, December 31, 2023, no derivative positions would be subject to immediate termination in the event of a downgrade of one level below the current financial strength ratings. This could change as a result of changes in our hedging activities or to the extent changes in contractual terms are negotiated.

INSURANCE OPERATIONS

While subject to variability period to period, underwriting and investment cash flows continue to provide sufficient liquidity to meet anticipated demands.

The principal sources of operating funds are premiums, fees earned from insurance and administrative service agreements, and investment income, while investing cash flows primarily originate from maturities and sales of invested assets.

The Company's insurance operations consist of property and casualty insurance products (collectively referred to as "Property & Casualty Operations") and Group Benefits. Benefits products.

The Company's insurance operations hold fixed maturity securities including a significant short-term investment position (securities with maturities of one year or less at the time of purchase) to meet liquidity needs. Liquidity requirements that are unable to be funded by the Company's insurance operations' short-term investments would be satisfied with current operating funds, including premiums or investing cash flows, which includes proceeds received through the sale of invested assets. A sale of invested assets could result in significant realized losses.

The following tables represent the fixed maturity holdings, including the aforementioned cash and short-term investments available to meet liquidity needs, for each of the Company's insurance operations.

Property & Casualty

		As of	
		December 31, 2022 2023	
Fixed maturities	\$	28,497	31,680
Short-term investments		2,475	2,127
Cash		193	106
Less: Derivative collateral		49	52
Total	\$	31,116	33,861

Property & Casualty operations invested assets also include \$1.2 billion \$456 in equity securities, \$4.3 billion \$4.5 billion in mortgage loans and \$3.3 billion \$3.8 billion in limited partnerships and other alternative investments.

Group Benefits Operations

		As of	
		December 31, 2022 2023	
Fixed maturities	\$	7,794	8,277
Short-term investments		325	382
Cash		27	12
Less: Derivative collateral		15	14
Total	\$	8,131	8,657

Group Benefits operations invested assets also include \$308 \$99 in equity securities, \$1.7 billion \$1.6 billion in mortgage loans and \$866 \$1.0 billion in limited partnerships and other alternative investments.

The primary uses of funds are to pay claims, claim adjustment expenses, commissions and other underwriting and insurance operating costs, to pay taxes, to purchase new investments and to make dividend payments to the HFSG Holding Company.

Property & Casualty reserves for unpaid losses and loss adjustment expenses as of December 31, 2022, December 31, 2023 were \$33.1 billion \$34.0 billion and net of reinsurance were \$26.6 billion \$27.4 billion. Reserves for Property & Casualty unpaid losses and loss adjustment expenses include case reserves and IBNR, IBNR reserves. The ultimate amount to be paid to settle both case reserves and IBNR reserves is an estimate, subject to significant uncertainty. The actual amount to be paid is not finally determined until the Company reaches a settlement with the claimant. Final claim settlements may vary significantly from the present estimates, particularly since many claims will not be settled until well into the future. For a discussion of The Hartford's judgment in estimating reserves for Property & Casualty see Part II, Item 7, MD&A - Critical Accounting Estimates, Property & Casualty Insurance Product Reserves, Net of Reinsurance, and for historical payments by reserve line net of reinsurance, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements. The timing of future payments for the next twelve months and for beyond twelve months could vary materially from historical payment patterns due to, among other things, changes in claim reporting and payment patterns and large unanticipated settlements. In particular, there is significant uncertainty over the claim payment patterns of asbestos and environmental claims.

Group Benefits reserves as of December 31, 2022, December 31, 2023 were \$9.0 billion \$9.0 billion and net of reinsurance were \$8.7 billion. Group life and disability obligations are estimated using assumptions based on the Company's historical experience, modified for recent observed trends. For a discussion of The Hartford's judgment in estimating LTD reserves for Group Benefits see Part II, Item 7, MD&A - Critical Accounting Estimates, Group Benefit Reserves.

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Benefit LTD Reserves, Net of Reinsurance, for further discussion on Reinsurance. For additional information about future policy benefits and other policyholder funds and benefits payable, see Note 12 - Reserve for Future Policy Benefits and Note 13 - Other Policyholder Funds and Benefits Payable of Notes to Consolidated Financial Statements and for Statements. For historical payments by reserve line, net of reinsurance, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements. Due to the significance of the assumptions used, payments for the next twelve months and beyond twelve months could materially differ from historical patterns.

Corporate includes reserves of \$420 \$402 as of December 31, 2022 December 31, 2023 related to retained run-off liabilities of its former life and annuity business. For further discussion on additional information about future policy benefits and other policyholder funds and benefits payable, see Note 12 - Reserve for Future Policy Benefits and Note 13 - Other Policyholder Funds and Benefits Payable of Notes to Consolidated Financial Statements.

Hartford Funds

Hartford Funds principal sources of operating funds are fees earned from basis points on assets under management with uses primarily for payments to subadvisors and other general operating expenses. As of December 31, 2022 December 31, 2023, Hartford Funds cash and short-term investments were \$208, \$250.

PURCHASE AND OTHER OBLIGATIONS

The Hartford's unfunded commitments to purchase investments in limited partnerships and other alternative investments, private placements, and mortgage loans are disclosed in Note 14 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements. It is anticipated that these unfunded commitments will be funded through the Company's normal operating and investing activities.

In the normal course of business, the Company enters into contractual commitments to purchase various goods and services such as maintenance, Human Resources, human resources, and information technology. The Company's operating lease commitments are disclosed in Note 20 21 - Leases of Notes to Consolidated Financial Statements. It is anticipated that these purchase commitments and operating lease obligations will be funded through the Company's normal operating and investing activities.

CAPITALIZATION

Capital Structure

December 31, 2023					December 31, 2023		December 31, 2022		Change
	December 31, 2022	December 31, 2021	Change						
Long-term debt									
Long-term debt									
Long-term debt	Long-term debt	\$ 4,357	\$ 4,944	(12)%	\$ 4,362	\$ 4,357	—%	—%	
Total debt	Total debt	4,357	4,944	(12)%	Total debt	4,362	4,357	4,357	—%
Common stockholders' equity, excluding AOCI, net of tax	Common stockholders' equity, excluding AOCI, net of tax	17,173	17,337	(1%)	Common stockholders' equity, excluding AOCI, net of tax	17,842	17,183	17,183	4%
Preferred stock	Preferred stock	334	334	—%	Preferred stock	334	334	334	—%
AOCI, net of tax	AOCI, net of tax	(3,876)	172	NM	AOCI, net of tax	(2,849)	(3,841)	(3,841)	26%
Total stockholders' equity	Total stockholders' equity	\$13,631	\$17,843	(24)%	Total stockholders' equity	\$15,327	\$13,676	12%	12%
Total capitalization	Total capitalization	\$17,988	\$22,787	(21)%	Total capitalization	\$19,689	\$18,033	9%	9%
Debt to stockholders' equity	Debt to stockholders' equity	32 %	28 %						
Debt to capitalization	Debt to capitalization	24 %	22 %						
Debt to capitalization									
Debt to capitalization									

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CASH FLOW [1]

		2022	2021	2020
	2023	2023	2022	2021
Net cash provided by operating activities	Net cash provided by operating activities	\$ 4,008	\$ 4,093	\$ 3,871
Net cash used for investing activities	Net cash used for investing activities	\$ (1,277)	\$ (2,466)	\$ (2,066)
Net cash used for financing activities	Net cash used for financing activities	\$ (2,710)	\$ (1,581)	\$ (1,778)
Cash and restricted cash—end of year	Cash and restricted cash—end of year	\$ 344	\$ 337	\$ 239

[1]Cash activities in 2021 and 2020 include cash flows related to Continental Europe Operations classified as held for sale beginning in the third quarter of 2020 and sold on December 29, 2021. See Note 21 22 - Business Dispositions of Notes to Consolidated Financial Statements for discussion of this transaction.

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Year ended December 31, 2022December 31, 2023 compared to the year ended December 31, 2021December 31, 2022

Net cash provided by operating activities decreased slightly increased in 2022 2023 as compared to the prior year period primarily driven by an increase in P&C and Group Benefits premiums received, largely offset by an increase in P&C loss and loss adjustment expenses paid, including the \$787 payment to the BSA on April 20, 2023, and higher operating expenses, including increased commissions and staffing costs, a decrease in Hartford Funds fee income and higher taxes paid, mostly offset by an increase in P&C and Group Benefits premiums received and lower integration and restructuring costs.

Cash used for investing activities decreased increased in 2022 2023 as compared a result of a change from net proceeds from to the prior year period primarily driven net payments for both fixed maturities and derivatives, partially offset by a decrease in change from net payments for to net proceeds from equity securities, a decrease in net payments for mortgage loans, a

decrease in net payments for short term short-term investments, and a change from decrease in net payments to net proceeds from derivatives, for partnerships.

Cash used for financing activities increased decreased primarily due to the redemption of \$600 of 7.875% junior subordinated debentures in the second quarter of 2022, as well as proceeds from the issuance of debt in the third quarter of 2021, partially offset by and a decrease in share repurchases. repurchases in 2023.

Operating cash flows for the year ended December 31, 2022 December 31, 2023 have been adequate to meet liquidity requirements.

EQUITY MARKETS

For a discussion of the potential impact of the equity markets on capital and liquidity, see the Financial Risk on Statutory Capital and Liquidity Risk section in this MD&A.

RATINGS

Ratings are an important factor in establishing a competitive position in the insurance marketplace and impact the Company's ability to access financing and its cost of borrowing. There can be no assurance that the Company's ratings will continue for any given period of time, or that they will not be changed. In the event the Company's ratings are downgraded, the Company's competitive position, ability to access financing, and its cost of borrowing, may be adversely impacted.

On August 15, 2022, S&P upgraded the financial strength rating of The Navigators Group, Inc. and its core operating subsidiaries (collectively, "Navigators"), including NIC, to A+ from A with a Stable outlook. The upgrade of Navigators is reflective of its core status to the Company and recognizes its improved underwriting, which is in line with the Company's overall underwriting standard.

Insurance Financial Strength Ratings as of February 23, 2023 February 22, 2024

	A.M. Best	Standard & Poor's	Moody's
Hartford Fire Insurance Company	A+	A+	A1
Hartford Life and Accident Insurance Company	A+	A+	A1
Navigators Insurance Company	A+	A+	Not Rated
Other Ratings:			
The Hartford Financial Services Group, Inc.:			
Senior debt	a-	BBB+	Baa1

These ratings are not a recommendation to buy, sell or hold any of The Hartford's securities and they may be revised or withdrawn at any time at the discretion of the rating organization. Each agency's rating should be evaluated independently of any other agency's rating. The system and the number of rating categories can vary across rating agencies.

Among other factors, rating agencies consider the level of statutory capital and surplus of our U.S. insurance subsidiaries as well as the level of GAAP capital held by the Company in determining the Company's financial strength and credit ratings. Rating agencies may implement changes to their capital formulas that have the effect of increasing the amount of capital we must hold in order to maintain our current ratings. See Part I, Item 1A. Risk Factors — "Downgrades in our financial strength or credit ratings may make our products less attractive, increase our cost of capital and inhibit our ability to refinance our debt."

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STATUTORY CAPITAL

U.S. Statutory Capital Rollforward for the Company's Insurance Subsidiaries

Property and Casualty Insurance Subsidiaries		Group Benefits Insurance Subsidiary	Total
[1] [2]			
U.S. statutory capital at January 1, 2022	\$ 11,914	\$ 2,410	\$ 14,324
Property and Casualty Insurance Subsidiaries			
[1] [2]			
U.S. statutory capital at January 1, 2023			
Statutory income	Statutory income	1,514	378 1,892
Dividends to parent	Dividends to parent	(1,365)	(240) (1,605)

Other items	Other items	48	23	71
Net change to U.S. statutory capital	Net change to U.S. statutory capital	197	161	358
U.S. statutory capital at December 31, 2022				
\$		12,111	\$	2,571
				\$14,682
U.S. statutory capital at December 31, 2023				

[1]The statutory capital for property and casualty insurance subsidiaries in this table does not include the value of an intercompany note owed by HHI to Hartford Fire Insurance Company.

[2]Excludes insurance operations in the U.K.



Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Stat to GAAP Differences

Significant differences between U.S. GAAP stockholders' equity and aggregate statutory capital prepared in accordance with U.S. STAT include the following:

- U.S. STAT excludes equity of non-insurance and foreign insurance subsidiaries not held by U.S. insurance subsidiaries.
- Costs incurred by the Company to acquire insurance policies are deferred under U.S. GAAP while those costs are expensed immediately under U.S. STAT.
- Temporary differences between the book and tax basis of an asset or liability which are recorded as deferred tax assets are evaluated for recoverability under U.S. GAAP while these amounts are then subject to further admissibility tests under U.S. STAT.
- The assumptions used in the determination of Group Benefits reserves (i.e., for Group Benefits contracts) are prescribed under U.S. STAT, while the assumptions used under U.S. GAAP are generally the Company's best estimates.
- The difference between the amortized cost and fair value of fixed maturity and other investments, net of tax, is recorded as an increase or decrease to the carrying value of the related asset and to equity under U.S. GAAP, while, under U.S. STAT, most investments are carried at amortized cost with only certain securities carried at fair value, such as equity securities and certain lower rated bonds required by
 - U.S. STAT for life insurance companies like HLA establishes a formula reserve for realized and unrealized losses due to default and equity risks associated with certain invested assets (the Asset Valuation Reserve), while U.S. GAAP does not. Also, for those realized gains and losses caused by changes in interest rates, U.S. STAT for life insurance companies defers and amortizes the gains and losses **caused by changes in interest rates**, into income over the original life to maturity of the asset sold (the Interest Maintenance Reserve) while U.S. GAAP does not.
 - Goodwill arising from the acquisition of a business is tested for recoverability on an annual basis (or more frequently, as necessary) for U.S. GAAP, while under U.S. STAT goodwill is amortized over a period not to exceed 10 years and the amount of goodwill admitted as an asset is limited.
 - The deferred gain on retroactive reinsurance for losses ceded to the Navigators and A&E ADC agreements is recognized within a special category of surplus under U.S. STAT but is recognized within other liabilities under U.S. GAAP. **In addition, the pattern of amortizing the deferred gain for GAAP and releasing special surplus for STAT is different. For GAAP the deferred gain is amortized in proportion of actual recoveries collected to total expected recoveries, while for STAT special surplus is released dollar for dollar once recoveries collected exceed the reinsurance premium.**

In addition, certain assets, including a portion of premiums receivable and fixed assets, are non-admitted (recorded at zero value and charged against surplus) under U.S. STAT. U.S. GAAP generally evaluates assets based on their recoverability.

the NAIC to be recorded at the lower of amortized cost or fair value.

RISK BASED CAPITAL

The Company's U.S. insurance companies' states of domicile impose RBC requirements. The requirements provide a means of measuring the minimum amount of statutory capital appropriate for an insurance company to support its overall business operations based on its size and risk profile. Companies below specific trigger points or ratios are classified within certain levels, each of which requires specified corrective action. All of the Company's U.S. operating insurance

subsidiaries had RBC ratios in excess of the minimum levels required by the applicable insurance regulations.

Similar to the RBC ratios that are employed by U.S. insurance regulators, regulatory authorities in the international jurisdictions in which the Company operates generally establish minimum solvency requirements for insurance companies. All of the Company's international insurance subsidiaries expect to maintain capital levels in excess of the minimum levels required by the applicable regulatory authorities.

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

SENSITIVITY

In any particular period, statutory capital amounts and RBC ratios may increase or decrease depending upon a variety of factors. The amount of change in the statutory capital or RBC ratios can vary based on individual factors and may be compounded in extreme scenarios or if multiple factors occur at the same time. At times the impact of changes in certain market factors or a combination of multiple factors on RBC ratios can be counterintuitive. For further discussion on these factors, see MD&A - Enterprise Risk Management, Financial Risk on Statutory Capital.

the amount of reserve development, the effect of changes in interest rates on investment income and the discounting of loss reserves, and the effect of realized gains and losses on investments.

Statutory capital at the insurance subsidiaries has been maintained at capital levels commensurate with the Company's desired RBC ratios and ratings from rating agencies. The amount of statutory capital can increase or decrease depending on a number of factors affecting insurance results including, among other factors, the level of catastrophe claims incurred.

CONTINGENCIES

Legal Proceedings

For a discussion regarding The Hartford's legal proceedings, see the information contained in Note 14 15 - Commitments and Contingencies of the Notes to Consolidated Financial Statements and Part I, Item 3 — Legal Proceedings, which are incorporated herein by reference.

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Legislative and Regulatory Developments

Inflation Reduction Act

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022 ("IRA") which is generally effective for years beginning after December 31, 2022. Notably, the bill created a 15% corporate alternative minimum tax ("CAMT") on corporations with three-year average financial statement income over \$1 billion. The Internal Revenue Service has issued limited some preliminary guidance, guidance and is expected to release more detailed proposed regulations in the coming year. The Company has made certain interpretations and assumptions to comply with the CAMT. While the Company's financial statement income is over \$1 billion, it is not expected the Company would have a CAMT liability. If CAMT is paid in the future, the amount would be indefinitely available as a credit carryforward that would reduce tax in future years and would be treated as a temporary item reflected within deferred taxes. The IRA also creates a 1% non-deductible excise tax on stock buybacks of publicly traded U.S. corporations. Such excise tax applies if a company repurchases in excess of \$1 worth of its stock in any given calendar year. The impact of this provision will depend on the extent of share repurchases made in future periods. In addition, the IRA added

an \$80 billion funding increase for the IRS to support tax enforcement and modernization. Increases to IRS enforcement resources could increase audits on corporate taxpayers, which may include the Company. Finally, the IRA provides the U.S. Department of Treasury with authority to promulgate additional regulations and guidance on implementing the new law.

In addition, Congress may consider a variety of proposals including a possible increase in the corporate tax rate to offset the cost of any new spending. Tax proposals and regulatory initiatives that may be considered by Congress and/or the U.S. Treasury Department could have a material effect on the Company and its insurance businesses. The nature and timing of any such Congressional or regulatory action with respect to any such efforts is unclear.

Guaranty Fund and Other Insurance-related Assessments

For a discussion regarding Guaranty Fund and Other Insurance-related Assessments, see Note 14 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements.

IMPACT OF NEW ACCOUNTING STANDARDS

For a discussion of accounting standards, see Note 1 - Basis of Presentation and Significant Accounting Policies of Notes to Consolidated Financial Statements.

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Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

ACRONYMS

A&E	Asbestos and Environmental	HIMCO	Hartford Investment Management Company
ABS	Asset Backed Asset-Backed Securities	HLA	Hartford Life and Accident Insurance Company
ACL	Allowance for Credit Losses	IBNR	Incurred But Not Reported
ADC	Adverse Development Cover	LAE	Loss Adjustment Expense
AFS	Available-For-Sale	LCL	Liability for Credit Losses
ALAE	Allocated Loss Adjustment Expenses	LIBOR	London Inter-Bank Offered Rate
AOCI	Accumulated Other Comprehensive Income	LTD	Long-Term Disability
AUM	Assets Under Management	LTV	Loan-to-Value
BSA	Boy Scouts of America	MD&A	Management's Discussion and Analysis of Financial Conditions and Results of Operations
CAY	Current Accident Year	NAIC	National Association of Insurance Commissioners
CLO	Collateralized Loan Obligations	NIC	Navigators Insurance Company
CMBS	Commercial Mortgage-Backed Securities	NICO	National Indemnity Company, a subsidiary of Berkshire Hathaway Inc. ("Berkshire")
CPRI	Credit and Political Risk Insurance	NM	Not Meaningful
DAC	Deferred Policy Acquisition Costs	NOLs	Net Operating Loss Carryforwards or Carrybacks Losses
DEI	Diversity, Equity and Inclusion	NSIC	Navigators Specialty Insurance Company
DLR	Disabled Life Reserve	OCI	Other Comprehensive Income
DSCR	Debt Service Coverage Ratio	OTC	Over-the-Counter
ERCC	Enterprise Risk and Capital Committee	P&C	Property and Casualty
ESPP	The Hartford Employee Stock Purchase Plan	PG&E	PG&E Corporation and Pacific Gas and Electric Company
ETF	Exchange-Traded Funds	PV&T	Political Violence and Terrorism
FAL ETF	Exchange-Traded Funds at Lloyd's	PYD	Prior Accident Year Development
FAL	Funds at Lloyd's	RBC	Risk-Based Capital
FASB	Financial Accounting Standards Board	RBC RMBS	Risk-Based Capital Residential Mortgage-Backed Securities
FHLBB	Federal Home Loan Bank of Boston	RMBS ROA	Residential Mortgage-Backed Securities Return on Assets
FVO	Fair Value Option	ROA ROE	Return on Assets Equity
GAAP	Generally Accepted Accounting Principles	ROE SCR	Return on Equity Solvency Capital Requirement
HFSG	Hartford Financial Services Group, Inc.	SCR SOFR	Solvency Capital Requirement Secured Overnight Financing Rate
HHI	Hartford Holdings, Inc.	ULAE	Unallocated Loss Adjustment Expenses

Part II - Item 9A. Controls and Procedures

Item 9A.

CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company's principal executive officer and its principal financial officer, based on their evaluation of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) have concluded that the Company's disclosure controls and procedures are effective for the purposes set forth in the definition thereof in Exchange Act Rule 13a-15(e) as of **December 31, 2022** **December 31, 2023**.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of The Hartford Financial Services Group, Inc. and its subsidiaries ("The Hartford") is responsible for establishing and maintaining adequate internal control over financial reporting for The Hartford as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. A company's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II - Item 9A. Controls and Procedures

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
The Hartford Financial Services Group, Inc.
Hartford, Connecticut

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The Hartford Financial Services Group, Inc. and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended **December 31, 2022** **December 31, 2023**, of the Company and our report dated **February 24, 2023** **February 23, 2024**, expressed an unqualified opinion on those financial **statements**. **statements** and included an explanatory paragraph regarding the Company's adoption of a new accounting standard.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

The Hartford's management assessed its internal controls over financial reporting as of **December 31, 2022** **December 31, 2023** in relation to criteria for effective internal control over financial reporting described in "*Internal Control-Integrated Framework (2013)*" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment under those criteria, The Hartford's management concluded that its internal control over financial reporting was effective as of **December 31, 2022** **December 31, 2023**.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter of **2022** **2023** that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ATTESTATION REPORT OF THE COMPANY'S REGISTERED PUBLIC ACCOUNTING FIRM

The Hartford's independent registered public accounting firm, Deloitte & Touche LLP, has issued their attestation report on the Company's internal control over financial reporting which is set forth below.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Hartford, Connecticut
February 24, 2023 23, 2024

Part II - Item 9B. Other Information

Item 9B.

OTHER INFORMATION

On October 31, 2023, Adin M. Tooker, Executive Vice President, Middle & Large Commercial, Global Specialty and Sales and Distribution, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the potential sale of up to 7,643.967 shares of the Company's common stock on February 29, 2024. This 10b5-1 plan is effective through October 31, 2024.

On November 21, 2023, Michael R. Fisher, Executive Vice President and Property and Casualty Chief Underwriting Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the potential sale of (i) up to 4,088 shares of the Company's common stock between March 1, 2024 and November 15, 2024 and (ii) up to 4,088 shares of the Company's common stock between July 1, 2024 and November 15, 2024, subject to certain conditions. This 10b5-1 plan is effective through November 15, 2024.

Part III - Item 10. Directors, Executive Officers and Corporate Governance of The Hartford

Item 10.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE HARTFORD

Certain of the information called for by Item 10 will be set forth in the definitive proxy statement for the 2023 2024 annual meeting of stockholders (the "Proxy Statement") to be filed by The Hartford with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K under the captions and subcaptions "Board and Governance Matters", and "Director Nominees" and is incorporated herein by reference.

The Company has adopted a Code of Ethics and Business Conduct, which is applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer. The Code of Ethics and Business Conduct is available on the investor relations section of the Company's website at: <http://ir.thehartford.com>.

Any waiver of, or material amendment to, the Code of Ethics and Business Conduct will be posted promptly to our web site in accordance with applicable NYSE and SEC rules.

EXECUTIVE OFFICERS OF THE HARTFORD

Information about the executive officers of The Hartford who are also nominees for election as directors will be set forth in The Hartford's Proxy Statement. Set forth below is information about the other executive officers of the Company as of February 23, 2023 February 22, 2024:

Name	Age	Position with The Hartford and Business Experience For the Past Five Years
Jonathan R. Bennett	58 59	Executive Vice President and Head of Group Benefits (August 2019-present); Chief Financial Officer and Head of Strategy for Property and Casualty and Group Benefits (October, 2012-August 2019)
Claire H. Burns	54 55	Chief Marketing and Communications Officer (September 2021-present); Chief Marketing and Strategy Officer, Prudential International (February 2018-July 2021); Senior Vice President and Chief Customer Officer, MetLife (November 2012-January 2018)
Stephanie C. Bush ^[1]	58 59	Executive Vice President and Head of Small Commercial and Personal Lines (January 2018-present) ; Executive Vice President and Head of Small Commercial (July 2014-present)
Beth A. Costello	55 56	Executive Vice President and Chief Financial Officer (July 2014-present)
Michael R. Fisher	57 58	Executive Vice President and Property and Casualty Chief Underwriting Officer (May 2019-present); Executive Vice President and Head of Specialty Commercial (October 2014-April 2019)
John J. Kinney	51 52	Executive Vice President, Head of Claims & Operations (August 2021-present); Chief Claims Officer (April 2013-August 2021)
Scott R. Lewis ^[1]	60 44	Senior Vice President and Controller (May 2013-present) (March 2023-present); Vice President Finance, Head of External Reporting and Investment Finance (June 2018 - March 2023); Vice President Finance (April 2016 - June 2018)
Allison G. Niderno		
Robert W. Paiano	61 62	Executive Vice President and Chief Risk Officer (June 2017-present); Senior Vice President & Treasurer (July 2010-May 2017)
David C. Robinson ^[2]	57 58	Executive Vice President and General Counsel (June 2015-present)
Lori A. Rodden	52 53	Executive Vice President Chief Human Resources Officer (October 2019-present); and Senior Vice President and Lead Human Resources Business Partner for Property & Casualty, Group Benefits, Claims and Actuarial (April 2016-October 2019)
Deepa Soni	53 54	Executive Vice President, Head of Technology, Data, Analytics & Information Security (August 2021-present); Chief Information Officer (September 2019-August 2021); U.S. Chief Information Officer, BMO Financial Group (April 2016-September 2019)
Amy M. Stepnowski	54 55	Executive Vice President Chief Investment Officer (August 2020-present); President of Hartford Investment Management Company (August 2020-Present) 2020-present); Managing Director and Head of Public Credit Research Hartford Investment Management Company (September 2008-August 2020)
Adin M. Tooker	53 54	Executive Vice President, Middle and & Large Commercial, Global Specialty and Sales and Distribution (November 2022-present); Executive Vice President and Head of Middle and & Large Commercial (March 2019-October 2022); Executive Vice President and Head of Middle Market (March 2017-February 2019)

[1]On November 1, 2022 November 29, 2023, Mr. Lewis notified the Company of his announced Ms. Bush's intent to retire as Senior Executive Vice President and Controller Head of Small Commercial and Personal Lines effective February 28, 2023 March 1, 2024.

[2]On November 29, 2023, the Company announced Mr. Robinson's intent to retire as Executive Vice President and General Counsel effective March 1, 2024.

Part III - Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Item 12.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain of the information called for by Item 12 will be set forth in the Proxy Statement under the caption "Information on Stock Ownership" and is incorporated herein by reference.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2022 December 31, 2023 about the securities authorized for issuance under the Company's equity compensation plans, which consist of The Hartford 2010 Incentive Stock Plan (the "2010 Stock Plan"), The Hartford 2014 Incentive Stock Plan (the "2014 Stock Plan"), the 2020 Stock Incentive Plan (the "2020 Stock Plan") (collectively the "Stock Plans") and The Hartford Employee Stock Purchase Plan (the "ESPP").

(a)	(b)	(c)

On May 20, 2020, the stockholders of the Company approved the 2020 Stock Plan, which superseded the earlier plans. Pursuant to the provisions of the 2020 Stock Plan, no additional shares may be issued from the 2014 Stock Plan. To the extent that any awards under the 2010 Stock Plan and the 2014 Stock Plan are forfeited, terminated, surrendered, exchanged, expire unexercised or are settled in cash in lieu of stock (including to effect tax withholding) or for the issuance of a lesser number of shares than the number of shares subject to the award, the shares subject to such awards (or the relevant portion thereof) shall be available for award under the 2020 Stock Plan and such shares shall be added to the total number of shares available under the 2020 Stock Plan. For a description of the 2020 Stock Plan and the ESPP, see Note 19 20 - Stock Compensation Plans of Notes to Consolidated Financial Statements.

		Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights [1]	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights [2]	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) [3]
		(a)	(b)	(c)
		Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights [1]	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights [1]	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights [2]
				Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) [3]
Equity compensation plans approved by stockholders	Equity compensation plans approved by stockholders	11,031,922	\$ 51.58	11,531,725
Equity compensation plans not approved by stockholders	Equity compensation plans not approved by stockholders	—	—	—
Equity compensation plans not approved by stockholders				
Equity compensation plans not approved by stockholders				
Total	Total	11,031,922	\$ 51.58	11,531,725
Total				
Total				

[1]The amount shown in this column includes 6,596,674 6,071,595 outstanding options awarded under the 2010 Stock Plan, the 2014 Stock Plan and the 2020 Stock Plan. The amount shown in this column includes 3,517,067 3,258,731 outstanding restricted stock units, 710,927 582,651 outstanding performance shares at 100% of target (which excludes 448,510 777,144 shares that vested on December 31, 2022 December 31, 2023, related to the 2020-2022 2021-2023 performance period) and 207,254 173,114 non-vested dividend equivalent shares as of December 31, 2022 December 31, 2023 under the 2014 Stock Plan and the 2020 Stock Plan. The maximum number of performance shares that could be awarded is 1,421,854 1,165,302 (200% of target) if the Company achieved the highest performance level. Under the 2014 and 2020 Stock Plans, no more than 500,000 shares in the aggregate can be earned by an individual employee with respect to restricted stock unit and performance share awards made in a single calendar year. As a result, the number of shares ultimately distributed to an employee with respect to awards made in the same year will be reduced, if necessary, so that the number does not exceed this limit.

[2]The weighted-average exercise price reflects outstanding options and does not reflect outstanding restricted stock units or performance shares because they do not have exercise prices.

[3]Of these shares, 3,350,171 3,155,609 remain available for purchase under the ESPP as of December 31, 2022 December 31, 2023. 8,181,554 6,884,152 shares remain available for issuance as options, restricted stock units, restricted stock awards or performance shares under the 2020 Stock Plan as of December 31, 2022 December 31, 2023.

Part IV. Item 15. Exhibits and Financial Statement Schedules

Item 15.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this report:

(1) **Consolidated Financial Statements.** See Index to Consolidated Financial Statements and Schedules [elsewhere herein](#), [below](#).

(2) **Consolidated Financial Statement Schedules.** See Index to Consolidated Financial Statement and Schedules [elsewhere herein](#), [below](#).

(3) **Exhibits.** See Exhibit Index elsewhere herein.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
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[1] Deloitte & Touche LLP (PCAOB ID No. 34) is our principal accountant and an independent registered public accounting firm.

[2] Schedule has been omitted as information required is disclosed in the Notes to Consolidated Financial Statements or other Schedules.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
The Hartford Financial Services Group, Inc.
Hartford, Connecticut

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Hartford Financial Services Group, Inc. and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows, for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated **February 24, 2023** **February 23, 2024**, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2023, the Company adopted FASB ASU 2018-12, *Targeted Improvements to the Accounting for Long-Duration Contracts Issued by Insurance Companies*, using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Unpaid Losses and Loss Adjustment Expenses - Refer to Notes 1 and 11 to the financial statements

Critical Audit Matter Description

For property and casualty and group life and disability insurance products, the Company establishes reserves for unpaid losses and loss adjustment expenses to provide for the estimated costs of paying claims under insurance policies written by the Company. These reserves include estimates for both claims that have been reported and claims that have been incurred but not reported and include estimates of all losses and loss adjustment expenses associated with processing and settling these claims. This estimation process is based significantly on the assumption that past developments are an appropriate predictor of future events and involves a variety of actuarial techniques that analyze experience, trends and other relevant factors.

Given the subjectivity of estimating the ultimate cost to settle the liabilities for reported and unreported claims due to uncertainties caused by various factors including frequency and severity of claims as well as changes in the legislative and regulatory environment, performing audit procedures to evaluate whether unpaid losses and loss adjustment expenses were appropriately recorded as of **December 31, 2022** **December 31, 2023**, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists.

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How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the unpaid losses and loss adjustment expenses included the following, among others:

- We tested the effectiveness of controls related to the unpaid losses and loss adjustment expenses, including controls over inputs, methods, and assumptions used in the Company's estimation processes.
- We tested the underlying data that served as the basis for the Company's analysis, including historical claims.
- With the assistance of our actuarial specialists, we evaluated the methods and assumptions used by the Company to estimate the unpaid losses and loss adjustment expenses by:

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- Assessing the reasonableness of the Company's analysis and, for selected reserving lines, developing independent estimates of the unpaid losses and loss adjustment expenses and comparing such estimates to the Company's estimates.

- Comparing the Company's prior year assumptions of expected development of ultimate loss to actual losses incurred during the current year to identify potential management bias in the determination of the unpaid losses and loss adjustment expenses.

Investments in Fixed Maturities Classified as Available-for-Sale - Refer to Notes 1, 4, and 5 to the financial statements

Critical Audit Matter Description

Investments in fixed maturities classified as available-for-sale are reported at fair value in the financial statements. The investments without readily determinable fair values were valued using significant unobservable inputs, such as credit spreads and interest rates beyond the observable curve, that involved considerable judgment by the Company.

Given the Company used models and unobservable inputs to estimate the fair value of investments in fixed maturities classified as available-for-sale, performing audit procedures to evaluate these inputs required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the models and unobservable inputs used by the Company to estimate the fair value of investments in fixed maturities classified as available-for-sale included the following, among others:

- We tested the effectiveness of controls over the valuation of investments in fixed maturities classified as available-for-sale, including controls over inputs, methods, and assumptions used in the Company's estimation processes.
- On a sample basis, we tested the accuracy and completeness of the investments owned as of **December 31, 2022** **December 31, 2023**, and the relevant security attributes used in the determination of their fair values.
- With the assistance of our fair value specialists, for a sample of investments, we tested the mathematical accuracy of the fair value calculation and developed independent estimates of the fair value and compared our estimates to the Company's estimates. In addition to developing independent estimates, we obtained an understanding of the models and inputs used by the Company and assessed those models and inputs for reasonableness. Such assessment included comparing inputs to external sources or developing independent inputs.

/s/ DELOITTE & TOUCHE LLP
Hartford, Connecticut
February **24, 2023** **23, 2024**

We have served as the Company's auditor since 2002.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Operations

(in millions, except for per share data)	(in millions, except for per share data)	For the years ended December 31,			(in millions, except for per share data)	For the years ended December 31,		
		2022	2021	2020		2023	2022	2021
Revenues	Revenues				Revenues			
Earned premiums	Earned premiums	\$19,390	\$17,999	\$17,288				
Fee income	Fee income	1,349	1,488	1,277				
Net investment income	Net investment income	2,177	2,313	1,846				
Net realized gains (losses)	Net realized gains (losses)	(627)	509	(14)				
Other revenues	Other revenues	73	81	126				
Total revenues	Total revenues	22,362	22,390	20,523				
Benefits, losses and expenses	Benefits, losses and expenses				Benefits, losses and expenses			
Benefits, losses and loss adjustment expenses	Benefits, losses and loss adjustment expenses	13,142	12,729	11,805				
Amortization of deferred policy acquisition costs ("DAC")	Amortization of deferred policy acquisition costs ("DAC")	1,835	1,680	1,706				

Insurance operating costs and other expenses	Insurance operating costs and other expenses	4,830	4,779	4,480
Interest expense	Interest expense	213	234	236
Interest expense				
Interest expense				
Amortization of other intangible assets	Amortization of other intangible assets	71	71	72
Restructuring and other costs	Restructuring and other costs	13	1	104
Total benefits, losses and expenses	Total benefits, losses and expenses	20,104	19,494	18,403
Income before income taxes	Income before income taxes	2,258	2,896	2,120
Income tax expense	Income tax expense	443	531	383
Net income				
Net income				
Net income	Net income	1,815	2,365	1,737
Preferred stock dividends	Preferred stock dividends	21	21	21
Net income available to common stockholders	Net income available to common stockholders	\$ 1,794	\$ 2,344	\$ 1,716
<i>Net income available to common stockholders per common share</i>	<i>Net income available to common stockholders per common share</i>			
<i>Net income available to common stockholders per common share</i>				
<i>Net income available to common stockholders per common share</i>				
Basic				
Basic				
Basic	Basic	\$ 5.52	\$ 6.71	\$ 4.79
Diluted	Diluted	\$ 5.44	\$ 6.62	\$ 4.76

See Notes to Consolidated Financial Statements.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Comprehensive Income (Loss)

(in millions)	(in millions)	For the years ended December 31,			(in millions)	For the years ended December 31,		
		2022	2021	2020		2023	2022	2021
Net income	Net income	\$ 1,815	\$ 2,365	\$ 1,737				

Other comprehensive income (loss) ("OCI"):	Other comprehensive income (loss) ("OCI"):	Other comprehensive income (loss) ("OCI"):		
Change in net unrealized gain (loss) on fixed maturities, available for sale ("AFS")	(4,210) (1,218) 1,150			
Change in net unrealized gain (loss) on fixed maturities, available-for-sale ("AFS")				
Change in unrealized losses on fixed maturities for which an allowance for credit losses ("ACL") has been recorded	(5) — 1			
Change in net gain on cash flow hedging instruments	34 (6) 3			
Change in net gain on cash flow hedging instruments				
Change in foreign currency translation adjustments	(10) (2) 9			
Change in liability for future policy benefits adjustments				
Change in pension and other postretirement plan adjustments	143 228 (45)			
OCI, net of tax	(4,048) (998) 1,118			
Comprehensive income (loss)	\$ (2,233) \$ 1,367 \$ 2,855			

See Notes to Consolidated Financial Statements

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.

Consolidated Balance Sheets

		As of December 31,			As of December 31,	
		2022	2021		2023	2022
(in millions, except for share and per share data)	(in millions, except for share and per share data)			(in millions, except for share and per share data)		
Assets	Assets			Assets		
Investments:	Investments:			Investments:		
Fixed maturities, AFS, at fair value (amortized cost of \$39,533 and \$40,788, and ACL of \$12 and \$1)		\$36,231	\$42,847			
Fixed maturities, AFS, at fair value (amortized cost of \$41,726 and \$39,533, and ACL of \$21 and \$12)						
Fixed maturities, at fair value using the fair value option ("FVO")	Fixed maturities, at fair value using the fair value option ("FVO")	333	160			
Equity securities, at fair value	Equity securities, at fair value	1,801	2,094			
Mortgage loans (net of ACL of \$36 and \$29)		6,000	5,383			
Mortgage loans (net of ACL of \$51 and \$36)						
Limited partnerships and other alternative investments	Limited partnerships and other alternative investments	4,177	3,353			
Other investments	Other investments	159	215			
Short-term investments	Short-term investments	3,859	3,697			
Total investments	Total investments	52,560	57,749			
Cash	Cash	229	205			
Restricted cash	Restricted cash	115	132			
Premiums receivable and agents' balances (net of ACL of \$109 and \$105)		4,949	4,445			
Reinsurance recoverables (net of allowance for uncollectible reinsurance of \$105 and \$99)		6,966	6,523			
Accrued investment income						
Premiums receivable and agents' balances (net of ACL of \$109 and \$109)						

Reinsurance recoverables (net of allowance for uncollectible reinsurance of \$103 and \$105)			
Deferred policy acquisition costs	Deferred policy acquisition costs	1,002	881
Deferred income taxes, net	Deferred income taxes, net	1,449	270
Goodwill	Goodwill	1,911	1,911
Property and equipment, net	Property and equipment, net	927	1,027
Other intangible assets, net	Other intangible assets, net	778	858
Other assets	Other assets	2,136	2,577
Total assets	Total assets	\$73,022	\$76,578

Total assets	
Total assets	

Liabilities	Liabilities	Liabilities
Unpaid losses and loss adjustment expenses	Unpaid losses and loss adjustment expenses	\$41,243 \$39,659
Reserve for future policy benefits	Reserve for future policy benefits	561 596
Other policyholder funds and benefits payable	Other policyholder funds and benefits payable	658 687
Unearned premiums	Unearned premiums	7,815 7,194
Long-term debt	Long-term debt	4,357 4,944
Long-term debt		
Long-term debt		
Other liabilities	Other liabilities	4,757 5,655
Total liabilities	Total liabilities	59,391 58,735
Commitments and Contingencies (Note 14)		

Total liabilities	
Total liabilities	
Commitments and Contingencies (Note 15)	

Stockholders' Equity	Stockholders' Equity
Preferred stock, \$0.01 par value — 50,000,000 shares authorized, 13,800 shares issued at December 31, 2022 and December 31, 2021, aggregate liquidation preference of \$345	334 334

Common stock, \$0.01 par value — 1,500,000,000 shares authorized, 344,960,228 shares issued at December 31, 2022 and 366,960,228 shares issued at December 31, 2021	3	4

Stockholders' Equity

Stockholders' Equity

Preferred stock, \$0.01 par value — 50,000,000 shares authorized, 13,800 shares issued at December 31, 2023 and December 31, 2022, aggregate liquidation preference of \$345		
Common stock, \$0.01 par value — 1,500,000,000 shares authorized, 326,960,228 shares issued at December 31, 2023 and 344,960,228 shares issued at December 31, 2022		
Additional paid- in capital	Additional paid- in capital	1,895 3,309
Retained earnings	Retained earnings	17,048 15,764
Treasury stock, at cost — 29,848,980 and 32,034,244 shares		(1,773) (1,740)
Accumulated other comprehensive income (loss), net of tax		(3,876) 172
Treasury stock, at cost — 28,488,130 and 29,848,980 shares		
Accumulated other comprehensive loss, net of tax		
Total stockholders' equity	Total stockholders' equity	13,631 17,843
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 73,022 \$ 76,578

See Notes to Consolidated Financial Statements.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Changes in Stockholders' Equity

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
(in millions, except for share and per share data)	(in millions, except for share and per share data)				(in millions, except for share and per share data)		
Preferred Stock	Preferred Stock	\$ 334	\$ 334	\$ 334			
Common Stock	Common Stock						
Common Stock							
Common Stock, beginning of period							
Common Stock, beginning of period							
Common Stock, beginning of period	Common Stock, beginning of period	4	4	4			
Treasury stock retired	Treasury stock retired	(1)	—	—			
Common Stock, end of period	Common Stock, end of period	3	4	4			
Additional Paid-in Capital	Additional Paid-in Capital						
Additional Paid-in Capital, beginning of period	Additional Paid-in Capital, beginning of period	3,309	4,322	4,312			
Additional Paid-in Capital, beginning of period							
Additional Paid-in Capital, beginning of period							
Issuance of shares under incentive and stock compensation plans and other	Issuance of shares under incentive and stock compensation plans and other	(154)	(90)	(96)			
Stock-based compensation plans expense	Stock-based compensation plans expense	131	116	106			
Treasury stock retired	Treasury stock retired	(1,391)	(1,039)	—			
Treasury stock retired							
Treasury stock retired							
Additional Paid-in Capital, end of period	Additional Paid-in Capital, end of period	1,895	3,309	4,322			
Retained Earnings	Retained Earnings						
Retained Earnings, beginning of period	Retained Earnings, beginning of period	15,764	13,918	12,685			
Cumulative effect of accounting changes, net of tax		—	—	(18)			
Adjusted balance beginning of period		15,764	13,918	12,667			
Retained Earnings, beginning of period							
Retained Earnings, beginning of period							
Net income							
Net income							
Net income	Net income	1,815	2,365	1,737			
Dividends declared on preferred stock	Dividends declared on preferred stock	(21)	(21)	(21)			
Dividends declared on common stock	Dividends declared on common stock	(510)	(498)	(465)			

Retained Earnings, end of period	Retained Earnings, end of period	17,048	15,764	13,918
Treasury Stock, at cost	Treasury Stock, at cost			
Treasury Stock, at cost, beginning of period	Treasury Stock, at cost, beginning of period			
Treasury Stock, at cost, beginning of period	Treasury Stock, at cost, beginning of period			
Treasury Stock, at cost, beginning of period	Treasury Stock, at cost, beginning of period	(1,740)	(1,192)	(1,117)
Treasury stock acquired	Treasury stock acquired	(1,550)	(1,702)	(150)
Treasury stock retired	Treasury stock retired	1,392	1,039	—
Issuance of shares under incentive and stock compensation plans from treasury stock and other	Issuance of shares under incentive and stock compensation plans from treasury stock and other	183	146	112
Net shares acquired related to employee incentive and stock compensation plans	Net shares acquired related to employee incentive and stock compensation plans	(58)	(31)	(37)
Treasury Stock, at cost, end of period	Treasury Stock, at cost, end of period	(1,773)	(1,740)	(1,192)
Accumulated Other Comprehensive Income (Loss), net of tax				
Treasury Stock, at cost, end of period				
Treasury Stock, at cost, end of period				
Accumulated Other Comprehensive Income (Loss) ("AOCI"), net of tax				
Accumulated Other Comprehensive Income (Loss), net of tax, beginning of period	Accumulated Other Comprehensive Income (Loss), net of tax, beginning of period	172	1,170	52
Accumulated Other Comprehensive Income (Loss), net of tax, beginning of period				
Accumulated Other Comprehensive Income (Loss), net of tax, beginning of period				
Cumulative effect of accounting changes, net of tax				
Adjusted balance beginning of period				
Total other comprehensive income (loss)	Total other comprehensive income (loss)	(4,048)	(998)	1,118
Accumulated Other Comprehensive (Loss) Income, net of tax, end of period		(3,876)	172	1,170
Accumulated Other Comprehensive Income (Loss), net of tax, end of period				
Total Stockholders' Equity	Total Stockholders' Equity	\$ 13,631	\$ 17,843	\$ 18,556
Preferred Shares Outstanding				

Preferred Shares Outstanding					
Preferred Shares Outstanding	Preferred Shares Outstanding	13,800	13,800	13,800	
Common Shares Outstanding (in thousands)	Common Shares Outstanding (in thousands)				
Common Shares Outstanding (in thousands)					
Common Shares Outstanding (in thousands)					
Common Shares Outstanding, beginning of period					
Common Shares Outstanding, beginning of period					
Common Shares Outstanding, beginning of period	Common Shares Outstanding, beginning of period	334,926	358,489	359,570	
Treasury stock acquired	Treasury stock acquired	(22,273)	(25,878)	(2,661)	
Issuance of shares under incentive and stock compensation plans and other	Issuance of shares under incentive and stock compensation plans and other	3,285	2,902	2,298	
Return of shares under incentive and stock compensation plans to treasury stock	Return of shares under incentive and stock compensation plans to treasury stock	(827)	(587)	(718)	
Common Shares Outstanding, end of period	Common Shares Outstanding, end of period	315,111	334,926	358,489	
Common Shares Outstanding, end of period					
Common Shares Outstanding, end of period					
Cash dividends declared per common share	Cash dividends declared per common share	\$ 1.58	\$ 1.44	\$ 1.30	
Cash dividends declared per preferred share	Cash dividends declared per preferred share	\$1,500.00	\$1,500.00	\$1,500.00	

See Notes to Consolidated Financial Statements.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Cash Flows

(in millions)	(in millions)	For the years ended December 31,			(in millions)	For the years ended December 31,		
		2022	2021	2020		2023	2022	2021
Operating Activities	Operating Activities				Operating Activities			
Net income	Net income	\$ 1,815	\$ 2,365	\$ 1,737				

Adjustments to reconcile net income to net cash provided by operating activities	Adjustments to reconcile net income to net cash provided by operating activities	Adjustments to reconcile net income to net cash provided by operating activities		
Net realized losses (gains)	Net realized losses	627	(530)	(34)
Amortization of deferred policy acquisition costs	Amortization of deferred policy acquisition costs	1,835	1,680	1,706
Additions to deferred policy acquisition costs	Additions to deferred policy acquisition costs	(1,947)	(1,751)	(1,666)
Depreciation and amortization	Depreciation and amortization	625	680	562
Loss on extinguishment of debt	Loss on extinguishment of debt	9	—	—
Loss on extinguishment of debt				
Loss on extinguishment of debt				
Loss on sale of business	Loss on sale of business	—	21	48
Other operating activities, net	Other operating activities, net	109	(125)	164
Change in assets and liabilities:	Change in assets and liabilities:			
Increase in reinsurance recoverables	Increase in reinsurance recoverables	(473)	(582)	(540)
Increase in reinsurance recoverables				
Increase in reinsurance recoverables				
Net change in accrued and deferred income taxes	Net change in accrued and deferred income taxes	(80)	85	459
Increase in insurance liabilities	Increase in insurance liabilities	2,199	2,416	1,426
Increase in insurance liabilities				
Increase in insurance liabilities				
Net change in premiums receivable and agents' balances				
Net change in premiums receivable and agents' balances				
Net change in premiums receivable and agents' balances	Net change in premiums receivable and agents' balances	(562)	(190)	(72)
Net change in other assets and other liabilities	Net change in other assets and other liabilities	(149)	24	81
Net cash provided by operating activities	Net cash provided by operating activities	4,008	4,093	3,871
Investing Activities	Investing Activities	Investing Activities		
Proceeds from the sale/maturity/prepayment of:	Proceeds from the sale/maturity/prepayment of:	Proceeds from the sale/maturity/prepayment of:		
Fixed maturities, AFS	Fixed maturities, AFS	14,996	22,457	19,534
Fixed maturities, FVO	Fixed maturities, FVO	2	—	11
Equity securities at fair value	Equity securities at fair value	1,213	626	1,485

Mortgage loans	Mortgage loans	973	1,506	948
Mortgage loans				
Mortgage loans				
Limited partnerships and other alternative investments	Limited partnerships and other alternative investments	349	537	167
Payments for the purchase of:	Payments for the purchase of:			Payments for the purchase of:
Fixed maturities, AFS	Fixed maturities, AFS	(14,255)	(21,754)	(21,112)
Fixed maturities, FVO	Fixed maturities, FVO	(216)	(160)	—
Equity securities at fair value	Equity securities at fair value	(1,371)	(1,420)	(962)
Mortgage loans	Mortgage loans	(1,596)	(2,386)	(1,264)
Mortgage loans				
Mortgage loans				
Limited partnerships and other alternative investments	Limited partnerships and other alternative investments	(1,095)	(1,317)	(491)
Net proceeds from (payments for) derivatives	Net proceeds from (payments for) derivatives	54	(7)	112
Net additions to property and equipment	Net additions to property and equipment	(175)	(133)	(114)
Net (payments for) short-term investments		(160)	(417)	(368)
Net payments for short-term investments				
Other investing activities, net	Other investing activities, net	4	(9)	(12)
Proceeds from businesses sold, net of cash transferred	Proceeds from businesses sold, net of cash transferred	—	11	—
Net cash used for investing activities				
Net cash used for investing activities				
Net cash used for investing activities	Net cash used for investing activities	(1,277)	(2,466)	(2,066)
Financing Activities	Financing Activities			Financing Activities
Deposits and other additions to investment and universal life-type contracts	Deposits and other additions to investment and universal life-type contracts	88	89	60
Withdrawals and other deductions from investment and universal life-type contracts	Withdrawals and other deductions from investment and universal life-type contracts	(102)	(75)	(102)
Net decrease in securities loaned or sold under agreements to repurchase		—	—	(587)
Repayment of debt				
Repayment of debt				
Repayment of debt	Repayment of debt	(600)	—	(500)
Proceeds from the issuance of debt	Proceeds from the issuance of debt	—	588	—
Net issuance (return) of shares under incentive and stock compensation plans				

Net issuance (return) of shares under incentive and stock compensation plans				
Net issuance (return) of shares under incentive and stock compensation plans	Net issuance (return) of shares under incentive and stock compensation plans	(19)	25	(21)
Treasury stock acquired	Treasury stock acquired	(1,550)	(1,702)	(150)
Dividends paid on preferred stock	Dividends paid on preferred stock	(21)	(21)	(21)
Dividends paid on common stock	Dividends paid on common stock	(506)	(485)	(457)
Net cash used for financing activities	Net cash used for financing activities	(2,710)	(1,581)	(1,778)
Foreign exchange rate effect on cash	Foreign exchange rate effect on cash	(14)	(6)	8
Net increase in cash and restricted cash, including cash classified within assets held for sale		7	40	35
Less: Net increase (decrease) in cash classified as assets held for sale		—	(58)	58
Net increase (decrease) in cash and restricted cash, including cash classified within assets held for sale				
Less: Net decrease in cash classified as assets held for sale				
Net increase (decrease) in cash and restricted cash	Net increase (decrease) in cash and restricted cash	7	98	(23)
Cash and restricted cash — beginning of period	Cash and restricted cash — beginning of period	337	239	262
Cash and restricted cash — end of period	Cash and restricted cash — end of period	\$ 344	\$ 337	\$ 239
<u>Supplemental Disclosure of Cash Flow Information</u>	<u>Supplemental Disclosure of Cash Flow Information</u>	<u>Supplemental Disclosure of Cash Flow Information</u>		
Income tax paid (received)		\$ 548	\$ 496	(71)
Income tax paid				
Interest paid	Interest paid	\$ 212	\$ 214	\$ 232

See Notes to Consolidated Financial Statements.

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in millions, except for per share data, unless otherwise stated)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The Hartford Financial Services Group, Inc., ("HFSG") is a holding company for insurance and financial services subsidiaries that provide property and casualty ("P&C") insurance, group life and disability products and mutual funds and exchange-traded funds ("ETF") to individual and business customers in the United States as well as in the United Kingdom and other international locations (collectively, "The Hartford", the "Company", "we" or "our").

On December 29, 2021, the Company completed the sale of all of Navigators Holdings (Europe) N.V., a Belgium holding company, and its subsidiaries, Bracht, Deckers & Mackelbert N.V. and Assurances Continentales Continentale Verzekeringen N.V., collectively referred to as "Continental Europe Operations". For further discussion of this transaction, see Note 21 22 - Business Dispositions.

The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. Generally Accepted Accounting Principles") which differ materially from the accounting practices prescribed by various insurance regulatory authorities.

Consolidation

The Consolidated Financial Statements include the accounts of The Hartford Financial Services Group, Inc., and entities in which the Company directly or indirectly has a controlling financial interest. Entities in which the Company has significant influence over the operating and financing decisions but does not control are reported using the equity method. Intercompany transactions and balances between The Hartford and its subsidiaries and affiliates have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates include those used in determining property and casualty and group long-term disability ("LTD") insurance product reserves, net of reinsurance; evaluation of goodwill for impairment; valuation of investments and derivative instruments; and contingencies relating to corporate litigation and regulatory matters.

Reclassifications

Certain reclassifications have been made to prior year financial information to conform to the current year presentation.

Adoption of New Accounting Standards

Financial Instruments - Credit Losses

On January 1, 2020, the Company adopted the Financial Accounting Standards Board's ("FASB") updated guidance for recognition and measurement of credit losses on financial instruments. The new guidance replaces the "incurred loss" approach with an "expected loss" model for recognizing credit losses for financial instruments carried at other than fair value. Under the new model, for financial instruments carried at other than fair value, such as mortgage loans, reinsurance recoverables and receivables, an allowance for credit losses ("ACL") is recognized, which is an estimate of credit losses expected over the life of financial instruments. Under the prior accounting model an ACL was recognized using an incurred loss approach. The new guidance also requires that we estimate a liability for credit losses ("LCL") on off balance sheet credit exposures, such as financial guarantees and mortgage loan commitments that the Company cannot unconditionally cancel.

Credit losses on fixed maturities, AFS carried at fair value continue to be measured based on the present value of expected future cash flows compared to amortized cost; however, the losses are now recognized through an ACL and no longer as an adjustment to the amortized cost. Recoveries of credit losses on fixed maturities, AFS are now recognized as reversals of the ACL and no longer accreted as investment income through an adjustment to the investment yield. The ACL on fixed maturities, AFS cannot cause the net carrying value to be below fair value and, therefore, it is possible that future increases in fair value due to decreases in market interest rates could cause the reversal of the ACL and increase net income. The new guidance also requires purchased financial assets with a more-than-insignificant amount of credit deterioration since original issuance to be recorded based on contractual amounts due and an initial allowance recorded at the date of purchase.

The Company adopted the guidance effective January 1, 2020, through a cumulative-effect adjustment that decreased retained earnings by \$18, representing a net increase to the ACL and LCL, after tax. No ACL was recognized at adoption for fixed maturities, AFS; rather, these investments are evaluated for an ACL prospectively. The Company does not have any purchased financial assets with a more than insignificant amount of credit deterioration since original issuance.

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Impact of Adoption on Consolidated Balance Sheet

Balance as of January 1, 2020			
	Opening	Cumulative Effect	Adjusted
	Balance	of Accounting	Opening Balance
		Change	
Mortgage loans	\$ 4,215		\$ 4,215
ACL on mortgage loans	—	\$ (19)	(19)
Mortgage loans, net of ACL	4,215	(19)	4,196
Premiums receivable and agents' balances	4,529		4,529
ACL on premiums receivable and agents' balances	(145)	23	(122)
Premiums receivable and agents' balances, net of ACL	4,384	23	4,407
Reinsurance recoverables	5,641		5,641
ACL and allowance for disputed amounts on reinsurance recoverables	(114)	(2)	(116)
Reinsurance recoverables, net of allowance for uncollectible reinsurance	5,527	(2)	5,525
Deferred income tax asset, net	299	5	304
Other liabilities	(5,157)	(25)	(5,182)
Retained Earnings	\$ 12,685	\$ (18)	\$ 12,667

Summary of Adoption Impacts

Net increase to ACL and LCL	\$ (23)
Net tax effects	5
Net decrease to retained earnings	\$ (18)

Reference Rate Reform

On March 12, 2020, the Company adopted the FASB's Financial Accounting Standard Board's ("FASB") temporary guidance, which allows The Hartford to account for contract modifications made solely due to rate reform (such as replacing London Inter-Bank Offered Rate ("LIBOR") with another reference rate) as continuations of existing contracts and to maintain hedge accounting when the hedging effectiveness between a financial instrument and its hedge is only affected by the change to a replacement rate. As a result, The Hartford will did not recognize gains and losses during the transition period of LIBOR to an alternative reference rate that would otherwise have arisen from accounting assessments and remeasurements. On December 21, 2022, the FASB extended the effective date for the temporary guidance and the temporary guidance now expires for contract modifications made and hedge relationships entered into or evaluated after December 31, 2024. The Company is not required to measure the effect of adoption on its financial position, cash flows or net income

because the guidance provides relief from accounting for the effects of the change to a replacement rate.

Reserve for Future Policy Benefits

On January 1, 2023, the Company adopted the FASB's updated guidance on accounting for long duration insurance contracts, which was applied on a modified retrospective basis as of January 1, 2021.

The new guidance requires the discount rate assumption to be updated, as of the transition date and quarterly going forward, to a current upper-medium grade fixed-income investment yield, which has been interpreted to represent a yield based on single-A credit rated fixed maturity instruments with similar duration to the liability. The new guidance also eliminated the requirement to adjust the reserve for future policy benefits for unrealized gains and losses on fixed maturity investments as if those unrealized gains and losses were realized (referred to as shadow reserves). The change in the reserve estimate resulting from updating the discount rate assumptions and eliminating shadow reserves was recognized as a net cumulative effect adjustment that increased the reserve for future policy benefits by \$85 and decreased AOCI by \$65, net of deferred tax effects, as of January 1, 2021.

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The new guidance also requires that underlying cash flow assumptions (i.e., mortality, lapse and expense) in the reserve for future policy benefits be based on best estimate assumptions. The adjustments to the reserve for future policy benefits at adoption resulted in establishing a deferred profit liability on limited pay contracts of \$18 representing the estimated profits based on best estimate cash flow assumptions.

The effect of adopting this guidance on the Company's reserve for future policy benefits was as follows:

Impact of Adoption on Reserve for Future Policy Benefits

	Payout		Deferred Profit			
	Annuities	Life Conversions	Paid-up Life	Liability	Other	Total
Reserve for Future Policy Benefits as of December 31, 2020	\$ 189	\$ 94	\$ 267	\$ —	\$ 88	638
Adjustments:						
Removal of shadow reserve [1]	(26)	—	—	—	—	(26)
Update cash flow assumptions and establish deferred profit liability	(16)	—	(2)	18	—	—
Effect of measurement at current single-A rate [1]	59	21	29	—	2	111
Total Adjustments	17	21	27	18	2	85
Reserve for Future Policy Benefits as of January 1, 2021	206	115	294	18	90	723
Change in reserves due to changes in the single-A rate	(11)	(7)	(15)	—	—	(33)
Other changes in reserves	(7)	(14)	(17)	2	(8)	(44)
Reserve for Future Policy Benefits as of December 31, 2021	\$ 188	\$ 94	\$ 262	\$ 20	\$ 82	646

[1] These changes were reflected as an adjustment to opening AOCI as of January 1, 2021, with a corresponding deferred tax benefit and increase in reinsurance recoverables of \$18 and \$2, respectively, resulting in a net decrease to AOCI of \$65.

The effect of adopting this guidance on the Company's Consolidated Balance Sheets as of January 1, 2021 as well as December 31, 2022 and 2021, and Consolidated Statements of Operations and Consolidated Statements of Comprehensive

Income for the years ended December 31, 2022 and 2021 was as follows:

Impact of Adoption on Consolidated Balance Sheets										
	As of December 31, 2022			As of December 31, 2021			As of January 1, 2021			
	As previously reported	Effect of change	As currently reported	As previously reported	Effect of change	As currently reported	Balance prior to adoption	Effect of change	As currently reported	
Reinsurance recoverables	\$ 6,966	\$ (2)	\$ 6,964	\$ 6,523	\$ 1	\$ 6,524	\$ 6,011	\$ 2	\$ 6,013	
Deferred income taxes, net	\$ 1,449	\$ (12)	\$ 1,437	\$ 270	\$ 11	\$ 281	\$ 46	\$ 18	\$ 64	
Reserve for future policy benefits	\$ 561	\$ (59)	\$ 502	\$ 596	\$ 50	\$ 646	\$ 638	\$ 85	\$ 723	
Retained earnings	\$ 17,048	\$ 10	\$ 17,058	\$ 15,764	\$ 6	\$ 15,770	\$ 13,918	\$ —	\$ 13,918	
AOCI	\$ (3,876)	\$ 35	\$ (3,841)	\$ 172	\$ (44)	\$ 128	\$ 1,170	\$ (65)	\$ 1,105	
Total stockholders' equity	\$ 13,631	\$ 45	\$ 13,676	\$ 17,843	\$ (38)	\$ 17,805	\$ 18,556	\$ (65)	\$ 18,491	

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Impact of Adoption on Consolidated Statements of Operations							
	Year Ended December 31, 2022			Year Ended December 31, 2021			
	As previously reported	Effect of change	As currently reported	As previously reported	Effect of change	As currently reported	
Benefits, losses and loss adjustment expenses	\$ 13,142	\$ (4)	\$ 13,138	\$ 12,729	\$ (9)	\$ 12,720	
Income before income taxes	\$ 2,258	\$ 4	\$ 2,262	\$ 2,896	\$ 9	\$ 2,905	
Income tax expense	\$ 443	\$ —	\$ 443	\$ 531	\$ 3	\$ 534	
Net income	\$ 1,815	\$ 4	\$ 1,819	\$ 2,365	\$ 6	\$ 2,371	
Net income available to common stockholders	\$ 1,794	\$ 4	\$ 1,798	\$ 2,344	\$ 6	\$ 2,350	
Net income available to common stockholders per common share							
Basic	\$ 5.52	\$ 0.02	\$ 5.54	\$ 6.71	\$ 0.02	\$ 6.73	
Diluted	\$ 5.44	\$ 0.02	\$ 5.46	\$ 6.62	\$ 0.02	\$ 6.64	

Impact of Adoption on Consolidated Statements of Comprehensive Income							
	Year Ended December 31, 2022			Year Ended December 31, 2021			
	As previously reported	Effect of change	As currently reported	As previously reported	Effect of change	As currently reported	
Change in net unrealized gain (loss) on fixed maturities, AFS	\$ (4,210)	\$ (15)	\$ (4,225)	\$ (1,218)	\$ (6)	\$ (1,224)	
Change in liability for future policy benefits adjustments	\$ —	\$ 94	\$ 94	\$ —	\$ 27	\$ 27	

Other comprehensive loss, net of tax	\$	(4,048)	\$	79	\$	(3,969)	\$	(998)	\$	21	\$	(977)
Comprehensive income (loss)	\$	(2,233)	\$	83	\$	(2,150)	\$	1,367	\$	27	\$	1,394

Future Adoption of New Accounting Standards

Reserve for Future Policy Benefits Segment Disclosures

The FASB issued new guidance on accounting for long-duration insurance contracts Segment Reporting that is effective January 1, 2023, requires enhanced disclosures on an annual and will be applied retrospectively quarterly basis about significant segment expenses that are regularly provided to January 1, 2021 (the "transition date" the chief operating decision maker ("CODM"). The Company's long-duration insurance contracts include paid-up life insurance and whole-life insurance policies resulting from conversion from group life policies and run-off structured settlement and terminal funding agreement liabilities with total future policy benefit reserves included within the reported measure of \$561, \$596 and \$638 as of December 31, 2022, 2021 and 2020, respectively. Under guidance in effect up until the adoption date, a reserve for future policy benefits is calculated as the present value of future benefits and related expenses less the present value of any future premiums using assumptions "locked in" at the time the policies were issued, including discount rate, lapse rate, mortality, and expense assumptions. Under that guidance, assumptions are only updated if there is an expected premium deficiency. The new guidance will require that underlying cash flow assumptions (such as for lapse rate and mortality) be reviewed and updated at least annually in the same quarter each year, segment profit or loss. The new guidance also requires that disclosure of the discount rate assumption be updated each quarter title and be based on an upper-medium grade (low-credit-risk) fixed-income investment yield. The change in position of the reserve estimate CODM as well as a result description of updating cash flow assumptions how the reported measure of profit or loss is used to assess segment performance and allocate resources. The Company is required to provide the new disclosures beginning with the December 31, 2024 consolidated financial statements and on a quarterly basis beginning with the March 31, 2025 interim condensed consolidated financial statements. The new guidance will be recognized in net income. The change in the reserve estimate as applied on a result of updating the discount rate assumption will be recognized in OCI. Because reserves will be based on updated assumptions and no longer locked in at contract inception, there will no longer be a test retrospective basis for premium deficiency, all periods presented. The Company will adopt is evaluating the disclosure impact of the new guidance; however, the new guidance retrospectively to will not have an impact on the transition date and will apply a modified retrospective transition method, consolidated financial position, results of operations, or cash flows.

Income Tax Disclosures

The FASB issued new disclosure requirements for income taxes primarily for the income tax rate reconciliation and income taxes paid. The income tax rate reconciliation within the income taxes note will present reconciling items based on specified categories with further disaggregation of items above a prescribed threshold. Disclosure of income taxes paid (net of refunds received) in the consolidated statement of cash flows will be disaggregated by federal (national), state, and foreign taxes with further disaggregation by individual jurisdictions subject to a

prescribed threshold. The Company expects is required to provide the new disclosure annually beginning with the December 31, 2025 consolidated financial statements. Disclosures are required to be provided on a prospective basis. Early adoption in an annual period and retrospective application is permitted. The Company is evaluating the disclosure impact of the new guidance; however, the new guidance to result in will not have an increase impact on the consolidated financial position, results of approximately \$85 to the reserve for future policy benefits and a decrease of approximately \$65 after tax to accumulated other comprehensive income ("AOCI") as of the transition date because market upper-medium grade (low-credit-risk) fixed-income investment yields were lower as of the transition date than the locked in rates that were previously used to discount the reserves. An increase in market interest rates since the transition date resulted in a change from an AOCI loss of approximately \$65 to an AOCI gain of approximately \$35 as of December 31, 2022, operations, or cash flows.

Significant Accounting Policies

The Company's significant accounting policies are as follows:

Revenue Recognition

Premium Revenue from Direct Insurance and Assumed Reinsurance

Property and casualty premiums are earned on a pro rata basis over the policy period and include accruals for policies that have been written by agents but not yet reported to us, as well as ultimate premium revenue anticipated under auditable and

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

retrospectively rated policies. We estimate the amount of premium not yet reported based on current and historical trends of the business being written. Such estimates are regularly reviewed and updated and any resulting adjustments are included in the current year's results. Unearned premiums represent the premiums applicable to the unexpired terms of policies in force, or period of risk.

Group life, disability and accident premiums are generally due from policyholders and recognized as revenue on a pro rata basis over the period of the contracts.

An estimated ACL is recorded on the basis of periodic evaluations of balances due from insureds and considering

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

historical credit loss information, adjusted for current economic conditions as well as reasonable and supportable forecasts when appropriate. The Company records total credit loss expenses related to premiums receivable in insurance operating costs and other expenses. Write-offs of premiums receivable and agents' balances and any related ACL are recorded in the period in which the balance is deemed uncollectible. Refer to Note 7 - Premiums Receivable and Agents' Balances for further discussion regarding the allowance for doubtful accounts included in premiums receivable and agents' balances.

Non-Insurance Revenue from Contracts with Customers

Installment fees are charged on property and casualty insurance contracts for billing the insurance customer in installments over the policy term. These fees are recognized in fee income as earned on collection.

Insurance servicing revenues within Personal Lines consist of up-front commissions earned for collecting premiums and processing claims on insurance policies for which The Hartford does not assume underwriting risk, predominantly related to the National Flood Insurance Plan program. These insurance servicing revenues are recognized in other revenues over the period of the flood program's policy terms.

Group Benefits earns fee income from employers for the administration of underwriting, implementation and claims processing for employer self-funded plans and for leave management services. Fees are recognized as services are provided and collected monthly.

Hartford Funds provides investment management, administrative and distribution services to mutual funds and exchange-traded funds. The Company assesses investment advisory, distribution and other asset management fees primarily based on the average daily net asset values from mutual funds and exchange-traded funds, which are recorded in the period in which the services are provided and are collected monthly. Fluctuations in domestic and international markets and related investment performance, volume and mix of sales and redemptions of mutual funds or exchange-traded funds, and other changes to the composition of assets under management ("AUM") are all factors that ultimately have a direct effect on fee income earned.

Corporate investment management and other fees are primarily for managing third party invested assets, including management of a portion of the invested assets of The Hartford's former life and annuity business. These fees, calculated based on the average quarterly net asset values, are recorded in the period in

which the services are provided and are collected quarterly. Fluctuations in markets and interest rates and other changes to the composition of assets under management are all factors that ultimately have a direct effect on fee income earned.

Dividends to Policyholders

Policyholder dividends are paid to certain property and casualty policyholders. Policies that receive dividends are referred to as participating policies. Participating dividends to policyholders are accrued and reported in insurance operating costs and other expenses and other liabilities using an estimate of the amount to

be paid based on underlying contractual obligations under policies and applicable state laws.

Net written premiums for participating property and casualty insurance policies represented 6%, 7%, and 7% of total net written premiums for each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Participating dividends to property and casualty policyholders were \$39, \$29 \$24 and \$29 \$24 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

There were no additional amounts of income allocated to participating policyholders.

Investments

Overview

The Company's investments in fixed maturities include consist of bonds, including structured securities, and redeemable preferred stock and commercial paper, stock. Most of these investments are classified as AFS and are carried at fair value. The after tax difference between fair value and cost or amortized cost is reflected in stockholders' equity as a component of AOCI. Fixed maturities for which the Company elected the fair value option are classified as FVO and are carried at fair value with changes in value recorded in net realized capital gains and losses. These investments represent certain investments in residual interests of securitizations and other securities that contain embedded credit derivatives. Equity securities are measured at fair value with any changes in valuation reported in net income, realized gains and losses. Mortgage loans are recorded at the outstanding principal balance adjusted for amortization of premiums or discounts and net of an ACL. Short-term investments are carried at amortized cost, which approximates fair value. Limited partnerships and other alternative investments are reported at their carrying value and are primarily accounted for under the equity method with the Company's share of earnings included in net investment income. Recognition of income related to limited partnerships and other alternative investments is delayed due to the availability of the related financial information, as private equity and other funds are generally received on a three-month delay. Accordingly, income for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 may not include the full impact of current year changes in valuation of the underlying assets and liabilities of the funds, which are generally obtained from the limited partnerships. Other investments primarily consist of equity fund investments, overseas deposits which are measured at fair value using the net asset value as a practical expedient, consolidated investment funds for which the Company has provided seed money and reports the underlying investments at fair value with changes in the fair value recognized in income consistent with accounting requirements for investment companies, and derivative instruments which are carried at fair value.



THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Net Realized Gains and Losses

Net realized gains and losses from investment sales are reported as a component of revenues and are determined on a specific identification basis. Net realized gains and losses also result from fair value changes in equity securities, fixed maturities, FVO, and derivatives contracts that do not qualify, or are not designated, as a hedge for accounting purposes. The Company records net credit losses on fixed maturities, AFS and



THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

changes in the ACL on mortgage loans as a component of net realized gains and losses. Future changes in the ACL resulting from improvements in expected future cash flows are recorded through net realized gains and losses. [For further information, see Financial Instruments - Credit Losses discussion above.](#)

Net Investment Income

Interest income from fixed maturities and mortgage loans is recognized when earned on the constant effective yield method based on the estimated timing of cash flows. Most premiums and discounts on fixed maturities are amortized to the maturity date. Premiums on callable bonds may be amortized to call dates based on call prices. For [securitized structured](#) financial assets subject to prepayment risk, yields are recalculated and adjusted periodically to reflect historical and/or estimated future prepayments using the retrospective method. For certain other [asset-backed structured](#) securities, including securities that previously had an ACL and interest only securities, any yield adjustments are made using the prospective method. Prepayment fees and make-whole payments on fixed maturities and mortgage loans are recorded in net investment income when earned. For equity securities, dividends are recognized as investment income on the ex-dividend date. Limited partnerships and other alternative investments primarily use the equity method of accounting to recognize the Company's share of earnings. For fixed maturities with an ACL, net investment income is recognized at the original effective rate and accretion of the ACL is recognized through net realized gains and losses. [For further information, see Financial Instruments - Credit Losses discussion above.](#) The Company's non-income producing investments were not material for the years ended [December 31, 2022](#) [December 31, 2023](#), [2021](#) [2022](#) and [2020](#), [2021](#).

Accrued Investment Income

[Accrued investment income primarily includes accruals of interest and dividend income from investments that have been earned but not yet received.](#)

Derivative Instruments

Overview

The Company utilizes a variety of over-the-counter ("OTC") derivatives, derivatives cleared through central clearing houses ("OTC-cleared") and exchange traded derivative instruments as part of its overall risk management strategy as well as to engage in income generation covered call transactions and replication transactions. The types of instruments may include swaps, caps, floors, forwards, futures and options to achieve the following Company-approved objectives:

- to hedge risk arising from interest rate, equity market, commodity market, credit spread and issuer default, price or currency exchange rates or volatility;
- to manage liquidity;
- to control transaction costs;
- to enter into income generation covered call transactions and synthetic replication transactions.

Interest rate and credit default swaps involve the periodic exchange of cash flows with other parties, at specified intervals,

flow streams exchanged by the counterparties are equal in value.

The Company clears certain interest rate swap and credit default swap derivative transactions through central clearing houses. OTC-cleared derivatives require initial collateral at the inception of the trade in the form of cash or highly liquid securities, such as U.S. Treasuries and government agency investments. Central clearing houses also require additional cash as variation margin based on daily market value movements. For information on collateral, see the Derivative Collateral Arrangements section in Note 6 - Derivatives. In addition, OTC-cleared transactions include price alignment amounts either received or paid on the variation margin, which [are reflected in realized gains and losses or, if is](#) characterized as interest [and reflected](#) in net investment income.

Forward contracts are customized commitments that specify a rate of interest or currency exchange rate to be paid or received on an obligation beginning on a future start date and are typically settled in cash.

Financial futures are standardized commitments to either purchase or sell designated financial instruments, at a future date, for a specified price and may be settled in cash or through delivery of the underlying instrument. Futures contracts trade on organized exchanges. Margin requirements for futures are met by pledging securities or cash, and changes in the futures' contract values are settled daily in cash.

Option contracts grant the purchaser, for a premium payment, the right to either purchase from or sell to the issuer a financial instrument at a specified price, within a specified period or on a stated date. The contracts may reference commodities, which grant the purchaser the right to either purchase from or sell to the issuer commodities at a specified price, within a specified period or on a stated date. Option contracts are typically settled in cash.

Foreign currency swaps exchange an initial principal amount in two currencies, agreeing to

calculated using agreed upon rates or other financial variables and notional principal amounts. Generally, little to no cash or principal payments are exchanged at the inception of the contract. Typically, at the time a swap is entered into, the cash

re-exchange the currencies at a future date, at an agreed upon exchange rate. There may also be a periodic exchange of payments at specified intervals calculated using the agreed upon rates and exchanged principal amounts.

The Company's derivative transactions conducted in insurance company subsidiaries are used in strategies permitted under the derivative use plans required by the State of Connecticut, the State of Illinois and the State of New York insurance regulators.

Accounting and Financial Statement Presentation of Derivative Instruments and Hedging Activities

Derivative instruments are recognized on the Consolidated Balance Sheets at fair value and are reported in Other Investments and Other Liabilities. For balance sheet presentation purposes, the Company has elected to offset the fair value amounts, income accruals, and related cash collateral receivables and payables of OTC derivative instruments executed in a legal entity and with the same counterparty or

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

under a master netting agreement, which provides the Company with the legal right of offset.

On the date the derivative contract is entered into, the Company designates the derivative as (1) a hedge of the fair value of a recognized asset or liability ("fair value" hedge), (2) a hedge of the variability in cash flows of a forecasted transaction or of amounts to be received or paid related to a recognized asset or liability ("cash flow" hedge), (3) a hedge of a net investment in a foreign operation ("net investment" hedge) or (4) held for other investment and/or risk management purposes, which primarily involve managing asset or liability related risks and do not qualify for hedge accounting. The Company currently does not designate any derivatives as fair value or net investment hedges.

Cash Flow Hedges - Changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge, including foreign-currency cash flow hedges, are recorded in AOCI and are reclassified into earnings when the variability of the cash flow of the hedged item impacts earnings. Gains and losses on derivative contracts that are reclassified from AOCI to current period earnings are included in the line item in the Consolidated Statements of Operations in which the cash flows of the hedged item are recorded. Periodic derivative net coupon settlements are recorded in the line item of the Consolidated Statements of Operations in which the cash flows of the hedged item are recorded. Cash flows from cash flow hedges are presented in the same category as the cash flows from the items being hedged in the Consolidated Statement of Cash Flows.

Other Investment and/or Risk Management Activities - The Company's other investment and/or risk management activities primarily relate to strategies used to reduce economic risk or replicate permitted investments and do not receive hedge accounting treatment. Changes in the fair value, including periodic derivative net coupon settlements, of derivative instruments held for other investment and/or risk management purposes are reported in current period earnings as net realized gains and losses.

Hedge Documentation and Effectiveness Testing

To qualify for hedge accounting treatment, a derivative must be highly effective in mitigating the designated changes in fair value or cash flows of the hedged item. At hedge inception, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking each hedge transaction. The documentation process includes linking derivatives that are designated as fair value, cash flow, or net investment hedges to specific assets or liabilities on the balance sheet or to specific forecasted transactions and defining the effectiveness testing methods to be used. The Company also formally assesses both at the hedge's inception and ongoing on a quarterly basis, whether the derivatives that are used in hedging transactions have been and are expected to continue to be highly effective in offsetting changes in fair values, cash flows or net investment in foreign operations of hedged items. Hedge effectiveness is assessed primarily using quantitative methods as well as using qualitative methods. Quantitative methods include regression or other statistical analysis of changes in fair value or cash flows associated with the hedge relationship. Qualitative methods may

include comparison of critical terms of the derivative to the hedged item.

Discontinuance of Hedge Accounting

The Company discontinues hedge accounting prospectively when (1) it is determined that the qualifying criteria are no longer met; (2) the derivative is no longer designated as a hedging instrument; or (3) the derivative expires or is sold, terminated or exercised.

When cash flow hedge accounting is discontinued because the Company becomes aware that it is not probable that the forecasted transaction will occur, the derivative continues to be carried on the balance sheet at its fair value, and gains and losses that were accumulated in AOCI are recognized immediately in earnings.

In other situations in which hedge accounting is discontinued, including those where the derivative is sold, terminated or exercised, amounts previously deferred in AOCI are reclassified into earnings when earnings are impacted by the hedged item.

Embedded Derivatives

The Company may purchase investments that contain embedded derivative instruments. When it is determined that (1) the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract and (2) a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host for measurement purposes. The embedded derivative, which is reported with the host instrument in the Consolidated Balance Sheets, is carried at fair value with changes in fair value reported in net realized gains and losses.

Credit Risk of Derivative Instruments

Credit risk is defined as the risk of financial loss due to uncertainty of an obligor's or counterparty's ability or willingness to meet its obligations in accordance with agreed upon terms. Credit exposures are measured using the market value of the derivatives, resulting in amounts owed to the Company by its counterparties or potential payment obligations from the

amounts owed to the Company by its counterparties or potential payment obligations from the Company to its counterparties. The Company generally requires that OTC derivative contracts, other than certain forward contracts, be governed by International Swaps and Derivatives Association agreements which are structured by legal entity and by counterparty, and permit right of offset. Some agreements require daily collateral settlement based upon agreed upon thresholds. For purposes of daily derivative collateral maintenance, credit exposures are generally quantified based on the prior business day's market value and collateral is pledged to and held by, or on behalf of, the Company to the extent the current value of the derivatives is greater than zero, subject to minimum transfer thresholds, if applicable. The Company also minimizes the credit risk of derivative instruments by entering into transactions with high quality counterparties primarily rated A or better, which are monitored and evaluated by the Company's risk management team and reviewed by senior management. OTC-cleared derivatives are governed by clearing house rules. Transactions cleared through a central clearing house reduce risk due to their ability to require daily variation margin and act as an independent valuation source. In addition, the Company monitors counterparty credit exposure on a monthly basis to ensure compliance with Company policies and statutory limitations.

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

a monthly basis to ensure compliance with Company policies and statutory limitations.

Cash and Restricted Cash

Cash represents cash on hand and demand deposits with banks or other financial institutions. Restrictions on cash primarily relate to funds that are held to support regulatory and contractual obligations.

Reinsurance

The Company cedes insurance to affiliated and unaffiliated insurers in order to limit its maximum losses and to diversify its exposures and provide statutory surplus relief. Such arrangements do not relieve the Company of its primary liability to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company also assumes reinsurance from other insurers and is a member of and participates in reinsurance pools and associations. Assumed reinsurance refers to the Company's acceptance of certain insurance risks that other insurance companies or pools have underwritten.

Reinsurance accounting is followed for ceded and assumed transactions that provide indemnification against loss or liability relating to insurance risk (i.e., risk transfer). To meet risk transfer requirements, a reinsurance agreement must include insurance risk, consisting of underwriting and timing risk, and a reasonable possibility of a significant loss to the reinsurer. If the ceded and assumed transactions do not meet risk transfer requirements, the Company accounts for these transactions as deposit transactions. As of December 31, 2022 and 2021, the Company's The Company had no deposit liability was \$0 as of December 31, 2023 and \$99, respectively, 2022, reported in other liabilities.

Premiums, benefits, losses and loss adjustment expenses reflect the net effects of ceded and assumed reinsurance transactions. Included in other assets are prepaid reinsurance premiums, which represent the portion of premiums ceded to reinsurers applicable to the unexpired terms of the reinsurance contracts. Reinsurance recoverables are balances due from reinsurers for ceded paid and unpaid losses and loss adjustment expenses and are presented net of an allowance for uncollectible reinsurance. Changes in the allowance for uncollectible reinsurance are reported in benefits, losses and loss adjustment expenses in the Company's Consolidated Statements of Operations.

The Company periodically evaluates the recoverability of its reinsurance recoverable assets and establishes an allowance for uncollectible reinsurance. The allowance for uncollectible reinsurance reflects management's best estimate of reinsurance cessions that may be uncollectible in the future due to reinsurers' unwillingness or inability to pay. The allowance for uncollectible reinsurance comprises an ACL and an allowance for disputed balances. Based on this analysis, the Company may adjust the allowance for uncollectible reinsurance or charge off reinsurer balances that are determined to be uncollectible. The Company records credit losses related to reinsurance recoverables in benefits, losses and loss adjustment expenses. Write-offs of reinsurance recoverables and any related ACL are recorded in the period in which the balance is deemed

loss development related to past insurable events. For these agreements, the consideration paid in excess of the estimated ultimate losses to be recovered under the agreement at inception is recognized as a loss on reinsurance transaction. The benefit of subsequent adverse development ceded up to the total consideration paid is recognized as ceded losses, which are a reduction of incurred losses and loss adjustment expenses. The excess of the estimated amounts ultimately to be recovered under the agreement over the consideration paid is recognized as a deferred gain liability and amortized into income over the period the ceded losses are recovered in cash from the reinsurer. The amount of the deferred gain liability is recalculated each period based on cumulative recoveries not yet collected relative to the latest estimate of ultimate losses to be recovered. Ceded loss reserves under retroactive agreements were \$1.5 billion \$1.7 billion and \$1.3 \$1.5 billion, and the deferred gain liability reported in other liabilities was \$803 \$997 and \$574, \$803, as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. In any given period, the change in deferred gain included in net income includes amortization of the deferred gain based on the percentage of ultimate ceded losses collected plus any change in the deferred gain liability due to changes in the estimated ultimate losses to be recovered. The effect on income from change in the deferred gain was a charge to earnings of \$194, \$229 \$246 and \$312 \$246 before tax for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 respectively.

Deferred Policy Acquisition Costs

DAC represents costs that are directly related to the acquisition of new and renewal insurance contracts and incremental direct costs of contract acquisition that are incurred in transactions with independent third parties or in compensation to employees. Such costs primarily include commissions, premium taxes, costs and certain other expenses that are directly related to successfully issued contracts, including a portion of policy issuance and underwriting costs.

For property and casualty P&C insurance products and group life, disability and accident contracts, costs are deferred and amortized ratably over the period the related premiums are earned. Deferred acquisition costs are reviewed to determine if they are recoverable from

uncollectible. Expected recoveries are included in the estimate of the ACL.

Retroactive reinsurance agreements, including adverse development covers ("ADC"), are reinsurance agreements under which our reinsurer agrees to reimburse us as a result of

future income, and if not, are charged to expense. Anticipated investment income is considered in the determination of the recoverability of DAC.

The Hartford includes contingent deferred sales charge commissions paid to external broker-dealers on sales of shares of mutual funds in DAC, and amortizes the deferred costs over a 12 to 18 month period depending on the share class, or until the underlying shares are redeemed. Recoverability is reviewed as events or changes in circumstances indicate that the carrying amount may not be recoverable and adjust them accordingly.

Income Taxes

The Company recognizes taxes payable or refundable for the current year and deferred taxes for the tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. A deferred tax provision is recorded for the tax effects of temporary differences between the Company's current taxable income and its income before tax under generally accepted accounting principles in the Consolidated

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Statements of Operations. For deferred tax assets, the Company records a valuation allowance that is adequate to reduce the total deferred tax asset to an amount that will more likely than not be realized.

ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**, **2021**, respectively, and is reported in insurance operating costs and other expenses. The

Goodwill

Goodwill represents the excess of the cost to acquire a business over the acquisition date fair value of net assets acquired. Goodwill is not amortized but is reviewed for impairment at least annually or more frequently if events occur or circumstances change that would indicate that a triggering event for a potential impairment has occurred. Goodwill is tested for impairment by comparing the fair value of a reporting unit to its carrying value. Goodwill is impaired up to the amount that the carrying value of the reporting unit exceeds the fair value. A reporting unit is defined as an operating segment or one level below an operating segment. The Company's reporting units, for which goodwill has been allocated consist of Commercial Lines, Personal Lines, Group Benefits, and Hartford Funds.

Management's determination of the fair value of each reporting unit incorporates multiple inputs into discounted cash flow calculations, including assumptions that market participants would make in valuing the reporting unit. Assumptions include levels of economic capital required to support the business, future business growth, earnings projections, the weighted average cost of capital used for purposes of discounting and, for the Hartford Funds segment, assets under management. Decreases in business growth, decreases in earnings projections and increases in the weighted average cost of capital will all cause a reporting unit's fair value to decrease, increasing the possibility of impairments.

Intangible Assets

Acquired intangible assets on the Consolidated Balance Sheets include purchased customer relationship and agency or other distribution rights and licenses measured at fair value at acquisition. The Company amortizes finite-lived other intangible assets over their useful lives generally on a straight-line basis over the period of expected benefit, ranging from 1 to 15 years. Management revises amortization periods if it believes there has been a change in the length of time that an intangible asset will continue to have value. Indefinite-lived intangible assets are not subject to amortization. Intangible assets are assessed for impairment generally when events or circumstances indicate a potential impairment and at least annually for indefinite-lived intangibles. Finite-lived intangible assets are impaired if the carrying amount is not recoverable from undiscounted cash flows. Indefinite-lived intangible assets are impaired if the carrying amount exceeds fair value. Impaired intangible assets are written down to fair value.

Property and Equipment

Property and equipment, which includes capitalized software and right-of-use lease assets, is carried at cost net of accumulated depreciation. Depreciation is based on the estimated useful lives of the various classes of property and equipment and is recognized principally on the straight-line method. Accumulated depreciation was **\$2.3 billion** **\$2.4 billion** and **\$2.3 billion** as of **December 31, 2022** **December 31, 2023** and **2021**, **2022**, respectively. Depreciation expense was **\$204**, **\$213**, **\$282**, and **\$271** **\$282** for the years

costs to access and develop hosted software arrangements, where The Hartford has the right to access and use the software, but not take possession, and the cost of certain software licenses are reported in other assets on a straight-line basis over the service period. Amortization of hosted software and certain software licenses was **\$85**, **\$78**, **\$60**, and **\$42** **\$60** for the years ended **December 31, 2022** **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**, respectively, and is reported in insurance operating costs and other expenses.

Leases

Leases are classified as financing or operating leases. Where the lease is economically similar to a purchase because The Hartford obtains control of the underlying asset, the lease is classified as a financing lease and the Company recognizes amortization of the right of use asset and interest expense on the liability. Where the lease is not economically similar to a purchase as the lease provides The Hartford with only the right to control the use of the underlying asset over the lease term and the lease term is greater than one year, the lease is an operating lease and the lease cost is recognized as rental expense over the lease term on a straight-line basis. Leases with a term of one year or less are also expensed over the lease term but not recognized on the **balance sheet**. **Consolidated Balance Sheets**.

Unpaid Losses and Loss Adjustment Expenses

For property and casualty and group life, disability and accident insurance and assumed reinsurance products, the Company establishes reserves for unpaid losses and loss adjustment expenses to provide for the estimated costs of paying claims under insurance policies written by the Company. These reserves include estimates for both claims that have been reported and those that have not yet been reported, and include estimates of all losses and loss adjustment expenses associated with processing and settling these claims. Estimating the ultimate cost of future losses and loss adjustment expenses is an uncertain and complex process. This estimation process is based significantly on the assumption that past developments are an appropriate predictor of future events, and involves a variety of

actuarial techniques that analyze experience, trends and other relevant factors. The effects of inflation are implicitly considered in the reserving process. In addition, a number of complex factors influence the uncertainties involved with the reserving process including social and economic trends and changes in the concepts of legal liability and damage awards. Accordingly, final claim settlements may vary from the present estimates, particularly when those payments may not occur until well into the future. The Company regularly reviews the adequacy of its estimated losses and loss adjustment expense reserves by reserve line within the various reporting segments. Adjustments to previously established reserves are reflected in the operating results of the period in which the adjustment is determined to be necessary. Such adjustments could possibly be significant, reflecting any variety of new and adverse or favorable trends.

Most of the Company's property and casualty insurance products reserves are not discounted. However, the Company has discounted to present value certain reserves for indemnity payments that are due to claimants under workers' compensation policies because the payment pattern and the

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Note 1 - Basis of Presentation and Significant Accounting Policies

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

has discounted to present value certain reserves for indemnity payments that are due to claimants under workers' compensation policies because the payment pattern and the ultimate costs are reasonably fixed and determinable on an individual claim basis. The discount rate is based on the risk free rate for the expected claim duration as determined in the year the claims were incurred. The Company also has discounted liabilities for structured settlement agreements that provide fixed periodic payments to claimants. These structured settlements include annuities purchased to fund unpaid losses for permanently disabled claimants. These structured settlement liabilities are discounted to present value using the rate implicit in the purchased annuities and the purchased annuities are accounted for within reinsurance recoverables.

Group life and disability contracts with long-tail claim liabilities are discounted because the payment pattern and the ultimate costs are reasonably fixed and determinable on an individual claim basis. The discount rates are estimated based on investment yields expected to be earned on the cash flows net of investment expenses and expected credit losses. The Company establishes discount rates for these reserves in the year the claims are incurred (the incurral year) which is when the estimated settlement pattern is determined. The discount rate for life and disability reserves acquired from Aetna's U.S. group life and disability business were based on interest rates in effect at the acquisition date of November 1, 2017.

For further information about how unpaid losses and loss adjustment expenses are established, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses.

Reserve for Future Policy Benefits

The Company's reserves for future policy benefits includes paid-up life insurance and whole-life policies resulting from conversion from group life policies included within the Group Benefits segment and reserves for run-off structured settlement and terminal funding agreement liabilities, which are reported in the Corporate category.

Contracts are grouped into cohorts by contract type and issue year. The Company establishes reserves for future policy benefits using the net premium approach, which represents the present value of future policyholder benefits and related expenses less the present value of future net premiums. Net premiums are calculated by multiplying gross premiums for the contracts in a specific cohort by a net premium ratio. The net premium ratio is determined for the lifetime of a given cohort as the present value of net benefits divided by the present value of gross premiums. Related expenses include termination and settlement costs and exclude acquisition costs and non-claim related costs, such as costs relating to investments, general administration, policy maintenance, product development, market research and general overhead or any other costs, which are expensed as incurred.

The Company estimates premiums, benefits and related expense cash flows using methods that include assumptions, such as estimates of mortality, lapse, and claim-related expenses, and the possible impact of inflation on those expenses. Benefits include all guaranteed cash flows to be paid to the policyholder.

The reserve for future policy benefits is adjusted for differences between actual and expected experience. Each quarter, the Company updates its estimates of cash flows expected over the life of a group of contracts using actual historical experience. These updated cash flows are used to calculate the revised net premiums and net premium ratio, which are used to derive an updated reserve for future policy benefits. In subsequent periods, the revised net premiums are used to measure the reserve for future policy benefits, subject to future revisions. Future cash flow assumptions, including mortality, lapse and expense are reviewed and, if a change is indicated, updated at least annually in the third quarter.

The difference between the newly calculated reserve balance and the reserve balance before updating for actual experience and/or future cash flow assumptions is the remeasurement gain or loss, which is immaterial for each of the years ended December 31, 2023, 2022 and 2021 is presented in benefits losses and loss adjustments expense in the Consolidated Statements of Operations. Changes to the reserve due to updates to cash flow assumptions discounted at the discount rate used immediately prior to transition are recognized on a catch-up basis in the Consolidated Statement of Operations.

The discount rate assumption is an equivalent single rate that is based on a current market observable, upper-medium grade fixed maturity yield. This has been interpreted to represent a yield based on single-A credit rated fixed maturity instruments with similar duration to the liability. The Company uses the yield of a market observable index of single-A credit rated fixed maturities as the basis for setting the discount rate. The discount rate assumption is updated quarterly and the change in the reserve estimate resulting from updating the discount rate assumption is recognized in other comprehensive income.

Treasury Stock

Treasury stock is the cost of common stock repurchased, which includes the purchase price of shares acquired and direct costs to acquire shares, including commissions and excise taxes. Issuance and retirement of treasury stock is recognized at the average cost of shares held in treasury.

Foreign Currency

Foreign currency translation gains and losses are reflected in stockholders' equity as a component of AOCI. The Company's foreign subsidiaries' balance sheet accounts are translated at the exchange rates in effect at each year end and income statement accounts are translated at the average rates of exchange prevailing during the year. The national currencies of the international operations are generally their functional currencies; however, the U.S. dollar is the functional currency of Lloyd's Syndicate 1221 ("Lloyd's Syndicate"), the Lloyd's Syndicate for which the Company is the sole corporate member, in the U.K. member. Gains and losses resulting from the remeasurement of foreign currency transactions are reflected in earnings in net realized gains (losses) in the period in which they occur.

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Note 2 - Earnings Per Common Share

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

2. EARNINGS PER COMMON SHARE

Computation of Basic and Diluted Earnings per Common Share

		For the years ended December 31,		
(In millions, except for per share data)	(In millions, except for per share data)	2022	2021	2020
(In millions, except for per share data)				
(In millions, except for per share data)				
Earnings				
Earnings				
Earnings	Earnings			
Net income	Net income	\$ 1,815	\$ 2,365	\$ 1,737
Net income				
Net income				
Less: Preferred stock dividends	Less: Preferred stock dividends	21	21	21
Less: Preferred stock dividends				
Less: Preferred stock dividends				
Net income available to common stockholders				
Net income available to common stockholders				
Net income available to common stockholders	Net income available to common stockholders	\$ 1,794	\$ 2,344	\$ 1,716
Shares	Shares			
Shares				
Shares				
Weighted average common shares outstanding, basic				
Weighted average common shares outstanding, basic				
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	324.8	349.1	358.3
Dilutive effect of stock-based awards under compensation plans	Dilutive effect of stock-based awards under compensation plans	4.7	5.0	2.3
Dilutive effect of stock-based awards under compensation plans				
Dilutive effect of stock-based awards under compensation plans				
Weighted average common shares outstanding and dilutive potential common shares [1]				
Weighted average common shares outstanding and dilutive potential common shares [1]				
Weighted average common shares outstanding and dilutive potential common shares [1]	Weighted average common shares outstanding and dilutive potential common shares [1]	329.5	354.1	360.6
Net income available to common stockholders per common share	Net income available to common stockholders per common share			
Net income available to common stockholders per common share				

Net income available to common stockholders per common share

Basic						
Basic						
Basic	Basic	\$	5.52	\$	6.71	\$ 4.79
Diluted	Diluted	\$	5.44	\$	6.62	\$ 4.76
Diluted						
Diluted						

[1]For additional information, see Note 15 16 - Equity and Note 19 20 - Stock Compensation Plans.

Basic earnings per common share is computed based on the weighted average number of common shares outstanding during the year. Diluted earnings per common share includes the dilutive effect of stock-based awards under compensation plans.

Under the treasury stock method, for stock-based awards, shares are assumed to be issued and then reduced for the number of shares repurchasable with theoretical proceeds at the average market price for the period. Contingently issuable shares are included for the number of shares issuable assuming

the end of the reporting period was the end of the contingency period, if dilutive.

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[Note 3 - Segment Information](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SEGMENT INFORMATION

The Company currently conducts business principally in five reporting segments including Commercial Lines, Personal Lines, Property & Casualty Other Operations, Group Benefits and Hartford Funds, as well as a Corporate category.

Over 95% of the Company's revenues are generated in the United States ("U.S."). The remaining revenues are generated in Europe the U.K. and other international locations.

We report our results of operations consistent with the manner in which our chief operating decision maker ("CODM") reviews the business to assess performance, make operating decisions and allocate resources. The Company's reporting segments, as well as the Corporate category, are as follows:

Commercial Lines

Commercial Lines provides a variety of insurance products and risk management services in the U.S. and internationally, with insurance coverages including workers' compensation, property, automobile, general liability, umbrella, package business, professional liability, bond, marine, livestock, accident and health, and assumed reinsurance.

Personal Lines

Personal Lines provides standard automobile, homeowners and personal umbrella coverages to individuals across the U.S., including a special program designed exclusively for members of AARP. This agreement provides an important competitive advantage given the size of the 50 plus population and the

strength of the AARP brand, and is in place through December 31, 2032.

Property & Casualty Other Operations

Property & Casualty Other Operations includes certain property and casualty operations, managed by the Company, that have discontinued writing new business and includes substantially all of the Company's asbestos and environmental ("A&E") exposures.

Group Benefits

Group Benefits provides employers and associations with group life, accident and disability coverage, along with other products and services, including voluntary benefits, and group retiree health.

Hartford Funds

Hartford Funds offers investment products for retail and retirement accounts and provides investment management, distribution and administrative services such as product design, implementation and oversight. This business also manages a portion of the mutual funds which support the variable annuity products within Talcott Resolution third-party life and annuity separate accounts.

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[Note 3 - Segment Information](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Corporate

The Company includes in the Corporate category reserves for run-off structured settlement and terminal funding agreement liabilities, restructuring costs, capital raising activities (including equity financing, debt financing and related interest expense), transaction expenses incurred in connection with an acquisition,

certain M&A costs, purchase accounting adjustments related to goodwill and other expenses not allocated to the reporting segments. Interest expense of \$199, \$213 \$234 and \$236, \$234, on debt for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, is included in the Corporate category for segment reporting. Corporate also includes investment management fees and expenses related to managing third party business, including management of a portion of the invested assets of assets. Talcott Resolution Life, Inc. is the holding company of the life and its subsidiaries as well certain of Talcott's affiliates. In addition, up annuity business that we sold in May 2018. Up until June 30, 2021, Corporate included a 9.7% ownership interest in Hopmeadow Holdings LP, the legal entity that acquired Talcott Resolution in May 2018 (Hopmeadow Holdings, LP, Talcott Resolution Life Inc., and its subsidiaries are collectively referred to as "Talcott Resolution"). Refer to Note 5 - Investments for additional information.

Financial Measures and Other Segment Information

Certain transactions between segments occur during the year that primarily relate to tax settlements, insurance coverage, expense reimbursements, services provided, investment transfers and capital contributions. In addition, certain inter-segment transactions occur that relate to interest income on allocated surplus. Consolidated net income is unaffected by such transactions.

Revenues

	For the years ended December 31,		
	2023	2022	2021
Earned premiums and fee income:			
Commercial Lines			
Workers' compensation	\$ 3,670	\$ 3,499	\$ 3,172
General liability	1,977	1,836	1,622
Marine	256	235	228
Package business	2,076	1,844	1,665
Property	1,053	845	829
Professional liability	787	737	655
Bond	321	303	287
Assumed reinsurance	615	467	328
Automobile	927	844	789
Total Commercial Lines	11,682	10,610	9,575
Personal Lines			
Automobile	2,156	2,047	2,059
Homeowners	961	932	927
Total Personal Lines [1]	3,117	2,979	2,986
Property & Casualty Other Operations	—	—	—
Group Benefits			
Group disability	3,530	3,310	2,983
Group life	2,583	2,393	2,388
Other	402	354	316
Total Group Benefits	6,515	6,057	5,687
Hartford Funds			
Mutual fund and ETF	900	964	1,094
Third-party life and annuity separate accounts [2]	73	80	95
Total Hartford Funds	973	1,044	1,189
Corporate	39	49	50
Total earned premiums and fee income	22,326	20,739	19,487
Total net investment income	2,305	2,177	2,313
Net realized gains (losses)	(188)	(627)	509
Other revenues	84	73	81
Total revenues	\$ 24,527	\$ 22,362	\$ 22,390

[1]For 2023, 2022 and 2021, AARP members accounted for earned premiums of \$2.9 billion, \$2.7 billion and \$2.7 billion, respectively.

[2]Represents revenue earned for investment advisory services on third party life and annuity separate account

[2]Represents revenues earned for investment advisory services on third party life and annuity separate account assets under management ("AUM") sold in May 2018 that is still managed by the Company's Hartford Funds segment.

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Note 3 - Segment Information

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Revenues

	For the years ended December 31,		
	2022	2021	2020
Earned premiums and fee income:			
Commercial Lines			
Workers' compensation	\$ 3,499	\$ 3,172	\$ 3,034
Liability	1,836	1,622	1,401
Marine	235	228	251
Package business	1,844	1,665	1,540
Property	845	829	793
Professional liability	737	655	595
Bond	303	287	274
Assumed reinsurance	467	328	298
Automobile	844	789	754
Total Commercial Lines	10,610	9,575	8,940
Personal Lines			
Automobile	2,047	2,059	2,081
Homeowners	932	927	961
Total Personal Lines [1]	2,979	2,986	3,042
Property & Casualty Other Operations	—	—	—
Group Benefits			
Group disability	3,310	2,983	2,832
Group life	2,393	2,388	2,434
Other	354	316	270
Total Group Benefits	6,057	5,687	5,536
Hartford Funds			
Mutual fund and ETF	964	1,094	903
Talcott Resolution life and annuity separate accounts [2]	80	95	86
Total Hartford Funds	1,044	1,189	989
Corporate	49	50	58
Total earned premiums and fee income	20,739	19,487	18,565
Total net investment income	2,177	2,313	1,846
Net realized gains (losses)	(627)	509	(14)
Other revenues	73	81	126
Total revenues	\$ 22,362	\$ 22,390	\$ 20,523

Net Income (Loss)

		For the years ended		
		December 31,		
		2022	2021	2020
For the years ended December 31,		For the years ended December 31,		
	2023	2023	2022	2021
Commercial Lines	Commercial Lines	\$1,624	\$1,757	\$ 856
Personal Lines	Personal Lines	91	385	718
Property & Casualty Other Operations	Property & Casualty Other Operations	(190)	(95)	(168)
Group Benefits	Group Benefits	324	249	383
Hartford Funds	Hartford Funds	162	217	170
Corporate	Corporate	(196)	(148)	(222)
Net income	Net income	1,815	2,365	1,737
Preferred stock dividends	Preferred stock dividends	21	21	21
Net income available to common stockholders	Net income available to common stockholders	\$1,794	\$2,344	\$1,716

[1]For 2022, 2021 and 2020, AARP members accounted for earned premiums of \$2.7 billion, \$2.7 billion and \$2.8 billion, respectively.

[2]Represents revenues earned for investment advisory services on the life and annuity separate account assets under management ("AUM") sold in May 2018 that is still managed by the Company's Hartford Funds segment.

Net Investment Income

For the years ended December 31,

		2022	2021	2020
For the years ended December 31,		For the years ended December 31,		
2023		2023	2022	2021
Commercial Lines	Commercial Lines	\$1,415	\$1,502	\$1,160
Personal Lines	Personal Lines	140	157	157
Property & Casualty Other Operations	Property & Casualty Other Operations	63	75	55
Group Benefits	Group Benefits	524	550	448
Hartford Funds	Hartford Funds	9	5	4
Corporate	Corporate	26	24	22
Net investment income	Net investment income	\$2,177	\$2,313	\$1,846

Amortization of DAC

		For the years ended December 31,		
		2022	2021	2020
For the years ended December 31,		For the years ended December 31,		
2023		2023	2022	2021
Commercial Lines	Commercial Lines	\$1,563	\$1,398	\$1,397
Personal Lines	Personal Lines	228	230	244
Group Benefits	Group Benefits	33	40	50
Hartford Funds	Hartford Funds	11	12	14
Corporate	Corporate	—	—	1
Total amortization of DAC	Total amortization of DAC	\$1,835	\$1,680	\$1,706
Total amortization of DAC				
Total amortization of DAC				

Amortization of Other Intangible Assets

		For the years ended ended December 31, 2022 2021 2020		
		For the years ended December 31, 2023		For the years ended December 31, 2022 2021
Commercial Lines	Commercial Lines	\$ 29	\$ 29	\$ 28
Personal Lines	Personal Lines	2	2	4
Group Benefits	Group Benefits	40	40	40
Total amortization of other intangible assets	Total amortization of other intangible assets	\$ 71	\$ 71	\$ 72
Total amortization of other intangible assets				
Total amortization of other intangible assets				

Income Tax Expense (Benefit)

		For the years ended December 31,		
		2023	2022	2021
Commercial Lines	\$	502	\$ 426	\$ 402
Personal Lines		(15)	22	95
Property & Casualty Other Operations		(36)	(52)	(28)
Group Benefits		133	75	56
Hartford Funds		45	41	56
Corporate		(45)	(69)	(47)
Total income tax expense	\$	584	\$ 443	\$ 534

Assets

		As of December 31,	
		2023	2022
Commercial Lines	\$	49,711	\$ 47,234
Personal Lines		5,579	5,130
Property & Casualty Other Operations		4,235	3,897
Group Benefits		13,697	13,278
Hartford Funds		684	635
Corporate		2,874	2,834
Total assets	\$	76,780	\$ 73,008

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Note 3 - Segment Information

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	For the years ended December 31,		
	2022	2021	2020
Commercial Lines	\$ 426	\$ 402	\$ 176
Personal Lines	22	95	184
Property & Casualty Other Operations	(52)	(28)	(46)
Group Benefits	75	53	88
Hartford Funds	41	56	44
Corporate	(69)	(47)	(63)
Total income tax expense	\$ 443	\$ 531	\$ 383

	As of December 31,	
	2022	2021
Commercial Lines	\$ 47,234	\$ 48,234
Personal Lines	5,130	5,587
Property & Casualty Other Operations	3,897	3,792
Group Benefits	13,291	14,442
Hartford Funds	635	720
Corporate	2,835	3,803
Total assets	\$ 73,022	\$ 76,578

		For the years ended December 31,							
		Revenue Line							
		Item	2022	2021	2020				
For the years ended December 31,									
For the years ended December 31,									
		For the years ended December 31,							
		Revenue Line							
		Item							
		Revenue Line							
		Item							
		Revenue Line							
		Item							
Commercial Lines									
Commercial Lines									
Commercial Lines	Commercial Lines								
Installment billing fees	Installment billing fees	Fee income	\$	39	\$	34	\$	30	
Installment billing fees									
Installment billing fees									
Personal Lines									
Personal Lines									
Personal Lines	Personal Lines								
Installment billing fees	Installment billing fees	Fee income		30		32		34	
Installment billing fees									
Installment billing fees									
Insurance servicing revenues									
Insurance servicing revenues									
Insurance servicing revenues	Insurance servicing revenues	Other revenues		73		80		81	
Group Benefits	Group Benefits								
Group Benefits									
Group Benefits									
Administrative services	Administrative services	Fee income		187		183		175	
Administrative services									
Administrative services									
Hartford Funds									
Hartford Funds									
Hartford Funds	Hartford Funds								
Advisor, distribution and other management fees		Fee income		1,044		1,189		989	
Advisory, servicing and distribution fees									

						Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total						Total		
Assets accounted for at fair value on a recurring basis	Assets accounted for at fair value on a recurring basis					Assets accounted for at fair value on a recurring basis		
Fixed maturities, AFS	Fixed maturities, AFS					Fixed maturities, AFS		
Asset backed securities ("ABS")		\$ 1,941	\$ —	\$ 1,911	\$ 30			
Asset-backed securities ("ABS")								
Collateralized loan obligations ("CLO")	Collateralized loan obligations ("CLO")	2,941	—	2,826	115			
Commercial mortgage-backed securities ("CMBS")	Commercial mortgage-backed securities ("CMBS")	3,368	—	3,146	222			
Corporate	Corporate	15,233	—	13,644	1,589			
Foreign government/government agencies	Foreign government/government agencies	547	—	547	—			
Municipal	Municipal	6,296	—	6,296	—			
Residential mortgage-backed securities ("RMBS")	Residential mortgage-backed securities ("RMBS")	3,708	—	3,613	95			
U.S. Treasuries	U.S. Treasuries	2,197	—	2,197	—			
Total fixed maturities, AFS	Total fixed maturities, AFS	36,231	—	34,180	2,051			
Fixed maturities, FVO	Fixed maturities, FVO	333	—	155	178			
Equity securities, at fair value	Equity securities, at fair value	1,801	1,261	479	61			
Derivative assets	Derivative assets							
Credit derivatives	Credit derivatives	2	—	2	—			
Credit derivatives								
Credit derivatives								
Foreign exchange derivatives								
Foreign exchange derivatives								
Foreign exchange derivatives	Foreign exchange derivatives	32	—	32	—			
Total derivative assets [1]	Total derivative assets [1]	34	—	34	—			
Total derivative assets [1]								
Total derivative assets [1]								
Short-term investments								
Short-term investments	Short-term investments	3,859	1,429	2,237	193			
Total assets accounted for at fair value on a recurring basis	Total assets accounted for at fair value on a recurring basis	\$42,258	\$ 2,690	\$ 37,085	\$ 2,483			
Liabilities accounted for at fair value on a recurring basis	Liabilities accounted for at fair value on a recurring basis					Liabilities accounted for at fair value on a recurring basis		
Derivative liabilities	Derivative liabilities					Derivative liabilities		
Credit derivatives	Credit derivatives	\$ (2)	\$ —	\$ (2)	—			

Foreign exchange derivatives	Foreign exchange derivatives	21	—	21	—
Foreign exchange derivatives					
Foreign exchange derivatives					
Interest rate derivatives	Interest rate derivatives	(6)	—	(6)	—
Total derivative liabilities	Total derivative liabilities				
[2]	[2]	13	—	13	—
Total liabilities accounted for at fair value on a recurring basis	Total liabilities accounted for at fair value on a recurring basis	\$ 13	\$ —	\$ 13	\$ —
Total liabilities accounted for at fair value on a recurring basis					
Total liabilities accounted for at fair value on a recurring basis					

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Assets and (Liabilities) Carried at Fair Value by Hierarchy
Level as of December 31, 2021

	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	(Level 1)	(Level 2)	(Level 3)

Assets and (Liabilities) Carried at Fair Value by Hierarchy Level as of December 31, 2022	Assets and (Liabilities) Carried at Fair Value by Hierarchy Level as of December 31, 2022

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets accounted for at fair value on a recurring basis	Assets accounted for at fair value on a recurring basis	Assets accounted for at fair value on a recurring basis		
Fixed maturities, AFS	Fixed maturities, AFS	Fixed maturities, AFS		
ABS	ABS	\$ 1,135	\$ —	\$ 1,135
CLO	CLO	3,025	—	2,768
CMBS	CMBS	4,119	—	3,923
Corporate	Corporate	18,707	—	17,089
Foreign government/government agencies	Foreign government/government agencies	910	—	905
Municipal	Municipal	8,257	—	8,257
RMBS	RMBS	3,643	—	3,315
U.S. Treasuries	U.S. Treasuries	3,051	882	2,169

Total fixed maturities, AFS	Total fixed maturities, AFS	42,847	882	39,561	2,404
Fixed maturities, FVO	Fixed maturities, FVO	160	—	—	160
Equity securities, at fair value	Equity securities, at fair value	2,094	1,453	577	64
Derivative assets	Derivative assets				
Credit derivatives	Credit derivatives	2	—	2	—
Credit derivatives					
Credit derivatives					
Foreign exchange derivatives	Foreign exchange derivatives	6	—	5	1
Interest rate derivatives		(1)	—	(1)	—
Foreign exchange derivatives					
Foreign exchange derivatives					
Total derivative assets [1]					
Total derivative assets [1]					
Total derivative assets [1]	Total derivative assets [1]	7	—	6	1
Short-term investments	Short-term investments	3,697	1,627	1,990	80
Total assets accounted for at fair value on a recurring basis	Total assets accounted for at fair value on a recurring basis	\$48,805	\$ 3,962	\$ 42,134	\$ 2,709
Liabilities accounted for at fair value on a recurring basis	Liabilities accounted for at fair value on a recurring basis				
Derivative liabilities	Derivative liabilities				
Credit derivatives	Credit derivatives	\$ (4)	\$ —	\$ (4)	\$ —
Foreign exchange derivatives	Foreign exchange derivatives	—	—	1	(1)
Foreign exchange derivatives					
Foreign exchange derivatives					
Interest rate derivatives	Interest rate derivatives	(45)	—	(45)	—
Total derivative liabilities [2]	Total derivative liabilities [2]	(49)	—	(48)	(1)
Total liabilities accounted for at fair value on a recurring basis	Total liabilities accounted for at fair value on a recurring basis	\$ (49)	\$ —	\$ (48)	\$ (1)
Total liabilities accounted for at fair value on a recurring basis					
Total liabilities accounted for at fair value on a recurring basis					

[1]Includes derivative instruments in a net positive fair value position after consideration of the accrued interest and impact of collateral posting requirements which may be imposed by agreements and applicable law. See footnote 2 to this table for derivative liabilities.

[2]Includes derivative instruments in a net negative fair value position (derivative liability) after consideration of the accrued interest and impact of collateral posting requirements which may be imposed by agreements and applicable law.

The Company has overseas deposits included in other investments of \$62 \$75 and \$65 \$62 as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, which are measured at fair value using the net asset value as a practical expedient.

instruments. Valuation techniques also include, where

Fixed Maturities, Equity Securities, Short-term Investments, and Derivatives

Valuation Techniques

The Company generally determines fair values using valuation techniques that use prices, rates, and other relevant information evident from market transactions involving identical or similar

appropriate, estimates of future cash flows that are converted into a single discounted amount using current market expectations. The Company uses a "waterfall" approach comprised of the following pricing sources and techniques, which are listed in priority order:

- Quoted prices, unadjusted, for identical assets or liabilities in active markets, which are classified as Level 1.
- Prices from third-party pricing services, which primarily utilize a combination of techniques. These services utilize recently reported trades of identical, similar, or benchmark securities making adjustments for market observable inputs available through the reporting date. If there are no recently reported trades, they may use a discounted cash flow technique to develop a price using expected cash flows based upon the anticipated future performance of the

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

reported trades, they may use a discounted cash flow technique to develop a price using expected cash flows based upon the anticipated future performance of the underlying collateral discounted at an estimated market rate. Both techniques develop prices that consider the time value of future cash flows and provide a margin for risk, including liquidity and credit risk. Most prices provided by third-party pricing services are classified as Level 2 because the inputs used in pricing the securities are observable. However, some securities that are less liquid or trade less actively are classified as Level 3. Additionally, certain long-dated securities, such as municipal securities and bank loans, include benchmark interest rate or credit spread assumptions that are not observable in the marketplace and are thus classified as Level 3.

market prices for exchange-traded and OTC cleared derivatives may be used and in other cases independent broker quotes may

- Internal matrix pricing is a valuation process internally developed for private placement securities for which the Company is unable to obtain a price from a third-party pricing service. Internal pricing matrices determine credit spreads that, when combined with risk-free rates, are applied to contractual cash flows to develop a price. The Company develops credit spreads using market based data for public securities adjusted for credit spread differentials between public and private securities, which are obtained from a survey of multiple private placement brokers. The market-based reference credit spread considers the issuer's sector, financial strength, and term to maturity, using an independent public security index, while the credit spread differential considers the non-public nature of the security. Securities priced using internal matrix pricing are classified as Level 2 because the significant inputs are observable or can be corroborated with observable data.
- Independent broker quotes, which are typically non-binding, use inputs that can be difficult to corroborate with observable market based data. Brokers may use present value techniques using assumptions specific to the security types, or they may use recent transactions of similar securities. Due to the lack of transparency in the process that brokers use to develop prices, valuations that are based on independent broker quotes are classified as Level 3.

The fair value of derivative instruments is determined primarily using a discounted cash flow model or option model technique and incorporates counterparty credit risk. In some cases, quoted

be used. The pricing valuation models primarily use inputs that are observable in the market or can be corroborated by observable market data. The valuation of certain derivatives may include significant inputs that are unobservable, such as volatility levels, and reflect the Company's view of what other market participants would use when pricing such instruments.

Valuation Controls

The process for determining the fair value of investments is monitored by the Valuation Committee, which is a cross-functional group of senior management within the Company. The purpose of the Valuation Committee is to provide oversight of the pricing policy, procedures and controls, including approval of valuation methodologies and pricing sources. The Valuation Committee reviews market data trends, pricing statistics and trading statistics to ensure that prices are reasonable and consistent with our fair value framework. Controls and procedures used to assess third-party pricing services are reviewed by the Valuation Committee, including the results of annual due-diligence reviews. Controls include, but are not limited to, reviewing daily and monthly price changes, stale prices, and missing prices and comparing new trade prices to third-party pricing services, weekly price changes to published bond index prices, and daily OTC derivative market valuations to counterparty valuations. The Company has a dedicated pricing group that works with trading and investment professionals to challenge prices received by a third party pricing source if the Company believes that the valuation received does not accurately reflect the fair value. New valuation models and changes to current models require approval by the Valuation Committee. In addition, the Company's enterprise-wide Operational Risk Management function provides an independent review of the suitability and reliability of model inputs, as well as an analysis of significant changes to current models.

Valuation Inputs

Quoted prices for identical assets in active markets are considered Level 1 and consist of on-the-run U.S. Treasuries, money market funds, exchange-traded equity securities, open-ended mutual funds, certain short-term investments, and exchange traded derivative instruments.

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Valuation Inputs Used in Levels 2 and 3 Measurements for Securities and Derivatives

Level 2 Primary Observable Inputs	Level 3 Primary Unobservable Inputs
Fixed Maturity Investments	
Structured securities (includes ABS, CLO, CMBS and RMBS)	
- Benchmark yields and spreads - Monthly payment information - Collateral performance, which varies by vintage year and includes delinquency rates, loss severity rates and refinancing assumptions - Credit default swap indices Other inputs for ABS, CLO, and RMBS: - Estimate of future principal prepayments, derived from the characteristics of the underlying structure - Prepayment speeds previously experienced at the interest rate levels projected for the collateral	- Independent broker quotes - Credit spreads beyond observable curve - Interest rates beyond observable curve Other inputs for less liquid securities or those that trade less actively, including subprime RMBS: - Estimated cash flows - Credit spreads, which include illiquidity premium - Constant prepayment rates - Constant default rates - Loss severity
Corporates	
- Benchmark yields and spreads - Reported trades, bids, offers of the same or similar securities - Issuer spreads and credit default swap curves Other inputs for investment grade privately placed securities that utilize internal matrix pricing: - Credit spreads for public securities of similar quality, maturity, and sector, adjusted for non-public nature	- Independent broker quotes - Credit spreads beyond observable curve - Interest rates beyond observable curve Other inputs for below investment grade privately placed securities and private bank loans: - Credit spreads for public securities of similar quality, maturity, and sector, adjusted for non-public nature
U.S. Treasuries, Municipals, and Foreign government/government agencies	
- Benchmark yields and spreads - Issuer credit default swap curves - Political events in emerging market economies - Municipal Securities Rulemaking Board reported trades and material event notices - Issuer financial statements	- Credit spreads beyond observable curve - Interest rates beyond observable curve
Equity Securities	
Quoted prices in markets that are not active	For privately traded equity securities, internal discounted cash flow models utilizing earnings multiples or other cash flow assumptions that are not observable
Short-term Investments	
- Benchmark yields and spreads - Reported trades, bids, offers - Issuer spreads and credit default swap curves - Material event notices and new issue money market rates	Independent broker quotes
Derivatives	
Credit derivatives	
- Swap yield curve - Credit default swap curves	Not applicable
Foreign exchange derivatives	
- Swap yield curve - Currency spot and forward rates - Cross currency basis curves	Independent broker quotes Not applicable
Interest rate derivatives	
Swap yield curve	Not applicable

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Significant Unobservable Inputs for Level 3 - Securities

Assets accounted for at fair value on a recurring basis	Assets accounted for at fair value on a recurring basis	Predominant Valuation Technique	Significant Unobservable Input	Minimum	Maximum	Weighted Average	Impact of Increase in Input on Fair Value	Assets accounted for at fair value on a recurring basis	Fair Value	Predominant Valuation Technique	Significant Unobservable Input
		Fair Value	Valuation Technique			[1]	[2]				

As of December 31, 2022													
As of December 31, 2023													
As of December 31, 2021													
CLO [3]	CLO [3]	\$ 115	Discounted cash flows	Spread	337 bps	Decrease	CLO [3]	\$ 98	Discounted cash flows	Discounted cash flows	Spread		
CMBS [3]	CMBS [3]	\$ 219	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)	419 bps	1,307 bps	527 bps	Decrease	CMBS [3]	\$ 226	Discounted cash flows	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)
Corporate [4]	Corporate [4]	\$1,541	Discounted cash flows	Spread	77 bps	642 bps	360 bps	Decrease	Corporate [4]	\$1,741	Discounted cash flows	Discounted cash flows	Spread
RMBS [3]		\$ 65	Discounted cash flows	Spread [6]	62 bps	249 bps	160 bps	Decrease					
RMBS									RMBS	\$ 36	Discounted cash flows	Spread [6]	
Constant prepayment rate [6]													
Constant default rate [6]													
Loss severity [6]													
Short-term investments [3]									Short-term investments [3]				
									\$ 15	Discounted cash flows	Spread		
Constant prepayment rate [6]									1%				
Constant default rate [6]									4%				
Loss severity [6]									38%				
As of December 31, 2021													
CLO [3]		\$ 211	Discounted cash flows	Spread	234 bps	258 bps	257 bps	Decrease					
As of December 31, 2022													
As of December 31, 2022													
As of December 31, 2022													
CLO									CLO	\$ 115	Discounted cash flows	Spread	
CMBS [3]	CMBS [3]	\$ 192	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)	203 bps	468 bps	266 bps	Decrease	CMBS [3]	\$ 219	Discounted cash flows	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)
Corporate [4]	Corporate [4]	\$1,532	Discounted cash flows	Spread	96 bps	1,227 bps	298 bps	Decrease	Corporate [4]	\$1,541	Discounted cash flows	Discounted cash flows	Spread
RMBS [3]	RMBS [3]	\$ 266	Discounted cash flows	Spread [6]	48 bps	229 bps	89 bps	Decrease	RMBS [3]	\$ 65	Discounted cash flows	Discounted cash flows	Spread [6]
									Decrease [5]				
									Constant prepayment rate [6]				
									Constant default rate [6]				
									Loss severity [6]				
Constant prepayment rate [6]													
Constant default rate [6]													
Loss severity [6]													

[1]The weighted average is determined based on the fair value of the securities.

[2]Conversely, the impact of a decrease in input would have the opposite impact to the fair value as that presented in the table.

[3]Excludes securities for which the Company bases fair value on broker quotations.

[4]Excludes securities for which the Company bases fair value on broker quotations; however, included are broker priced lower-rated private placement securities for which the Company receives spread and yield information to corroborate the fair value.

[5]Decrease for above market rate coupons and increase for below market rate coupons.

[6]Generally, a change in the assumption used for the constant default rate would have been accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for constant prepayment rate and would have resulted in wider spreads.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the fair values of the Company's level 3 derivatives were less than \$1 for both periods.

of December 31, 2022 December 31, 2023, no significant adjustments were made by the Company to broker prices received.

The table above excludes certain securities for which fair values are predominately based on independent broker quotes. While the Company does not have access to the significant unobservable inputs that independent brokers may use in their pricing process, the Company believes brokers likely use inputs similar to those used by the Company and third-party pricing services to price similar instruments. As such, in their pricing models, brokers likely use estimated loss severity rates, prepayment rates, constant default rates and credit spreads. Therefore, similar to non-broker priced securities, increases in these inputs would generally cause fair values to decrease. As

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Contingent Consideration

The acquisition of Lattice Strategies LLC ("Lattice") on July 29, 2016 required the Company to make payments to former owners of Lattice of up to \$60 contingent upon growth in ETF AUM over a period of four years beginning on the date of acquisition. The contingent consideration was measured at fair value on a quarterly basis by projecting future eligible ETF AUM over the contingency period to estimate the amount of expected payout. The future expected payout had been discounted back to the valuation date using a risk-adjusted discount rate of 10.0%. The risk-adjusted discount rate is an internally generated and significant unobservable input to fair value.

In January 2020, we made a third payment of \$10 after Lattice AUM reached \$3.0 billion. Given the dramatic market declines and outflows in March, 2020, Lattice AUM declined to \$2.3 billion as of March 30, 2020 and the Company reduced the remaining contingent consideration liability to zero, recognizing an \$11.9 before tax reduction in expense in first quarter 2020.

The earn out period ended on July 29, 2020 with no additional consideration payable.

For disclosure of contingent consideration related to the sale of Continental Europe Operations, refer to Note 21 - Business Dispositions.

Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs

The Company uses derivative instruments to manage the risk associated with certain assets and liabilities. However, the derivative instrument may not be classified within the same fair value hierarchy level as the associated asset or liability.

Fair Value Rollforwards for Financial Instruments Classified as Level 3 for the Year Ended December 31, 2022									
Total realized/unrealized gains (losses)									
	Fair value as of January 1, 2022	Included in net income [1]	Included in OCI [2]	Purchases	Settlements	Sales	Transfers into Level 3 [3]	Transfers out of Level 3 [3]	Fair value as of December 31, 2022
Assets									
Fixed maturities, AFS									
ABS	\$ —	\$ —	\$ —	49	—	—	—	(19)	30
CLO	257	—	(2)	113	(62)	—	—	(191)	115
CMBS	196	—	(15)	51	(10)	—	—	—	222
Corporate	1,618	—	(174)	524	(274)	(40)	45	(110)	1,589
Foreign Govt./Govt. Agencies	5	(1)	—	—	—	(7)	3	—	—
RMBS	328	—	(14)	137	(95)	—	—	(261)	95
Total fixed maturities, AFS	2,404	(1)	(205)	874	(441)	(47)	48	(581)	2,051
Fixed maturities, FVO	160	(24)	—	55	(13)	—	—	—	178
Equity securities, at fair value	64	11	—	2	(16)	—	—	—	61
Short-term investments	80	—	—	284	(121)	—	—	(50)	193
Total Assets	\$ 2,708	\$ (14)	\$ (205)	1,215	(591)	(47)	48	(631)	2,483

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Fair Value Rollforwards for Financial Instruments Classified as Level 3 for the Year Ended December 31, 2021									
Fair Value Rollforwards for Financial Instruments Classified as Level 3 for the Year Ended December 31, 2023	Fair Value Rollforwards for Financial Instruments Classified as Level 3 for the Year Ended December 31, 2023								
	Total realized/unrealized gains (losses)	Fair value as of January 1, 2023	Fair value as of January 1, 2023	Fair value as of January 1, 2023					
					Included in net income	Included in OCI	Transfers into Level 3	Transfers out of Level 3	Fair value as of December 31, 2023
					[1]	[2]	Purchases	Settlements Sales	[3]
Assets									
Fixed maturities, AFS									
Fixed maturities, AFS									
Fixed maturities, AFS									
ABS									
ABS									
ABS									
CLO									
CMBS									
Corporate									
Assets	Total realized/unrealized gains (losses)	Fair value as of January 1, 2021	Included in net income	Included in OCI	Transfers into Level 3	Transfers out of Level 3	Fair value as of December 31, 2021		
Assets									
Fixed maturities, AFS									
RMBS									

	ABS	\$	—	\$	—	\$	—	\$	42	\$	—	\$	(3)	\$	—	\$	(39)	\$	—
	RMBS																		
	CLO		360		—		(1)		471		(124)		—		—		(449)		257
	CMBS		77		—		1		166		(4)		(1)		5		(48)		196
	Corporate		881		14		(34)		828		(154)		(47)		172		(42)		1,618
	Foreign Govt./Govt. Agencies		6		—		—		5		—		(6)		—		—		5
	RMBS		381		—		(4)		369		(193)		(14)		—		(211)		328
	RMBS																		
Total fixed maturities, AFS	Total fixed maturities, AFS		1,705		14		(38)		1,881		(475)		(71)		177		(789)		2,404
Fixed maturities, FVO	Fixed maturities, FVO		—		(6)		—		160		6		—		—		—		160
Equity securities, at fair value	Equity securities, at fair value		70		42		—		6		(53)		(1)		—		—		64
	Short-term investments																		
	Short-term investments																		
Short-term investments	Short-term investments		30		—		—		98		(48)		—		—		—		80
Total Assets	Total Assets		\$ 1,805		\$ 50		\$ (38)		\$ 2,145		\$ (570)		\$ (72)		\$ 177		\$ (789)		\$ 2,708

Fair Value Rollforwards for Financial Instruments Classified as Level 3 for the Year Ended December 31, 2022

	Total realized/unrealized gains (losses)								Fair value as of December 31, 2022								
	Fair value as of January 1, 2022	Included in net income [1]	Included in OCI [2]	Purchases	Settlements	Sales	Transfers into Level 3 [3]	Transfers out of Level 3 [3]									
Assets																	
Fixed maturities, AFS																	
ABS	\$	—	\$	—	\$	49	\$	—	\$	(19)	\$	30					
CLO		257		—		(2)		113		(62)		—	(191)	115			
CMBS		196		—		(15)		51		(10)		—	—	222			
Corporate		1,618		—		(174)		524		(274)		(40)	45	(110)	1,589		
Foreign Govt./Govt. Agencies		5		(1)		—		—		—		(7)	3	—	—		
RMBS		328		—		(14)		137		(95)		—	—	(261)	95		
Total fixed maturities, AFS		2,404		(1)		(205)		874		(441)		(47)	48	(581)	2,051		
Fixed maturities, FVO		160		(24)		—		55		(13)		—	—	—	178		
Equity securities, at fair value		64		11		—		2		(16)		—	—	—	61		
Short-term investments		80		—		—		284		(121)		—	—	(50)	193		
Total Assets	\$	2,708	\$	(14)	\$	(205)	\$	1,215	\$	(591)	\$	(47)	48	\$	(631)	\$	2,483

[1] Amounts in these columns are generally reported in net realized gains (losses). All amounts are before income taxes.

[2] All amounts are before income taxes.

[3] Transfers in info and/or out of Level 3 are primarily attributable to the availability of market observable information and the re-evaluation of the observability of pricing inputs.

Changes in Unrealized Gains (Losses) for Financial Instruments Classified as Level 3 Still Held at Year End

		December 31, 2022		December 31, 2021	
		Changes in Unrealized Gain/(Loss) included in Net Income [1] [2]	Changes in Unrealized Gain/(Loss) included in OCI [3]	Changes in Unrealized Gain/(Loss) included in Net Income [1] [2]	Changes in Unrealized Gain/(Loss) included in OCI [3]
Assets					
Fixed maturities, AFS					

CLO	\$	—	\$	(1)	\$	—	\$	(1)
CMBS				(15)				1
Corporate		(3)		(170)				(32)
RMBS				(13)				(4)
Total fixed maturities, AFS		(3)		(199)				(36)
Fixed maturities, FVO		(24)		—		(6)		—
Equity securities, at fair value		2		—		4		—
Total Assets	\$	(25)	\$	(199)	\$	(2)	\$	(36)

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Changes in Unrealized Gains (Losses) for Financial Instruments Classified as Level 3 Still Held at Year End									
	December 31, 2023			December 31, 2022					
	Changes in Unrealized	Changes in Unrealized		Changes in Unrealized	Changes in Unrealized				
	Gain/(Loss) included in Net	Gain/(Loss) included in OCI		Gain/(Loss) included in Net	Gain/(Loss) included in OCI				
	Income [1] [2]	[3]		Income [1] [2]	[3]				
Assets									
Fixed maturities, AFS									
CLO	\$	—	\$	1	\$	—	\$	(1)	
CMBS		—		2		—		(15)	
Corporate		(6)		71		(3)		(170)	
RMBS		—		—		—		(13)	
Total fixed maturities, AFS		(6)	74	(3)		(199)			
Fixed maturities, FVO		(1)	—	(24)		—			
Equity securities, at fair value		(1)	—	2		—			
Total Assets		\$	(8)	\$	74	\$	(25)	\$	(199)

[1]All amounts in these rows are reported in net realized gains (losses). All amounts are before income taxes.

[2]Amounts presented are for Level 3 only and therefore may not agree to other disclosures included herein.

[3]Changes in unrealized gain (loss) gains (losses) on fixed maturities, AFS are reported in changes in net unrealized gain (loss) on fixed maturities in the Consolidated Statements of Comprehensive Income.

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Note 4 - Fair Value Measurements

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Fair Value Option

The Company has elected the fair value option for certain investments in residual interests of securitizations and other securities that contain embedded credit derivatives with underlying credit risk related to residential real estate in order to reflect changes in fair value in earnings. These instruments are included within fixed maturities, FVO on the Consolidated Balance Sheets and changes in the fair value of these investments are reported in net realized gains and losses.

As of December 31, 2022, December 31, 2023 and 2021, 2022, the fair value of assets using the fair value option was \$327 and \$333, respectively, of which \$167 and \$160, respectively, \$178, respectively, were residual interests of securitizations.

For the years ended December 31, 2022, December 31, 2023, 2022, and 2021, realized losses related to the change in fair value of assets using the fair value option were \$28 and \$6, respectively. For the year ended December 31, 2020, there were no net realized gains (losses) related to the change in fair value of assets using the fair value option. Option were \$5, \$(28), and \$(6), respectively.

Financial Instruments Not Carried at Fair Value

Financial Assets and Liabilities Not Carried at Fair Value

December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022

		Fair Value Carrying			Fair Value Carrying									
		Hierarchy	Amount	Fair	Hierarchy	Amount	Fair	Fair Value	Carrying	Fair	Fair Value	Carrying	Fair	
		Level	[1]	Value	Level	[1]	Value	Hierarchy Level	Amount [1]	Value	Hierarchy Level	Amount [1]	Value	
Assets	Assets													
Mortgage loans	Mortgage loans	Level 3	\$ 6,000	\$5,362	Level 3	\$ 5,383	\$5,576							
Mortgage loans														
Mortgage loans														
Liabilities	Liabilities													
Other policyholder funds and benefits payable														
Other policyholder funds and benefits payable														
Other policyholder funds and benefits payable	Other policyholder funds and benefits payable	Level 3	\$ 658	\$ 658	Level 3	\$ 687	\$ 689							
Senior notes [2]	Senior notes [2]	Level 2	\$ 3,858	\$3,339	Level 2	\$ 3,854	\$4,725							
Junior subordinated debentures [2]	Junior subordinated debentures [2]	Level 2	\$ 499	\$ 419	Level 2	\$ 1,090	\$1,086							

[1]As of December 31, 2022December 31, 2023 and December 31, 2021 December 31, 2022, the carrying amount of mortgage loans is net of ACL of \$36 \$51 and \$29, \$36, respectively

[2]Included in long-term debt in the Consolidated Balance Sheets, except for any current maturities, which are included in short-term debt when applicable.

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[Note 5 - Investments](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVESTMENTS

Net Investment Income

		For the years ended December 31,							
		For the years ended December 31,				For the years ended December 31,			
(Before tax)	(Before tax)	2022	2021	2020	(Before tax)	2023	2022	2021	
Fixed maturities [1]	Fixed maturities [1]	\$1,469	\$1,349	\$1,442					
Equity securities	Equity securities	57	73	39					
Mortgage loans	Mortgage loans	211	181	172					
Limited partnerships and other alternative investments	Limited partnerships and other alternative investments	515	732	222					
Other investments [2]	Other investments [2]	5	58	42					

Gross investment income				
Investment expenses	Investment expenses	(80)	(80)	(71)
Total net investment income	Total net investment income	\$2,177	\$2,313	\$1,846

[1]Includes net investment income on short-term investments.
 [2]Primarily includes changes in fair value of certain equity fund investments and income from derivatives that qualify for hedge accounting and are used to hedge fixed maturities.

Net Realized Gains (Losses)

(Before tax)	For the years ended December 31,		
	2023	2022	2021
Gross gains on sales of fixed maturities	\$ 30	\$ 57	\$ 319
Gross losses on sales of fixed maturities	(149)	(315)	(89)
Equity securities [1]			
Net realized gains (losses) on sales of equity securities	100	(83)	81
Change in net unrealized gains (losses) of equity securities	(22)	(266)	146
Net realized and unrealized gains (losses) on equity securities	78	(349)	227
Net credit losses on fixed maturities, AFS	(14)	(18)	4
Change in ACL on mortgage loans	(15)	(7)	9
Intent-to-sell impairments	—	(6)	—
Other, net [2]	(118)	11	39
Net realized gains (losses)	\$ (188)	\$ (627)	\$ 509

[1]The change in net unrealized gains (losses) on equity securities still held as of the end of the period and included in net realized gains (losses) were \$17, \$(108), and \$155 for the years ended December 31, 2023, 2022, and 2021, respectively.
 [2]Includes gains (losses) on non-qualifying derivatives for 2023, 2022, and 2021 of \$(108), \$46, and \$12, respectively, and gains (losses) from transactional foreign currency revaluation of \$(15), \$28, and \$(1), respectively. Also included for the year ended December 31, 2021, is a loss of \$21 on the sale of the Continental Europe Operations and a gain of \$46 on the sale of the Company's previously owned interest in Talcott Resolution.
 Proceeds from the sales of fixed maturities, AFS totaled \$3.8 billion, \$11.4 billion, and \$15.9 billion for the years ended December 31, 2023, 2022, and 2021, respectively. Sales of AFS securities in 2023 were primarily a result of tactical changes to the portfolio driven by changing market conditions, in addition to duration and liquidity management. Non-cash investing activities for the year ended December 31, 2023, included \$80 related to the exchange of short-term investments for mortgage loans.
 investment income related to mortgage loans of \$20 and \$18, respectively. These amounts are not included in the carrying value of the fixed maturities or mortgage loans. The Company does not include the current accrued investment income balance when estimating the ACL. The Company has a policy to write-off accrued investment income balances that are more than 90 days past due. Write-offs of accrued investment income are recorded as a credit loss component of net realized gains and losses.
 Investment income on fixed maturities and mortgage loans is accrued unless it is past due over 90 days or management deems the interest uncollectible.

Accrued Investment Income on Fixed Maturities, AFS and Mortgage Loans

As of December 31, 2023 and December 31, 2022, the Company reported accrued investment income related to fixed maturities, AFS of \$371 and \$338, respectively, and accrued

Net Realized Gains (Losses)

For the years ended December 31,			
(Before tax)	2022	2021	2020
Gross gains on sales of fixed maturities	\$ 57	\$ 319	\$ 255
Gross losses on sales of fixed maturities	(315)	(89)	(50)
Equity securities [1]			
Net realized gains (losses) on sales of equity securities	(83)	81	(118)
Change in net unrealized gains (losses) of equity securities	(266)	146	(96)
Net realized and unrealized gains (losses) on equity securities	(349)	227	(214)
Net credit losses on fixed maturities, AFS	(18)	4	(28)
Change in ACL on mortgage loans	(7)	9	(19)
Intent-to-sell impairments	(6)	—	(5)
Other, net [2]	11	39	47
Net realized gains (losses)	\$ (627)	\$ 509	\$ (14)

[1] The change in net unrealized gains (losses) on equity securities still held as of the end of the period and included in net realized gains (losses) were \$(108), \$155, and \$53 for the years ended December 31, 2022, 2021, and 2020, respectively.

[2] Includes gains on non-qualifying derivatives for 2022, 2021, and 2020 of \$46, \$12, and \$104, respectively, and gains (losses) from transactional foreign currency revaluation of \$28, \$(1) and \$(1), respectively. Also includes a loss of \$21 and \$48, respectively, on the sale of the Continental Europe Operations for the years ended December 31, 2021 and 2020, as well as a gain of \$46 for the year ended December 31, 2021 on the sale of the Company's previously owned interest in Talcott Resolution.

Proceeds from the sales of fixed maturities, AFS totaled \$11.4 billion, \$15.9 billion, and \$15.1 billion for the years ended December 31, 2022, 2021, and 2020, respectively. Sales of AFS securities in 2022 were primarily a result of tactical changes to the portfolio driven by changing market conditions, in addition to duration and liquidity management.

Accrued Interest Receivable on Fixed Maturities, AFS and Mortgage Loans

As of December 31, 2022 and December 31, 2021, the Company reported accrued interest receivable related to fixed maturities, AFS of \$338 and \$299, respectively, and accrued interest receivable related to mortgage loans of \$18 and \$16, respectively. These amounts are recorded in other assets on the Consolidated Balance Sheets and are not included in the carrying value of the fixed maturities or mortgage loans. The Company does not include the current accrued interest receivable balance when estimating the ACL. The Company has a policy to write-off accrued interest receivable balances that are more than 90 days past due. Write-offs of accrued interest receivable are recorded as a credit loss component of net realized gains and losses.

Interest income on fixed maturities and mortgage loans is accrued unless it is past due over 90 days or management deems the interest uncollectible.

Recognition and Presentation of Intent-to-Sell Impairments and ACL on Fixed Maturities, AFS

The Company will record an "intent-to-sell impairment" as a reduction to the amortized cost of fixed maturities, AFS in an unrealized loss position if the Company intends to sell or it is more likely than not that the Company will be required to sell the

Developing the Company's best estimate of expected future cash flows is a quantitative and qualitative process that incorporates information received from third-party sources along with certain internal assumptions regarding the future performance. The Company's considerations include, but are not limited to, (a) changes in the financial condition of the issuer and/or the underlying collateral, (b) whether the issuer is current on contractually obligated interest and principal payments, (c) credit ratings, (d) payment structure of the security and (e) the extent to which the fair value has been less than the amortized cost of the security.

fixed maturity before a recovery in value. A corresponding charge is recorded in net realized losses equal to the difference between the fair value on the impairment date and the amortized cost basis of the fixed maturity before recognizing the impairment.

For fixed maturities where a credit loss has been identified and no intent-to-sell impairment has been recorded, the Company will record an ACL for the portion of the unrealized loss related to the credit loss. Any remaining unrealized loss on a fixed maturity after recording an ACL is the non-credit amount and is recorded in OCI. The ACL is the excess of the amortized cost over the greater of the Company's best estimate of the present value of expected future cash flows or the security's fair value. Cash flows are discounted at the effective yield that is used to record interest income. The ACL cannot exceed the unrealized loss and, therefore, it may fluctuate with changes in the fair value of the fixed maturity if the fair value is greater than the Company's best estimate of the present value of expected future cash flows. The initial ACL and any subsequent changes are recorded in net realized gains and losses. The ACL is written off against the amortized cost in the period in which all or a portion of the related fixed maturity is determined to be uncollectible.

For non-structured securities, assumptions include, but are not limited to, economic and industry-specific trends and fundamentals, instrument-specific developments including changes in credit ratings, industry earnings multiples and the issuer's ability to restructure, access capital markets, and execute asset sales.

For structured securities, assumptions include, but are not limited to, various performance indicators such as historical and projected default and recovery rates, credit ratings, current and

projected delinquency rates, loan-to-value ("LTV") ratios, average cumulative collateral loss rates that vary by vintage year, prepayment speeds, and property value declines. These assumptions require the use of significant management judgment and include the probability of issuer default and estimates regarding timing and amount of expected recoveries which may include estimating the underlying collateral value.

ACL on Fixed Maturities, AFS by Type										
(Before tax)	For the years ended December 31,									
	2022				2021			2020		
	CMBS	Corporate	Foreign govt./govt. agencies	Total	Corporate	Total	Corporate	Municipal	Total	
Balance as of beginning of period	\$ —	\$ 1	\$ —	\$ 1	\$ 23	\$ 23	\$ —	\$ —	\$ —	
Credit losses on fixed maturities where an allowance was not previously recorded	7	10	3	20	2	2	36	3	39	
Reduction due to sales	—	(3)	(1)	(4)	(18)	(18)	(4)	(3)	(7)	
Reduction due to intent to sell	—	—	(3)	(3)	—	—	—	—	—	
Net increases (decreases) on fixed maturities where an allowance was previously recorded	3	(3)	1	1	(6)	(6)	(9)	—	(9)	
Write-offs charged against the allowance	—	(3)	—	(3)	—	—	—	—	—	
Balance as of end of period	\$ 10	\$ 2	\$ —	\$ 12	\$ 1	\$ 1	\$ 23	\$ —	\$ 23	

Fixed Maturities, AFS

Fixed Maturities, AFS, by Type										
	December 31, 2022					December 31, 2021				
	Amortized Cost	ACL	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	ACL	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ABS	\$ 2,016	\$ —	\$ —	(75)	\$ 1,941	\$ 1,125	\$ —	\$ 13	(3)	\$ 1,135
CLO	3,040	—	3	(102)	2,941	3,019	—	8	(2)	3,025
CMBS	3,715	(10)	21	(358)	3,368	3,955	—	179	(15)	4,119
Corporate	16,794	(2)	33	(1,592)	15,233	17,744	(1)	1,038	(74)	18,707
Foreign govt./govt. agencies	596	—	—	(49)	547	883	—	33	(6)	910
Municipal	6,718	—	93	(515)	6,296	7,473	—	787	(3)	8,257
RMBS	4,214	—	2	(508)	3,708	3,610	—	60	(27)	3,643
U.S. Treasuries	2,440	—	—	(243)	2,197	2,979	—	86	(14)	3,051
Total fixed maturities, AFS	\$ 39,533	\$ (12)	\$ 152	\$ (3,442)	\$ 36,231	\$ 40,788	\$ (1)	\$ 2,204	\$ (144)	\$ 42,847

ACL on Fixed Maturities, AFS by Type										
(Before tax)	For the years ended December 31,									
	2023			2022			2021			
	CMBS	Corporate	Foreign govt./govt. agencies	CMBS	Corporate	Foreign govt./govt. agencies	CMBS	Corporate	Foreign govt./govt. agencies	
Balance as of beginning of period	\$ 10	\$ 2	\$ 12	\$ —	\$ 1	\$ —	\$ 1	\$ 23	\$ 23	
Credit losses on fixed maturities where an allowance was not previously recorded	—	9	9	7	10	3	20	2	2	
Reduction due to sales	—	(5)	(5)	—	(3)	(1)	(4)	(18)	(18)	
Reduction due to intent to sell	—	—	—	—	—	(3)	(3)	—	—	
Net increases (decreases) on fixed maturities where an allowance was previously recorded	2	3	5	3	(3)	1	1	(6)	(6)	
Write-offs charged against the allowance	—	—	—	—	(3)	—	(3)	—	—	
Balance as of end of period	\$ 12	\$ 9	\$ 21	\$ 10	\$ 2	\$ —	\$ 12	\$ 1	\$ 1	

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Fixed Maturities, AFS

Fixed Maturities, AFS, by Type										
	December 31, 2023					December 31, 2022				
	Amortized Cost	ACL	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	ACL	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ABS	\$ 3,347	\$ —	\$ 18	\$ (45)	\$ 3,320	\$ 2,016	\$ —	\$ —	\$ (75)	\$ 1,941
CLO	3,104	—	3	(17)	3,090	3,040	—	3	(102)	2,941
CMBS	3,466	(12)	19	(348)	3,125	3,715	(10)	21	(358)	3,368
Corporate	18,691	(9)	197	(1,013)	17,866	16,794	(2)	33	(1,592)	15,233
Foreign govt./govt. agencies	583	—	6	(27)	562	596	—	—	(49)	547
Municipal	6,207	—	131	(299)	6,039	6,718	—	93	(515)	6,296
RMBS	4,675	—	18	(406)	4,287	4,214	—	2	(508)	3,708
U.S. Treasuries	1,653	—	26	(150)	1,529	2,440	—	—	(243)	2,197
Total fixed maturities, AFS	\$ 41,726	\$ (21)	\$ 418	\$ (2,305)	\$ 39,818	\$ 39,533	\$ (12)	\$ 152	\$ (3,442)	\$ 36,231

Fixed Maturities, AFS, by Contractual Maturity Year

		December 31, 2022		December 31, 2021		December 31, 2023		December 31, 2022	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value				
Amortized Cost				Amortized Cost		Fair Value		Amortized Cost	
One year or less	One year or less	\$ 1,417	\$ 1,396	\$ 1,400	\$ 1,419				
Over one year through five years	Over one year through five years	8,340	7,930	8,615	8,894				
Over five years through ten years	Over five years through ten years	7,259	6,485	8,303	8,633				
Over ten years	Over ten years	9,532	8,462	10,761	11,979				
Subtotal	Subtotal	26,548	24,273	29,079	30,925				
Mortgage-backed and asset-backed securities	Mortgage-backed and asset-backed securities	12,985	11,958	11,709	11,922				
Total fixed maturities, AFS	Total fixed maturities, AFS	\$ 39,533	\$ 36,231	\$ 40,788	\$ 42,847				

Estimated maturities may differ from contractual maturities due to call or prepayment provisions. Due to the potential for variability in payment speeds (i.e., prepayments or extensions), mortgage-backed and asset-backed securities are not categorized by contractual maturity.

Concentration of Credit Risk

The Company aims to maintain a diversified investment portfolio including issuer, sector and geographic stratification, where applicable, and has established certain exposure limits, diversification standards and review procedures to mitigate credit risk. The Company had no investment exposure to any credit concentration risk of a single issuer greater than 10% of the Company's stockholders' equity as of **December 31, 2022** **December 31, 2023**, or **December 31, 2021** **December 31, 2022**, other than U.S. government securities and certain U.S. government agencies.

As of **December 31, 2022** **December 31, 2023**, other than U.S. government securities and certain U.S. government agencies, the

Company's three largest exposures by issuer were **NextEra Energy Inc.**, the **Toronto Dominion Bank**, **Government of Canada**, and Morgan Stanley **and the Mitsubishi UFJ Financial Group** each of which comprised less than 1% of total invested assets. As of **December 31, 2021** **December 31, 2022**, other than U.S. government securities and certain U.S. government agencies, the Company's three largest exposures by issuer were the **Government of Canada**, **Apple Inc.**, **Toronto Dominion Bank**, **Morgan Stanley**, and the **IBM Corporation** **Mitsubishi UFJ Financial Group Inc.** each of which comprised less than 1% of total invested assets. The Company's three largest exposures by sector as of **December 31, 2023**, were the **municipal sector**, the **financial services sector**, and the **RMBS sector** which comprised approximately 11%, 9%, and 8%, respectively, of total invested assets. The Company's three largest exposures by sector as of **December 31, 2022**, were the **municipal sector**, the **financial services sector**, and the **RMBS sector** which comprised approximately 12%, 9%, and 7%, respectively, of total invested assets. **The Company's three largest exposures by sector as of December 31, 2021, were the municipal sector, the financial services sector, and CMBS sector which comprised approximately 14%, 8%, and 7%, respectively, of total invested assets.**

Unrealized Losses on Fixed Maturities, AFS

Unrealized Loss Aging for Fixed Maturities, AFS by Type and Length of Time as of December 31, 2022						
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
ABS	\$ 1,577	\$ (50)	\$ 281	\$ (25)	\$ 1,858	\$ (75)
CLO	1,490	(48)	1,378	(54)	2,868	(102)
CMBS	2,560	(270)	521	(88)	3,081	(358)
Corporate	11,157	(1,071)	2,575	(521)	13,732	(1,592)
Foreign govt./govt. agencies	308	(26)	224	(23)	532	(49)
Municipal	4,270	(461)	228	(54)	4,498	(515)
RMBS	2,311	(249)	1,250	(259)	3,561	(508)
U.S. Treasuries	1,554	(145)	633	(98)	2,187	(243)
Total fixed maturities, AFS in an unrealized loss position	\$ 25,227	\$ (2,320)	\$ 7,090	\$ (1,122)	\$ 32,317	\$ (3,442)

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Note 5 - Investments

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Unrealized Loss Aging for Fixed Maturities, AFS by Type and Length of Time as of December 31, 2021						
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
ABS	\$ 396	\$ (3)	\$ —	\$ —	\$ 396	\$ (3)
CLO	1,434	(2)	147	—	1,581	(2)
CMBS	594	(7)	82	(8)	676	(15)
Corporate	3,698	(65)	234	(9)	3,932	(74)
Foreign govt./govt. agencies	340	(5)	16	(1)	356	(6)
Municipal	301	(3)	12	—	313	(3)
RMBS	1,869	(23)	94	(4)	1,963	(27)
U.S. Treasuries	2,301	(13)	23	(1)	2,324	(14)
Total fixed maturities, AFS in an unrealized loss position	\$ 10,933	\$ (121)	\$ 608	\$ (23)	\$ 11,541	\$ (144)

Unrealized Losses on Fixed Maturities, AFS

Unrealized Loss Aging for Fixed Maturities, AFS by Type and Length of Time as of December 31, 2023						
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses

	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
ABS	\$ 604	\$ (6)	\$ 1,043	\$ (39)	\$ 1,647	\$ (45)
CLO	209	(1)	2,249	(16)	2,458	(17)
CMBS	117	(7)	2,837	(341)	2,954	(348)
Corporate	810	(10)	11,149	(1,003)	11,959	(1,013)
Foreign govt./govt. agencies	27	—	368	(27)	395	(27)
Municipal	329	(3)	3,196	(296)	3,525	(299)
RMBS	181	(3)	3,207	(403)	3,388	(406)
U.S. Treasuries	120	(11)	1,121	(139)	1,241	(150)
Total fixed maturities, AFS in an unrealized loss position	\$ 2,397	\$ (41)	\$ 25,170	\$ (2,264)	\$ 27,567	\$ (2,305)

Unrealized Loss Aging for Fixed Maturities, AFS by Type and Length of Time as of December 31, 2022

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
ABS	\$ 1,577	\$ (50)	\$ 281	\$ (25)	\$ 1,858	\$ (75)
CLO	1,490	(48)	1,378	(54)	2,868	(102)
CMBS	2,560	(270)	521	(88)	3,081	(358)
Corporate	11,157	(1,071)	2,575	(521)	13,732	(1,592)
Foreign govt./govt. agencies	308	(26)	224	(23)	532	(49)
Municipal	4,270	(461)	228	(54)	4,498	(515)
RMBS	2,311	(249)	1,250	(259)	3,561	(508)
U.S. Treasuries	1,554	(145)	633	(98)	2,187	(243)
Total fixed maturities, AFS in an unrealized loss position	\$ 25,227	\$ (2,320)	\$ 7,090	\$ (1,122)	\$ 32,317	\$ (3,442)

As of **December 31, 2022** **December 31, 2023**, fixed maturities, AFS in an unrealized loss position consisted of **4,936** **3,850** instruments and were primarily depressed due to higher interest rates and/or wider credit spreads since the purchase date. As of **December 31, 2022** **December 31, 2023**, **91%** **94%** of these fixed maturities were depressed less than 20% of cost or amortized cost. The **increase** **decrease** in unrealized losses during **2022** **2023**, was primarily **attributable due to higher interest rates and wider** **an increase in valuations as a result of tighter** credit spreads.

Most of the fixed maturities depressed for twelve months or more relate to the corporate sector, **RMBS**, **CMBS**, and **RMBS municipal bonds**, which were primarily depressed because current rates are higher and/or market spreads are wider than at the respective purchase dates. **Additionally, certain corporate fixed maturities were also depressed because of their variable-rate coupons and long-dated maturities.** The Company neither has an intention to sell nor does it expect to be required to sell the fixed maturities outlined in the preceding discussion. The decision to record credit losses on fixed maturities, AFS in the form of an ACL requires us to make qualitative and quantitative estimates of expected future cash flows.

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Note 5 - Investments

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Mortgage Loans

ACL on Mortgage Loans

The Company reviews mortgage loans on a quarterly basis to estimate the ACL with changes in the ACL recorded in net realized gains and losses. Apart from an ACL recorded on individual mortgage loans where the borrower is experiencing financial difficulties, the Company records an ACL on the pool of mortgage loans based on lifetime expected credit losses. The Company utilizes a third-party forecasting model to estimate lifetime expected credit losses at a loan level under multiple economic scenarios. The scenarios use macroeconomic data provided by an internationally recognized economics firm that generates forecasts of varying economic factors such as GDP growth, unemployment and interest rates. The economic scenarios are projected over 10 years. The first two to four years of the 10-year period assume a specific modeled economic scenario (including moderate upside, moderate recession and severe recession scenarios) and then revert to historical long-term assumptions over the remaining period. Using these economic scenarios, the forecasting model projects property-specific operating income and capitalization rates used to estimate the value of a future operating income stream. The operating income and the property valuations derived from capitalization rates are compared to loan payment and principal

the borrower's ability to pay and/or the value of underlying collateral such as changes in projected property value estimates. As of December 31, 2022 December 31, 2023, the Company did not have any mortgage loans for which an ACL was established on an individual basis.

There were no mortgage loans held-for-sale as of December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022. In addition, as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company had no mortgage loans that have had extensions or restructurings other than what is allowable under the original terms of the contract.

amounts to create debt service coverage ratios ("DSCRs") and LTVs over the forecast period. The Company's process also considers qualitative factors. The model overlays historical data about mortgage loan performance based on DSCRs and LTVs and projects the probability of default, amount of loss given a default and resulting expected loss through maturity for each loan under each economic scenario. Economic scenarios are probability-weighted based on a statistical analysis of the forecasted economic factors and qualitative analysis. The Company records the change in the ACL on mortgage loans based on the weighted-average expected credit losses across the selected economic scenarios.

When a borrower is experiencing financial difficulty, including when foreclosure is probable, the Company measures an ACL on individual mortgage loans. The ACL is established for any shortfall between the amortized cost of the loan and the fair value of the collateral less costs to sell. Estimates of collectibility from an individual borrower require the use of significant management judgment and include the probability and timing of borrower default and loss severity estimates. In addition, cash flow projections may change based upon new information about

contract or with borrowers experiencing financial difficulties.

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Note 5 - Investments

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

ACL on Mortgage Loans				
	For the years ended December 31,			
	2022	2021	2020	
ACL as of beginning of period	\$ 29	\$ 38	\$ —	
Cumulative effect of accounting changes [1]				19
Adjusted beginning ACL	29	38	19	
Current period provision (release)	7	(9)	19	
ACL as of December 31,	\$ 36	\$ 29	\$ 38	

[1]Represents the adjustment to the ACL recorded on adoption of accounting guidance for credit losses on January 1, 2020. For further information refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

ACL on Mortgage Loans				
	For the years ended December 31,			
	2023	2022	2021	
ACL as of beginning of period	\$ 36	\$ 29	\$ 38	
Current period provision (release)	15	7	(9)	
ACL as of December 31,	\$ 51	\$ 36	\$ 29	

The increase in the allowance for the 2023 period is primarily attributable to revised economic scenarios, lower property valuations, and overall weaker real estate fundamentals. During 2022, period was the Company increased the estimate of the ACL primarily attributable to the deteriorating economic conditions and the potential impact on real estate property valuations and, to a lesser extent, net additions of new loans. During 2021, the Company decreased the estimate of the ACL in response improved economic scenarios, including improved GDP growth and unemployment, and higher property valuations. During 2020, the Company increased the estimate of the ACL in response to significant economic stress experienced as a result

of the COVID-19 pandemic.

The weighted-average LTV ratio of the Company's mortgage loan portfolio was 52% 55% as of December 31, 2022 December 31, 2023, while the weighted-average LTV ratio at origination of these loans was 59%. LTV ratios compare the loan amount to the value of the underlying property collateralizing the loan with property values based on appraisals updated no less than annually. Factors considered in estimating property values include, among other things, actual and expected property cash flows, geographic market data and the ratio of the property's net operating income to its value. DSCR compares a property's net operating income to the borrower's principal and interest payments and are updated no less than annually through reviews of underlying properties.

Mortgage Loans LTV & DSI

Mortgage Loans LTV & DSCR by Origination Year as of December 31, 2023																Mortgage Loans LTV & DSCR by Origination Year as of December 31, 2023								
2023																2023								
Loan-to-value	Loan-to-value	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost [1]	Avg. DSCR	Loan-to-value	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR		
Greater than 80%	Greater than 80%	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	23	1.40x	\$ 23	1.40x	Greater than 80%	\$ —	—x	—x	16	1.09x	1.09x	\$ 38	1.05x
65% - 80%	65% - 80%	16	2.02x	59	2.61x	43	2.78x	100	1.95x	108	1.11x	117	1.91x	443	1.91x	65% - 80%	—	—x	—x	189	2.13x	2.13x	457	2.42x
Less than 65%	Less than 65%	839	2.43x	1,475	2.79x	663	3.02x	680	2.77x	437	2.21x	1,476	2.54x	5,570	2.65x	Less than 65%	400	1.47x	1.47x	724	2.75x	2.75x	1,105	2.95x
Total mortgage loans	Total mortgage loans	\$ 855	2.42x	\$ 1,534	2.78x	\$ 706	3.01x	\$ 780	2.66x	\$ 545	1.99x	\$ 1,616	2.48x	\$ 6,036	2.59x	Total mortgage loans	\$ 400	1.47x	1.47x	\$ 929	2.60x	2.60x	\$ 1,600	2.75x

[1]Amortized cost of mortgage loans excludes ACL of \$36, \$51.

Mortgage Loans LTV & DSCR by Origination Year as of December 31, 2021																
	2021	2020	2019	2018	2017	2016 & Prior	Total									
Loan-to-value	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	[1]	Avg. DSCR
65% - 80%	\$ 7	2.37x	\$ 50	2.63x	\$ 91	1.57x	\$ 100	1.00x	\$ 45	1.37x	\$ 97	1.80x	\$ 390	1.61x		
Less than 65%	1,481	2.70x	645	2.78x	722	2.78x	472	2.23x	417	1.91x	1,285	2.45x	5,022	2.55x		
Total mortgage loans	\$ 1,488	2.70x	\$ 695	2.77x	\$ 813	2.64x	\$ 572	2.02x	\$ 462	1.86x	\$ 1,382	2.41x	\$ 5,412	2.48x		

[1]Amortized cost of mortgage loans excludes ACL of \$29.

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Note 5 - Investments

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Mortgage Loans LTV & DSCR by Origination Year as of December 31, 2022																
	2022	2021	2020	2019	2018	2017 & Prior	Total									
Loan-to-value	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	Amortized Cost	Avg. DSCR	[1]	Avg. DSCR
Greater than 80%	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	\$ 23	1.40x	\$ 23	1.40x		
65% - 80%	16	2.02x	59	2.61x	43	2.78x	100	1.95x	108	1.11x	117	1.91x	443	1.91x		
Less than 65%	839	2.43x	1,475	2.79x	663	3.02x	680	2.77x	437	2.21x	1,476	2.54x	5,570	2.65x		
Total mortgage loans	\$ 855	2.42x	\$ 1,534	2.78x	\$ 706	3.01x	\$ 780	2.66x	\$ 545	1.99x	\$ 1,616	2.48x	\$ 6,036	2.59x		

[1]Amortized cost of mortgage loans excludes ACL of \$36.

Mortgage Loans by Region

	December 31, 2022	December 31, 2021														
	Amortized Cost	Percent of Total	Amortized Cost	Percent of Total												
December 31, 2023																
December 31, 2023																
December 31, 2022																

Amortized Cost						Amortized Cost Percent of Total						Amortized Cost Percent of Total			
East North Central	East North Central	\$ 317	5.3 %	\$ 284	5.2 %	East North Central	\$ 368	6.0	6.0	%		\$ 317	5.3	5.3	%
Middle Atlantic	Middle Atlantic	316	5.2 %	303	5.6 %	Middle Atlantic	238	3.9	3.9	%		316	5.2	5.2	%
Mountain	Mountain	707	11.7 %	450	8.3 %	Mountain	699	11.4	11.4	%		707	11.7	11.7	%
New England	New England	395	6.5 %	393	7.3 %	New England	351	5.7	5.7	%		395	6.5	6.5	%
Pacific	Pacific	1,299	21.5 %	1,245	23.0 %	Pacific	1,326	21.6	21.6	%		1,299	21.5	21.5	%
South Atlantic	South Atlantic	1,670	27.7 %	1,556	28.8 %	South Atlantic	1,776	28.9	28.9	%		1,670	27.7	27.7	%
West North Central	West North Central	105	1.7 %	85	1.6 %	West North Central	103	1.7	1.7	%		105	1.7	1.7	%
West South Central	West South Central	421	7.0 %	424	7.8 %	West South Central	445	7.2	7.2	%		421	7.0	7.0	%
Other [1]	Other [1]	806	13.4 %	672	12.4 %	Other [1]	832	13.6	13.6	%		806	13.4	13.4	%
Total mortgage loans	Total mortgage loans	6,036	100.0 %	5,412	100.0 %	Total mortgage loans	6,138	100.0	100.0	%		6,036	100.0	100.0	%
ACL	ACL	(36)		(29)											
Total mortgage loans, net of ACL	Total mortgage loans, net of ACL	\$ 6,000		\$ 5,383											
Total mortgage loans, net of ACL															
Total mortgage loans, net of ACL															

[1]Primarily represents loans collateralized by multiple properties in various regions.

Mortgage Loans by Property Type

		December 31, 2022		December 31, 2021											
		Amortized Cost		Percent of Total											
		December 31, 2023													
		Amortized Cost													
		December 31, 2023													
		Amortized Cost													
Commercial	Commercial														
Industrial	Industrial														
Industrial	Industrial	\$ 2,217	36.7 %	\$ 1,931	35.7 %	\$ 2,363	38.5	38.5	%		\$ 2,217	36.7	36.7	%	
Multifamily	Multifamily	2,247	37.2 %	1,833	33.9 %	Multifamily	2,200	35.9	35.9	%		2,247	37.2	37.2	%
Office	Office	585	9.7 %	627	11.6 %	Office	578	9.4	9.4	%		585	9.7	9.7	%
Retail [1]	Retail [1]	947	15.7 %	951	17.6 %	Retail [1]	917	14.9	14.9	%		947	15.7	15.7	%
Single Family	Single Family	—	— %	30	0.5 %	Single Family	80	1.3	1.3	%		—	—	—	%
Other	Other	40	0.7 %	40	0.7 %	Other	—	—	—	%		40	0.7	0.7	%

Total mortgage loans	Total mortgage loans	6,036	100.0 %	5,412	100.0 %	Total mortgage loans	6,138	100.0	100.0	%	6,036	100.0	100.0	%
ACL	ACL	(36)		(29)										
Total mortgage loans, net of ACL	Total mortgage loans, net of ACL	\$ 6,000		\$ 5,383										
Total mortgage loans, net of ACL														
Total mortgage loans, net of ACL														

[1]Primarily comprised of grocery-anchored retail centers, with no exposure to regional shopping malls.

Past-Due Mortgage Loans

Mortgage loans are considered past due if a payment of principal or interest is not received according to the contractual terms of the loan agreement, which typically includes a grace period. As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company held no mortgage loans considered past due.

Mortgage Servicing

The Company originates, sells, and services commercial mortgage loans on behalf of third parties and recognizes servicing fee income over the period that services are performed. As of December 31, 2022 December 31, 2023, under this program, the Company serviced mortgage loans with a total outstanding principal of \$9.3 billion \$9.4 billion, of which \$4.4 billion was serviced on

behalf of third parties and \$4.9 billion \$5.0 billion was retained and reported in total investments on the Company's Consolidated Balance Sheets. As of December 31, 2021 December 31, 2022, the Company serviced mortgage loans with a total outstanding principal balance of \$8.2 billion \$9.3 billion, of which \$3.9 billion \$4.4 billion was serviced on behalf of third parties and \$4.3 billion \$4.9 billion was retained and reported in total investments on the Company's Consolidated Balance Sheets. Servicing rights are carried at the lower of cost or fair value and were \$0 as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, because servicing fees were market-level fees at origination and remain adequate to compensate the Company for servicing the loans.

Variable Interest Entities

The Company is engaged with various special purpose entities and other entities that are deemed to be VIEs primarily as an investor through normal investment activities but also or, at times, as an investment manager.

A VIE is an entity that either has investors that lack certain essential characteristics of a controlling financial interest, such as simple majority kick-out rights, or lacks sufficient funds to finance its own activities without financial support provided by other entities. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company

consolidates the VIE in the Company's Consolidated Financial Statements.

Consolidated VIEs

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company did not hold any securities for which it is the primary beneficiary.

Non-Consolidated VIEs

The Company, through normal investment activities, makes passive investments in limited partnerships and other alternative investments. For these non-consolidated VIEs, the Company has determined it is not the primary beneficiary as it has no ability to direct activities that could significantly affect the economic performance of the investments. The Company's maximum exposure to loss as of December 31, 2022 December 31, 2023 and 2021 2022 is limited to the total carrying value of \$2.6 billion \$3.0 billion and \$1.9 billion \$2.6 billion, respectively, which are a portion of the investments in limited partnerships and other alternative investments in the Company's Consolidated Balance Sheets that are primarily recorded using the equity method of accounting. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company has outstanding commitments totaling \$1.8 billion \$1.7 billion and \$1.4 billion \$1.8 billion, respectively, whereby the Company is committed to fund these investments and may be called by the partnership during the commitment period to fund the purchase of new investments and partnership expenses. These investments are generally of a passive nature in that the Company does not take an active role in management.

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Note 5 - Investments

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In addition, the Company makes passive investments in structured securities issued by VIEs for which the Company is not the manager. These investments are included in ABS, CLO, CMBS, and RMBS and are reported in fixed maturities, AFS, and fixed maturities, FVO, on the Company's Consolidated Balance Sheets. The Company has not provided financial or other support with respect to these investments other than its original investment. For these investments, the Company determined it is not the primary beneficiary due to the relative size of the Company's investment in comparison to the principal amount of the structured securities issued by the VIEs, the Company's inability to direct the activities that most significantly impact the economic performance of the VIEs, and, where applicable, the level of credit subordination which reduces the Company's obligation to absorb losses or right to receive benefits. The Company's maximum exposure to loss on these investments is limited to the amount of the Company's investment.

Reverse Repurchase Agreements, Other Collateral Transactions and Restricted Investments

Reverse Repurchase Agreements

From time to time, the Company enters into reverse repurchase agreements where the Company purchases securities and simultaneously agrees to resell the same or substantially the same securities. The maturity of these transactions is generally within one year. The agreements require additional collateral to be transferred to the Company under specified conditions and the Company has the right to sell or re-pledge the securities received. The Company accounts for reverse repurchase

agreements as collateralized financing. As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company reported \$41 \$10 and \$30, \$41, respectively, within short-term investments on the Consolidated Balance Sheets representing a receivable for the amount of cash transferred to purchase the securities.

Other Collateral Transactions

As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company pledged collateral of \$7 and \$9, \$7, respectively, of U.S. government securities or cash primarily related to certain bank loan participations committed to through a limited partnership agreement.

For disclosure of collateral in support of derivative transactions, refer to the Derivative Collateral Arrangements section in Note 6 - Derivatives of Notes to Consolidated Financial Statements.

Other Restricted Investments

The Company is required by law to deposit securities with government agencies in certain states in which it conducts business. In addition, the Company is required to hold fixed maturities and short-term investments in trust for the benefit of syndicate policyholders, hold fixed maturities in a Lloyd's of London ("Lloyd's") trust account to provide a portion of the required capital, and maintain other investments primarily consisting of overseas deposits in various countries with Lloyd's to support underwriting activities in those countries. Lloyd's is an insurance market-place operating worldwide. Lloyd's does not underwrite risks. The Company accepts risks as the sole

member of Lloyd's Syndicate 1221 ("Lloyd's Syndicate").

The following table presents the components of the Company's exposure to other restricted investments.

	December 31, 2022	December 31, 2021
	Fair Value	
December 31, 2023		
December 31, 2023		
December 31, 2023		
December 31, 2023		

December 31, 2023			
December 31, 2023			
December 31, 2023			
December 31, 2023			
December 31, 2023		December 31, 2022	
Fair Value		Fair Value	Fair Value
Securities on deposit with government agencies	Securities on deposit with government agencies	\$ 2,189	\$ 2,376
Fixed maturities in trust for benefit of Lloyd's Syndicate policyholders	Fixed maturities in trust for benefit of Lloyd's Syndicate policyholders	718	712
Short-term investments in trust for benefit of Lloyd's Syndicate policyholders	Short-term investments in trust for benefit of Lloyd's Syndicate policyholders	8	7
Fixed maturities in Lloyd's trust account	Fixed maturities in Lloyd's trust account	161	160
Other investments	Other investments	62	65
Total Other Restricted Investments	Total Other Restricted Investments	\$ 3,138	\$ 3,320

Equity Method Investments

The majority of the Company's investments in limited partnerships and other alternative investments, including hedge funds, real estate joint ventures, and real estate funds, private equity funds, and private equity other funds (collectively, "limited partnerships"), are accounted for under the equity method of accounting. The remainder of investments in limited partnerships and other alternative investments consists of investments in insurer-owned life insurance accounted for at cash surrender value. Prior to June 30, 2021, the Company also had a retained 9.7% investment in Hopmeadow Holdings LP, the legal entity that acquired Talcott Resolution in May 2018 (collectively referred to as "Talcott Resolution"), which was accounted for under the equity method

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[Note 5 - Investments](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

of accounting and was reported in other assets on the Company's Consolidated Balance Sheets. On June 30, 2021, the Company sold its 9.7% ownership interest in Talcott Resolution and received a total \$217 in connection with the sale, resulting in a realized gain on sale of \$46 before tax during 2021.

The Company recognized total equity method income of \$181, \$533, \$630, and \$244 \$630 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Equity method income is reported in net investment income, except amounts related to strategic investments classified in other assets which are reported in other revenues. For investments accounted for under the equity method, the Company's maximum exposure to loss as of December 31, 2022 December 31, 2023 is limited to the total carrying value of \$3.7 billion \$4.3 billion. In addition, the Company has outstanding commitments totaling \$2.1 billion \$1.9 billion to fund limited partnership investments as of December 31, 2022 December 31, 2023. The Company's investments accounted for under the equity method are generally of a passive nature in that the Company does not take an active role in the management.

In 2022, 2023, aggregate investment income from investments accounted for under the equity method exceeded 10% of the

Company's before tax consolidated net income (loss), income. Accordingly, the Company is disclosing aggregated, summarized financial data for the Company's investments accounted for under the equity method based on the most recently available information. This aggregated, summarized financial data does not represent the Company's proportionate share of investees' assets or earnings. Aggregate total assets of the investees totaled \$289.9 billion \$308.3 billion and \$249.8 billion \$289.9 billion as of

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[Note 5 - Investments](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2022, and 2021, respectively. Aggregate total liabilities of the investees totaled \$46.8 billion \$44.0 billion and \$41.0 billion \$46.8 billion as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Aggregate net investment loss of the investees totaled \$1.2 billion for the period ended December 31, 2023. Aggregate total investment income of the investees totaled \$1.6 billion, and \$2.1 billion and \$954 for the periods ended December 31, 2022, and 2021, and 2020, respectively. Aggregate net income

excluding net investment income of the investees totaled \$11.9 billion \$13.0 billion, \$46.7 billion \$11.9 billion and \$7.4 billion \$46.7 billion for the periods ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. As of, and for the period ended, December 31, 2022 December 31, 2023, the aggregated summarized financial data reflects the latest available financial information.

6. DERIVATIVES

The Company utilizes a variety of OTC, OTC-cleared and exchange traded derivative instruments as a part of its overall risk management strategy as well as to enter into replication transactions or income generation covered call transactions. Derivative instruments are used to manage risk associated with interest rate, equity market, commodity market, credit spread, issuer default, price, and currency exchange rate or volatility. Replication transactions are used as an economical means to synthetically replicate the characteristics and performance of assets that are permissible investments under the Company's investment policies.

Strategies that Qualify for Hedge Accounting

Some of the Company's derivatives satisfy hedge accounting requirements as outlined in Note 1 - Basis of Presentation and Significant Accounting Policies. Typically, these hedging instruments include interest rate swaps and, to a lesser extent, foreign currency swaps where the terms or expected cash flows of the hedged item closely match the terms of the swap. The interest rate swaps are typically used to manage interest rate duration of certain fixed maturity securities or debt instruments issued.

Cash Flow Hedges

Interest rate swaps are predominantly used to manage portfolio duration and better match cash receipts from assets with cash disbursements required to fund liabilities. These derivatives primarily convert interest receipts on variable-rate fixed maturity securities to fixed rates. The Company has also entered into interest rate swaps to convert the variable interest payments on **3 month LIBOR + 2.125% the \$500 junior subordinated debt debentures due 2067** to fixed interest payments. For further information, see the Junior Subordinated Debentures section within Note **13 14** - Debt.

strategies that utilize credit default swaps do not qualify for hedge accounting. The non-qualifying strategies include:

Credit Contracts

Credit default swaps are used to purchase credit protection on an individual entity or referenced index to economically hedge against default risk and credit-related changes in the value of fixed maturity securities. Credit default swaps are also used to assume credit risk related to an individual entity or referenced index as a part of replication transactions. These contracts require the Company to pay or receive a periodic fee in exchange for compensation from the counterparty or the Company should the referenced security issuers experience a credit event, as defined in the contract. The Company also enters into credit default swaps to terminate existing credit default swaps, thereby offsetting the changes in value of the original swap going forward.

Interest Rate Swaps Swaptions and Futures

The Company uses interest rate swaps and futures to manage interest rate duration between assets and liabilities. In addition, the Company enters into interest rate swaps to terminate existing swaps, thereby offsetting the changes in value of the original swap going forward. As of **December 31, 2022**, **December 31, 2023** and **December 31, 2021**,

Foreign currency swaps are used to convert foreign currency-denominated cash flows related to certain investment receipts to U.S. dollars in order to reduce cash flow fluctuations due to changes in currency rates.

The Company also previously entered into forward starting swap agreements to hedge the interest rate exposure related to the future purchase of fixed-rate securities, primarily to hedge interest rate risk inherent in the assumptions used to price certain group benefits liabilities.

Non-qualifying Strategies

Derivative relationships that do not qualify for hedge accounting ("non-qualifying strategies") primarily include hedges of interest rate, foreign currency, equity, and commodity risk of certain fixed maturities and equities. In addition, hedging and replication

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[Note 6 - Derivatives](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2022, the notional amount of interest rate swaps in offsetting relationships was \$6.6 billion **and \$7.2 billion, respectively, for both periods.**

Foreign Currency Swaps and Forwards

The Company enters into foreign currency swaps to convert the foreign currency exposures of certain foreign currency-denominated fixed maturity investments to U.S. dollars.

Equity Index Options

The Company may enter into equity index options to hedge the impact of a decline in the equity markets on the investment portfolio. The Company has also previously entered into covered call options on equity securities to generate additional return.

Commodity Options

During the first quarter of 2022, the Company paid \$10 to purchase previously purchased call option contracts on oil futures in order to partially offset potential changes in value related to certain fixed maturity securities that could arise if oil prices increased substantially. The option contracts were either terminated or were closed by entering into offsetting positions during the first quarter of 2022, resulting in a realized gain of \$14.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Derivative Balance Sheet Classification

For reporting purposes, the Company has elected to offset within assets or liabilities based upon the net of the fair value amounts, income accruals, and related cash collateral receivables and payables of OTC derivative instruments executed in a legal entity and with the same counterparty under a master netting agreement, which provides the Company with the legal right of offset. The following fair value amounts do not include income

accruals or related cash collateral receivables and payables, which are netted with derivative fair value amounts to determine balance sheet presentation. The Company's derivative instruments are held for risk management purposes, unless otherwise noted in the following table. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated and is presented in the table to quantify the volume of the Company's derivative activity. Notional amounts are not necessarily reflective of credit risk.

Derivative Balance Sheet Presentation

		Net Derivatives					Asset Derivatives						Liability Derivatives							
		Notional Amount					Fair Value						Notional Amount					Fair Value		
Hedge Designation/ Derivative Type	Hedge Designation/ Derivative Type	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Hedge Designation/ Derivative Type	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Cash flow hedges	Cash flow hedges																			
Interest rate swaps	Interest rate swaps	\$ 2,155	\$ 2,340	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —									
Interest rate swaps																				
Interest rate swaps																				
Foreign currency swaps	Foreign currency swaps	568	437	53	6	57	11	(4)	(5)											
Total cash flow hedges	Total cash flow hedges	2,723	2,777	53	6	57	11	(4)	(5)											
Non-qualifying strategies	Non-qualifying strategies																			
Interest rate contracts	Interest rate contracts																			
Interest rate contracts																				
Interest rate contracts																				
Interest rate swaps and futures																				
Interest rate swaps and futures																				
Interest rate swaps and futures	Interest rate swaps and futures	7,245	7,567	(6)	(46)	2	3	(8)	(49)											
Foreign exchange contracts	Foreign exchange contracts																			
Foreign currency swaps and forwards	Foreign currency swaps and forwards	569	558	—	—	—	—	—	—											
Foreign currency swaps and forwards																				
Foreign currency swaps and forwards																				
Credit contracts	Credit contracts																			

Credit derivatives that purchase credit protection	Credit derivatives that purchase credit protection	11	112	—	(2)	—	—	—	(2)
Credit derivatives that purchase credit protection									
Credit derivatives that purchase credit protection									
Credit derivatives in offsetting positions									
Credit derivatives in offsetting positions									
Credit derivatives in offsetting positions	Credit derivatives in offsetting positions	207	210	—	—	3	3	(3)	(3)
Total non-qualifying strategies	Total non-qualifying strategies	8,032	8,447	(6)	(48)	5	6	(11)	(54)
Total non-qualifying strategies									
Total non-qualifying strategies									
Total cash flow hedges and non-qualifying strategies	Total cash flow hedges and non-qualifying strategies	\$10,755	\$11,224	\$47	\$(42)	\$62	\$17	\$(15)	\$(59)
Balance Sheet Location	Balance Sheet Location								
Fixed maturities, available-for-sale	Fixed maturities, available-for-sale	\$ 569	\$ 413	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Fixed maturities, AFS									
Fixed maturities, AFS									
Fixed maturities, AFS									
Other investments	Other investments	9,108	1,452	34	7	38	10	(4)	(3)
Other liabilities	Other liabilities	1,078	9,359	13	(49)	24	7	(11)	(56)
Total derivatives	Total derivatives	\$10,755	\$11,224	\$47	\$(42)	\$62	\$17	\$(15)	\$(59)
Total derivatives									
Total derivatives									

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[Note 6 - Derivatives](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following tables present the gross fair value amounts, the amounts offset, and net position of derivative instruments eligible for offset in the Company's Consolidated Balance Sheets. Offsetting amounts include fair value amounts, income accruals and related cash collateral receivables and payables associated with derivative instruments that are traded under a common master netting agreement, as described in the preceding discussion. Also included in the tables are financial collateral receivables and payables, which are contractually permitted to be offset upon an event of default, although are disallowed for offsetting under U.S. GAAP.

Note 6 - Derivatives

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Offsetting Derivative Assets and Liabilities

As of
December 31,
2023

Other liabilities	\$	(15)	\$	(7)	\$	13	\$	(21)	\$	(7)	\$	(1)
As of December 31, 2021												
Other investments												
Other investments	\$	17	\$	13	\$	7	\$	(3)	\$	4	\$	—
Other liabilities	\$	(59)	\$	(10)	\$	(49)	\$	—	\$	(47)	\$	(2)

[1]Included in other investments in the Company's Consolidated Balance Sheets.

[2]Included in other liabilities in the Company's Consolidated Balance Sheets and is limited to the net derivative payable associated with each counterparty.

[3]Included in other investments in the Company's Consolidated Balance Sheets and is limited to the net derivative receivable associated with each counterparty.

[4]Excludes collateral associated with exchange-traded derivative instruments.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the derivative is reported as a component of OCI and reclassified into earnings in the

same period or periods during which the hedged transaction affects earnings. All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

Gain (Loss) Recognized in OCI

Year Ended December 31, 2022 2021 2020												
Year Ended December 31,		Year Ended December 31,										
2023		2023		2022		2021		2020				
Interest rate swaps	\$ —	\$ 4	\$ 38									
Foreign currency swaps	56	24	(8)									
Total	\$ 56	\$ 28	\$ 30									

Gain (Loss) Reclassified from AOCI into Income

	Year Ended December 31,								
	2022			2021			2020		
	Net Realized	Net Investment	Interest Expense	Net Realized	Net Investment	Interest Expense	Net Realized	Net Investment	Interest Expense
	Gain/(Loss)	Income		Gain/(Loss)	Income		Gain/(Loss)	Income	
Interest rate swaps	\$ —	\$ 6	(2)	\$ —	\$ 41	(10)	\$ —	\$ 29	(7)
Foreign currency swaps	—	9	—	—	5	—	(1)	5	—
Total	\$ —	\$ 15	(2)	\$ —	\$ 46	(10)	\$ (1)	\$ 34	(7)
Total amounts presented on the Consolidated									
Statement of Operations	\$ (627)	\$ 2,177	213	\$ 509	\$ 2,313	234	\$ (14)	\$ 1,846	236

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Note 6 - Derivatives

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Gain (Loss) Reclassified from AOCI into Income

	Year Ended December 31,								
	2023			2022			2021		
	Net Realized	Net Investment	Interest Expense	Net Realized	Net Investment	Interest Expense	Net Realized	Net Investment	Interest Expense
	Gain/(Loss)	Income		Gain/(Loss)	Income		Gain/(Loss)	Income	
Interest rate swaps	\$ —	\$ (26)	15	\$ —	\$ 6	(2)	\$ —	\$ 41	(10)
Foreign currency swaps	—	10	—	—	9	—	—	5	—

Total	\$	—	\$	(16)	\$	15	\$	—	\$	15	\$	(2)	\$	—	\$	46	\$	(10)
Total amounts presented on the Consolidated																		
Statement of Operations	\$	(188)	\$	2,305	\$	199	\$	(627)	\$	2,177	\$	213	\$	509	\$	2,313	\$	234

As of **December 31, 2022** **December 31, 2023**, the before tax deferred net gains on derivative instruments recorded in AOCI that are expected to be reclassified to earnings during the next twelve months are **\$3, \$18**. This expectation is based on the anticipated interest payments on hedged investments in fixed maturity securities and long-term debt that will occur over the next twelve months. Over that time, the Company will recognize the deferred net gains (losses) as an

resulting from the discontinuance of cash-flow hedges due to forecasted transactions that were no longer probable of occurring.

adjustment to net investment income or interest expense, as applicable, over the term of the hedged instrument cash flows.

During the years ended **December 31, 2022** **December 31, 2023**, **2021, 2022**, and **2020, 2021**, the Company had no net reclassifications from AOCI to earnings

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[Note 6 - Derivatives](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Non-qualifying Strategies

For non-qualifying strategies, including embedded derivatives that are required to be bifurcated from their host contracts and

accounted for as derivatives, the gain or loss on the derivative is recognized currently in earnings within net realized gains (losses).

Non-Qualifying Strategies Recognized within Net Realized Gains (Losses)

		For the Year Ended December 31, 2022 2021 2020		
		For the Year Ended December 31,		
		2023	2023	2022
		For the Year Ended December 31,		
		2023	2023	2021
Foreign exchange contracts	Foreign exchange contracts			
Foreign currency swaps and forwards				
Foreign currency swaps and forwards				
Foreign currency swaps and forwards	Foreign currency swaps and forwards	\$ 5	\$ 2	\$ 3
Interest rate contracts	Interest rate contracts			
Interest rate swaps, swaptions and futures	Interest rate swaps, swaptions and futures	25	3	21
Interest rate swaps, swaptions and futures				
Interest rate swaps, swaptions and futures				
Credit contracts	Credit contracts			
Credit derivatives that purchase credit protection				
Credit derivatives that purchase credit protection				

Credit derivatives that purchase credit protection	Credit derivatives that purchase credit protection	4	—	2
Credit derivatives that assume credit risk	Credit derivatives that assume credit risk	—	7	2
Equity contracts	Equity contracts			
Equity options	Equity options	(2)	—	76
Equity options				
Equity options				
Commodity contracts	Commodity contracts			
Commodity options				
Commodity options				
Commodity options	Commodity options	14	—	—
Total [1]	Total [1]	\$ 46	\$ 12	\$ 104
Total [1]				
Total [1]				

[1]Excludes investments that contain an embedded credit derivative for which the Company has elected the fair value option. For further discussion, see the Fair Value Option section in Note 4 - Fair Value Measurements.

Credit Risk Assumed through Credit Derivatives

The Company enters into credit default swaps that assume credit risk of a single entity or referenced index in order to synthetically replicate investment transactions that are permissible under the Company's investment policies. The Company will receive periodic payments based on an agreed upon rate and notional amount and will only make a payment if there is a credit event. A credit event payment will typically be

equal to the notional value of the swap contract less the value of the referenced security issuer's debt obligation after the occurrence of the credit event. A credit event is generally defined as a default on contractually obligated interest or principal payments or bankruptcy of the referenced entity. The credit default swaps in which the Company assumes credit risk primarily may reference investment grade single corporate issuers and baskets, which include standard diversified portfolios of corporate and CMBS issuers.

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Note 6 - Derivatives

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) Credit Risk Assumed Derivatives by Type

				Underlying Referenced Credit Obligation(s) [1]			
		Weighted		Average		Offsetting	
Notional	Average	Years to		Average	Notional	Notional	Offsetting
Amount	Fair	Maturity	Type	Credit	Amount	Fair Value	
[2]	Value			Rating	[3]	[3]	

As of December 31, 2022

				Underlying Referenced Credit Obligation(s) [1]			

		Notional Amount [2]															
		Notional Amount [2]															
		Notional Amount [2]										Fair Value	Weighted Average Years to Maturity	Average Type	Average Credit Rating	Offsetting Notional Amount [3]	Offsetting Fair Value [3]
As of December 31, 2023												As of December 31, 2023					
Basket credit default swaps [4]	Basket credit default swaps [4]																
Basket credit default swaps [4]																	
Basket credit default swaps [4]																	
Investment grade risk exposure																	
Investment grade risk exposure																	
Investment grade risk exposure	Investment grade risk exposure	\$	100	\$	(1)	6 years	CMBS Credit	AAA	\$	100	\$	1					
Below investment grade risk exposure	Below investment grade risk exposure					Less than 1 year	CMBS Credit	B-		3		2					
Total		\$	103	\$	(3)					\$	103	\$	3				
As of December 31, 2021																	
Below investment grade risk exposure																	
Total [5]																	
As of December 31, 2022												As of December 31, 2022					
Basket credit default swaps [4]	Basket credit default swaps [4]																
Investment grade risk exposure																	
Investment grade risk exposure																	
Investment grade risk exposure	Investment grade risk exposure	\$	101	\$	—	6 years	CMBS Credit	AAA	\$	101	\$	—					
Below investment grade risk exposure	Below investment grade risk exposure					Less than 1 year	CMBS Credit	CCC		4		2					
Total [5]		\$	105	\$	(2)					\$	105	\$	2				
Total [5]																	
Total [5]																	

[1]The average credit ratings are based on availability and are generally the midpoint of the available ratings among Moody's, S&P, and Fitch. If no rating is available from a rating agency, then an internally developed rating is used.

[2]Notional amount is equal to the maximum potential future loss amount. These derivatives are governed by agreements and applicable law which include collateral posting requirements. There is no additional specific collateral related to these contracts or recourse provisions included in the contracts to offset losses.

[3]The Company has entered into offsetting credit default swaps to terminate certain existing credit default swaps, thereby offsetting the future changes in value of, or losses paid related to, the original swap.

[4]Comprised of swaps of standard market indices of diversified portfolios of corporate and CMBS issuers referenced through credit default swaps. These swaps are subsequently valued based upon the observable standard market index.

[5]Excludes investments that contain an embedded credit derivative for which the Company has elected the fair value option. For further discussion, see the Fair Value Option section in Note 4 - Fair Value Measurements.

Derivative Collateral Arrangements

The Company enters into various collateral arrangements in connection with its derivative instruments, which require both the pledging and accepting of collateral. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company has pledged cash collateral associated with derivative instruments of \$25 and less than \$1, and \$2, respectively. In general, collateral receivable is recorded in other assets or other liabilities on the Company's Consolidated Balance Sheets as determined by the Company's election to offset on the balance sheet. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company pledged securities collateral associated with derivative instruments with a fair value of \$8 \$14 and \$48, \$8, respectively, which have been included in fixed maturities on the Consolidated Balance Sheets. The counterparties have the right to sell or re-pledge these securities.

In addition, as of December 31, 2022 December 31, 2023 and 2021, 2022, the Company has pledged initial margin of cash related to OTC-cleared and exchange traded derivatives with a fair value of \$16 and \$12, respectively, for both periods, which is recorded in other investments or other assets on the Company's Consolidated Balance Sheets. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company has pledged initial margin of securities related to OTC-cleared and exchange traded derivatives with a fair value of \$57 \$112 and \$82, \$57, respectively, which are included within fixed maturities on the Company's Consolidated Balance Sheets.

investments with corresponding amounts recorded in other investments or other liabilities as determined by the Company's election to offset on the balance sheet. The Company also accepted securities collateral as of December 31, 2022 December 31, 2023 and 2021, 2022 with a fair value of \$1 \$0 and \$5, \$1, respectively, which the Company has the right to repledge or sell. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had no repledged securities. In addition, as of December 31, 2022 December 31, 2023 and 2021, 2022, non-cash collateral accepted was held in separate custodial accounts and was not included in the Company's Consolidated Balance Sheets.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company accepted cash collateral associated with derivative instruments of \$56 \$49 and \$7, \$56, respectively, which was invested and recorded in the Consolidated Balance Sheets in fixed maturities and short-term

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 Note 7 - Premiums Receivable and Agents' Balances

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PREMIUMS RECEIVABLE AND AGENTS' BALANCES

**Premiums Receivable and
Agents' Balances**

		As of December 31,	
		2022	2021
As of December 31,		As of December 31,	
2023		2023	2022
Premiums receivable, excluding receivables for losses within a deductible and retrospectively-rated policy premiums ("loss sensitive business")	Premiums receivable, excluding receivables for losses within a deductible and retrospectively-rated policy premiums ("loss sensitive business")	\$4,698	\$4,130
Receivables for loss sensitive business, by credit quality:	Receivables for loss sensitive business, by credit quality:		
AA	AA		
AA	AA	106	130
A	A	38	52
BBB	BBB	119	133
BB	BB	56	64
Below BB	Below BB	41	41
Total receivables for loss sensitive business	Total receivables for loss sensitive business	360	420
Total Premiums Receivable and Agents' Balances, Gross	Total Premiums Receivable and Agents' Balances, Gross	5,058	4,550
Total Premiums Receivable and Agents' Balances, Gross			
Total Premiums Receivable and Agents' Balances, Gross			
ACL	ACL	(109)	(105)
Total Premiums Receivable and Agents' Balances, Net of ACL	Total Premiums Receivable and Agents' Balances, Net of ACL	\$4,949	\$4,445

ACL on Premiums Receivable and Agents' Balances

Premiums receivable and agents' balances, excluding receivables for loss sensitive business, are primarily comprised of premiums due from policyholders, which are typically collectible within one year or less. For these balances, the ACL is estimated based on an aging of receivables and recent historical credit loss and collection experience, adjusted for current economic conditions and reasonable and supportable forecasts, when appropriate. Balances are considered past due when amounts that have been billed are not collected within contractually stipulated time periods.

A portion of the Company's Commercial Lines business is written with large deductibles or under retrospectively-rated plans (referred to as "loss sensitive business"). Under some commercial insurance contracts with a large deductible, the

Company is obligated to pay the claimant the full amount of the claim and the Company is subsequently reimbursed by the

policyholder for the deductible amount. As such, the Company is subject to credit risk until reimbursement is made. Retrospectively-rated policies are utilized primarily for workers' compensation coverage, whereby the ultimate premium is adjusted based on actual losses incurred. Although the premium adjustment feature of a retrospectively-rated policy substantially reduces insurance risk for the Company, it presents credit risk to the Company. The Company's results of operations could be adversely affected if a significant portion of such policyholders failed to reimburse the Company for the deductible amount or the amount of additional premium owed under retrospectively-rated policies. The Company manages these credit risks through credit analysis, collateral requirements, and oversight.

The ACL for receivables for loss sensitive business is estimated as the amount of the receivable exposed to loss multiplied by estimated factors for probability of default and the amount of loss given a default. The probability of default is assigned based on each policyholder's credit rating, or a rating is estimated if no external rating is available. Credit ratings are reviewed and updated at least annually. The exposure amount is estimated net of collateral and other credit enhancement, considering the nature of the collateral, potential future changes in collateral values, and historical loss information for the type of collateral obtained. The probability of default factors are historical corporate defaults for receivables with similar durations estimated through multiple economic cycles. Credit ratings are forward-looking and consider a variety of economic outcomes. The loss given default factors are based on a study of historical recovery rates for general creditors through multiple economic cycles. The Company's evaluation of the required ACL for receivables for loss sensitive business considers the current economic environment as well as the probability-weighted macroeconomic scenarios similar to the approach used for estimating the ACL for mortgage loans. See Note 5 - Investments.

The increase in ACL in 2022 reflected the provision required on premiums written in the year and recoveries, offset by write-offs. During 2021, the ACL on premiums receivable decreased as the provision required on premiums written during the year was more than offset by write-offs and a reduction in the provision, primarily reflecting lessening expected impacts of COVID-19 relative to prior assumptions in certain lines of business. In 2020, an increase in the ACL was due to the increasing impacts of COVID-19.

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Note 7 - Premiums Receivable and Agents' Balances

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Rollforward of ACL on Premiums Receivable and Agents' Balances
Year Ended

December 31, 2022			December 31, 2021			December 31, 2020		
Premiums			Premiums			Premiums		
Receivable			Receivable			Receivable		
and Agents'			and Agents'			and Agents'		
Balances,			Balances,			Balances,		
Excluding			Excluding			Excluding		
Receivables Receivables			Receivables Receivables			Receivables Receivables		
for Loss		for Loss	for Loss		for Loss	for Loss		for Loss
Sensitive		Sensitive	Sensitive		Sensitive	Sensitive		Sensitive
Business		Business	Business		Business	Business		Business
Total			Total			Total		

December 31, 2023			December 31, 2023			December 31, 2022		
Receivables			Receivables			Receivables		
Excluding			Excluding			Excluding		
Receivables for			Receivables Receivables			Receivables Receivables		
Loss Sensitive		for Loss	for Loss		for Loss	for Loss		for Loss
Business		Sensitive	Sensitive		Sensitive	Sensitive		Sensitive
Total			Total			Total		

Beginning			Beginning			Beginning		
ACL			ACL			ACL		
\$ 83			\$ 22			\$ 105		
\$ 117			\$ 35			\$ 152		
\$ 85			\$ 60			\$ 145		
Cumulative effect of			Cumulative effect of			Cumulative effect of		
accounting change [1]			accounting change [1]			accounting change [1]		
(2)			(21)			(23)		

Adjusted beginning										
ACL		83	22	105	117	35	152	83	39	122
Current period provision (release)	Current period provision (release)	48	3	51	17	(13)	4	78	(4)	74
Current period gross write-offs	Current period gross write-offs	(56)	(1)	(57)	(59)	—	(59)	(49)	—	(49)
Current period gross recoveries	Current period gross recoveries	10	—	10	8	—	8	5	—	5
Ending	Ending									
ACL	ACL	\$ 85	\$ 24	\$ 109	\$ 83	\$ 22	\$ 105	\$ 117	\$ 35	\$ 152

[1] Represents the adjustment to the ACL recorded on adoption of accounting guidance for credit losses on January 1, 2020. The adjusted beginning ACL was based on the Company's historical loss information adjusted for current conditions and the forecasted economic environment at the time the guidance was adopted. For further information refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

8. REINSURANCE

The Company cedes insurance risk to reinsurers to enable the Company to manage capital and risk exposure. Such arrangements do not relieve the Company of its primary liability to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company's procedures include carefully selecting its reinsurers, structuring agreements to provide collateral funds where necessary, and regularly monitoring the financial condition and ratings of its reinsurers.

The Company has two adverse development cover ("ADC") ADC reinsurance agreements in place, both of which are accounted for as retroactive reinsurance. One agreement covers substantially all asbestos and environmental ("A&E") &E reserve development for 2016 and prior accident years ("A&E ADC") up to an aggregate limit of \$1.5 billion and the other covered substantially all reserve development of Navigators Insurance Company ("NIC") and certain of its affiliates for 2018 and prior accident years (the Navigators ADC) "Navigators ADC") up to an aggregate limit of \$300. As the Company has ceded all of the \$300 available limit, there is no remaining limit available as of December 31, 2022 under the Navigators ADC. For more information on ADC agreements, see Note 1 - Basis of Presentation and Significant Accounting Policies, and Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses.

Property and Casualty ceded losses, which reduce losses and loss adjustment expenses incurred, were \$1,043, \$1,338 and \$1,243 and

\$1,156 for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively.

Group Benefits ceded losses, which reduce losses and loss adjustment expenses incurred, were \$93, \$81 \$85 and \$63 \$85 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

Reinsurance Recoverables

Reinsurance recoverables include balances due from reinsurance companies and are presented net of an allowance for uncollectible reinsurance. Reinsurance recoverables include an estimate of the amount of gross losses and loss adjustment expense reserves that may be ceded under the terms of the reinsurance agreements, including incurred but not reported ("IBNR") unpaid losses. The Company's estimate of losses and loss adjustment expense reserves ceded to reinsurers is based on assumptions that are consistent with those used in establishing the gross reserves for amounts the Company owes to its claimants. The Company estimates its ceded reinsurance recoverables based on the terms of any applicable facultative and treaty reinsurance, including an estimate of how incurred but not reported losses will ultimately be ceded under reinsurance agreements. Accordingly, the Company's estimate of reinsurance recoverables is subject to similar risks and uncertainties as the estimate of the gross reserve for unpaid losses and loss adjustment expenses.

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Note 8 - Reinsurance

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reinsurance Recoverables by Credit Quality Indicator

		As of December 31, 2022				As of December 31, 2021			
		Property and Casualty	Group Benefits	Corporate	Total	Property and Casualty	Group Benefits	Corporate	Total
		As of December 31, 2023				As of December 31, 2023			
		P&C	Group Benefits	Corporate	Total	P&C	Group Benefits	Corporate	Total
AM Best Financial Strength Rating	AM Best Financial Strength Rating								
A++	A++								
A++	A++								
A++	A++	\$ 2,094	\$ —	\$ —	\$ 2,094	\$ 1,860	\$ —	\$ —	\$ 1,860
A+	A+	2,169	239	261	2,669	1,999	237	275	2,511
A	A	763	1	—	764	713	—	—	713
A-	A-	79	6	—	85	37	9	—	46
B++	B++	616	—	2	618	639	—	3	642
Below B++	Below B++	20	—	—	20	20	—	—	20
Total Rated by AM Best	Total Rated by AM Best	5,741	246	263	6,250	5,268	246	278	5,792
Mandatory (Assigned) and Voluntary Risk Pools	Mandatory (Assigned) and Voluntary Risk Pools	218	—	—	218	239	—	—	239
Captives	Captives	319	—	—	319	331	—	—	331
Other not rated companies	Other not rated companies	279	5	—	284	255	5	—	260
Gross Reinsurance Recoverables	Gross Reinsurance Recoverables	6,557	251	263	7,071	6,093	251	278	6,622
Allowance for uncollectible reinsurance	Allowance for uncollectible reinsurance	(102)	(1)	(2)	(105)	(96)	(1)	(2)	(99)
Net Reinsurance Recoverables	Net Reinsurance Recoverables	\$ 6,455	\$ 250	\$ 261	\$ 6,966	\$ 5,997	\$ 250	\$ 276	\$ 6,523

Balances are considered past due when amounts that have been billed are not collected within contractually stipulated time periods, generally 30, 60 or 90 days. To manage reinsurer credit risk, a reinsurance security review committee evaluates the credit standing, financial performance, management and operational quality of each potential reinsurer. In placing reinsurance, the Company considers the nature of the risk reinsured, including the expected liability payout duration, and establishes limits tiered by reinsurer credit rating.

Where its contracts permit, the Company secures future claim obligations with various forms of collateral or other credit enhancement, including irrevocable letters of credit, secured trusts, funds held accounts and group wide offsets. As part of its reinsurance recoverable review, the Company analyzes recent developments in commutation activity between reinsurers and cedants, recent trends in arbitration and litigation outcomes in disputes between cedants and reinsurers and the overall credit quality of the Company's reinsurers.

Due to the inherent uncertainties as to collection and the length of time before reinsurance recoverables become due, it is possible that future adjustments to the Company's reinsurance recoverables, net of the allowance, could be required, which could have a material adverse effect on the Company's consolidated results of operations or cash flows in a particular quarter or annual period.

The allowance for uncollectible reinsurance comprises an ACL and an allowance for disputed balances. The ACL is estimated as the amount of reinsurance recoverables exposed to loss multiplied by estimated factors for the probability of default and the amount of loss given a default. The probability of default is assigned based on each reinsurer's credit rating, or a rating is estimated if no external rating is available. Credit ratings are reviewed on a quarterly basis and any significant changes are reflected in an updated estimate. The probability of default

with similar durations to the reinsured liabilities as estimated through multiple economic cycles. Credit ratings are forward-looking and consider a variety of economic outcomes. The loss given default factors are based on a study of historical recovery rates for general creditors of corporations through multiple economic cycles or, in the case of purchased annuities funding structured settlements accounted for as reinsurance, historical recovery rates for annuity contract holders.

As shown in the table above, a portion of the total gross reinsurance recoverable balance relates to the Company's participation in various mandatory (assigned) and voluntary risk pools. Reinsurance recoverables due from pools are backed by the financial position of all insurance companies participating in the pools and the credit backing the reinsurance recoverable is not limited to the financial strength of each pool. The mandatory pools generally are funded through policy assessments or surcharges and if any participant in the pool defaults, remaining liabilities are apportioned among the other members.

The Company's evaluation of the required ACL for reinsurance recoverables considers the current economic environment as well as macroeconomic scenarios similar to the approach used to estimate the ACL for mortgage loans. See Note 5 - Investments. Insurance companies, including reinsurers, are regulated and hold risk-based capital ("RBC") to mitigate the risk of loss due to economic factors and other risks. Non-U.S. reinsurers are either subject to a capital regime substantively equivalent to domestic insurers or we hold collateral to support collection of reinsurance recoverables. As a result, there is limited history of losses from insurer defaults. There were \$0 and \$1 in write-offs for the years ended December 31, 2022 and 2021, respectively, that would impact the ACL. The decrease in the ACL in 2021 was primarily due to a higher than expected recovery from one reinsurer on which the Company had recognized an ACL. In 2020, the increase in the ACL includes the increasing impacts of COVID-19.

factors are historical insurer and reinsurer defaults for liabilities

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Note 8 - Reinsurance

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Allowance for Uncollectible Reinsurance												
	As of December 31, 2022				As of December 31, 2021				As of December 31, 2020			
	Property and Casualty	Group Benefits	Corporate	Total	Property and Casualty	Group Benefits	Corporate	Total	Property and Casualty	Group Benefits	Corporate	Total
Beginning allowance for uncollectible reinsurance	\$ 96	\$ 1	\$ 2	\$ 99	\$ 105	\$ 1	\$ 2	\$ 108	\$ 114	\$ —	\$ —	\$ 114
Beginning allowance for disputed amounts	54	—	—	54	53	—	—	53	66	—	—	66
Beginning ACL	42	1	2	45	52	1	2	55	48	—	—	48
Cumulative effect of accounting change [1]									—	1	1	2
Adjusted beginning ACL	42	1	2	45	52	1	2	55	48	1	1	50
Current period provision (release)	—	—	—	—	(9)	—	—	(9)	3	—	1	4

Current period gross write-offs	—	—	—	—	(1)	—	—	(1)	—	—	—	—
Current period gross recoveries	—	—	—	—	—	—	—	—	1	—	—	1
Ending ACL	42	1	2	45	42	1	2	45	52	1	2	55
Ending allowance for disputed amounts	60	—	—	60	54	—	—	54	53	—	—	53
Ending allowance for uncollectible reinsurance	\$ 102	\$ 1	\$ 2	\$ 105	\$ 96	\$ 1	\$ 2	\$ 99	\$ 105	\$ 1	\$ 2	\$ 108

[1] Represents the adjustment to the ACL recorded on adoption of accounting guidance for credit losses on January 1, 2020. For further information refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

Allowance for Uncollectible Reinsurance			
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
P&C beginning allowance for uncollectible reinsurance	\$ 102	\$ 96	\$ 105
Beginning allowance for disputed amounts	60	54	53
P&C beginning ACL	42	42	52
Current period provision (release)	3	—	(9)
Current period gross write-offs	(2)	—	(1)
P&C ending ACL	43	42	42
Ending allowance for disputed amounts	57	60	54
P&C ending allowance for uncollectible reinsurance	100	102	96
Group Benefits allowance for uncollectible reinsurance	1	1	1
Corporate allowance for uncollectible reinsurance	2	2	2
Total allowance for uncollectible reinsurance	\$ 103	\$ 105	\$ 99

Insurance Revenues

Property and Casualty Insurance Revenue			
For the years ended December 31,			
	Premiums Written	2022	2021
Premiums Written			
Premiums Written			
Direct			
Direct			
Direct	Direct	\$ 14,891	\$ 13,696
Assumed	Assumed	718	631
Assumed			
Assumed			
Ceded			
Ceded			
Ceded	Ceded	(1,490)	(1,378)
Net	Net	\$ 14,119	\$ 12,949
Net			
Net			
Premiums Earned			
Premiums Earned			
Premiums Earned	Premiums Earned		
Direct	Direct	\$ 14,328	\$ 13,204
Direct			
Direct			
Assumed			
Assumed			
Assumed	Assumed	654	568
Ceded	Ceded	(1,462)	(1,277)
Ceded			

Ceded					
Net	Net	\$	13,520	\$	12,495
Net				\$	11,918
Net					

Group Benefits Revenue

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Gross earned premiums, fees and other considerations	Gross earned premiums, fees and other considerations	\$ 5,988	\$ 5,663	\$ 5,245			
Reinsurance assumed	Reinsurance assumed	175	128	387			
Reinsurance ceded	Reinsurance ceded	(106)	(104)	(96)			
Net earned premiums, fees and other considerations	Net earned premiums, fees and other considerations	\$ 6,057	\$ 5,687	\$ 5,536			

For its group benefits products, the Company reinsures certain of its risks to other reinsurers under yearly renewable term and coinsurance arrangements and variations thereto. Yearly renewable term and coinsurance arrangements result in passing

a portion of the risk to the reinsurer. Generally, the reinsurer receives a proportionate amount of the premiums less an allowance for commissions and expenses and is liable for a corresponding proportionate amount of all benefit payments.

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Note 9 - Deferred Policy Acquisition Costs

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. DEFERRED POLICY ACQUISITION COSTS

Changes in DAC

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Balance, beginning of period	Balance, beginning of period	\$ 881	\$ 789	\$ 785			
Deferred costs	Deferred costs	1,947	1,751	1,666			
Amortization — DAC	Amortization — DAC	(1,835)	(1,680)	(1,706)			
Add back amortization of value of business acquired [1]	Add back amortization of value of business acquired [1]	9	21	47			
DAC transferred to assets held for sale	DAC transferred to assets held for sale	—	—	(3)			
Balance, end of period	Balance, end of period	\$ 1,002	\$ 881	\$ 789			

Balance, end of period
Balance, end of period

[1]While the value of in-force contracts acquired from the Navigators Group acquisition is included in other intangible assets, the amortization of that asset is recorded as DAC amortization.

10. GOODWILL & OTHER INTANGIBLE ASSETS

The carrying value of goodwill allocated to reporting segments as of **December 31, 2022** **December 31, 2023** and **2021 2022** was as follows:

	Carrying Value
Commercial Lines	\$ 659
Personal Lines	119
Hartford Funds	180
Group Benefits	723
Corporate [1]	230
Total	\$ 1,911

[1]The Corporate category includes goodwill that was acquired at a holding company level and not pushed down to a subsidiary within a reportable segment. Carrying value of goodwill within Corporate as of **December 31, 2022** **December 31, 2023** and **2021 2022** includes \$138 and \$92 for the Group Benefits and Hartford Funds reporting units, respectively.

The annual goodwill assessment for The Hartford's reporting units was completed as of **October 31, 2022** **October 31, 2023** and **2021; 2022**; all reporting units passed their annual impairment test with a significant margin and as a result there were no write-downs of goodwill.

Other Intangible Assets

		As of December 31, 2022			As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		As of December 31, 2023			As of December 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized Intangible Assets:	Amortized Intangible Assets:						
Value of in-force contracts	Value of in-force contracts	\$ 203	\$ (203)	\$ —	\$ 203	\$ (194)	\$ 9
Customer relationships	Customer relationships						
Customer relationships	Customer relationships	636	(225)	411	636	(177)	459
Marketing agreement with Aetna	Marketing agreement with Aetna	16	(6)	10	16	(4)	12
Distribution Agreement	Distribution Agreement	79	(70)	9	79	(68)	11
Distribution and Agency relationships & Other	Distribution and Agency relationships & Other	340	(87)	253	340	(68)	272
Total Finite Life Intangibles	Total Finite Life Intangibles	1,274	(591)	683	1,274	(511)	763
Total Indefinite Life Intangible Assets	Total Indefinite Life Intangible Assets	95		95	95		95
Total Other Intangible Assets	Total Other Intangible Assets	\$ 1,369	\$ (591)	\$ 778	\$ 1,369	\$ (511)	\$ 858

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Expected Before Tax Amortization Expense for Acquired Intangibles as
of **December 31, 2022** **December 31, 2023**

Other Intangible Assets			
2023		\$	71
Other Intangible Assets			
Other Intangible Assets			
Other Intangible Assets			
2024	2024	\$	71
2025	2025	\$	71
2026	2026	\$	70
2027	2027	\$	68
2028			

11. RESERVE FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

PROPERTY & CASUALTY INSURANCE PRODUCT RESERVES, NET OF REINSURANCE

Rollforward of Liabilities for Unpaid Losses and Loss Adjustment Expenses

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 31,449	\$ 29,622	\$ 28,261			
Reinsurance and other recoverables	Reinsurance and other recoverables	6,081	5,725	5,275			
Beginning liabilities for unpaid losses and loss adjustment expenses, net	Beginning liabilities for unpaid losses and loss adjustment expenses, net	25,368	23,897	22,986			
Provision for unpaid losses and loss adjustment expenses	Provision for unpaid losses and loss adjustment expenses						
Current accident year	Current accident year	8,577	7,911	7,794			

Prior accident year development [1]	Prior accident year development [1]	36	199	(136)
Total provision for unpaid losses and loss adjustment expenses	Total provision for unpaid losses and loss adjustment expenses	8,613	8,110	7,658
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	Change in deferred gain on retroactive reinsurance included in other liabilities [1]	(229)	(246)	(312)
Payments	Payments			
Current accident year	Current accident year	(2,424)	(2,276)	(2,214)
Prior accident years	Prior accident years	(4,678)	(4,119)	(4,190)
Total payments	Total payments	(7,102)	(6,395)	(6,404)
Net change in reserves transferred to liabilities held for sale		—	—	(45)
Foreign currency adjustment	Foreign currency adjustment			
Foreign currency adjustment	Foreign currency adjustment	(32)	2	14
Ending liabilities for unpaid losses and loss adjustment expenses, net	Ending liabilities for unpaid losses and loss adjustment expenses, net	26,618	25,368	23,897
Reinsurance and other recoverables	Reinsurance and other recoverables	6,465	6,081	5,725
Ending liabilities for unpaid losses and loss adjustment expenses, gross	Ending liabilities for unpaid losses and loss adjustment expenses, gross	\$33,083	\$31,449	\$29,622

[1] Prior accident year development does not include the benefit of a portion of losses ceded under the Navigators and A&E ADC which, under retroactive reinsurance accounting, is deferred and is recognized over the period the ceded losses are recovered in cash from National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc. For additional information regarding the two adverse development cover reinsurance agreements, refer to Adverse Development Covers discussion below.

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Property and Casualty Insurance Products Reserves, Net of Reinsurance, that are Discounted

		For the years ended December 31,					
		2022	2021	2020			
		For the years ended December 31,			For the years ended December 31,		
		2023			2023	2022	2021
Liability for unpaid losses and loss adjustment expenses, at undiscounted amounts	Liability for unpaid losses and loss adjustment expenses, at undiscounted amounts	\$ 1,343	\$ 1,405	\$ 1,334			
Amount of discount	Amount of discount	347	355	367			
Carrying value of liability for unpaid losses and loss adjustment expenses	Carrying value of liability for unpaid losses and loss adjustment expenses	\$ 996	\$ 1,050	\$ 967			
Discount accretion included in losses and loss adjustment expenses	Discount accretion included in losses and loss adjustment expenses	\$ 36	\$ 36	\$ 36			
Weighted average discount rate	Weighted average discount rate	2.71 %	2.54 %	2.68 %	Weighted average discount rate	2.74 %	2.71 %
Range of discount rates	Range of discount rates	0.83 % - 14.03 %	0.83 % - 14.03 %	0.83 % - 14.03 %	Range of discount rates	0.83 % - 14.03 %	0.83 % - 14.03 %

Reserves are discounted at rates in effect at the time claims were incurred, ranging from 0.83% for accident year 2020 to 14.03% for accident year 1981.

The reserves recorded for the Company's property and casualty insurance products at **December 31, 2022** **December 31, 2023** represent the Company's best estimate of its ultimate liability for losses and loss adjustment expenses related to losses covered by policies written by the Company. However, because of the significant uncertainties surrounding reserves it is possible that management's estimate of the ultimate liabilities for these claims may change and that the required adjustment to recorded reserves could exceed the currently recorded reserves by an amount that could be material to the Company's results of operations or cash flows.

Losses and loss adjustment expenses are also impacted by trends including frequency and severity as well as changes in the legislative and regulatory environment. In the case of the reserves for asbestos exposures, factors contributing to the high degree of uncertainty in the ultimate settlement of the liabilities gross of reinsurance include inadequate loss development patterns, plaintiffs' expanding theories of liability, the risks inherent in major litigation, and inconsistent emerging legal doctrines. In the case of the reserves for environmental exposures before reinsurance, factors contributing to the high degree of uncertainty in gross reserves include expanding theories of liabilities and damages, the risks inherent in major litigation, inconsistent decisions concerning the existence and scope of coverage for environmental claims, and uncertainty as to the monetary amount being sought by the claimant from the insured.

(Favorable) Unfavorable Prior Accident Year Development

		For the years ended December 31,					
		2022	2021	2020			
		For the years ended December 31,			For the years ended December 31,		
		2023	2023	2022	2023	2022	2021
Workers' compensation	Workers' compensation	\$ (204)	\$ (190)	\$ (110)			
Workers' compensation discount accretion	Workers' compensation discount accretion	36	35	35			
General liability	General liability	56	454	237			
Marine	Marine	2	1	3			
Package business	Package business	(39)	(91)	(58)			
Commercial	Commercial						

property	property	(11)	(26)	(4)
Professional liability	Professional liability	(11)	(2)	(14)
Bond	Bond	(32)	(26)	(19)
Assumed reinsurance	Assumed reinsurance	19	(6)	(6)
Automobile liability - Commercial Lines	Automobile liability - Commercial Lines	38	9	27
Automobile liability - Personal Lines	Automobile liability - Personal Lines	(14)	(90)	(61)
Homeowners	Homeowners	(1)	3	7
Net asbestos and environmental reserves	Net asbestos and environmental reserves	—	—	(2)
Net asbestos and environmental reserves				
Net asbestos and environmental reserves				
Catastrophes	Catastrophes	(62)	(154)	(529)
Uncollectible reinsurance	Uncollectible reinsurance	3	(6)	(8)
Other reserve re-estimates, net	Other reserve re-estimates, net	27	42	54
Prior accident year development, including full benefit for the ADC cession	Prior accident year development, including full benefit for the ADC cession	(193)	(47)	(448)
Change in deferred gain on retroactive reinsurance included in other liabilities	Change in deferred gain on retroactive reinsurance included in other liabilities			
[1]	[1]	229	246	312
Total prior accident year development	Total prior accident year development	\$ 36	\$ 199	\$(136)

[1]The change in deferred gain for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 included \$194, \$229 and 2020 included \$229, \$155, and \$210, respectively of adverse development on A&E reserves in excess of ceded premium paid and included \$0, \$91 \$0 and \$102 \$91 respectively, of adverse development on Navigators 2018 and prior accident year reserves ceded to NICO, primarily within professional liability, general liability and marine.

2022 2023 re-estimates of prior accident year reserves

Workers' compensation reserves were decreased for within the 2014 through 2018 to 2020 accident years predominately within primarily in small commercial, and to a lesser extent in middle and large commercial, driven by lower than previously estimated claim

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

severity. In addition, the majority of the 2020 accident year relates to a \$38 reduction of COVID-19 related reserves.

General liability reserves were increased driven by higher frequency and estimated cost to settle large individual claims for the 2016 to 2019 accident years, partially offset by a decrease in reserves for the 2020 accident year due to favorable experience. In addition, reserves for sexual molestation and sexual abuse claims were increased for older accident years. Also included was a decrease in reserves for extra contractual liability claims and other miscellaneous run-off lines.

Package business reserves decreased primarily due to lower than previously estimated property severity for accident year 2019 and 2021. Package liability is flat overall with reserve increases related to higher severity across multiple accident years offset by improvement in accident year 2020 due to favorable claim count emergence.

Commercial property reserves decreased primarily due to favorable development for accident years 2018 and 2021. In accident year 2022, unfavorable development in middle & large commercial was offset by favorable development in global specialty.

Professional liability reserves decreased modestly due to favorable development on directors' and officers' ("D&O") claims driven by the 2020 and 2021 accident years, partially offset by deterioration in 2019 and prior accident years experience across errors and omissions and other claims.

Bond reserves decreased primarily due to improvement in fidelity in 2013 and prior accident years, as well as improvement in contract surety in 2019 and prior accident years, partially offset by unfavorable development for 2013 and prior accident years related to customs bonds.

Assumed reinsurance reserves were increased due to higher reserve estimates in the Latin America casualty and surety business.

Automobile liability reserves - Commercial Lines increased primarily due to adverse loss development from elevated large loss frequency and severity pressures within middle & large commercial for accident year 2022, as well as unfavorable experience in accident year 2019, partly offset by favorable development in accident years 2020 and 2021.

Automobile liability reserves - Personal Lines were flat as increases for accident year 2022 from higher estimated severity and increasing attorney representation rates were fully offset by decreases, primarily within accident years 2019 to 2021, due to lower estimated severity.

Catastrophe reserves were decreased primarily within Commercial Lines driven by a reduction in reserves in accident year 2022 for Hurricane Ian and accident year 2021 for Hurricane Ida.

Uncollectible reinsurance was increased primarily in Commercial Lines related to a captive reinsurer and, to a lesser extent, an increase in reserves for potential collection disputes and credit concerns.

Other reserve re-estimates, net, were increased primarily due to an increase in unallocated loss adjustment expense ("ULAE") reserves within P&C Other Operations driven by an increase in gross asbestos and environmental reserves, as well as an increase in accident year 2022 Personal Lines automobile physical damage severity.

Asbestos and environmental reserves were reviewed in fourth quarter 2023 resulting in a \$194 increase in reserves before ADC reinsurance, including \$156 for asbestos and \$38 for environmental. The Company recognized a \$194 deferred gain on retroactive reinsurance, representing the amount of losses ceded to the ADC in excess of ceded premium paid. For additional information related to the adverse development cover with NICO, see the Adverse Development Covers section below and Note 15 - Commitments and Contingencies.

2022 re-estimates of prior accident year reserves

Workers' compensation reserves were decreased for the 2014 through 2018 accident years, predominately within small commercial, and to a lesser extent in middle & large commercial, driven by lower than previously estimated claim severity and, to a lesser extent, a \$14 reduction of COVID-19 related claims from 2020.

General liability reserves were increased, driven by an increase in the estimated cost to settle large individual claims in middle and large commercial for the 2016 to 2019 accident years, an increase in excess casualty and environmental in recent accident years, and increases in primary construction on older accident years, partially offset by a decrease in reserves for other mass torts.

Package business reserves decreased due to lower estimated severity and lower estimated loss adjustment expenses for accident years 2018 and prior, and a reduction in property reserves for the 2020 and 2021 accident years.

Commercial property reserves were decreased primarily due to favorable development for the 2020 accident year in middle & large commercial related to COVID-19 claims.

Professional liability reserves were decreased primarily due to favorable development on directors' and officers' D&O claims for the 2018 to 2020 accident years and on errors and omissions claims for the 2013 to 2017 accident years, partially offset by large losses related to 2018 and prior accident years for primary and excess directors' and officers' D&O claims.

Bond reserves were decreased primarily in contract surety due to favorable development on older accident years.

Assumed reinsurance reserves were increased primarily due to higher reserve estimates for syndicate property claims, including higher expected COVID-19 property losses in the 2020 accident year and increased reserves for international agriculture related to drought claims. Also contributing were reserve increases for Latin America P&C and specialty casualty business in recent accident years.

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Automobile liability reserves were decreased in Personal Lines principally due to lower estimated severity on AARP Direct claims, primarily within accident years 2015 to 2020 and were increased in Commercial Lines principally due to a higher number of large claims in accident years 2017 to 2019, along with decreasing settlement rates and increasing attorney rep rates.

Catastrophe Catastrophes reserves were decreased in both Commercial and Personal Lines with the largest reduction related to 2019 and 2020 wind and hail events.

Asbestos and environmental reserves were reviewed in fourth quarter 2022 resulting in a \$229 increase in reserves before ADC reinsurance, including \$162 for asbestos and \$67 for environmental. The Company recognized a \$229 deferred gain on retroactive reinsurance, representing the amount of losses ceded to the ADC in excess of ceded premium paid. For additional information related to the adverse development cover with NICO, see the Adverse Development Covers section below and Note 14 15 - Commitments and Contingencies.

Other reserve re-estimates, net, were increased primarily due to an increase in **unallocated loss adjustment expense ("ULAE") ULAE** reserves within P&C Other Operations driven by an increase in gross asbestos and environmental reserves, as well as unfavorable development from participation in involuntary market pools, and increased automobile physical damage severity.

prior accident years, a portion of which is reflected within the change in deferred gain on retroactive reinsurance in the above table.

Bond reserves were reduced mostly due to favorable emergence on contract surety claims driven by higher than previously anticipated recoveries, largely for the 2016 to 2017 accident years.

Automobile liability reserves were decreased in Personal Lines principally due to lower estimated severity on AARP Direct and Agency claims, primarily within accident years 2017 to 2020, and a reduction in estimated reserves for extra contractual liability claims.

Catastrophes reserves were decreased in both Commercial and Personal Lines primarily driven by a reduction in reserves for 2018 and 2019 wind and hail events, lower estimated losses from 2018 and 2020 hurricanes, a reduction in estimated losses from the 2017 and 2018 California wildfires, including an expected recovery of subrogation from a utility related to the 2018 Woolsey wildfire in California, and a reduction in losses relating to the 2020 civil unrest.

Asbestos and environmental reserves were reviewed in fourth quarter 2021 resulting in a \$155 increase in reserves before ADC reinsurance, including \$106 for asbestos and \$49 for environmental. The Company recognized a \$155 deferred gain on retroactive reinsurance, representing the amount of losses ceded to the ADC in excess of ceded premium

2021 re-estimates of prior accident year reserves

Workers' compensation reserves were decreased within small commercial and middle & large commercial for the 2013 through 2018 accident years driven by lower than previously estimated claim severity.

General liability reserves were increased including an increase for sexual molestation and sexual abuse claims above the amount of reserves previously recorded for this exposure, primarily to reflect an increase in reserves for claims made against the Boy Scouts of America ("BSA") as discussed further below, partially offset by reserve decreases for other mass torts and extra contractual liability claims. In addition, the Company recognized reserve increases on Navigators' wholesale construction business for 2018 and prior accident years, largely included within the change in deferred gain on retroactive reinsurance in the above table.

Package business reserves decreased largely due to lower estimated loss adjustment expenses for accident years 2014 to 2018 and a reduction in estimated reserves for extra contractual liability claims.

Commercial property reserves were decreased primarily due to favorable development for the 2020 accident year in both middle & large commercial and global specialty.

Professional liability reserves were decreased due to lower estimated severity in both large and middle market **directors' and officers' ("D&O") &O** insurance for older accident years. More than offsetting this favorable reserve development were reserve increases on legacy Navigators public company **directors' and officers' D&O** insurance for 2019 and

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paid. For additional information related to the adverse development cover with NICO, see the Adverse Development Covers section below and Note 14 15 - Commitments and Contingencies.

Other reserve re-estimates, net, were increased primarily due to an increase in reserves for sexual molestation and sexual abuse claims within P&C Other Operations, principally on assumed reinsurance, as well as an increase in ULAE reserves within P&C Other Operations driven by an increase in gross asbestos and environmental reserves.

2020 re-estimates of prior accident year reserves

Workers' compensation reserves were reduced on national account business within middle & large commercial, driven by lower than previously estimated claim severity for the 2015 and prior accident years, including on captives business, and were reduced in small commercial due to lower than expected claim severity for the 2013 to 2018 accident years.

General liability reserves were increased primarily due to a \$254 increase in reserves for sexual molestation and sexual abuse claims related to cases brought against religious and other organizations that were insureds of the Company, partly offset by a decrease in reserves for other mass torts and extra contractual liability claims. The sexual molestation and sexual abuse exposures may involve potentially long latency periods and may implicate coverage in multiple policy periods, which can raise complex coverage issues with significant effects on the ultimate scope of coverage. This increase in reserves reflects an increase in claim incidence largely due to reviver statutes, which is legislation passed in a number of states that provides an opportunity for claimants to file claims for a period of time despite the fact that the original statute of limitations had expired. The reserve increase in 2020 was principally from claims asserted against the Boy Scouts of America ("Boy Scouts").

In addition, general liability reserve increases on construction account business were largely offset by decreases in ULAE reserves. Reserves were increased for guaranteed cost construction business for accident years 2014 to 2019 as incurred losses are developing higher than previously expected for premises and operations claims and product liability claims, partly due to a change in industry mix and a heavier concentration of losses in California than initially assumed, as well as increased reserves for middle market and complex liability claims for accident year 2018 largely due to higher than expected severity. Also contributing were increases in reserves on primary layer construction account business within global specialty, mainly related to accident years 2015 to 2017, which is included as a component of the change in deferred gain under retroactive reinsurance in the above table.

Marine reserves were increased principally due to an increase in domestic marine liability, mostly in accident years 2017 and 2018 due to a higher number of large losses. The increase in marine reserves is included as a component of the change in deferred gain under retroactive reinsurance in the above table.

Package business reserves decreased for accident years 2014 to 2017 largely due to lower estimates of allocated loss adjustment expenses.

Commercial property reserves were decreased for accident year 2019 due to favorable developments on marine and middle market property claims.

Professional liability reserves were decreased primarily due to lower estimated severity on non-security class action D&O claims and fewer than expected E&O claims with financial institutions for the 2011 to 2018 accident years, partially offset by an increase in D&O reserves for the 2019 accident year driven by higher frequency of class action lawsuits and an increase in large Syndicate D&O losses for the 2016 and 2017 accident years. These Syndicate reserve increases within global specialty are included as a component of the change in deferred gain under retroactive reinsurance in the above table.

Bond reserves were reduced within contract surety driven by both favorable loss development on the 2015 to 2017 accident years and higher than expected loss recoveries on older accident years

Assumed reinsurance reserves were increased for accident year 2018 mostly due to higher accident and health reserve estimates for medical professionals on assumed casualty business. These reserve increases are included as a component of the change in deferred gain under retroactive reinsurance in the above table.

Automobile liability reserves were decreased in Personal Lines principally due to lower than previously expected AARP Direct automobile liability claim severity for the 2017 to 2019 accident years. Automobile liability reserves were increased in Commercial Lines primarily due to higher than expected large losses within middle & large commercial, predominantly within the 2015 to 2019 accident years.

Catastrophes reserves were reduced, primarily due to a reduction in estimated reserves for 2017 and 2018 California wildfires and a reduction in estimated catastrophes for wind and hail events in the 2017 to 2019 accident years, partially offset by an increase in reserves for 2019 typhoons Hagibis and Faxai in Asia. The reduction in reserves for the 2017 and 2018 wildfires was largely due to recognizing a \$289 subrogation benefit in the second quarter of 2020 from PG&E Corporation and Pacific Gas and Electric Company ("PG&E") as well as a reduction in gross estimated losses on those wildfires.

In December, 2019, the judge overseeing the bankruptcy of PG&E approved an \$11 billion settlement of insurance subrogation claims to resolve all such claims arising from the 2017 Northern California wildfires and 2018 Camp wildfire. That settlement was contingent upon, among other things, the judge entering an order confirming PG&E's chapter 11 bankruptcy plan ("PG&E Plan") incorporating the settlement agreement. On June 20, 2020, the bankruptcy court judge approved the PG&E Plan and PG&E subsequently transferred the \$11 billion settlement amount to a trust designed to allocate and distribute the settlement among subrogation holders, including certain of the Company's insurance subsidiaries. In the second quarter of 2020, the Company recorded an estimated \$289 subrogation benefit though the ultimate amount it collects will depend on

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how the Company's ultimate paid claims subject to subrogation compare to other insurers' ultimate paid claims subject to subrogation.

Uncollectible reinsurance reserves were reduced due to higher than expected recoveries from reinsurers in older accident years.

Asbestos and environmental reserves were reviewed in fourth quarter 2020 resulting in a \$218 increase in reserves before ADC reinsurance, including \$127 for asbestos and \$91 for environmental. Of the \$218 increase in A&E reserves, the Company ceded \$220 to the A&E ADC resulting in a net reserve release of \$2. Of the \$220 of adverse development ceded to the A&E ADC, the Company recognized a \$210 deferred gain on retroactive reinsurance, representing the amount of losses ceded to the ADC in excess of ceded premium paid. For additional information related to the adverse development cover with NICO, see the Adverse Development Covers section below and Note 14 - Commitments and Contingencies.

Other reserve re-estimates, net, primarily represents an increase in ULAE reserves in Property & Casualty Other Operations that was largely driven by an increase in gross asbestos and environmental reserves.

Settlement Agreement with Boy Scouts of America

On ~~September 14, 2021~~ February 14, 2022, the Company announced that it entered into executed a new agreement-in-principle final settlement agreement (the "Settlement") with the BSA, related the Local Councils, and the attorneys representing a majority of the alleged victims, pursuant to which The Hartford agreed to pay \$787 for sexual molestation and sexual abuse claims associated with liability policies issued by various Hartford writing companies Writing Companies in the 1970s and early 1980s, with the agreement in-principle including the BSA, its local councils and the representatives of a majority of the sexual abuse claimants. As part of the agreement-in-principle, The Hartford will pay \$787, before tax, for claims associated with these policies, 1980s. In exchange for The Hartford's its payment, the Company receives a complete release of its policies issued to BSA and its local councils will fully release The Hartford from any obligation under policies The Hartford issued to the BSA and its local councils. In addition, the representatives for the claimants joining this agreement-in-principle will support a plan of reorganization which incorporates the settlement.

The agreement-in-principle was reached in connection with the BSA's Chapter 11 bankruptcy and a written settlement agreement (the "Settlement") was executed on February 14, 2022. The Settlement will become final upon the occurrence of certain conditions, including, but not limited to, confirmation of the BSA's plan of reorganization by both the bankruptcy and district courts, receipt of executed releases from the local councils, and approval of the Settlement Local Councils, as part of the confirmation of the BSA's plan of reorganization by the bankruptcy and district courts. On September 8, 2022, the bankruptcy court approved the BSA's plan of reorganization, including the Settlement. The BSA's plan of reorganization is now before the civil district court for approval. Upon civil district court approval, the Company will pay the settlement amount of \$787. However, no assurance can be given that all the well as an injunction against further abuse claims involving BSA. All conditions precedent to the Settlement will be have been satisfied, or that final including approval by the bankruptcy court approval, if obtained, will not be delayed for various procedural reasons.

If and the conditions precedent to district court, and on April 20, 2023, The Hartford paid the Settlement are not satisfied or amount of \$787. Certain objecting parties have appealed the requisite district court's ruling and that appeal is pending before the Third Circuit. If the court approvals for the BSA's plan of reorganization are not obtained, affirmed on appeal, it is possible that adverse outcomes, if any, could have a material adverse effect on the Company's consolidated operating results.

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Adverse Development Covers

The Company has an adverse development cover reinsurance agreement with NICO, a subsidiary of Berkshire Hathaway Inc., to reinsure loss development after 2016 on substantially all of the Company's asbestos and environmental reserves (the "A&E ADC"). Under the A&E ADC, the Company paid a reinsurance premium of \$650 for NICO to assume adverse net loss reserve development up to \$1.5 billion above the Company's existing net A&E reserves as of December 31, 2016 of approximately \$1.7 billion including reserves for A&E exposure for accident years prior to 1986 that are reported in Property & Casualty Other Operations ("Run-off A&E") and reserves for A&E exposure for accident years 1986 and subsequent from policies underwritten prior to 2016 that are reported in ongoing Commercial Lines and Personal Lines. The \$650 reinsurance premium was placed into a collateral trust account as security for NICO's claim payment obligations to the Company. The Company has retained the risk of collection on amounts due from other third-party reinsurers and continues to be responsible for claims handling and other administrative services, subject to certain conditions. The A&E ADC covers substantially all the Company's A&E reserve development up to the reinsurance limit.

Under retroactive reinsurance accounting, net adverse A&E reserve development after December 31, 2016 results in an offsetting reinsurance recoverable up to the \$1.5 billion limit. Cumulative ceded losses up to the \$650 reinsurance premium paid have been recognized as a dollar-for-dollar offset to direct losses incurred. Cumulative ceded losses exceeding the \$650 reinsurance premium paid result in a deferred gain. As of December 31, 2022 December 31, 2023, the Company has incurred \$1,244 \$1,438 in cumulative adverse development on asbestos and environmental reserves that have been ceded under the A&E ADC treaty with NICO with \$256 \$62 of available limit remaining under the A&E ADC. As a result, the Company has recorded a \$594

\$788 deferred gain within other liabilities, representing the difference between the reinsurance recoverable of \$1,244 \$1,438 and ceded premium paid of \$650. The deferred gain is recognized over the claim settlement period in the proportion of the amount of cumulative ceded losses collected from the reinsurer to the estimated ultimate reinsurance recoveries. Consequently, until periods when the deferred gain is recognized as a benefit to earnings, cumulative adverse development of asbestos and environmental claims will result in charges against earnings which may be significant.

Immediately after closing on the acquisition of Navigators Group, effective May 23, 2019, the Company purchased the Navigators ADC, an aggregate excess of loss reinsurance agreement covering adverse reserve development, from NICO on behalf of Navigators Insurance Company and certain of its affiliates (collectively, "Navigators Insurers"). Under the Navigators ADC, the Navigators Insurers paid NICO a reinsurance premium of \$91 in exchange for reinsurance coverage of \$300 of adverse net loss reserve development that attaches \$100 above the Navigators Insurers' existing net loss

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and allocated loss adjustment reserves as of December 31, 2018 subject to the treaty of \$1.816 billion for accidents and losses prior to December 31, 2018.

As of December 31, 2022 December 31, 2023, the Company has recorded a reinsurance recoverable under the Navigators ADC of \$300 as estimated cumulative loss development on the 2018 and prior accident year reserves has exhausted the treaty limit. While the

reinsurance recoverable is \$300, the Company has recorded a \$209 cumulative deferred gain within other liabilities since, under retroactive reinsurance accounting, ceded losses in excess of the \$91 of ceded premium paid must be recognized as a deferred gain. Of the \$209 of cumulative ceded losses in excess of ceded premium paid, \$91 \$0, \$0 and \$102 \$91 were recognized as changes in deferred gain in 2023, 2022 and 2021, and 2020, respectively.

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Reconciliation of Loss Development to Liability for Unpaid Losses and Loss Adjustment Expenses As of December 31, 2022 December 31, 2023

Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		Subtotal
Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		
Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		
Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		
Reserve Line		
Reserve Line		

Reserve Line	Reserve Line	Cumulative								Cumulative					
		Incurring	Cumulative	Unpaid	Unpaid	Unpaid			Liability for	Incurring	Cumulative	Unpaid	Unpaid	Unpaid	
		for	Paid for	for	Unallocated	Losses and			Unpaid	for	Paid for	for	Unallocated	Losses and	
		Accident	Accident	Accident	Loss	Loss			Unpaid	Accident	Accident	Accident	Loss	Loss	
		Years	Years	Years not	Adjustment	Adjustment			Losses and	Years	Years	Years not	Adjustment	Adjustment	
		Displayed	Displayed	Displayed	Expenses,	Expenses, Reinsurance			Loss	Displayed	Displayed	Displayed	Expenses,	Expenses,	Reinsurance
		in	in	in	Net of	Net of and Other			Adjustment	in	in	in	Net of	Net of	and Other
Triangles	Triangles	Triangles	Reinsurance	Discount	Reinsurance	Recoverables	Expenses			Triangles	Triangles	Triangles	Reinsurance	Discount	Reinsurance
Workers' compensation	Workers' compensation	\$ 17,911	\$ (9,516)	\$ 3,295	\$ 372	\$ (333)	\$ 11,729	\$ 1,648	\$ 13,377						
General liability	General liability	7,509	(3,486)	1,238	153	—	5,414	1,070	6,484						
Marine	Marine	1,476	(1,192)	14	14	—	312	266	578						
Package business	Package business	7,218	(5,288)	87	112	—	2,129	72	2,201						
Commercial property	Commercial property	3,922	(3,383)	26	20	—	585	329	914						
Commercial automobile liability	Commercial automobile liability	4,025	(2,824)	22	26	—	1,249	88	1,337						
Commercial automobile physical damage	Commercial automobile physical damage	181	(169)	4	1	—	17	(1)	16						
Professional liability	Professional liability	2,609	(1,403)	67	43	—	1,316	734	2,050						
Bond	Bond	635	(260)	43	34	—	452	15	467						
Assumed Reinsurance	Assumed Reinsurance	1,541	(1,133)	2	4	—	414	50	464						
Personal automobile liability	Personal automobile liability	10,887	(9,584)	31	60	—	1,394	23	1,417						
Personal automobile physical damage	Personal automobile physical damage	1,288	(1,250)	6	4	—	48	—	48						
Homeowners	Homeowners	6,063	(5,728)	3	36	—	374	8	382						
Other ongoing business	Other ongoing business			178	6	(14)	170	333	503						
Asbestos and environmental [1]	Asbestos and environmental [1]			495	—	—	495	1,789	2,284						
Other operations [1]	Other operations [1]			362	158	—	520	41	561						
Total P&C	Total P&C	\$ 65,265	\$ (45,216)	\$ 5,873	\$ 1,043	\$ (347)	\$ 26,618	\$ 6,465	\$ 33,083						

[1]Asbestos and environmental and other operations include asbestos, environmental and other latent exposures not foreseen when coverages were written, including, but not limited to, potential liability for pharmaceutical products, silica, talcum powder, head injuries, lead paint, construction defects, sexual molestation and sexual abuse and other long-tail liabilities. These reserve lines do not have significant paid or incurred loss development for the most recent ten accident years and therefore do not have loss development displayed in triangles.

The reserve lines in the above table and the loss triangles that follow represent the significant lines of business for which the Company regularly reviews the appropriateness of reserve levels. These reserve lines differ from the reserve lines reported on a statutory basis, as prescribed by the National Association of Insurance Commissioners ("NAIC"). The cumulative incurred losses displayed in the above table include the full reinsurance benefit of ceding \$300 of losses to the Navigators ADC even though \$209 of that benefit has been recorded as a deferred gain within other liabilities. The \$300 of Navigators Insurers losses ceded to the Navigators ADC and reflected in the following triangles include \$95 for professional liability, \$105 \$105 for general liability, \$38 for marine, \$27 for assumed reinsurance, \$14 for commercial automobile, \$3 for commercial property, and \$1 for bond. The triangles do not include \$17of \$17 of losses ceded to the Navigators ADC related to older accident years and lines of business not in the triangles.

estimates for Navigators Insurers' reserves, changes in reserve development evident in the incurred loss triangles may differ from prior accident year development ("PYD") recorded by the Company as shown in the (Favorable) Unfavorable Prior Accident Year Development table above as that only includes changes in Navigators Insurers' reserves post acquisition. In addition, the incurred loss triangles include reserve development on both catastrophe and non-catastrophe claims whereas the (Favorable) Unfavorable Prior Accident Year Development table above shows the total amount of catastrophe reserve development across all lines of business on a single line.

The following loss triangles present historical loss development for incurred and paid claims by accident year, including loss development on Navigators Insurers reserves prior to and after the May 23, 2019 acquisition date. Because the loss triangles include pre-acquisition date changes in ultimate incurred loss

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Triangles are limited to the number of years for which claims incurred typically remain outstanding, not exceeding ten years. Short-tail lines, which represent claims generally expected to be paid within a few years, have three years of claim development displayed. Incurred but not reported ("IBNR") IBNR reserves shown in loss triangles include reserves for incurred but not reported

claims as well as reserves for expected development on reported claims. Incurred and cumulative paid losses in currencies other than the U.S. dollar have been converted into U.S. dollars using the exchange rates as of December 31, 2022 December 31, 2023.

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Workers' Compensation

Incurred Losses & Allocated Loss Adjustment Expense
Net of Reinsurance

For the years ended December 31,													
(Unaudited)													
For the years ended December 31,													
(Unaudited)													
(Unaudited)													
(Unaudited)													
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported
	2013	\$2,020	\$1,981	\$1,920	\$1,883	\$1,861	\$1,861	\$1,850	\$1,831	\$1,811	\$1,809	\$337	151,592
Accident Year													
Accident Year													
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 Reserves Reported													
2014	2014		1,869	1,838	1,789	1,761	1,713	1,692	1,679	1,654	1,637	353	126,371
2015	2015			1,873	1,835	1,801	1,724	1,714	1,699	1,667	1,645	376	114,224
2016	2016				1,772	1,772	1,780	1,767	1,748	1,708	1,670	419	112,486
2017	2017					1,862	1,869	1,840	1,822	1,757	1,665	504	112,070
2018	2018						1,916	1,917	1,915	1,904	1,870	608	119,284
2019	2019							1,937	1,935	1,934	1,934	722	120,104
2020	2020								1,865	1,864	1,849	937	91,187
2021	2021									1,831	1,832	1,012	100,954
2022	2022										2,000	1,414	105,013

2023											
Total	Total	\$17,911									

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,											
(Unaudited)											
For the years ended December 31,											
(Unaudited)											
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$304	\$675	\$917	\$1,071	\$1,175	\$1,260	\$1,304	\$1,339	\$1,361	\$1,382	
Accident Year											
Accident Year	Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	2014	275	598	811	960	1,041	1,099	1,137	1,167	1,191	
2015	2015		261	576	778	909	1,004	1,068	1,117	1,151	
2016	2016			255	579	779	908	1,003	1,064	1,110	
2017	2017				261	575	778	900	977	1,035	
2018	2018					283	624	837	983	1,090	
2019	2019						291	637	856	1,007	
2020	2020							223	507	695	
2021	2021								254	562	
2022	2022									293	
2023											
Total	Total	\$9,516									

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

General Liability

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,														
(Unaudited)														
For the years ended December 31,														
(Unaudited)														
(Unaudited)														
(Unaudited)														
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported	
		2013	\$455	\$442	\$456	\$484	\$488	\$502	\$505	\$508	\$500	\$503	\$36	15,217
Accident Year														
Accident Year	Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claims Reported	
2014	2014		506	475	481	494	513	522	515	505	510	50	16,445	
2015	2015			556	560	554	594	633	647	637	647	67	16,621	
2016	2016				613	583	607	632	632	620	636	58	17,666	
2017	2017					626	614	613	615	613	615	105	17,168	
2018	2018						692	669	697	703	728	212	18,502	
2019	2019							822	827	822	840	379	17,914	

2020	2020	938	923	923	625	13,204
2021	2021	1,002	991	804	10,791	
2022	2022		1,116	1,045	8,186	
2023						
Total	Total			\$7,509		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,																						
(Unaudited)																						
For the years ended December 31,												For the years ended December 31,										
(Unaudited)																						
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022											
		2013	\$ 13	\$ 53	\$ 141	\$ 233	\$ 320	\$ 372	\$ 398	\$ 422	\$ 442	\$ 457										
Accident Year																						
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2014	2014		15	42	130	214	304	358	402	423	437											
2015	2015			10	55	156	278	409	477	524	547											
2016	2016				12	52	131	283	368	446	513											
2017	2017					15	67	156	255	344	441											
2018	2018						21	83	177	288	409											
2019	2019							29	100	192	339											
2020	2020								45	110	202											
2021	2021									34	115											
2022	2022										26											
2023																						
Total	Total											\$ 3,486										

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Marine

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,																									
(Unaudited)																									
For the years ended December 31,																									
(Unaudited)																									
(Unaudited)																									
(Unaudited)																									
	IBNR																								
Accident	Accident											Reserves	Claims												
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	[1]	Reported												
		2013	\$147	\$151	\$133	\$134	\$138	\$133	\$136	\$138	\$137	\$ 137	\$ (2)	7,362											
Accident Year																									
														IBNR										Claims	
Accident Year														2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Reserves [1]	Reported
2014	2014		162	158	155	162	161	166	164	168	167	3	7,493												
2015	2015			157	144	144	146	131	136	137	140	1	10,353												
2016	2016				138	141	136	145	147	144	146	(15)	13,592												

2017	2017	159	185	172	171	177	180	(5)	16,109
2018	2018		143	159	152	159	165	(16)	14,165
2019	2019			143	141	139	134	3	8,562
2020	2020				149	141	137	12	5,019
2021	2021					129	128	40	4,847
2022	2022						142	83	3,549
2023									
Total	Total								\$1,476

[1]Contributing to the negative IBNR reserves for some accident years is a lag in the timing of expected reinsurance recoveries under the Navigators ADC with NICO. Recoveries from NICO will not be collected until the Company has cumulative loss payments for all covered lines of more than the attachment point.

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,											
(Unaudited)											
For the years ended December 31,											
(Unaudited)											
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2013	\$41	\$81	\$99	\$110	\$117	\$119	\$124	\$131	\$132	\$133
Accident Year											
Accident Year											
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023											
2014	2014	40	80	115	129	149	154	157	159	162	
2015	2015		39	84	114	124	132	138	139	140	
2016	2016			35	79	104	120	130	138	141	
2017	2017				47	109	140	151	160	172	
2018	2018					36	103	137	146	154	
2019	2019						35	82	100	110	
2020	2020							31	68	90	
2021	2021								25	63	
2022	2022									27	
2023											
Total	Total										\$1,192

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Package Business

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,											
(Unaudited)											
For the years ended December 31,											
(Unaudited)											
(Unaudited)											
(Unaudited)											
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2013	\$579	\$565	\$573	\$585	\$586	\$592	\$586	\$587	\$583	\$582
Accident Year											
Reserves Reported											
		20									43,716

Accident Year													2014 2015 2016 2017 2018 2019 2020 2021 2022 2023										IBNR	Claims
																					Reserves	Reported		
2014	2014	566	578	601	602	603	603	593	581	576	24	43,483												
2015	2015		582	588	585	583	588	581	567	564	22	42,330												
2016	2016			655	638	632	625	611	595	591	36	44,224												
2017	2017				695	702	692	657	644	637	48	46,771												
2018	2018					719	724	688	667	655	78	45,088												
2019	2019						813	769	749	744	116	43,573												
2020	2020							915	893	877	245	62,208												
2021	2021								946	954	309	46,012												
2022	2022									1,038	532	37,966												
2023																								
Total	Total	\$7,218																						

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)																							
For the years ended December 31, (Unaudited)												For the years ended December 31,											
Accident	Accident																						
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022												
2013		\$225	\$339	\$414	\$467	\$504	\$522	\$541	\$549	\$552	\$ 556												
Accident Year																							
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
2014	2014		226	345	416	468	507	525	535	542	545												
2015	2015			212	332	383	445	486	505	513	530												
2016	2016				225	353	410	465	500	521	540												
2017	2017					235	372	447	496	534	561												
2018	2018						237	402	451	498	537												
2019	2019							254	413	488	571												
2020	2020								326	493	573												
2021	2021									368	556												
2022	2022										319												
2023																							
Total	Total											\$5,288											

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Commercial Property

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,													
(Unaudited)													
For the years ended December 31,													
(Unaudited)													
(Unaudited)													
(Unaudited)													
Accident	Accident											IBNR	Claims
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Reserves	Reported

	2013	\$267	\$252	\$254	\$252	\$249	\$247	\$247	\$247	\$247	\$	247	\$	—	21,690
Accident Year															
Accident Year															
2014	2014		293	281	282	279	279	280	280	279	279		(1)		21,119
2015	2015			298	301	302	301	305	303	301	301		1		21,143
2016	2016				405	418	398	405	407	407	404		—		24,085
2017	2017					576	515	455	438	440	437		2		24,719
2018	2018						450	436	423	403	400		4		21,907
2019	2019							480	439	418	420		(3)		21,098
2020	2020								501	468	439		64		20,511
2021	2021									530	499		74		18,188
2022	2022										496		183		15,326
2023															
Total	Total											\$3,922			

													Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance												
For the years ended December 31,																									
(Unaudited)																									
For the years ended December 31,													For the years ended December 31,												
(Unaudited)																									
Accident	Accident																								
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022														
	2013	\$161	\$223	\$238	\$243	\$242	\$244	\$245	\$245	\$244	\$	244													
Accident Year																									
Accident Year													2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2014	2014		170	250	270	279	279	279	280	280															
2015	2015			178	257	284	295	301	303	301	301														
2016	2016				214	341	377	394	400	405	405														
2017	2017					228	377	411	426	432	438														
2018	2018						187	344	378	385	393														
2019	2019							215	351	383	405														
2020	2020								221	336	355														
2021	2021									241	382														
2022	2022										180														
2023																									
Total	Total												\$3,383												

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Commercial Automobile Liability

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,	
(Unaudited)	
For the years ended December 31,	
(Unaudited)	
(Unaudited)	

(Unaudited)													
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported
2013		\$311	\$318	\$334	\$341	\$340	\$339	\$336	\$334	\$333	\$ 332	\$ 5	34,172
Accident Year													
Accident Year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claims Reported
2014	2014		309	317	331	337	341	334	333	332		5	30,096
2015	2015			308	358	372	356	356	359	360	358	7	28,587
2016	2016				385	393	390	391	391	395	395	7	29,201
2017	2017					372	383	379	383	381	394	4	26,384
2018	2018						349	396	405	406	424	27	24,733
2019	2019							425	439	450	460	61	28,473
2020	2020								428	424	419	149	21,963
2021	2021									440	443	252	19,623
2022	2022										468	341	17,849
2023													
Total	Total										\$4,025		

Cumulative Paid Losses & Allocated Loss Adjustment Expense, Net of Reinsurance

For the years ended December 31												
(Unaudited)												
For the years ended December 31												
(Unaudited)												
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
		2013	\$ 62	\$ 130	\$ 202	\$ 259	\$ 295	\$ 311	\$ 320	\$ 323	\$ 324	\$ 326
Accident Year												
Accident Year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2014	2014		59	131	197	252	299	309	318	320	325	
2015	2015			62	142	207	267	314	335	344	348	
2016	2016				65	147	232	303	339	357	379	
2017	2017					60	134	211	285	328	368	
2018	2018						62	153	238	305	360	
2019	2019							67	160	247	327	
2020	2020								55	119	200	
2021	2021									55	127	
2022	2022										64	
2023												
Total	Total										\$ 2,824	

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Commercial Automobile Physical Damage

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,

(Unaudited)									
Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance									
Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance									
For the years ended									
December 31,									
(Unaudited)									
(Unaudited)									
(Unaudited)									
Accident Year									
Accident Year									
Accident Year	Accident Year	2020	2021	2022	IBNR Reserves	Claims Reported	2021	2022	2023
		\$ 51	\$ 51	\$ 50	\$ 1	14,727			
2021									
2021									
2021	2021		58	62	1	15,436			
2022	2022			69	4	15,100			
2023									
Total	Total			\$ 181					

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)										For the years ended December 31,									
Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance																			
Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance																			
For the years ended December 31, (Unaudited)										For the years ended December 31,									
Accident Year																			
Accident Year																			
Accident Year	Accident Year	2020	2021	2022	2021	2022	2023												
	2020	\$ 45	\$ 50	\$ 49															
	2021																		
	2021																		
2021	2021		51	61															
2022	2022			59															
2023																			
Total	Total			\$ 169															

For the years ended December 31,															
(Unaudited)															
For the years ended December 31,															
(Unaudited)															
(Unaudited)															
(Unaudited)															
Claims Made	Claims Made												IBNR Reserves	Claims Reported	
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
		2013	\$207	\$195	\$186	\$174	\$173	\$171	\$170	\$168	\$165	\$11	\$5,983		
Claims Made Year															
Claims Made Year														IBNR Reserves [1]	Claims Reported
2014	2014		187	183	181	177	178	181	181	172	168	9	6,740		
2015	2015			164	174	179	189	212	205	198	195	(3)	7,254		
2016	2016				183	176	202	195	193	194	192	13	8,421		
2017	2017					205	202	230	224	238	242	37	9,527		
2018	2018						247	278	274	274	269	24	10,138		
2019	2019							297	315	333	350	115	9,809		
2020	2020								369	364	337	185	7,945		
2021	2021									339	343	262	6,728		
2022	2022										348	306	5,896		
2023															
Total	Total	\$2,609													

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,																								
(Unaudited)																								
For the years ended December 31,												For the years ended December 31,												
(Unaudited)																								
Claims Made	Claims Made																							
Year	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022													
		2013	\$10	\$44	\$67	\$87	\$116	\$131	\$137	\$142	\$147	\$148												
Claims Made	Year																							
Claims Made	Year																							
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023													
2014	2014		7	38	74	107	130	134	146	145	150													
2015	2015			9	40	85	107	124	140	163	174													
2016	2016				8	50	88	110	123	146	165													
2017	2017					11	48	87	122	150	179													
2018	2018						15	72	128	163	197													
2019	2019							21	77	148	199													

2020	2020	19	71	118
2021	2021		15	55
2022	2022			18
2023				
Total	Total			\$1,403

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Bond

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,													
(Unaudited)													
For the years ended December 31,													
(Unaudited)													
(Unaudited)													
(Unaudited)													
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported
	2013	\$ 64	\$ 58	\$ 55	\$ 48	\$ 49	\$ 39	\$ 35	\$ 34	\$ 34	\$ 29	\$ 9	1,470
Accident Year													

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,												
(Unaudited)												
For the years ended December 31,												
(Unaudited)												
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
2013	\$3	\$9	\$17	\$19	\$19	\$20	\$20	\$20	\$20	\$20		
Accident Year												
Accident Year												
2014	2014	18	31	40	43	43	44	46	47	52		
2015	2015		9	20	24	31	34	32	30	25		
2016	2016			2	12	15	20	22	22	22		
2017	2017				5	46	55	54	42	43		

2018	2018	6	16	23	24	29
2019	2019	3	13	15	16	
2020	2020		4	12	21	
2021	2021			8	21	
2022	2022				11	
2023						
Total	Total					\$260

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Assumed Reinsurance

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,														
(Unaudited)														
For the years ended December 31,														
(Unaudited)														
(Unaudited)														
(Unaudited)														
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves [1]	Claims Reported	
2013	\$115	\$119	\$102	\$105	\$102	\$102	\$103	\$103	\$103	\$103	\$103	\$ —	1,668	
2014	2014	119	142	121	118	115	116	116	115	115	115	(1)	1,814	
2015	2015		102	91	94	94	95	96	95	95	95	—	1,585	
2016	2016			88	90	98	100	101	101	102	102	(5)	1,766	
2017	2017				129	153	161	156	152	155	155	(2)	2,213	
2018	2018					128	126	128	133	135	135	(14)	2,412	
2019	2019						181	188	185	189	189	19	2,804	
2020	2020							183	180	186	186	55	2,157	
2021	2021								191	195	195	49	1,484	
2022	2022									266	266	154	712	
2023														
Total	Total										\$1,541			

[1] Contributing to the negative IBNR reserves for some accident years is a lag in the timing of expected reinsurance recoveries under the Navigators ADC with NICO. Recoveries from NICO will not be collected until the Company has cumulative loss payments for all covered lines of more than the attachment point.

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,														
(Unaudited)														
For the years ended December 31,													For the years ended December 31,	
(Unaudited)														
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
2013	\$53	\$83	\$91	\$98	\$100	\$101	\$102	\$102	\$103	\$103	\$103			
2014	2014													
2015	2015													
2016	2016													
2017	2017													
2018	2018													
2019	2019													
2020	2020													
2021	2021													
2022	2022													
2023														
Total	Total													

1

Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2013	\$442	\$816	\$1,002	\$1,091	\$1,121	\$1,135	\$1,142	\$1,144	\$1,148	\$1,149
Accident Year											
Accident Year											
	2014		430	843	1,032	1,125	1,165	1,182	1,186	1,190	1,192
	2015			475	935	1,142	1,243	1,292	1,304	1,310	1,313
	2016				505	968	1,188	1,308	1,345	1,363	1,373
	2017					441	836	1,033	1,123	1,161	1,180
	2018						359	710	888	965	1,011
	2019							323	654	816	897
	2020								238	486	615
	2021									247	553
	2022										301
2023											
Total	Total	\$9,584									

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Personal Automobile Physical Damage

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)											
Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance											
Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance											
For the years ended December 31, (Unaudited)											
Accident Year											
Accident Year											
Accident Year	Accident Year	2020	2021	2022	IBNR Reserves	Claims Reported	2021	2022	2023	IBNR Reserves	Claims Reported
	2020	\$349	\$346	\$ 342	\$ 1	211,066					
2021											
2021											
	2021		412	413	2	225,425					
	2022			533	(5)	224,117					
2023											
Total	Total	\$1,288									

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)											
Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance											
Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance											
For the years ended December 31, (Unaudited)						For the years ended December 31,					
Accident Year											
Accident Year											
Accident Year	Accident Year	2020	2021	2022	2021	2022	2023				
2020		\$333	\$341	\$ 341							
2021											
2021											
2021	2021		388	411							
2022	2022			498							
2023											
Total	Total			\$1,250							

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Homeowners

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)													
For the years ended December 31, (Unaudited)													
For the years ended December 31, (Unaudited)													
For the years ended December 31, (Unaudited)													
Accident Year	Accident	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported
		\$673	\$638	\$637	\$634	\$632	\$630	\$629	\$630	\$629	\$ 629	\$ 1	113,556
Accident Year													
Accident Year													
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 IBNR Reserves Claims Reported													
2014	2014		710	707	702	700	698	698	698	698	698	—	121,927
2015	2015			690	703	690	684	684	684	684	684	1	120,010
2016	2016				669	673	663	658	658	658	658	1	119,810
2017	2017					866	889	884	783	775	774	7	124,761
2018	2018						903	910	673	642	639	(1)	102,870
2019	2019							501	475	470	468	6	84,721
2020	2020								525	512	513	20	88,347
2021	2021									502	501	28	76,720

2022	2022	499	113	57,936
2023				
Total	Total	\$6,063		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,																								
(Unaudited)																								
For the years ended December 31,												For the years ended December 31,												
(Unaudited)																								
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022													
		2013	\$467	\$590	\$611	\$622	\$626	\$627	\$628	\$628	\$628	\$ 629												
Accident Year																								
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2014	2014		526	663	684	691	695	697	697	698	698													
2015	2015			487	645	665	674	680	681	681	682													
2016	2016				481	621	640	649	653	655	656													
2017	2017					538	747	795	757	761	762													
2018	2018						484	712	616	619	627													
2019	2019							318	425	445	458													
2020	2020								335	454	478													
2021	2021									305	440													
2022	2022										298													
2023																								
Total	Total											\$5,728												

Property and casualty reserves, including IBNR

The Company estimates ultimate losses and allocated loss adjustment expenses ("ALAE") by accident year. IBNR represents the excess of estimated ultimate loss reserves over case reserves. The process to estimate ultimate losses and loss adjustment expenses is an integral part of the Company's reserve setting. Reserves for allocated ALAE and unallocated loss adjustment expenses ULAE are generally established separate from the reserves for losses.

Reserves for losses are set by line of business within the reporting segments. Case reserves are established by a claims handler on each individual claim and are adjusted as new information becomes known during the course of handling the claim. Lines of business for which reported losses emerge over a long period of time are referred to as long-tail lines of

more quickly are referred to as short-tail lines of business. The Company's shortest tail lines of business are homeowners, commercial property and automobile physical damage. The longest tail lines of business include workers' compensation, general liability and professional liability. For short-tail lines of business, emergence of paid loss and case reserves is credible and likely indicative of ultimate losses. For long-tail lines of business, emergence of paid losses and case reserves is less credible in the early periods after a given accident year and, accordingly, may not be indicative of ultimate losses.

The Company's reserving actuaries regularly review reserves for both current and prior accident years using the most current claim data. A variety of actuarial methods and judgments are used for most lines of business to arrive at selections of estimated ultimate losses and loss adjustment expenses. The

business. Lines of business for which reported losses emerge

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

estimated ultimate losses and loss adjustment expenses. The reserve selections incorporate input, as appropriate, from claims personnel, pricing actuaries and operating management about reported loss cost trends and other factors that could affect the reserve estimates.

For both short-tail and long-tail lines of business, an expected loss ratio ("ELR") is used to record initial reserves. This ELR is determined by starting with the average loss ratio of recent prior accident years and adjusting that ratio for the effect of expected changes to earned pricing, loss frequency and severity, mix of business, ceded reinsurance and other factors. For short-tail lines, IBNR for the current accident year ("CAY") is initially recorded as the product of the ELR for the period, earned premium for the period and the proportion of losses expected to be reported in future calendar periods for the current accident period. For long-tailed lines, IBNR reserves for the current accident year are initially recorded as the product of the ELR for the period and the earned premium for the period, less reported losses for the period. For certain short-tailed lines of business, including commercial property, homeowners, and automobile physical damage, IBNR amounts in the above loss development triangles are negative in certain accident years due to anticipated salvage and subrogation recoveries on paid losses.

As losses for a given accident year emerge or develop in subsequent periods, reserving actuaries use other methods to estimate ultimate unpaid losses in addition to the ELR method. These primarily include paid and reported loss development methods, frequency/severity techniques and the Bornhuetter-Ferguson method (a combination of the ELR and paid development or reported development method). Within any one line of business, the methods that are given more weight vary based primarily on the maturity of the accident year, the mix of business and the particular internal and external influences impacting the claims experience or the methods. The output of the reserve reviews are reserve estimates that are referred to as actuarial indications.

Paid development and reported development techniques are used for most lines of business though more weight is given to the reported development method for some of the long-tailed lines like general liability. In addition, for long-tailed lines of business, the Company relies on the ELR method for immature accident years. Frequency/severity techniques are used predominantly for professional liability and are also used for automobile liability. The Berquist-Sherman technique is also

deemed more predictive of ultimate unpaid losses and loss adjustment expenses. The Company does not produce a statistical range or confidence interval of reserve estimates and, since reserving methods with more credibility are given greater weight, the selected best estimate may differ from the mid-point of the various estimates produced by the actuarial methods used.

Cumulative number of reported claims

For most property and casualty lines, claim counts represent the number of claim features on a reported claim where a claim feature is each separate coverage for each claimant affected by the claim event. For example, one car accident that results in two bodily injury claims and one automobile damage liability claim would be counted as three claims within the personal automobile liability triangle. Similarly, a fire that impacts one commercial building may result in multiple claim features due to the potential for claims related to business interruption, structural damage, and loss of the physical contents of the building. Claim features that result in no paid losses are included in the reported claim counts. For some property and casualty lines, such as marine and assumed reinsurance, a claim count represents each reported claim regardless of the number of features. For assumed bordereau business and business written on binders, one claim count is posted for each bordereau received, which could account for multiple claims.

used for automobile liability, marine and assumed reinsurance. For most lines, reserves for allocated loss adjustment expenses ("ALAE"), ALAE, or those expenses related to specific claims) are analyzed using paid development techniques and an analysis of the relationship between ALAE and loss payments. For most of the lines acquired through the Navigators Group book of business, loss and ALAE are reviewed on a combined basis. Reserves for ULAE are determined using the expected cost per claim year and the anticipated claim closure pattern as well as the ratio of paid ULAE to paid losses.

The recorded reserve for losses and loss adjustment expenses represents the Company's best estimate of the ultimate settlement amount of unpaid losses and loss adjustment expenses. In applying judgment, the best estimate is selected after considering the estimates derived from a number of actuarial methods, giving more weight to those methods

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance [1]

(Unaudited)																						
(Unaudited)																						
Reserve Line																						
Reserve Line																						
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th			2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Reserve Line	Reserve Line	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	1st Year		Year	Year	Year	Year	Year	Year	Year	Year	Year

Workers' compensation	Workers' compensation	15.1 %	18.4 %	12.0 %	8.0 %	5.4 %	3.8 %	2.6 %	2.0 %	1.3 %	1.2 %	Workers' compensation	14.9 %	18.4 %	12.0 %	8.2 %	5.6 %	3.8 %	2.8 %	2.1 %	1.6 %	1.0 %
General liability	General liability	2.8 %	7.5 %	13.9 %	18.0 %	16.6 %	11.9 %	7.9 %	4.2 %	3.4 %	2.8 %	General liability	2.7 %	7.6 %	12.7 %	16.7 %	16.6 %	12.3 %	9.0 %	5.1 %	2.7 %	3.9 %
Marine	Marine	24.2 %	31.3 %	17.5 %	7.7 %	6.4 %	4.1 %	2.0 %	2.7 %	1.0 %	0.6 %	Marine	23.1 %	31.8 %	18.0 %	7.2 %	6.7 %	6.0 %	2.3 %	1.5 %	0.8 %	0.4 %
Package business	Package business	36.8 %	21.1 %	10.3 %	9.2 %	6.4 %	3.4 %	2.4 %	1.9 %	0.5 %	0.7 %	Package business	36.7 %	22.3 %	10.0 %	9.1 %	6.6 %	3.9 %	2.2 %	1.7 %	1.3 %	1.1 %
Commercial property	Commercial property	52.4 %	30.1 %	7.4 %	3.4 %	1.1 %	0.8 %	0.1 %	— %	— %	— %	Commercial property	50.9 %	32.1 %	7.2 %	3.5 %	1.2 %	0.6 %	0.1 %	0.1 %	— %	— %
Commercial automobile liability	Commercial automobile liability	15.4 %	19.7 %	19.9 %	17.2 %	11.8 %	5.8 %	3.4 %	0.9 %	0.8 %	0.5 %	Commercial automobile liability	14.7 %	19.9 %	19.6 %	16.9 %	12.3 %	6.0 %	3.8 %	1.1 %	1.0 %	0.9 %
Commercial automobile physical damage	Commercial automobile physical damage	85.3 %	12.7 %	(0.4 %)																		
Professional liability	Professional liability	5.0 %	17.4 %	18.6 %	13.9 %	11.7 %	8.7 %	8.1 %	2.7 %	3.2 %	0.3 %											
Professional liability	Professional liability																					
Bond	Bond	11.3 %	22.6 %	12.3 %	6.1 %	0.4 %	(0.4 %)	(0.1 %)	(2.9 %)	4.1 %	(1.1 %)	Bond	11.7 %	24.9 %	9.4 %	6.8 %	0.3 %	(0.4 %)	(0.5 %)	(5.5 %)	4.0 %	— %
Assumed Reinsurance	Assumed Reinsurance	34.1 %	36.0 %	9.9 %	5.1 %	3.5 %	1.6 %	1.4 %	0.3 %	0.4 %	0.2 %	Assumed Reinsurance	30.4 %	35.4 %	10.8 %	5.5 %	4.6 %	1.8 %	1.3 %	1.1 %	0.5 %	0.3 %
Personal automobile liability	Personal automobile liability	34.1 %	33.5 %	16.2 %	7.8 %	3.3 %	1.3 %	0.6 %	0.2 %	0.3 %	0.1 %	Personal automobile liability	33.2 %	34.2 %	16.4 %	8.0 %	3.5 %	1.4 %	0.5 %	0.3 %	0.2 %	0.1 %
Personal automobile physical damage	Personal automobile physical damage	94.9 %	4.0 %	(0.1 %)																		
Homeowners	Homeowners	69.3 %	24.4 %	1.6 %	0.5 %	0.7 %	0.2 %	0.1 %	— %	0.1 %	— %											
Homeowners	Homeowners																					
Homeowners	Homeowners	68.7 %	25.7 %	1.8 %	0.5 %	0.7 %	0.1 %	0.1 %	— %	— %	— %											

[1]Negative percentages are generally due to salvage, subrogation or other recoveries.

GROUP LIFE, DISABILITY AND ACCIDENT PRODUCTS

Rollforward of Liabilities for Unpaid Losses and Loss Adjustment Expenses

		For the years ended December 31,					
		2022	2021	2020			
		For the years ended December 31,			For the years ended December 31,		
		2023	2023	2022	2021		
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$8,210	\$8,233	\$8,256			
Reinsurance recoverables	Reinsurance recoverables						
[1]		245	237	247			
Reinsurance recoverables	Reinsurance recoverables						

Beginning liabilities for unpaid losses and loss adjustment expenses, net	Beginning liabilities for unpaid losses and loss adjustment expenses, net	7,965	7,996	8,009
Provision for unpaid losses and loss adjustment expenses	Provision for unpaid losses and loss adjustment expenses			
Current incurral year	Current incurral year	4,853	5,021	4,511
Current incurral year				
Current incurral year				
Prior year's discount accretion	Prior year's discount accretion	202	201	209
Prior incurral year development [2]		(381)	(458)	(445)
Total provision for unpaid losses and loss adjustment expenses [3]		4,674	4,764	4,275
Prior incurral year development [1]				
Total provision for unpaid losses and loss adjustment expenses [2]				
Payments	Payments			
Current incurral year				
Current incurral year				
Current incurral year	Current incurral year	(2,456)	(2,631)	(2,288)
Prior incurral years	Prior incurral years	(2,268)	(2,164)	(2,000)
Total payments	Total payments	(4,724)	(4,795)	(4,288)
Ending liabilities for unpaid losses and loss adjustment expenses, net	Ending liabilities for unpaid losses and loss adjustment expenses, net	7,915	7,965	7,996
Reinsurance recoverables	Reinsurance recoverables	245	245	237

Ending liabilities for unpaid losses and loss adjustment expenses, gross	Ending liabilities for unpaid losses and loss adjustment expenses, gross			
		\$8,160	\$8,210	\$8,233

[1] Includes a cumulative effect adjustment of \$(1) in 2020 representing an adjustment to the ACL recorded on adoption of accounting guidance for credit losses on January 1, 2020. See Note 1 - Basis of Presentation and Significant Accounting Policies.

[2] Prior incurrence year development represents the change in estimated ultimate incurred losses and loss adjustment expenses for prior incurrence years on a discounted basis.

[3] [2] Includes unallocated loss adjustment expenses of \$182, \$185, \$179, and \$178 \$179 for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively, that are recorded in insurance operating costs and other expenses in the Consolidated Statements of Operations.

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Group Life, Disability and Accident Products Reserves, Net of Reinsurance, that are Discounted

		For the years ended December 31,						
		2022	2021	2020				
		For the years ended December 31,			For the years ended December 31,			
		2023				2023	2022	2021
Liability for unpaid losses and loss adjustment expenses, at undiscounted amounts	Liability for unpaid losses and loss adjustment expenses, at undiscounted amounts	\$ 8,124	\$ 8,176	\$ 8,380				
Amount of discount	Amount of discount	(1,205)	(1,304)	(1,353)				
Carrying value of liability for unpaid losses and loss adjustment expenses	Carrying value of liability for unpaid losses and loss adjustment expenses	\$ 6,919	\$ 6,872	\$ 7,027				
Weighted average discount rate	Weighted average discount rate	3.2 %	3.3 %	3.4 %	Weighted average discount rate	3.2 %	3.2 %	3.3 %
Range of discount rate	Range of discount rate	2.1 % - 8.0 %	2.1 % - 8.0 %	2.1 % - 8.0 %	Range of discount rate	2.1 % - 8.0 %	2.1 % - 8.0 %	2.1 % - 8.0 %

Reserves are discounted at rates in effect at the time claims were incurred, ranging from 2.1% for life and disability reserves acquired from Aetna based on interest rates in effect at the acquisition date of November 1, 2017, to 8.0% for the Company's pre-acquisition reserves for incurral year 1990, and vary by product. Prior year's discount accretion has been calculated as the average reserve balance for the year times the weighted average discount rate.

2023 re-estimates of prior incurral year reserves

Group disability- Prior period reserve estimates decreased by approximately \$457 largely driven by group long-term disability claim incidence lower than prior assumptions and strong recoveries on prior incurral year claims.

Group life and accident (including group life premium waiver)- Prior period reserve estimates decreased by approximately \$36 largely driven by continued low incidence in group life premium waiver.

Supplemental Accident & Health- Prior period reserve estimates decreased by approximately \$9 driven by lower than previously expected claim incidence.

2022 re-estimates of prior incurral year reserves

Group disability- Prior period reserve estimates decreased by approximately \$325 largely driven by group long-term disability claim incidence lower than prior assumptions, strong recoveries on prior incurral year claims and higher estimated claim termination rates.

Group life and accident (including group life premium waiver)- Prior period reserve estimates decreased by approximately \$65 largely driven by lower-than-previously expected claim incidence in both group life premium waiver and group accidental death and dismemberment.

Supplemental Accident & Health- Prior period reserve estimates decreased by approximately \$10 driven by lower-than-previously expected claim incidence during the pandemic.

2020 re-estimates of prior incurral year reserves

Group disability- Prior period reserve estimates decreased by approximately \$365 largely driven by group long-term disability lower claim incidence and higher recoveries on prior incurral year claims, and a New York Paid Family Leave risk adjustment benefit.

Group life and accident (including group life premium waiver)- Prior period reserve estimates decreased by approximately \$65 largely driven by lower-than-previously expected claim incidence in both group life premium waiver, waiver and group accidental loss of life and severe injury benefits.

Supplemental Accident & Health- Prior period reserve estimates decreased by approximately \$15 \$10 driven by lower-than-expected emergence of prior year claims, especially for voluntary critical illness and voluntary accident products.

Group life and accident (including group life premium waiver)- Prior period reserve estimates decreased by approximately \$50 largely driven by continued low incidence in group life premium waiver as well as a reduction in estimated excess the estimation of high level of mortality losses incurred in fourth quarter 2021.

Supplemental Accident & Health- Prior period reserve estimates decreased by approximately \$6 driven by lower-than-previously expected claim incidence.

2021 re-estimates of prior incurral year reserves

Group disability- Prior period reserve estimates decreased by approximately \$380 largely driven by group long-term disability claim incidence lower than prior assumptions together with strong recoveries on prior incurral year claims, and by a New York Paid Family Leave risk adjustment benefit.

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reconciliation of Loss Development to Liability for Unpaid Losses and Loss Adjustment Expenses as of December 31, 2022 December 31, 2023

Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		Subtotal
Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance		
Reserve Line		
Reserve Line		

		Cumulative		Cumulative	Unpaid	Unpaid	Unpaid			Cumulative	Cumulative	Unpaid	Unpaid	Unpaid
		Incurred	Paid for	for	Unallocated	Losses and		Liability for	Incurred	Paid for	for	Unallocated	Losses and	
		for Incurred	Incurral	Incurral	Loss	Loss		Unpaid	for Incurred	Incurral	Incurral	Loss	Loss	
		Years	Years	Years not	Adjustment	Adjustment		Losses and	Years	Years	Years not	Adjustment	Adjustment	
		Displayed	Displayed	Displayed	Expenses, Net of	Expenses, Net of	Reinsurance and Other	Loss Adjustment	Displayed	Displayed	Displayed	Expenses, Net of	Expenses, Re	
in	in	in						in	in	in		Net of		
Reserve Line	Reserve Line	Triangles	Triangles	Triangles	Reinsurance Discount	Reinsurance Recoverables	Expenses		Triangles	Triangles	Triangles	Reinsurance Discount	Reinsurance Rec	
Group long-term disability	Group long-term disability	\$ 14,081	\$ (8,142)	\$ 1,510	\$ 193	\$ (1,107)	\$ 6,535	\$ 231	\$ 6,766					
Group life and accident, excluding premium waiver	Group life and accident, excluding premium waiver	6,509	(5,946)	161	5	(15)	714	7	721					
Group short-term disability	Group short-term disability			126	8	—	134	—	134					
Group life premium waiver	Group life premium waiver			565	13	(83)	495	2	497					
Group supplemental health	Group supplemental health			37	—		37	5	42					
Total Group Benefits	Total Group Benefits	\$ 20,590	\$ (14,088)	\$ 2,399	\$ 219	\$ (1,205)	\$ 7,915	\$ 245	\$ 8,160					

The following loss triangles present historical loss development for incurred and paid claims by the year the insured claim occurred, referred to as the incurral year. Triangles are limited to the number of years for which claims incurred typically remain outstanding, not exceeding ten years. Short-tail lines, which represent claims generally expected to be paid within a few years, have three years of claim development displayed.

Changes in reserve development evident in the incurred loss triangles differ from prior accident year development recorded by the Company as shown in the reserve rollforward above as the triangles are presented on an undiscounted basis and exclude ULAE.

Group Long-Term Disability

Undiscounted Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,														
(Unaudited)														
For the years ended December 31,														
(Unaudited)														
(Unaudited)														
(Unaudited)														
Incurral Year	Incurral Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR Reserves	Claims Reported	
		2013	\$1,660	\$1,479	\$1,429	\$1,429	\$1,416	\$1,413	\$1,399	\$1,385	\$1,378	\$ 1,376	\$ — 30,655	
	Incurral Year													
	Incurral Year												IBNR Reserves	Claims Reported
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2014	2014		1,636	1,473	1,430	1,431	1,408	1,395	1,389	1,382	—	31,808		
2015	2015			1,595	1,442	1,422	1,420	1,401	1,385	1,380	1,380	—	32,597	
2016	2016				1,651	1,481	1,468	1,437	1,417	1,409	1,401	—	33,313	
2017	2017					1,597	1,413	1,358	1,316	1,304	1,296	—	30,996	
2018	2018						1,647	1,387	1,309	1,277	1,276	1	28,428	
2019	2019							1,650	1,424	1,327	1,284	1	27,436	
2020	2020								1,686	1,407	1,323	5	25,793	
2021	2021									1,768	1,521	31	26,754	
2022	2022										1,842	962	16,039	

2023	
Total	Total
	\$14,081

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,											
(Unaudited)											
For the years ended December 31,											
(Unaudited)											
Incurral Year	Incurral Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2013	\$102	\$443	\$664	\$791	\$881	\$954	\$1,016	\$1,067	\$1,113	\$1,153
Incurral Year											
Incurral Year											
	2014										
	2015										
	2016										
	2017										
	2018										
	2019										
	2020										
	2021										
	2022										
	2023										
Total	Total										\$8,142

Group Life and Accident, excluding Premium Waiver

Undiscounted Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)						
For the years ended December 31, (Unaudited)						
For the years ended December 31, (Unaudited)						
For the years ended December 31, (Unaudited)						
Incurral Year	Incurral Year	2020	2021	2022	IBNR Reserves	Claims Reported
2020		\$2,072	\$2,072	\$2,083	\$ 11	61,848
Incurral Year						
Incurral Year						
Incurral Year						
2021	2021		2,384	2,365	30	68,539
2022	2022			2,061	375	56,171
2023						
Total	Total			\$6,509		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31, (Unaudited)					For the years ended December 31,		
For the years ended December 31, (Unaudited)					For the years ended December 31,		
For the years ended December 31, (Unaudited)					For the years ended December 31,		
Incurral Year	Incurral Year	2020	2021	2022	2021	2022	2023
2020		\$1,524	\$2,033	\$2,064			
Incurral Year					Incurral Year		
Incurral Year					Incurral Year		
2021	2021		1,764	2,320			
2022	2022			1,562			
2023							
Total	Total			\$5,946			

Group life, disability and accident reserves, including IBNR

The majority of Group Benefits' reserves are for long-term disability ("LTD") LTD claimants who are known to be disabled and are currently receiving benefits. A Disabled Life Reserve ("DLR") is calculated for each LTD claim. The DLR for each claim is the expected present value of all estimated future benefit payments and includes estimates of claim recovery, investment yield, and offsets from other income, including offsets from Social Security benefits and workers' compensation. Estimated future benefit payments represent the monthly income benefit that is paid until recovery, death or expiration of benefits. Claim recoveries are estimated based on claim characteristics such as age and diagnosis and represent an estimate of benefits that will terminate, generally as a result of the claimant returning to work or being deemed able to return to work. The DLR also includes a liability for payments to claimants who have not yet been approved for LTD. In these cases, the present value of future benefits is reduced for the likelihood of claim denial based on Company experience. For claims recently closed due to recovery, a portion of the DLR is retained for the possibility that the claim reopens upon further evidence of disability. In addition, a reserve for estimated unpaid claim expenses is included in the DLR.

For incurral years with IBNR claims, estimates of ultimate losses are made by applying completion factors to the dollar amount of claims reported or expected depending on the market segment. IBNR represents estimated ultimate losses less both DLR and cumulative paid amounts for all reported claims. Completion factors are derived using standard actuarial techniques using triangles that display historical claim count emergence by incurral month. These estimates are reviewed for reasonableness and are adjusted for current trends and other factors expected to cause a change in claim emergence. The IBNR includes an estimate of unpaid claim expenses, including a provision for the cost of initial set-up of the claim once reported.

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Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For all products, including LTD, there is a period generally ranging from two to twelve months, depending on the product and market segment, where emerged claim information for an incurral year is not yet credible enough to be a basis for an IBNR projection. In these cases, the ultimate losses and allocated loss adjustment expenses are estimated using earned premium multiplied by an expected loss ratio.

The Company also records reserves for future death benefits under group term life policies that provide for premiums to be waived in the event the insured is unable to work due to disability and has satisfied an elimination period, which is typically nine months (premium waiver reserves). The death benefit reserve for these group life premium waiver claims is estimated for a known disabled claimant equal to the present value of expected future cash outflows (typically a lump sum face amount payable at death plus claim expenses) with separate estimates for claimant recovery (when no death benefit is payable) and for death before recovery or benefit expiry (when death benefit is payable). The IBNR for premium waiver death benefits is estimated with standard actuarial development methods.

In addition, the Company also records reserves for group term life, accidental death & dismemberment, short term loss of life and severe injury, short-term disability, and other group products that have short claim payout periods. For these products, reserves are determined using paid or reported actuarial development methods. The resulting claim triangles produce a completion pattern and estimate of ultimate loss. IBNR for these lines of business equals the estimated ultimate losses and loss adjustment expenses less the amount of paid or reported claims depending on whether the paid or reported development method was used. Estimates are reviewed for reasonableness and are adjusted for current trends or other factors that affect the development pattern.

Cumulative number of reported claims

For group life, disability and accident coverages, claim counts include claims that are approved, pending approval and terminated and exclude denied claims. Due to the nature of the claims, one claimant represents one event.

Average Annual
Percentage
Payout of
Incurred Claims
by Age, Net of
Reinsurance

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance

(Unaudited)										
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year	
Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance										
Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance										
(Unaudited)										
(Unaudited)										
(Unaudited)										
1st Year										
1st Year										
1st Year										

Group long-term disability

Group long-term disability																					
Group long-term disability	Group long-term disability	7.5	%	26.1	%	15.8	%	8.4	%	6.4	%	5.3	%	4.5	%	3.8	%	3.2	%	2.9	%
Group life and accident, excluding premium waiver	Group life and accident, excluding premium waiver	74.6	%	24.0	%	1.4	%														
Group life and accident, excluding premium waiver																					
Group life and accident, excluding premium waiver																					

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[Note 12 - Reserve for Future Policy Benefits](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. RESERVE FOR FUTURE POLICY BENEFITS

Changes in Reserves for Future Policy Benefits ^[1]				
		For the years ended December 31,		
		2022	2021	
Beginning liability balance	\$	596	\$	638
Incurred		102		61
Paid		(119)		(94)
Change in unrealized investment gains and losses		(18)		(9)
Ending liability balance	\$	561	\$	596
Ending reinsurance recoverable asset	\$	29	\$	22

Rollforward of Reserve for Future Policy Benefits																		
	For the year ended December 31,																	
	2023			2022			2021											
	Payout Annuities	Life Conversions	Paid-up Life	Payout Annuities	Life Conversions	Paid-up Life	Payout Annuities	Life Conversions	Paid-up Life									
Present Value of Expected Net Premiums																		
Balance, beginning of the period	\$	47		\$	58		\$	52										
Balance, ending of the period	\$	49		\$	47		\$	58										
Present Value of Expected Future Policy Benefits																		
Benefits																		
Beginning balance at single-A rate	\$	140	\$	112	\$	192	\$	188	\$	152	\$	262	\$	206	\$	167	\$	293
Beginning adjustment for changes in single-A rate		4		(14)		(39)		47		19		14		59		26		29
Beginning balance at original discount rate		136		126		231		141		133		248		147		141		264
Effect of changes in cash flow assumptions		(2)		—		—		—		—		—		—		—		—
Effect of actual variances from expected experience		1		7		(1)		—		5		—		—		11		(1)
Adjusted beginning balance		135		133		230		141		138		248		147		152		263
Interest accrual and other		7		20		8		8		17		7		7		19		7
Benefit Payments		(12)		(29)		(21)		(13)		(29)		(24)		(13)		(38)		(22)
Ending balance at original discount rate		130		124		217		136		126		231		141		133		248
Ending adjustment for changes in single-A rate		7		(11)		(32)		4		(14)		(39)		47		19		14

included within the Group Benefits segment and reserves for run-off structured settlement and terminal funding agreement liabilities, which are long-duration contracts presented in the Corporate category. table below were economically ceded to Prudential as part of the sale of the Company's former individual life business, which closed in 2013.

Universal Life Long Duration Contracts Rollforward				
	For the year ended December 31,			
	2023		2022	
	2021			
Balance, beginning of year	\$	232	\$	253
Premiums Received		14		15
Policy Charges		(21)		(23)
Surrenders and Withdrawals		(6)		(9)
Benefit Payments		(6)		(22)
Interest Credited		10		11
Balance, End of Year	\$	223	\$	232
Weighted-average crediting rate		4.2 %		4.2 %
Net Amount at Risk [1]	\$	917	\$	987
Cash Surrender Value	\$	221	\$	229

13. [1]Net amount at risk is defined as the current death benefit in excess of the current account value as of the balance sheet date.

As of December 31, 2023, 2022 and 2021, universal life contracts of \$222, \$230 and \$251, respectively, had crediting rates at their guaranteed minimums ranging from 4%-5%.

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Note 14 - Debt

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. DEBT

The Company's long-term debt securities are issued by Hartford Financial Services Group, Inc. ("HFSG Holding Company"), are unsecured obligations of HFSG Holding Company, and rank on a parity with all other unsecured and unsubordinated indebtedness of HFSG Holding Company.

Debt is carried net of discount and issuance cost.

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Note 13 - Debt

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Long-term Debt by Issuance

		As of December 31,	
		2022	2021
As of December 31,			
As of December 31,			
As of December 31,			
As of December 31,			
2023			
2023			
2023			
Revolving Credit Facilities			
Revolving Credit Facilities			
Revolving Credit Facilities	Revolving Credit Facilities	\$ —	\$ —
Senior Notes and Debentures	Senior Notes and Debentures		
Senior Notes and Debentures			
Senior Notes and Debentures			

2.8% Notes, due 2029			
2.8% Notes, due 2029			
2.8% Notes, due 2029	2.8% Notes, due 2029	600	600
5.95% Notes, due 2036	5.95% Notes, due 2036	300	300
5.95% Notes, due 2036			
5.95% Notes, due 2036			
6.625% Notes, due 2040			
6.625% Notes, due 2040			
6.625% Notes, due 2040	6.625% Notes, due 2040	295	295
6.1% Notes, due 2041	6.1% Notes, due 2041	409	409
6.1% Notes, due 2041			
6.1% Notes, due 2041			
6.625% Notes, due 2042			
6.625% Notes, due 2042			
6.625% Notes, due 2042	6.625% Notes, due 2042	178	178
4.3% Notes, due 2043	4.3% Notes, due 2043	300	300
4.3% Notes, due 2043			
4.3% Notes, due 2043			
4.4% Notes, due 2048			
4.4% Notes, due 2048			
4.4% Notes, due 2048	4.4% Notes, due 2048	500	500
3.6% Notes, due 2049	3.6% Notes, due 2049	800	800
3.6% Notes, due 2049			
3.6% Notes, due 2049			
2.9% Notes, due 2051			
2.9% Notes, due 2051			
2.9% Notes, due 2051	2.9% Notes, due 2051	600	600
Junior Subordinated Debentures	Junior Subordinated Debentures		
7.875% Notes, due 2042		—	600
3 Month LIBOR + 2.125% Notes, due 2067 [1]		500	500
Junior Subordinated Debentures			
Junior Subordinated Debentures			
3-Month term SOFR + 0.26161% + 2.125% Notes, due 2067 [1]			
3-Month term SOFR + 0.26161% + 2.125% Notes, due 2067 [1]			
3-Month term SOFR + 0.26161% + 2.125% Notes, due 2067 [1]			
Total Notes and Debentures			
Total Notes and Debentures			
Total Notes and Debentures	Total Notes and Debentures	4,482	5,082
Unamortized discount and debt issuance cost [2]	Unamortized discount and debt issuance cost [2]	(125)	(138)
Unamortized discount and debt issuance cost [2]			
Unamortized discount and debt issuance cost [2]			
Total Debt			

Total Debt				
Total Debt	Total Debt	4,357		4,944
Less: Current maturities	Less: Current maturities	—		—
Less: Current maturities				
Less: Current maturities				
Long-Term Debt	Long-Term Debt	\$ 4,357	\$	4,944
Long-Term Debt				
Long-Term Debt				

[1]In April 2017, the The Company entered into has an interest rate swap agreement expiring February 15, 2027 to effectively convert the variable interest payments for this debenture into fixed interest payments of approximately 4.39%. See Junior Subordinated Debentures section below for further discussion of interest rate terms for the periods ended December 31, 2023 and 2022, respectively.

[2]This amount includes unamortized discount of \$72 \$70 and \$74 \$72 as of December 31, 2022 December 31, 2023 and 2021 2022, respectively, on the 6.1% Notes, due 2041.

The effective interest rate on the 6.1% senior notes due 2041 is 7.9%. The effective interest rate on the remaining notes does not differ materially from the stated rate.

Shelf Registrations

On February 22, 2022, the Company filed with the Securities and Exchange Commission an automatic shelf registration statement (Registration No. 333-262879) for the potential offering and sale of debt and equity securities. The registration statement allows for the following types of securities to be offered: debt securities, junior subordinated debt securities, guarantees, preferred stock, common stock, depository shares, warrants, stock purchase contracts, and stock purchase units. In that The Hartford is a well-known seasoned issuer, as defined in Rule 405 under the Securities Act of 1933, the registration

statement went effective immediately upon filing and The Hartford may offer and sell an unlimited amount of securities under the registration statement during the three-year life of the registration statement.

Senior Notes

On September 21, 2021, The Hartford issued \$600 of 2.9% senior notes ("2.9% Notes") due September 15, 2051 for net proceeds of approximately \$588, after deducting underwriting discounts and expenses from the offering. Interest is payable semi-annually in arrears on March 15 and September 15, commencing March 15, 2022. The Hartford, at its option, can redeem the 2.9% Notes at any time, in whole or part, at a redemption price equal to the greater of 100% of the principal amount being redeemed or a make-whole amount based on a comparable maturity US Treasury plus 20 basis points, plus any accrued and unpaid interest, except the 2.9% Notes may be redeemed at par within six months of maturity.

On March 30, 2020, The Hartford repaid at maturity the \$500 principal amount of its 5.5% senior notes.

Junior Subordinated Debentures

Junior Subordinated Debentures by Issuance as of December 31, 2022

Issue	3 Month LIBOR + 2.125%	
Face Value	\$	500
Interest Rate [1]	3 Month LIBOR + 2.125%	[2]
Call Date	February 15, 2022	[3]
Final Maturity	February 12, 2067	

[1] Payable December 31, 2023 and 2022, the Company has outstanding \$500 of callable junior subordinated debentures with a final maturity on February 12, 2067. Interest is payable quarterly in arrears at a variable rate that resets quarterly.

[2] Debentures were issued Prior to July 1, 2023, the Company's \$500 junior subordinated debentures due 2067 paid interest at a rate of LIBOR plus 2.125%. The U.K. Financial Conduct Authority ("FCA") ceased publication of U.S. dollar LIBOR on a representative basis immediately after June 30, 2023. Effective July 1, 2023, the interest rate on the original call date \$500 junior subordinated debentures due 2067 is determined based on a reference rate of February 15, 2017 3-month term Secured Overnight Financing Rate ("SOFR") plus a spread adjustment of 0.26161% plus 2.125%.

The interest rate is variable and resets quarterly. In April 2017, the company entered into an Company's interest rate swap agreement expiring February 15, 2027 to effectively convert agreements that converted the LIBOR variable interest payments for on the 3 Month LIBOR + 2.125% debenture into \$500 junior subordinated debentures to fixed interest payments of approximately 4.39% were terminated and new interest rate swap agreements expiring February 15, 2027 were entered into that reference SOFR so that interest rate swaps continue to effectively convert the variable interest payments to fixed interest payments of approximately 4.39%.

[3] Although the original call date was February 15, 2017, a Replacement Capital Covenant associated with the debenture prohibits the Company from redeeming all or any portion of the notes on or prior to February 15, 2022, unless consent from covered bondholders is obtained.

On April 15, 2022, The Hartford redeemed at par \$600 aggregate principal amount of its 7.875% \$500 junior subordinated debentures due 2042 and recognized, in insurance operating costs and other expenses, a loss on extinguishment of debt of \$9, before tax, for unamortized debt issuance costs.

The 3 Month LIBOR plus 2.125% debentures 2067 are unsecured, subordinated and junior in right of payment and upon liquidation to all of the Company's existing and future senior indebtedness. In addition, the debentures are effectively subordinated to all of the Company's subsidiaries' existing and future indebtedness and other liabilities, including obligations to policyholders. The debentures do not limit the Company's or the Company's subsidiaries' ability to incur additional debt, including debt that ranks senior in right of payment and upon liquidation to the debentures.

The Company has the right to defer interest payments for up to a consecutive ten years without giving rise to an event of default. Deferred interest will continue to accrue and will accrue additional interest at the then applicable interest rate. If the Company defers interest payments, the Company generally may

not make payments on or redeem or purchase any shares of its capital stock or any of its debt securities or guarantees that rank

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[Note 13 - Debt](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

upon liquidation, dissolution or winding up equally with or junior to the debentures, subject to certain limited exceptions.

The Company may elect to redeem the 3 Month LIBOR plus 2.125% \$500 junior subordinated debentures due 2067 in whole or in part on or after the call date for the principal amount being redeemed plus accrued and unpaid interest to the date of redemption.

In connection with the offering of the 3 Month LIBOR plus 2.125% this debenture, the Company entered into a Replacement Capital Covenant ("RCC") for the benefit of holders of one or more designated series of the Company's indebtedness, initially the Company's 4.3% notes due 2043. Under the terms of the RCC, if the Company redeems the debenture any time prior to February 12, 2047 (or such earlier date on which the RCC terminates by its terms) it can only do so with the proceeds from the sale of certain qualifying replacement securities.

On April 15, 2022, The U.K. Financial Conduct Authority ("FCA") announced that publication Hartford redeemed at par \$600 aggregate principal amount of U.S. dollar LIBOR its 7.875% junior subordinated debentures due 2042 and recognized, in insurance operating costs and other expenses, a loss on a representative basis would cease immediately after June 30, 2023. The Company continues to monitor the potential impacts extinguishment of the discontinuation debt of LIBOR, which is used as a benchmark or reference rate \$9, before tax, for certain investments and derivatives the Company owns, and floating rate unamortized debt the Company has issued. Uncertainties and risks relating to the transition from LIBOR have been reduced by the federal Adjustable Interest Rate (LIBOR) Act, which addresses replacement of LIBOR in certain contracts governed by U.S. law (including the law of any U.S. state), including the 3 Month LIBOR plus 2.125% debenture, issuance costs.

Long-Term Debt

Long-term Debt Maturities (at par value) as of December 31, 2022 December 31, 2023

2023 2024 - Current maturities	\$	—
2024	\$	—
2025	\$	—
2026	\$	—
2027	\$	—
2028	\$	—
Thereafter	\$	4,482

Revolving Credit Facility

In 2018, The Hartford entered into has a \$750 senior unsecured five-year revolving credit facility, including \$100 available to support letters of credit (the "Credit Facility"), with an expiration date of March 29, 2023 October 27, 2026. On October 27, 2021, The Hartford amended and restated the Credit Facility (as amended, the "2021 Credit Facility") which, among other changes, extends the term of the facility through October 27, 2026, includes provisions for determining LIBOR successor rates, and resets the level of The Hartford's minimum consolidated net worth financial covenant to \$11.25 billion, excluding AOCI. The 2021 Credit Facility provides up to \$750 of unsecured credit, including \$100 available to support letters of credit. Under the 2021 Credit Facility:

- Revolving loans may be in multiple currencies.
- U.S. dollar loans will bear interest at a floating rate equivalent to an indexed rate that varies depending on the type of borrowing plus a basis point spread based Facility and the Company was in compliance with all financial covenants.

Lloyd's Letter of Credit Facilities Facility

On November 5, 2020, The Hartford entered into has a committed credit facility agreement with a syndicate of lenders (the "Club Facility" (the "Lloyd's Facility"). The Club Facility had two tranches with one tranche extending a \$104 commitment and the other tranche extending a £85 million (\$115 as of December 31, 2021) commitment. In addition, on November 5, 2020, The Hartford entered into a non-committed \$25 credit facility with a lender (the "Bilateral Facility"). The term of both of these facilities was two years. The purpose of these facilities was to issue letters of credit that may be treated as Funds at Lloyd's to support underwriting capacity provided by the Navigators Corporate Underwriters Limited to the Lloyd's Syndicate 1221 for the 2021 and 2022 underwriting years of account (and prior open years). As of December 31, 2021, letters of credit with an aggregate face amount of \$104 and £68 million, or \$92, were outstanding under the Club Facility and no letters of credit were outstanding under the Bilateral Facility.

on The Hartford's credit rating and will mature no later than October 27, 2026.

- Letters of credit bear a fee based on The Hartford's credit rating and expire no later than October 27, 2027.

The 2021 Credit Facility requires the Company to maintain a minimum consolidated net worth financial covenant to \$11.25 billion, excluding AOCI, limits the ratio of senior debt to capitalization, excluding AOCI, at 35% and includes other customary covenants. The 2021 Credit Facility is for general corporate purposes.

As of December 31, 2022, December 31, 2023 and 2022, no borrowings were outstanding, no letters of credit were issued under the 2022 Credit

On November 1, 2022, The Hartford amended and restated its Club Facility agreement. The Club Lloyd's Facility has two tranches, with one tranche extending a \$74 commitment and the other tranche extending a £79 million (\$95 101 as of December 31, 2022 December 31, 2023) commitment. The term of the facility is two years. The purpose of this facility is to issue letters of credit that may be treated as Funds at Lloyd's ("FAL") to support underwriting capacity provided by the Navigators Corporate Underwriters Limited to the Lloyd's Syndicate 1221 for the 2023 and 2024 underwriting years of account (and prior open years). As of December 31, 2022, letters of credit with an aggregate face amount of \$74 and £79 million, or \$95, were outstanding under the Club Lloyd's Facility. The Bilateral Facility agreement terminated on November 5, 2022.

Among other covenants, the Club Lloyd's Facility contains financial covenants regarding The Hartford's consolidated net worth and financial leverage and that limit the amount of letters of credit that can support Funds at Lloyd's, FAL's, consistent with Lloyd's requirements. As of December 31, 2022 December 31, 2023, The Hartford was in compliance with all financial covenants of the facility.

Collateralized Advances with Federal Home Loan Bank of Boston

The Company's subsidiaries, Hartford Fire Insurance Company ("Hartford Fire") and Hartford Life and Accident Insurance Company ("HLA"), are members of the Federal Home Loan Bank of Boston ("FHLBB"). Membership allows these subsidiaries access to collateralized advances, which may be short- or long-term with fixed or variable rates. FHLBB

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Note 13 - Debt

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
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membership required the purchase of member stock and requires additional member stock ownership of 3% or 4% of any amount borrowed. Acceptable forms of collateral include real estate backed fixed maturities and mortgage loans and the The amount of advances that can be taken is limited to a percentage of the fair value of the assets that ranges from a high of 97% considered eligible collateral, for US example, 94% for U.S. government-backed fixed maturities maturing within 3 years to a low of 40% and 70% for A-rated AA-rated commercial mortgage-backed fixed maturities maturing in 5 years or more. In its consolidated balance sheets, The Hartford presents the liability for advances taken based on use of the funds with advances for general corporate purposes presented in short- or long-term debt and

advances to earn incremental investment income presented in other liabilities, consistent with other collateralized financing transactions such as securities lending and repurchase agreements. The Connecticut Department of Insurance permits Hartford Fire and HLA to pledge up to \$1.3 billion and \$0.6 billion \$0.7 billion in qualifying assets, respectively, without prior approval, to secure FHLBB advances in 2023, 2024. The pledge limit is determined quarterly based on statutory admitted assets and capital and surplus of Hartford Fire and HLA, respectively.

As of December 31, 2022, December 31, 2023 and 2022, there were no advances outstanding under the FHLBB facility.

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Note 15 - Commitments and Contingencies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. COMMITMENTS AND CONTINGENCIES

Management evaluates each contingent matter separately. A loss is recorded if probable and reasonably estimable. Management establishes liabilities for these contingencies at its "best estimate," or, if no one number within the range of possible losses is more probable than any other, the Company records an estimated liability at the low end of the range of losses.

Litigation

The Hartford is involved in claims litigation arising in the ordinary course of business, both as a liability insurer defending or providing indemnity for third-party claims brought against insureds and as an insurer defending coverage claims brought against it. The Hartford accounts for such activity through the establishment of unpaid loss and loss adjustment expense reserves. Subject to the uncertainties related to sexual molestation and sexual abuse claims, including those discussed in Note 11, Reserve for Unpaid Losses and Loss Adjustment Expenses, and in the following discussion under the caption "COVID-19 Pandemic Business Income Insurance Litigation" and under the caption "Run-off Asbestos and Environmental Claims," management expects that the ultimate liability, if any, with respect to such ordinary-course claims litigation, after consideration of provisions made for potential losses and costs of defense, will not be material to the consolidated financial condition, results of operations or cash flows of The Hartford.

The Hartford is also involved in other kinds of legal actions, some of which assert claims for substantial amounts. In addition to the matter described below, these actions include putative class actions seeking certification of a state or national class. Such putative class actions have alleged, for example, underpayment of claims or improper sales or underwriting practices in connection with various kinds of insurance policies, such as personal and commercial automobile property, disability, and life. property. The Hartford also is involved in individual actions in which punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims or other allegedly unfair or improper business practices. Like many other insurers, The Hartford also has been joined in actions by asbestos plaintiffs asserting, among other things, that insurers had a duty to protect the public from the dangers of asbestos and that insurers committed unfair trade practices by asserting defenses on behalf of their policyholders in the underlying asbestos cases. Management expects that the ultimate liability, if any, with respect to such lawsuits, after consideration of provisions made for estimated losses, will not be material to the consolidated financial condition of The Hartford. Nonetheless,

Companies"), and in some instances the Company itself, have been served as defendants in lawsuits seeking insurance coverage under commercial insurance policies issued by the Hartford Writing Companies for alleged losses resulting from the shutdown or suspension of their businesses due to the spread of COVID-19. More than 300 such lawsuits have been filed, of which more than 60 purport to be filed on behalf of broad nationwide or statewide classes of policyholders. These lawsuits have been filed in state and federal courts in roughly 35 states. Although the allegations vary, the plaintiffs generally seek a declaration of insurance coverage, damages for breach of contract in unspecified amounts, interest, and attorneys' fees. Many of the lawsuits also allege that the insurance claims were denied in bad faith or otherwise in violation of state laws and seek extra-contractual or punitive damages. Some of the lawsuits also allege that the Hartford Writing Companies engaged in unfair business practices by collecting or retaining excess premium.

The Company and its subsidiaries deny the allegations and continue to vigorously defend these suits. The Hartford Writing Companies maintain that they have no coverage obligations with respect to these suits for business income allegedly lost by the plaintiffs due to the COVID-19 pandemic based on the clear terms of the applicable insurance policies. Although the policy terms vary depending, among other things, upon the size, nature, and location of the policyholder's business, in general, the claims at issue in these lawsuits were denied because the claimant identified no direct physical damage or loss to property at the insured premises, and the governmental orders that led to the complete or partial shutdown of the business were not due to the existence of any direct physical damage or loss in the immediate vicinity of the insured premises and did not prohibit access to the insured premises, as required by the terms of the insurance policies. In addition, the vast majority of the policies at issue expressly exclude from coverage any loss caused directly

given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation, the outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows in particular quarterly or annual periods.

COVID-19 Pandemic Business Income Insurance Litigation

Like many others in the property and casualty insurance industry, beginning in April 2020, various direct and indirect subsidiaries of the Company (collectively the "Hartford Writing

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Note 14 - Commitments and Contingencies

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

or indirectly by the presence, growth, proliferation, spread or activity of a virus, subject to a narrow set of exceptions not applicable in connection with this pandemic, and contain a pollution and contamination exclusion that, among other things, expressly excludes from coverage any loss caused by material that threatens human health or welfare.

In addition to the inherent difficulty in predicting litigation outcomes, the COVID-19 pandemic business income coverage lawsuits still present numerous uncertainties and contingencies that are not yet fully known, including how many whether additional claims or lawsuits could be filed, the extent to which any state or nationwide classes will be certified, and the size and scope of any such classes. The legal theories advocated by plaintiffs vary significantly by case as do the state laws that govern the policy interpretation. These lawsuits are at various stages of litigation: some are in the earliest stages of litigation, some complaints may be amended, some have been dismissed voluntarily are in discovery, and may be refiled, while many have been dismissed through rulings in favor of the Hartford Writing Companies. Discovery is underway in certain single plaintiff cases and class actions. More than 60 Moreover, dozens of policyholders have appealed dismissals in favor of the Hartford Writing Companies. To date, The Hartford Writing Companies have received fourteen numerous favorable rulings on appeal, with a few adverse appellate affirmances of trial court decisions in the Hartford Writing Companies' favor, including decisions from the Second, Fifth, Sixth, Seventh, Eighth, Ninth and Eleventh Circuit Courts of Appeal, as well as from one state supreme court and two state appellate courts. rulings to date. The remainder of the Hartford Writing Companies' appeals are at various stages of the

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[Note 15 - Commitments and Contingencies](#)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

appellate process or and have not yet been remanded to the trial court for further proceedings, decided. In addition, business income calculations depend upon a wide range of factors that are particular to the circumstances of each individual policyholder and, here, almost none of the plaintiffs have submitted proofs of loss or otherwise quantified or factually supported any allegedly covered loss, and, in any event, the Company's experience shows that demands for damages often bear little relation to a reasonable estimate of potential loss. Accordingly, management cannot now reasonably estimate the possible loss or range of loss, if any. Nonetheless, despite the high percentage of favorable outcomes to date in both the trial and appellate courts, given the large number of claims and potential claims, the indeterminate amounts sought, and the inherent unpredictability of litigation, it is possible that adverse outcomes, if any, in the aggregate, could have a material adverse effect on the Company's consolidated operating results or liquidity.

Run-off Asbestos and Environmental Claims

The Company continues to receive A&E claims. Asbestos claims relate primarily to bodily injuries asserted by people who came in contact with asbestos or products containing asbestos. Environmental claims relate primarily to pollution and related clean-up costs.

The vast majority of the Company's exposure to A&E relates to Run-off A&E accident years prior to 1986 that are reported within the P&C in Property & Casualty Other Operations segment. ("Run-off A&E"). In addition, since 1986, the Company has written asbestos and environmental exposures under general liability policies and pollution liability under homeowners policies, which are reported in the Commercial Lines and Personal Lines segments, respectively.

Prior to 1986, the Company wrote several different categories of insurance contracts that may cover A&E claims. First, the

packaged" bankruptcies, to accelerate and increase loss payments by insurers. In addition, some policyholders have asserted new classes of claims for coverages to which an aggregate limit of liability may not apply. Further uncertainties include insolvencies of other carriers, insolvencies of insureds and unanticipated developments pertaining to the Company's ability to recover reinsurance for A&E claims. Management believes these issues are not likely to be resolved in the near future.

In the case of the reserves for environmental exposures, factors contributing to the high degree of uncertainty include expanding theories of liability and damages against insureds, emerging risks such as per-and polyfluoroalkyl substances ("PFAS"), the risks inherent in major litigation, inconsistent and emerging legal doctrines concerning the existence and scope of coverage for environmental claims, and the scope and level of complexity of the remediation required by regulators.

The reporting pattern for assumed reinsurance claims, including those related to A&E claims, is much longer than for direct claims. In many instances, it takes months or years to determine that the policyholder's own obligations have been met and how the reinsurance in question may apply to such claims. The delay in reporting reinsurance claims and exposures adds to the uncertainty of estimating the related reserves.

It is also not possible to predict changes in the legal and legislative environment and their effect on the future development of A&E claims.

Given the factors described above, the Company believes the actuarial tools and other techniques it employs to estimate the ultimate cost of claims for more traditional kinds of insurance exposure are less precise in estimating reserves for A&E exposures. For this reason, the Company principally relies on exposure-based analysis to estimate the ultimate costs of these claims, both gross and net of reinsurance, and regularly

Company wrote primary policies providing the first layer of coverage in an insured's liability program. Second, the Company wrote excess and umbrella policies providing higher layers of coverage for losses that exhaust the limits of underlying coverage. Third, the Company acted as a reinsurer assuming a portion of those risks assumed by other insurers writing primary, excess, umbrella and reinsurance coverages.

Significant uncertainty limits the ability of insurers and reinsurers to estimate the ultimate reserves necessary for unpaid gross losses and expenses related to environmental and asbestos claims. The degree of variability of gross reserve estimates for these exposures is significantly greater than for other more traditional exposures.

In the case of the reserves for asbestos exposures, factors contributing to the high degree of uncertainty include inadequate loss development patterns, plaintiffs' expanding theories of liability, the risks inherent in major litigation, and inconsistent and emerging legal doctrines with respect to the underlying claims and with respect to the Company's coverage obligations. Furthermore, over time, insurers, including the Company, have experienced significant changes in the rate at which asbestos claims are brought, the claims experience of particular insureds, and the value of claims, making predictions of future exposure from past experience uncertain. Plaintiffs and insureds also have sought to use bankruptcy proceedings, including "pre-packaged" "pre-

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evaluates new account information in assessing its potential A&E exposures. The Company supplements this exposure-based analysis with evaluations of the Company's historical direct net loss and expense paid and reported experience, and net loss and expense paid and reported experience by calendar and/or report year, to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid and reported activity.

While the Company believes that its current Run-off A&E reserves are appropriate, significant uncertainties limit the ability of insurers and reinsurers to estimate the ultimate reserves necessary for unpaid losses and related expenses. The ultimate liabilities, thus, could exceed the currently recorded reserves, and any such additional liability, while not estimable now, could be material to The Hartford's consolidated operating results or liquidity.

For its Run-off A&E claims, as of December 31, 2022 December 31, 2023, the Company reported \$390 \$248 of net asbestos and environmental reserves, including the benefit of losses ceded to the an A&E ADC. ADC with NICO. In addition, the Company has recorded a \$594 \$788 deferred gain within other liabilities for losses economically ceded to NICO but for which the benefit is not recognized in earnings until later periods. While the Company believes that its current run-off A&E reserves are appropriate, significant uncertainties limit our ability to estimate the ultimate reserves

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necessary for unpaid losses and related expenses. The ultimate liabilities, thus, could exceed the currently recorded reserves, and any such additional liability, while not reasonably estimable now, could be material to The Hartford's consolidated operating results or liquidity.

The Company's A&E ADC reinsurance agreement with NICO reinsures substantially all A&E reserve development for 2016 and prior accident years, including Run-off A&E and A&E reserves included in Commercial Lines and Personal Lines. The A&E ADC has a coverage limit of \$1.5 billion above the Company's existing net A&E reserves as of December 31, 2016 of approximately \$1.7 billion. As of December 31, 2022 December 31, 2023, the Company has incurred \$1,244 \$1,438 in cumulative adverse development on A&E reserves that have been ceded under the A&E ADC treaty, with NICO, leaving \$256 \$62 of coverage available for future adverse net reserve development, if any. Cumulative adverse development of A&E claims for accident years 2016 and prior could ultimately exceed the \$1.5 billion treaty limit in which case any adverse development in excess of the treaty limit would be absorbed as a charge to earnings by the Company. In these scenarios, the effect of these charges could be material to the Company's consolidated operating results or liquidity. For more information on the A&E ADC, refer to Note 11, Reserve for Unpaid Losses and Loss Adjustment Expenses.

Unfunded Commitments

As of December 31, 2022 December 31, 2023, the Company has outstanding commitments totaling \$2.8 billion \$2.6 billion, of which \$2.1 billion \$1.9 billion is primarily committed to fund limited partnerships and other alternative investments, which may be called by the partnership during the commitment period to fund the purchase of new investments and partnership expenses. The funding of purchase investments in limited partnerships and other alternative investments are at the discretion of the general partner or manager and may be called at any time. Additionally, \$335 \$313 of the outstanding commitments relate to various funding

Liabilities for guaranty fund and other insurance-related assessments are accrued when an assessment is probable, when it can be reasonably estimated, and when the event obligating the Company to pay an imposed or probable assessment has occurred. Liabilities for guaranty funds and other insurance-related assessments are not discounted and are included as part of other liabilities in the Consolidated Balance Sheets. As of December 31, 2022 December 31, 2023 and 2021 2022 the liability balance was \$82 \$77 and \$74, \$82, respectively. As of December 31, 2022 December 31, 2023 and 2021 2022, there were \$1 \$0 and \$0 \$1 of premium tax offsets related to guaranty fund or other insurance-related assessments.

Derivative Commitments

Certain of the Company's derivative agreements contain provisions that are tied to the financial strength ratings, as set by nationally recognized statistical agencies, of the individual legal entity that entered into the derivative agreement. If the legal entity's financial strength were to fall below certain ratings, the counterparties to the derivative agreements could, in certain instances, terminate the agreements and demand immediate settlement of all outstanding derivative positions traded under each impacted bilateral agreement.

The settlement amount is determined by netting the derivative positions transacted under each agreement. If the termination rights were to be exercised by the counterparties, it could impact the legal entity's ability to conduct hedging activities by increasing the associated costs and decreasing the willingness of counterparties to transact with the legal entity. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position as of December 31, 2022 December 31, 2023 was \$8 \$43 for which the legal entities have posted collateral of \$8 \$39 in the normal course of business. Based on derivative contractual terms as of December 31, 2022 December 31, 2023, a downgrade of the current financial strength ratings by either Moody's or S&P would not require additional assets to be posted as collateral. This requirement could change as a result of changes in our hedging activities or to the extent changes in

obligations primarily associated with tax credits and private debt. The remaining outstanding commitments of \$351 \$376 relate to mortgage loans. Of the \$2.8 billion \$2.6 billion in total outstanding commitments, \$66 \$84 are related to mortgage loan commitments which the Company can cancel unconditionally.

Guaranty Funds and Other Insurance-related Assessments

In all states, insurers licensed to transact certain classes of insurance are required to become members of a guaranty fund. In most states, in the event of the insolvency of an insurer writing any such class of insurance in the state, the a guaranty funds fund may assess its members to pay covered claims of the insolvent insurers. Assessments are based on each member's proportionate share of written premiums in the state for the classes of insurance in which the insolvent insurer was engaged. Assessments are generally limited for any year to one or two percent of the premiums written per year depending on the state. Some states permit member insurers to recover assessments paid through surcharges on policyholders or through full or partial premium tax offsets, while other states permit recovery of assessments through the rate filing process.

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contractual terms are negotiated. The nature of the additional collateral that we would post, if required, would be primarily in the form of U.S. Treasury bills, U.S. Treasury notes and government agency securities.

Guarantees

In the ordinary course of selling businesses or entities to third parties, the Company has agreed to indemnify purchasers for losses arising subsequent to the closing due to breaches of representations and warranties with respect to the business or entity being sold or with respect to covenants and obligations of the Company and/or its subsidiaries. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential obligation is subject to contractual limitations, while in other cases such limitations are not specified or applicable. The Company does not expect to make any material payments on these guarantees and is not carrying any material liabilities associated with these guarantees.

The Hartford has guaranteed the timely payment of contractual claims under certain life, accident and health and annuity

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contracts issued by its former life and annuity business with most of the guaranteed contracts issued between 1990 and 1997 (the "Talcott Guarantees"). Upon the sale of the life and annuity business in May 2018, the purchaser indemnified the Company for any liability arising under the guarantees. The Talcott Guarantees cover contractual obligations only but otherwise have no limitation as to maximum potential future payments. **Prior to January 1, 2020, the Company had not recorded a liability because the likelihood of any payment under the Talcott Guarantees is remote. Upon adoption of new credit**

loss guidance on January 1, 2020, the Company estimated a LCL of \$25. For further information refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

The **LCL liability for credit losses ("LCL")** for Talcott Guarantees is calculated for the estimated amount payable under guaranteed contracts multiplied by the probability of default and the amount of loss given a default. The probability of default is assigned by credit rating of the applicable insurance company that issued the contract and is based on historical insurance industry defaults for liabilities with similar durations estimated through multiple economic cycles. Credit ratings are current and forward-looking and consider a variety of economic outcomes. Because annuities represent the majority of the contracts issued, the loss given default factors are based on a historical study of annuity

policyholder recoveries from insolvent estate assets. The Company's exposure is expected to run off over a period that will include more than one economic cycle.

The Company's evaluation of the required LCL for the Talcott Guarantees considers the current economic environment as well as macroeconomic scenarios similar to the approach used to estimate the ACL for mortgage loans. See Note 5 - Investments. **In 2020, the LCL increased to \$26 primarily due to the increasing impacts of COVID-19. In 2021, the LCL decreased from \$26 to \$25 primarily reflecting a decrease in the estimated amount payable under guaranteed contracts as well as lessening expected impacts of COVID-19 relative to prior assumptions. During in 2022, the LCL decreased to \$22 primarily reflecting a decrease in the estimated amount payable under guaranteed contracts. During 2023, the LCL decreased to \$9 primarily due to an upgrade of Talcott's credit rating, as well as a decrease in the estimated amount payable under guaranteed contracts. The Company has never experienced a loss on financial guarantees similar to the Talcott Guarantees and we believe the risk of loss is remote.**

15.16. EQUITY

Equity Repurchase Program

In July, 2022, the Board of Directors approved a share repurchase authorization for up to \$3.0 billion effective from August 1, 2022 to December 31, 2024. As of December 31, 2022 December 31, 2023, the Company has \$2.75 billion \$1.35 billion remaining for equity repurchases under this share repurchase program.

During the year ended December 31, 2023 the Company repurchased \$1.4 billion (19.2 million shares) under this repurchase program. The Hartford's \$3.0 billion \$3.0 billion equity repurchase program authorized by its Board of Directors in December 2020 expired on December 31, 2022. During the year years ended December 31, 2022 and 2021, the Company repurchased \$1.6 billion (22.3 million shares) and \$1.7 billion (25.9 million shares), respectively, of common stock under these repurchase programs.

During the period from January 1, 2023 January 1, 2024 through February 23, 2023 February 22, 2024, the Company repurchased \$209 (2.7) \$200 (2.3 million shares) under these repurchase programs. .

The timing of any repurchases of shares under the remaining equity repurchase authorization is dependent upon several factors, including the market price of the Company's securities, the Company's capital position, consideration of the effect of any repurchases on the Company's financial strength or credit ratings, the Company's blackout periods, and other considerations.

Under The Hartford's previous \$1.0 billion share repurchase program authorized by its Board As of Directors in February 2019 and which expired on December 31, 2020 December 31, 2023, the Company repurchased 2.7 million shares for \$150 during accrued \$12 in excise taxes on share repurchases, partially reduced by share issuances, which are reported in other liabilities on the year ended 2020. Company's Consolidated Balance Sheets.

Preferred Stock

The Company has outstanding 13.8 million depositary shares each representing 1/1000th interest in a share of the Company's 6.0% Series G non-cumulative perpetual preferred stock ("Preferred Stock") with a liquidation preference of \$25,000 per share (equivalent to \$25.00 per depositary share). The Preferred Stock is perpetual and has no maturity date.

Dividends are recorded when declared. Dividends are payable, if declared, quarterly in arrears on the 15th day of February, May, August and November of each year. If a dividend is not declared and paid or made payable on all outstanding shares of the Preferred Stock for the latest completed dividend period, no dividends may be paid or declared on The Hartford's common stock and The Hartford may not purchase, redeem, or otherwise acquire its common stock.

The Preferred Stock is redeemable at the Company's option in whole or in part, on or after November 15, 2023 at a redemption price of \$25,000 per share, plus unpaid dividends attributable to

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Note 15 - Equity

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

the current dividend period. Prior to November 15, 2023, the Preferred Stock is redeemable at the Company's option, in whole but not in part, within 90 days of the occurrence of (a) a rating agency event at a redemption price equal to \$25,500 per share, plus unpaid dividends attributable to the current dividend period in circumstances where a rating agency changes its criteria used to assign equity credit to securities like the Preferred Stock; or (b) a regulatory capital event at a redemption price equal to \$25,000 per share, plus unpaid dividends attributable to the current dividend period in circumstances where a capital regulator such as a state insurance regulator changes or proposes to change capital adequacy rules.

Statutory Results

The U.S. domestic insurance subsidiaries of The Hartford prepare their statutory financial statements in conformity with statutory accounting practices prescribed or permitted by the applicable state insurance department, which vary materially from U.S. GAAP. Prescribed statutory accounting practices include publications of the NAIC, as well as state laws, regulations and general administrative rules. The differences between statutory financial statements and financial statements prepared in accordance with U.S. GAAP vary between domestic and foreign jurisdictions. The principal differences are that statutory financial statements do not reflect deferred policy acquisition costs and limit deferred income taxes, recognize a deferred gain on retroactive reinsurance within a special surplus account rather than as other liabilities, predominately use interest rate and mortality assumptions prescribed by the NAIC for life benefit reserves, generally carry investments in bonds at amortized cost, and present reinsurance insurance assets and liabilities net of reinsurance. For reporting purposes, statutory capital and surplus is referred to collectively as "statutory capital".

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Note 16 - Equity

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

U.S. Statutory Net Income

	For the years ended December 31,				For the years ended December 31,		
		2022	2021	2020			
	2023				2023	2022	2021
Group	Group						
Benefits	Benefits						
Insurance	Insurance						
Subsidiary	Subsidiary	\$ 378	\$ 32	\$ 310			
Property and	Property and						
Casualty	Casualty						
Insurance	Insurance						
Subsidiaries	Subsidiaries	1,514	1,774	1,598			
Total	Total	\$1,892	\$1,806	\$1,908			

U.S. Statutory Capital

	As of December 31,		As of December 31,		
	2022	2021			
	2023	2023		2022	
Group	Group				
Benefits	Benefits				
Insurance	Insurance				
Subsidiary	Subsidiary	\$ 2,571	\$ 2,410		
Property and Casualty Insurance	Property and Casualty Insurance				
Subsidiaries	Subsidiaries	12,111	11,914		
Total	Total	\$ 14,682	\$ 14,324		

Regulatory Capital Requirements

The Company's U.S. insurance companies' states of domicile impose risk-based capital ("RBC") RBC requirements. The requirements provide a means of measuring the minimum

amount of statutory capital appropriate for an insurance company to support its overall business operations based on its size and risk profile. Companies below specific trigger points or ratios are classified within certain levels, each of which requires specified corrective action. All of the Company's operating insurance subsidiaries had RBC ratios in excess of the minimum levels required by the applicable insurance regulations.

Similar to the RBC ratios that are employed by U.S. insurance regulators, regulatory authorities in the international jurisdictions in which the Company operates generally establish minimum solvency requirements for insurance companies. All of the Company's international insurance subsidiaries expect to maintain capital levels in excess of the minimum levels required by the applicable regulatory authorities.

Dividend Restrictions

Dividends to HFSG Holding Company from its insurance subsidiaries are restricted by insurance regulation. The Company's principal insurance subsidiaries are domiciled in the United States and the United Kingdom.

The payment of dividends by Connecticut-domiciled insurers is limited under the insurance holding company laws of Connecticut. These laws require notice to and approval by the state insurance commissioner for the declaration or payment of any dividend, which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of (i) 10% of the insurer's statutory policyholder surplus as of December 31 of the preceding year or (ii) net income (or net gain from operations, if such company is a life insurance company) for the preceding year, in each case determined under statutory insurance accounting principles. In addition, if any dividend of a Connecticut-domiciled insurer exceeds the insurer's earned surplus, it requires the prior approval of the Connecticut Insurance Commissioner.

Property casualty insurers domiciled in New York, including Navigators Insurance Company ("NIC") NIC and Navigators Specialty Insurance Company ("NSIC"), generally may not, without notice to and approval by the state insurance commissioner, pay dividends out of earned surplus in any twelve-month period that exceeds the lesser of (i) 10% of the insurer's statutory policyholders' surplus as of the most recent financial statement on file, or (ii) 100% of its adjusted net investment income, as defined, for the same twelve month period.

Corporate members of Lloyd's Syndicates may pay dividends to its parent to the extent of available profits that have been distributed from the syndicate in excess of the Funds at Lloyd's ("FAL") capital requirement and subject to restrictions imposed under UK Company Law. The FAL is determined based on the syndicate's solvency capital requirement ("SCR") of the syndicate under the Solvency II capital adequacy model, the current regulatory framework governing UK domiciled insurers, plus a Lloyd's specific economic capital assessment. Insurers domiciled in the United Kingdom may pay dividends to its parent out of its statutory profits subject to restrictions imposed under U.K. Company law and Solvency II.

The insurance holding company laws of the other jurisdictions in which The Hartford's insurance subsidiaries are incorporated (or deemed commercially domiciled) generally contain similar (although in certain instances more restrictive) limitations on the

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Note 15 - Equity

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

payment of dividends. In addition to statutory limitations on paying dividends, the Company also takes other items into consideration when determining dividends from subsidiaries. These considerations include, but are not limited to, expected earnings and capitalization of the subsidiaries, regulatory capital requirements, liquidity requirements and state deposit requirements of the individual operating company.

In 2022, the 2023, HFSG Holding Company received \$240 \$408 of dividends from HLA and \$157 \$129 from Hartford Funds. In addition, HFSG Holding Company received \$1.4 billion \$1.5 billion of net dividends from P&C subsidiaries in 2022 2023, which excludes \$395 \$100 of P&C dividends that were subsequently contributed to P&C subsidiaries and \$50 of P&C dividends related to interest payments on an intercompany note owed by Hartford Holding Holdings, Inc. ("HHI") to Hartford Fire Insurance Company.

The Company's property and casualty insurance subsidiaries have regulatory dividend capacity of \$1.8 billion for 2023, and expects available net dividends to the 2024. The HFSG Holding Company of expects to receive approximately \$1.5 billion of net dividends after considering state deposit and regulatory

capital requirements to support growth in certain entities, dividends that are expected to be subsequently contributed to P&C subsidiaries and dividends related to interest on intercompany notes. The HFSG Holding Company expects to receive approximately \$1.5 billion of net dividends from the Company's property and casualty insurance subsidiaries in 2023.

HLA has regulatory dividend capacity of \$408 \$609 in 2023 2024 with approximately \$400 \$600 of dividends expected in 2023, 2024.

There are no current restrictions on HFSG Holding Company's ability to pay dividends to its stockholders.

Restricted Net Assets

As of December 31, 2022 December 31, 2023, the Company's insurance subsidiaries had net assets of \$12.9 billion, \$14.5 billion, determined in accordance with U.S. GAAP, that were restricted from payment to the HFSG Holding Company, without prior regulatory approval.

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Note 17 - Income Taxes

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

17. INCOME TAXES

Income Tax Expense

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions, as applicable. Income before income taxes included income from domestic operations of \$2,256, \$2,910, \$3,042, \$2,260 and \$2,222, \$2,919 for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, and income (losses) from foreign operations of \$46, \$2, \$(14) and \$(102), \$(14) for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021.

Income Tax Expense

	For the years ended December 31,		
	2022	2021	2020
Income tax expense (benefit)			
Current - U.S. federal	\$ 550	\$ 486	\$ 410
Foreign	(1)	2	—
Total current	549	488	410
Deferred - U.S. federal	(124)	49	(20)
Foreign	18	(6)	(7)
Total deferred	(106)	43	(27)
Total income tax expense	\$ 443	\$ 531	\$ 383

	For the years ended December 31,		
	2023	2022	2021
Income tax expense (benefit)			
Current - U.S. federal	\$ 582	\$ 550	\$ 486
Foreign	—	(1)	2
Total current	582	549	488
Deferred - U.S. federal	6	(124)	52
Foreign	(4)	18	(6)
Total deferred	2	(106)	46
Total income tax expense	\$ 584	\$ 443	\$ 534

Income Tax Rate Reconciliation

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Tax provision at U.S. federal statutory rate	Tax provision at U.S. federal statutory rate	\$ 474	\$ 608	\$ 445			
Nontaxable net investment income	Nontaxable net investment income	(29)	(67)	(57)			
Other	Other	(2)	(10)	(5)			
Other							
Other							
Provision for income taxes	Provision for income taxes	\$ 443	\$ 531	\$ 383			

The current income tax payable of \$18 and \$56 as of December 31, 2023 and 2022, respectively, is included in other liabilities in the Consolidated Balance Sheets.

Deferred Taxes

Deferred tax assets and liabilities on the consolidated balance sheets represent the tax consequences of differences between the financial reporting and tax basis of assets and liabilities.

The Company predominantly pays non-income state taxes as a percentage of premiums written which are accounted for as policy acquisition costs. State income taxes were \$4, \$3, \$4 and \$3, \$4 for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively, and are included in other expenses. The Hartford has not recorded state deferred taxes, including net deferred tax assets from state operating loss carryforwards, because the Company does not expect to earn state taxable income to utilize such state tax benefits.

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Note 16 - Income Taxes

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Deferred Tax Assets (Liabilities)

	As of December 31,		
	2022	2021	
As of December 31,			As of December 31,
2023			2023
			2022

Deferred tax assets		Deferred tax assets	
Loss reserves and tax discount	Loss reserves and tax discount	\$ 449	\$ 386
Loss reserves and tax discount			
Loss reserves and tax discount			
Unearned premium reserve and other underwriting related reserves	Unearned premium reserve and other underwriting related reserves	442	406
Investment-related items		—	8
Employee benefits			
Employee benefits			
Employee benefits	Employee benefits	167	225
Net unrealized losses on investments	Net unrealized losses on investments	668	—
Net operating loss carryover	Net operating loss carryover	37	29
Other			
Other			
Other	Other	19	—
Total deferred tax assets	Total deferred tax assets	1,782	1,054
Valuation allowance	Valuation allowance	(27)	(7)
Deferred tax assets, net of valuation allowance	Deferred tax assets, net of valuation allowance	1,755	1,047
Deferred tax liabilities		Deferred tax liabilities	
Deferred acquisition costs	Deferred acquisition costs	(146)	(129)
Deferred acquisition costs			
Deferred acquisition costs			
Investment-related items	Investment-related items	(48)	—
Net unrealized gains on investments	Net unrealized gains on investments	—	(428)
Other depreciable and	Other depreciable and		

amortizable assets	amortizable assets	(112)	(216)
Other		—	(4)
Other depreciable and amortizable assets			
Other depreciable and amortizable assets			
Total deferred tax liabilities			
Total deferred tax liabilities			
Total deferred tax liabilities	Total deferred tax liabilities	(306)	(777)
Net deferred tax asset	Net deferred tax asset	\$1,449	\$ 270

As of **December 31, 2022** December 31, 2023, the Company has a deferred tax asset for foreign net operating losses ("NOLs") of **\$37** \$45 partially offset by a valuation allowance of **\$27**, \$12. While the foreign **net operating losses ("NOLs")** NOLs do not expire, this assessment reflects uncertainty in the Company's ability to generate sufficient taxable income in the near term in those specific jurisdictions.

Management has assessed the need for a valuation allowance against its deferred tax assets based on tax character and jurisdiction. In making the assessment, management considered future taxable temporary difference reversals, future taxable income exclusive of reversing temporary differences, the ability to hold assets to recovery, and carryovers, taxable income in open carry back years and other tax planning strategies which management views as prudent and feasible.

Uncertain Tax Positions

Rollforward of Unrecognized Tax Benefits

		For the years ended December 31,					
		2022		2021		2020	
Balance, beginning of period							
Balance, beginning of period							
Balance, beginning of period	Balance, beginning of period	\$	16	\$	15	\$	14
Gross increases - tax positions in current period	Gross increases - tax positions in current period		6		6		1
Gross increases - tax positions in current period							
Gross increases - tax positions in current period							
Lapse of statute of limitations							
Lapse of statute of limitations							
Lapse of statute of limitations	Lapse of statute of limitations		—		(5)		—
Balance, end of period	Balance, end of period	\$	22	\$	16	\$	15

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Note 17 - Income Taxes

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The entire amount of unrecognized tax benefits, if recognized, would affect the effective tax rate in the period of the release. The Company believes it is reasonably possible approximately \$4 of its currently unrecognized tax benefits associated with R&D credits claimed on the Company's 2020 tax return may be recognized by the end of 2024 as a result of a lapse in the applicable statute of limitations. In 2021, the Company recognized \$5 of its previously unrecognized tax benefits associated with dividends from segregated asset accounts of the life and annuity business sold in 2018. This liability was subject to a tax indemnification agreement and a corresponding receivable included in other assets has been taken down upon lapse of the statute of limitations.

Other Tax Matters

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022 ("IRA") which is generally effective for years beginning after December 31, 2022. Notably, the bill created a 15% corporate alternative minimum tax ("CAMT") on corporations with three-year average financial statement income over \$1 billion. The Internal Revenue Service has issued limited some preliminary guidance, guidance and is expected to release more detailed proposed regulations in the coming year. The Company has made certain interpretations and assumptions to comply with the CAMT. While the Company's financial statement income is over \$1 billion,

\$1 billion, it is not expected the Company would have a CAMT liability. If CAMT is paid in the future, the amount would be indefinitely available as a credit carryforward that would reduce tax in future years and would be treated as a temporary item reflected within deferred taxes.

The federal income tax audits for the Company have been completed through 2013, and the Company 2013. The acquired Navigators group is not currently under federal income IRS audit for the pre-acquisition 2019 tax examination for any open years period. The statute of limitations is closed through the 2018 2019 tax year with the exception of NOL carryforwards utilized in open tax years, years and the Navigators pre-acquisition 2019 tax period. Management believes that adequate provision has been made in the Company's Consolidated Financial Statements for any potential adjustments that may result from tax examinations and other tax-related matters for all open tax years.

The Company classifies interest and penalties (if applicable) as income tax expense in the Consolidated Financial Statements. The Company recognized net interest expense of \$2 and \$1 in the year years ended December 31, 2022 December 31, 2023 and 2022 and net interest income of \$1 and \$1 for the years year ended December 31, 2021 and 2020, respectively. The Company does not believe it would be subject to any penalties in any open tax years and, therefore, has not recorded any accrual for penalties.

18. CHANGES IN AND RECLASSIFICATIONS FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in AOCI, Net of Tax for the Year Ended December 31, 2023

	Changes in						
	Net Unrealized Gain (Loss) on Fixed Maturities, AFS	Unrealized Losses on Fixed Maturities with ACL	Net Gain (Loss) on Cash Flow Hedging Instruments	Foreign Currency Translation Adjustments	Liability for Future Policy Benefits Adjustments	Pension and Other Postretirement Plan Adjustments	AOCI, net of tax
Beginning balance	\$ (2,594)	\$ (7)	\$ 40	\$ 31	\$ 35	\$ (1,346)	\$ (3,841)
OCI before reclassifications	1,275	(5)	(25)	8	(13)	(148)	1,092
Amounts reclassified from AOCI	133	4	1	—	—	27	165
OCI, before tax	1,408	(1)	(24)	8	(13)	(121)	1,257
Income tax benefit (expense)	(296)	—	5	(2)	3	25	(265)
OCI, net of tax	1,112	(1)	(19)	6	(10)	(96)	992
Ending balance	\$ (1,482)	\$ (8)	\$ 21	\$ 37	\$ 25	\$ (1,442)	\$ (2,849)

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Note 17 18 - Accumulated Other Comprehensive Income (Loss)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. CHANGES IN AND RECLASSIFICATIONS FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in AOCI, Net of Tax for the Year Ended December 31, 2022

	Changes in											
	Unrealized Loss					AOCI, net of tax						
	Net Unrealized Gain	on Fixed	Net Gain (Loss) on	Foreign Currency	Pension and Other							
	(Loss) on Fixed	Maturities with	Cash Flow Hedging	Translation	Postretirement Plan							
Maturities, AFS	ACL	Instruments	Adjustments	Adjustments								
Beginning balance	\$	1,616	\$	(2)	\$	6	\$	41	\$	(1,489)	\$	172
OCI before reclassifications		(5,611)		(6)		56		(13)		119		(5,455)
Amounts reclassified from AOCI		282		—		(13)		—		62		331
OCI, before tax		(5,329)		(6)		43		(13)		181		(5,124)
Income tax benefit (expense)		1,119		1		(9)		3		(38)		1,076
OCI, net of tax		(4,210)		(5)		34		(10)		143		(4,048)
Ending balance	\$	(2,594)	\$	(7)	\$	40	\$	31	\$	(1,346)	\$	(3,876)

Changes in AOCI, Net of Tax for the Year Ended December 31, 2021

Changes in														Cha
Net														i
Unrealized														
Gain Unrealized Net Gain Liability for Pension and														
(Loss) on Losses on (Loss) on Foreign Future Other														
Fixed Fixed Cash Flow Currency Policy Postretirement														AC
Maturities, Maturities Hedging Translation Benefits Plan														ne
AFS with ACL Instruments Adjustments Adjustments Adjustments														tr
Beginning balance														
Changes in														
Net														
Unrealized														
Gain Unrealized Net Gain Pension and														
(Loss) on Loss on (Loss) on Foreign Other														
Fixed Fixed Cash Flow Currency Postretirement														
Maturities, Maturities Hedging Translation Plan AOCI, net of tax														
AFS with ACL Instruments Adjustments Adjustments														
Beginning balance \$ 2,834 \$ (2) \$ 12 \$ 43 \$ (1,717) \$1,170														
OCI before reclassifications														
OCI before reclassifications														
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Cumulative effect of accounting changes, net of tax [1]													
Cumulative effect of accounting changes, net of tax [1]													
Adjusted balance, beginning of period													
Adjusted balance, beginning of period													
Adjusted balance, beginning of period													
OCI before reclassifications													
OCI before reclassifications													
OCI before reclassifications	OCI before reclassifications		1,627		1		30		11		(117)		1,552
Amounts reclassified from AOCI	Amounts reclassified from AOCI		(171)		—		(26)		—		60		(137)
Amounts reclassified from AOCI													
Amounts reclassified from AOCI													
OCI, before tax													
OCI, before tax													
OCI, before tax	OCI, before tax		1,456		1		4		11		(57)		1,415
Income tax benefit (expense)	Income tax benefit (expense)		(306)		—		(1)		(2)		12		(297)
Income tax benefit (expense)													
Income tax benefit (expense)													
OCI, net of tax													
OCI, net of tax													
OCI, net of tax	OCI, net of tax		1,150		1		3		9		(45)		1,118
Ending balance	Ending balance	\$	2,834	\$	(2)	\$	12	\$	43	\$	(1,717)	\$	1,170
Ending balance													
Ending balance													

[1] Includes adjustments of \$21 for elimination of shadow reserves and (\$96) for updating discount rate assumptions for future policy benefit reserves. Refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reclassifications from AOCI

AOCI	AOCI	Amount Reclassified from AOCI	Affected Line Item in the Consolidated Statement of Operations	AOCI	Amount Reclassified from AOCI	Affected Line Item in the Consolidated Statement of Operations
	For the year ended December 31, 2023					
Net Unrealized Gain on Fixed Maturities, AFS						
Net Unrealized Gain on Fixed Maturities, AFS						
Net Unrealized Gain on Fixed Maturities, AFS						
Fixed maturities, AFS						

Fixed maturities, AFS											
Fixed maturities, AFS					\$ (133)	\$ (282)	\$ 234	Net realized gains (losses)			
(133)					(133)	(282)			Total before		
									234 tax		
									Income tax		
(28)					(28)	(59)			49 expense		
	For the year ended December 31, 2022				For the year ended December 31, 2021	For the year ended December 31, 2020					
Net Unrealized Gain on											
Fixed Maturities											
					Net realized						
Fixed maturities, AFS	\$	(282)	\$	234	\$	171	gains (losses)				
\$											
\$											
\$					(105)	\$ (223)	\$ 185	Net income			
					(282)	234	171	Total before			
							tax				
							Income tax				
					(59)	49	36	expense			
					\$ (223)	\$ 185	\$ 135	Net income			
Unrealized Loss on Fixed											
Maturities with ACL											
Unrealized Loss on Fixed											
Maturities with ACL											
Unrealized Loss on Fixed											
Maturities with ACL											
Fixed maturities, AFS											
Fixed maturities, AFS											
Fixed maturities, AFS					\$ (4)	\$ —	\$ —	Net realized gains (losses)			
(4)					(4)	—			Total before		
							tax				
							Income tax				
(1)					(1)	—			expense		
\$											
\$											
\$					(3)	\$ —	\$ —	Net income			
Net Gains (Losses) on Cash Flow Hedging Instruments	Net Gains (Losses) on Cash Flow Hedging Instruments										
					Net						
					investment						
Interest rate swaps	\$	6	\$	41	\$	29	income				
					Interest						
Interest rate swaps		(2)		(10)	(7)	expense					
					Net realized						
Foreign currency swaps		—		—	(1)	gains (losses)					
					Net						
					investment						
Foreign currency swaps		9		5	5	income					

					Total before tax
	13		36		26
					Income tax expense
	3		8		5
\$	10	\$	28	\$	21 Net income

**Net Gains (Losses) on
Cash Flow Hedging
Instruments**

**Net Gains (Losses) on
Cash Flow Hedging
Instruments**

Interest rate swaps

Foreign currency swaps

Foreign currency swaps

—

\$

\$

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itiv' and

**Pension and
Other
Postretirement
Plan
Adjustments**

qualified non-qualified and Canadian defined benefit plan are referred to as "Other Pension Plans".

The U.S. Pension Plan includes two benefit formulas, both of which are frozen: a final average pay formula (for which all accruals ceased as of December 31, 2008) and a cash balance formula for which benefit accruals ceased as of December 31, 2012, although interest will continue to accrue to existing cash balance formula account balances. Employees who were participants as of December 31, 2012 continue to earn vesting credit with respect to their frozen accrued benefits if they continue to work. The interest crediting rate on the cash balance plan is the greater of the average annual yield on 10-year U.S. Treasury Securities published in December of the prior calendar year or 3.3%. The Hartford Excess Pension Plan I and The Hartford Excess Pension Plan II, the Company's non-qualified excess pension benefit plans for certain highly compensated employees, are also frozen.

Group Retiree Health Plan- The Company provides certain health care and life insurance benefits for eligible retired employees. The Company's contribution for health care benefits are a function of the retiree's date of retirement and years of service. In addition, the plan has a defined dollar cap for certain retirees which limits average Company contributions. The Hartford has prefunded a portion of the health care obligations where such prefunding can be accomplished on a tax effective basis. Beginning January 1, 2017, for retirees 65 and older who were participating in the Retiree PPO Medical Plan, the Company funds the cost of medical and dental health care benefits through contributions to a Health Reimbursement Account and covered individuals can access a variety of insurance plans from a health care exchange. Effective January 1, 2002, Company-subsidized retiree medical, retiree dental and retiree life insurance benefits were eliminated for employees with original hire dates with the Company on or after January 1, 2002. The Company also amended its postretirement medical, dental and life insurance coverage plans to no longer provide subsidized coverage for employees who retired on or after January 1, 2014.

Assumptions

Pursuant to accounting principles related to the Company's pension and other postretirement obligations to employees

economic assumptions that have the most impact on pension and other postretirement expense under the defined benefit pension plans and group retiree health plan are the discount rate and the expected long-term rate of return on plan assets. The yield curve used to determine the discount rate is based on yields of high-quality fixed income investments consistent with the highest yields grouped by duration, duration, using the above mean average for each duration group. Based on all available market and industry information, it was determined that 5.43% 5.15% and 5.39% 5.13% were the appropriate discount rates as of December 31, 2022 December 31, 2023 to calculate the Company's U.S. Pension Plan and other postretirement obligations, respectively.

The expected long-term rate of return considers both current market yields and forecasted investment returns expected to be achieved by the actual compound rates plan's investment strategy over the remaining life of return earned over various historical time periods. the plan. The Company also considers the plan's funded status, the investment volatility, duration and total returns for various time periods related to the characteristics of the pension obligation, which are influenced by the Company's workforce demographics. For the pension plan, the Company has assumed an allocation of approximately 73% 81% in fixed income securities and 27% 19% in non-fixed income securities (global equities hedge funds and private market alternatives) limited partnerships) in its assumed expected long-term rate of return for the year ended December 31, 2022 December 31, 2023, whereas the Company anticipated an allocation of 65% 73% in fixed income securities and 35% 27% in non-fixed income securities to derive an expected long-term rate of return for the year ended December 31, 2021 December 31, 2022. For the other postretirement plans, the Company has assumed an allocation of approximately 100% in fixed income securities in its assumptions for the year ended December 31, 2023, whereas the Company anticipated an allocation of 75% in fixed income securities and 25% in non-fixed income securities in its assumptions to derive an expected long-term rate of return for the years year ended December 31, 2022 and 2021. Based upon these analyses, management determined the long-term rate of return assumption to be 6.10% and 4.50% for the Company's U.S. Pension Plan and other postretirement obligations, respectively, for the year ended December 31, 2023 and 5.10% and 4.80% for the Company's U.S. Pension Plan and other postretirement obligations, respectively, for the year ended December 31, 2022 and 5.40% and 4.90% for the Company's U.S. Pension Plan and other postretirement obligations, respectively, for the year ended December 31, 2021. To determine the Company's 2023 2024 expense, the Company has assumed an allocation of 81% in fixed income securities and 19% in non-fixed income

under its various benefit plans, the Company is required to make a significant number of assumptions in order to calculate the related liabilities and expenses each period. The two

securities for the pension plan and an allocation of 100% in fixed income securities for the postretirement plans, contributing to an expected long-term rate of return on plan assets of 6.10% 5.90% and 4.50% for the Company's U.S. Pension Plan and other postretirement obligations, respectively.

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Note 18 19 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Assumptions Used in Calculating the Benefit Obligations and the Net Amount Recognized

For the years ended December 31,								For the years ended December 31,	
		2022	2021	2020		2023	2022	2021	
Weighted Average Assumptions used to determine benefit obligations	Weighted Average Assumptions used to determine benefit obligations								
Discount rate:	Discount rate:								
Discount rate:	Discount rate:								
U.S. Pension Plan	U.S. Pension Plan								
U.S. Pension Plan	U.S. Pension Plan								
U.S. Pension Plan	U.S. Pension Plan	5.43 %	2.91 %	2.65 %		5.15 %	5.43 %	2.91 %	
Other Pension Plans	Other Pension Plans	5.40 %	2.83 %	2.51 %	Other Pension Plans	5.14 %	5.40 %	2.83 %	
Other postretirement benefits	Other postretirement benefits	5.39 %	2.72 %	2.36 %	Other postretirement benefits	5.13 %	5.39 %	2.72 %	
Interest crediting rate on cash balance plan	Interest crediting rate on cash balance plan	3.89 %	3.30 %	3.30 %	Interest crediting rate on cash balance plan	4.36 %	3.89 %	3.30 %	
Weighted Average Assumptions used to determine net periodic benefit costs:									
Discount rate:	Discount rate:								
U.S. Pension Plan	U.S. Pension Plan	2.91 %	2.66 %	3.33 %					
U.S. Pension Plan	U.S. Pension Plan					5.43 %	2.91 %	2.66 %	
Other Pension Plans	Other Pension Plans	2.83 %	2.52 %	3.25 %	Other Pension Plans	5.40 %	2.83 %	2.52 %	
Other postretirement benefits	Other postretirement benefits	2.72 %	2.36 %	3.15 %	Other postretirement benefits	5.39 %	2.72 %	2.36 %	
Expected long-term rate of return on plan assets:	Expected long-term rate of return on plan assets:								
U.S. Pension Plan	U.S. Pension Plan	5.10 %	5.40 %	6.00 %					
U.S. Pension Plan	U.S. Pension Plan								

U.S. Pension Plan				6.10	% 5.10	% 5.40	%				
Other Pension Plans	Other Pension Plans	3.30	% 2.90 % 3.90 %	Other Pension Plans				4.40	% 3.30	% 2.90	%
Other postretirement benefits	Other postretirement benefits	4.80	% 4.90 % 5.60 %	Other postretirement benefits				4.50	% 4.80	% 4.90	%
Assumed Health Care Cost Trend Rates	Assumed Health Care Cost Trend Rates										
Pre-65 health care cost trend rate											
Pre-65 health care cost trend rate											
Pre-65 health care cost trend rate	Pre-65 health care cost trend rate	7.00	% 7.00 % 7.00 %					8.00	% 7.00	% 7.00	%
Post-65 health care cost trend rate	Post-65 health care cost trend rate	N/A		Post-65 health care cost trend rate				N/A			
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50	% 4.50 % 4.50 %	Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)				4.50	% 4.50	% 4.50	%
Year that the rate reaches the ultimate trend rate	Year that the rate reaches the ultimate trend rate	2032		Year that the rate reaches the ultimate trend rate				2038	2032		

Obligations and Funded Status

The following tables set forth a reconciliation of beginning and ending balances of the benefit obligation and fair value of plan assets, as well as the funded status of the Company's defined benefit pension and postretirement health care and life

insurance benefit plans. Information is presented for the qualified U.S. Pension Plan, Other Pension Plans (including non-qualified plans and the Canadian pension plan) and other postretirement benefits.

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Note 18 19 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Obligations and Funded Status

				U.S. Pension Plan	Other Pension Plans	Total Pension Plans	Other Postretirement Benefits				
For the years ended December 31,											
2022	2021	2022	2021	2022	2021	2022	2021				
U.S. Pension Plan								U.S. Pension Plan	Other Pension Plans	Total Pension Plans	Other Postretirement Benefits
For the years ended December 31,								For the years ended December 31,			
2023				2023	2022	2023	2022	2023	2022	2023	2022
Change in Benefit Obligation											

Benefit obligation — beginning of year	Benefit obligation — beginning of year	\$4,210	\$4,409	\$ 439	\$ 466	\$4,649	\$4,875	\$ 197	\$ 220
Service cost	Service cost	4	4	—	—	4	4	—	—
Interest cost	Interest cost	101	87	10	9	111	96	4	3
Plan participants' contributions	Plan participants' contributions	—	—	—	—	—	—	10	11
Actuarial loss (gain)	Actuarial loss (gain)	14	(7)	4	2	18	(5)	(5)	1
Changes in assumptions	Changes in assumptions	(985)	(96)	(92)	(11)	(1,077)	(107)	(33)	(5)
Benefits paid	Benefits paid	(188)	(187)	(27)	(26)	(215)	(213)	(30)	(33)
Foreign exchange adjustment	Foreign exchange adjustment	—	—	—	(1)	—	(1)	—	—
Benefit obligation — end of year [1]									
		\$3,156	\$4,210	\$ 334	\$ 439	\$3,490	\$4,649	\$ 143	\$ 197

Changes in assumptions	
Changes in assumptions	
Benefits	
paid [1]	
Benefit obligation —	
end of year [2]	
Benefit obligation —	
end of year [2]	
Benefit obligation —	
end of year [2]	

Change in Plan Assets

Fair value of plan assets — beginning of year	Fair value of plan assets — beginning of year	\$4,467	\$4,346	\$ 15	\$ 17	\$4,482	\$4,363	\$ 51	\$ 63
Actual return on plan assets	Actual return on plan assets	(742)	338	(3)	(1)	(745)	337	(6)	4
Employer contributions	Employer contributions	—	—	—	—	—	—	5	7
Benefits paid [2]	Benefits paid [2]	(188)	(187)	(1)	(1)	(189)	(188)	(20)	(23)
Employer contributions [3]	Employer contributions [3]								
Plan participants' contributions [3]	Plan participants' contributions [3]								
Benefits paid [1]	Benefits paid [1]								
Expenses paid	Expenses paid	(24)	(30)	—	—	(24)	(30)	—	—
Fair value of plan assets — end of year									
Fair value of plan assets — end of year									

Fair value of plan assets — end of year	Fair value of plan assets — end of year	\$ 3,513	\$ 4,467	\$ 11	\$ 15	\$ 3,524	\$ 4,482	\$ 30	\$ 51
Funded status — end of year	Funded status — end of year	\$ 357	\$ 257	\$ (323)	\$ (424)	\$ 34	\$ (167)	\$ (113)	\$ (146)

Amounts Recognized in the Consolidated Balance Sheets									
Other assets	Other assets	\$ 357	\$ 257	\$ —	\$ —	\$ 357	\$ 257	\$ —	\$ —
Other liabilities	Other liabilities	\$ —	\$ —	\$ (323)	\$ (424)	\$ (323)	\$ (424)	\$ (113)	\$ (146)

[1] Other postretirement benefits paid represent payments from plan assets for non-key employee postretirement medical benefits, Company assets and plan participants' contributions.

[2] As of December 31, 2022 December 31, 2023 and 2021, 2022, the Accumulated Benefit Obligation is equal to the Projected Benefit Obligation.

[2] 3] Employer and plan participants' contributions for the Other postretirement benefits paid Postretirement Benefits represent non-key employee postretirement medical benefits paid funding from the Company's prefunded trust fund, net of Company and plan participant contributions, assets.

Changes in assumptions for the U.S. Pension Plan in 2023 primarily included a \$88 increase in the benefit obligation for pension benefits as a result of a decrease in the discount rate from 5.43% as of the December 31, 2022 valuation to 5.15% as of the December 31, 2023 valuation. Changes in assumptions in 2022 primarily included a \$997 decrease in the benefit obligation for pension benefits as a result of an increase in the discount rate from 2.91% as of the December 31, 2021 valuation to 5.43% as of the December 31, 2022 valuation.

Changes in assumptions for the Other Pension Plans in 2021 2023 primarily included a \$109 decrease \$7 increase in the benefit obligation for pension benefits as a result of an increase a decrease in the discount rate from 2.65% 5.40% as of the December 31, 2020 December 31, 2022 valuation to 2.91% 5.14% as of the December 31, 2021 December 31, 2023 valuation.

Changes in assumptions for the Other Pension Plans in 2022 primarily included a \$92 decrease in the benefit obligation for pension benefits as a result of an increase in the discount rate from 2.83% as of the December 31, 2021 valuation to 5.40% as of the December 31, 2022 valuation. Changes in assumptions in 2021 included a \$12 decrease in the benefit obligation for pension benefits as a result of an increase in the discount rate from 2.51% as of the December 31, 2020 valuation to 2.83% as of the December 31, 2021 valuation.

Included in the benefit obligation for the U.S. Pension Plan in the table above, the cash balance plan pension benefit obligation was \$338 357 and \$414 \$338 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The fair value of assets for total pension plans, and hence the funded status, presented in the table above excludes assets of \$170 \$198 and \$210 \$170 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, held in rabbi trusts and designated for the Other Pension Plans. The Company contributed \$3 to the rabbi trusts in 2023. The assets do not qualify as plan assets; however, the assets are available to pay benefits for certain retired, terminated and active participants. Such assets are available to the Company's general creditors in the event of insolvency. The rabbi trusts' assets consist of equity and fixed income investments. To the extent the fair value of these rabbi trusts were included in the table above, total pension plan assets would have been \$3,694 \$3,771 and \$4,692 \$3,694 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, and the funded status of total pension plans would have been \$204 \$168 and \$43 \$204 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

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Note 19 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The tables below present an aggregate view of net periodic cost (benefit) and components of other comprehensive income and AOCI for pension plans that includes both the U.S. Pension Plan and Other Pension Plans. Net periodic cost (benefit) is recognized in insurance operating costs and other expenses in the Consolidated Statement of Operations.

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Note 18 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Net Periodic Cost (Benefit)

		Pension Benefits	Other Postretirement Benefits							
		Pension Benefits	Other Postretirement Benefits			Pension Benefits	Other Postretirement Benefits			
		For the years ended December 31,								
		For the years ended December 31,								
		2022	2021	2020	2022	2021	2020	2023	2022	2021
Service cost	Service cost	\$ 4	\$ 4	\$ 4	\$ —	\$ —	\$ —			
Interest cost	Interest cost	111	96	127	4	3	6			

Expected return on plan assets	Expected return on plan assets	(202)	(205)	(215)	(2)	(3)	(4)
Amortization of prior service credit	Amortization of prior service credit	—	—	—	(7)	(7)	(7)
Amortization of actuarial loss	Amortization of actuarial loss	62	69	60	7	8	7
Net periodic cost (benefit)	Net periodic cost (benefit)	\$ (25)	\$ (36)	\$ (24)	\$ 2	\$ 1	\$ 2
Net periodic cost (benefit)							
Net periodic cost (benefit)							

Amounts Recognized in Other Comprehensive Income (Loss)

	Other Postretirement Benefits												
	Pension Benefits							Other Postretirement Benefits					
	For the years ended December 31,												
	For the years ended December 31,							For the years ended December 31,					
	2022	2021	2020	2022	2021	2020		2023	2022	2021	2023	2022	2021
Amortization of actuarial loss	Amortization of actuarial loss	\$ 62	\$ 69	\$ 60	\$ 7	\$ 8	\$ 7						
Amortization of prior service credit	Amortization of prior service credit	—	—	—	(7)	(7)	(7)						
Amortization of prior service credit													
Amortization of prior service credit													
Net actuarial gain (loss)	Net actuarial gain (loss)	89	214	(106)	30	5	(11)						
Prior service cost (credit)	Prior service cost (credit)	—	—	—	—	—	—						
Total	Total	\$151	\$283	\$(46)	\$30	\$ 6	\$(11)						

Amounts in Accumulated Other Comprehensive Income (Loss), Before Tax, not yet Recognized as Components of Net Periodic Benefit Cost

	Other Postretirement Benefits												
	Pension Benefits			Benefits				Pension Benefits			Other Postretirement Benefits		
	As of December 31,												
	As of December 31,							As of December 31,					
	2022	2021	2020	2022	2021	2020		2023	2022	2021	2023	2022	2021
Net loss	Net loss	\$ (1,664)	\$ (1,815)	\$ (2,098)	\$ (87)	\$ (124)	\$ (136)						
Prior service credit	Prior service credit	—	—	—	47	54	60						
Total	Total	\$ (1,664)	\$ (1,815)	\$ (2,098)	\$ (40)	\$ (70)	\$ (76)						

Actuarial net losses in AOCI that exceed 10% of the greater of the benefit obligation or the market-related value of plan assets are amortized to expense over the average future life expectancy of plan participants.

Pension Plan Assets

Investment Strategy and Target Allocation

The overall investment strategy of the U.S. Pension Plan is to produce total investment returns that provide sufficient funding for present and anticipated future benefit obligations within the constraints of a prudent level of portfolio risk and diversification. With respect to asset management, the oversight responsibility of the U.S. Pension Plan rests with The Hartford's Pension Investment Committee composed of individuals whose responsibilities include establishing overall objectives and the

increases the allocation to fixed income securities over time in response to improvement in the funded status of the U.S. Pension Plan. The Company believes that the asset allocation decision will be the single most important factor determining the long-term performance of the U.S. Pension Plan.

setting of investment policy; selecting appropriate investment options and ranges; selecting qualified service providers such as investment managers and investment consultants; reviewing the asset allocation mix and asset allocation targets on a regular basis; and monitoring performance to determine whether or not the rate of return objectives are being met and that policy and guidelines are being followed. The Pension Investment Committee has adopted a de-risking glide path that reduces the target allocation to equity securities and alternative assets limited partnerships and

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Note 19 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Target Asset Allocation Ranges

	Other Postretirement Plans								Pension Plans				Other Postretirement Plans			
	Pension Plans				Other Postretirement Plans				Pension Plans				Other Postretirement Plans			
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum		
Equity securities	Equity securities	—	%	20	%	—	%	—	%	Equity securities	—	%	20	%	—	%
Fixed income securities	Fixed income securities	75	%	95	%	100	%	100	%	Fixed income securities	75	%	95	%	100	%
Alternative assets		—	%	25	%	—	%	—	%							
Limited partnerships										Limited partnerships	—	%	25	%	—	%

Divergent market performance among different asset classes and changes in the context of the glide path may, from time to time, cause the asset allocation to deviate from the desired asset allocation ranges. The asset allocation mix is reviewed on a periodic basis. If it is determined that an asset allocation mix rebalancing is required, future portfolio additions and

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Note 18 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

withdrawals will be used first, as necessary, to bring the allocation within tactical ranges, before shifting assets across portfolios.

The U.S. Pension Plan invests in investment portfolios managed by affiliated and unaffiliated managers to gain exposure to emerging markets, equity, hedge funds and other alternative investments. These portfolios encompass multiple asset classes reflecting the current needs, of the U.S. Pension Plan, the investment preferences, and risk tolerance of the U.S. Pension Plan tolerances and the desired degree of diversification. diversification of the U.S. Pension Plan. These asset classes include publicly traded fixed income securities and equities, bonds and alternative

investments and are made up of individual investments in cash and cash equivalents, equity private fixed income securities, debt securities, asset-backed securities, commercial mortgage loans and hedge funds. Hedge fund investments represent a diversified portfolio of partnership investments in a variety of strategies. limited partnerships. Investment portfolios are primarily managed by affiliated managers.

In addition, the Company uses U.S. Treasury bond futures contracts and U.S. Treasury STRIPS, in addition to certain other investments, in a duration overlay program to adjust the duration of U.S. Pension Plan assets to better match the duration of the benefit obligation.

Pension Plan Assets at Fair Value

As of December 31, 2022		As of December 31, 2021	
As of December 31, 2023		As of December 31, 2023	
		As of December 31, 2022	

Asset Category	Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Short-term investments:	Short-term investments:	\$155	\$ —	\$ —	\$ 155	\$120	\$ 29	\$ —	\$ 149									
Fixed Income Securities:	Fixed Income Securities:																	
Corporate	Corporate																	
Corporate	Corporate																	
Corporate	Corporate	—	1,791	31	1,822	—	2,333	42	2,375									
RMBS	RMBS	—	115	—	115	—	98	—	98									
U.S. Treasuries	U.S. Treasuries	—	165	—	165	23	169	—	192									
Foreign government	Foreign government	—	25	1	26	—	38	2	40									
CMBS	CMBS	—	57	1	58	—	56	4	60									
Other fixed income [1]	Other fixed income [1]	—	139	—	139	—	185	1	186									
Mortgage Loans	Mortgage Loans	—	—	165	165	—	—	202	202									
Equity Securities:	Equity Securities:																	
Domestic	Domestic	8	—	—	8	237	—	—	237									
Domestic	Domestic																	
Domestic	Domestic																	
International	International	—	7	—	7	121	—	—	121									
Total pension plan assets at fair value, in the fair value hierarchy [2]	Total pension plan assets at fair value, in the fair value hierarchy [2]	163	2,299	198	2,660	501	2,908	251	3,660									
Other Investments, at net asset value [3]:	Other Investments, at net asset value [3]:																	
Private Market Alternatives	Private Market Alternatives				666				572									
Hedge funds	Hedge funds				152				199									
Limited partnerships	Limited partnerships																	
Limited partnerships	Limited partnerships																	
Limited partnerships	Limited partnerships																	
Total pension plan assets at fair value	Total pension plan assets at fair value	\$163	\$2,299	\$198	\$3,478	\$501	\$2,908	\$251	\$4,431									
Total pension plan assets at fair value	Total pension plan assets at fair value																	
Total pension plan assets at fair value	Total pension plan assets at fair value																	

[1]Includes ABS, municipal bonds and CDOs, CLOs.

[2]Excludes \$46 and \$51 \$46 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, of investment receivables net of investment payables that are excluded from this disclosure requirement because they are trade receivables in the ordinary course of business where the carrying amount approximates fair value.

[3]Investments that are measured at net asset value per share or an equivalent and have not been classified in the fair value hierarchy.

The tables below provide fair value level 3 roll forwards for the U.S. Pension Plan Assets for which significant unobservable inputs ("Level 3") are used in the fair value measurement on a recurring basis. The U.S. Pension Plan classifies the fair value of financial instruments within Level 3 if there are no observable markets for the instruments or, in the absence of active markets,

if one or more of the significant inputs used to determine fair value are based on the U.S. Pension Plan's own assumptions. Therefore, the gains and losses in the tables below include changes in fair value due to both observable and unobservable factors.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Pension Plan Asset Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Pension Plan Asset Fair Value Measurements Using Significant Unobservable Inputs (Level 3)									
Pension Plan Asset Fair Value Measurements Using Significant Unobservable Inputs (Level 3)									
Assets	Assets	Corporate	RMBS	Foreign government	Other [1]	Totals	Assets	Corporate	Totals
Fair Value as of January 1, 2023									
Realized gains (losses), net									
Changes in unrealized gains (losses), net									
Purchases									
Settlements									
Sales									
Transfers into Level 3 [2]									
Transfers out of Level 3 [2]									
Fair Value as of December 31, 2023									
Fair Value as of January 1, 2022									
Fair Value as of January 1, 2022									
Fair Value as of January 1, 2022	Fair Value as of January 1, 2022								
2022	2022	\$	42	\$ —	\$ 2	202	\$ 5	\$ 251	
Realized gains, net	Realized gains, net		—	—	—	—	—	—	

Changes in unrealized gains (losses), net	Changes in unrealized gains (losses), net	(10)	—	—	(25)	—	(35)
Purchases	Purchases	1	—	—	4	—	5
Settlements	Settlements	—	—	—	—	—	—
Sales	Sales	(2)	—	—	(16)	—	(18)
Transfers into Level 3		3	—	—	—	—	3
Transfers out of Level 3		(3)	—	(1)	—	(4)	(8)

Transfers into Level 3 [2]

Transfers out of Level 3 [2]

Fair Value as of December 31, 2022	Fair Value as of December 31, 2022	\$	31	\$	—	\$	1	\$	165	\$	1	\$	198
Fair Value as of January 1, 2021		\$	39	\$	1	\$	9	\$	161	\$	—	\$	210
Realized gains (losses), net			—		—		—		(3)		—		(3)
Changes in unrealized gains, net			—		—		—		—		—		—
Purchases			6		—		—		55		5		66
Settlements			—		—		—		—		—		—
Sales			(5)		—		(7)		(11)		—		(23)
Transfers into Level 3			2		—		—		—		—		2
Transfers out of Level 3			—		(1)		—		—		—		(1)
Fair Value as of December 31, 2021		\$	42	\$	—	\$	2	\$	202	\$	5	\$	251

[1]"Other" includes U.S. Treasuries, Other fixed income and CMBS investments. CMBS:

During the year ended December 31, 2022, transfers into and (out) of and/or (out of) Level 3 are primarily attributable to the appearance of or lack thereof availability of market observable information and the re-evaluation of the observability of pricing inputs.

During the year ended December 31, 2021, transfers into and (out) of Level 3 are primarily attributable to the appearance of or

ack thereof of market observable information and the re-evaluation of the observability of pricing inputs.

There was less than \$1 in Company common stock included in the U.S. Pension Plan's assets as of December 31, 2022 December 31, 2023 and 2021, 2022 as part of a passive indexing strategy.

Other Postretirement Plan Assets at Fair Value

As of December 31, 2022					As of December 31, 2021																		
As of December 31, 2023										As of December 31, 2023										As of December 31, 2022			
Asset Category	Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total					
Short-term investments	Short-term investments	\$ 25	\$ —	\$ —	\$ 25	\$ 1	\$ —	\$ —	\$ 1														
Fixed Income Securities:	Fixed Income Securities:																						
Corporate		—	—	—	—	—	11	—	11														
RMBS																							

RMBS									
RMBS	RMBS	—	1	—	1	—	7	—	7
U.S.	U.S.								
Treasuries	Treasuries	—	4	—	4	1	13	—	14
Foreign government		—		—		1	—	—	1
CMBS		—	—	—	—	—	—	—	—
Other fixed income		—	—	—	—	—	1	—	1
Equity Securities:									
Large-cap		—	—	—	—	16	—	—	16
Total other postretirement plan assets at fair value	Total other postretirement plan assets at fair value	\$ 25	\$ 5	\$ —	\$ 30	\$ 19	\$ 32	\$ —	\$ 51
Total other postretirement plan assets at fair value									
Total other postretirement plan assets at fair value									

There was no Company common stock included in the other postretirement benefit plan assets as of December 31, 2022 December 31, 2023 and 2021, 2022.

Concentration of Risk

In order to minimize risk, the Pension Plan maintains a listing of permissible and prohibited investments. In addition, the Pension Plan has certain concentration limits and investment quality requirements imposed on permissible investment options. Permissible investments include U.S. equity, international equity,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

alternative asset limited partnership and fixed income investments including derivative instruments. Permissible derivative instruments include futures contracts, options, swaps, currency forwards,

caps or floors and may be used to control risk or enhance return but will not be used for leverage purposes.

Securities specifically prohibited from purchase include, but are not limited to: shares or fixed income instruments issued by The Hartford (other than equity securities purchased on the open market as part of a passively managed strategy), short sales of any type within long-only portfolios, non-derivative securities involving the use of margin, leveraged floaters and inverse floaters, including money market obligations, natural resource real properties such as oil, gas or timber and precious metals.

Other than U.S. government and certain U.S. government agencies backed by the full faith and credit of the U.S.

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Note 19 - Employee Benefit Plans



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government, the Pension Plan does not have any material exposure to any concentration risk of a single issuer.

pension plan in 2023, 2024. The Company will monitor the funded status of the U.S. qualified defined benefit pension plan during 2023 2024 to make this determination.

Expected Employer Contributions

The Company does not have a 2023 2024 required minimum funding contribution for the U.S. qualified defined benefit pension plan. The Company has not determined whether, and to what extent, contributions may be made to the U.S. qualified defined benefit

Benefit Payments

Amounts of Benefits Expected to be Paid over the next Ten Years from
Pension and other Postretirement Plans as of December 31,
2022 December 31, 2023

		Pension		Other	
		Benefits		Postretirement	
		Benefits		Benefits	
2023	\$	235	\$	18	
		Pension		Pension Benefits	
		Benefits		Other Postretirement Benefits	
2024	2024	240		16	
2025	2025	249		15	
2026	2026	255		13	
2027	2027	256		12	
2028 -					
2032		1,279		51	
2028					
2029					
-					
2033					
Total	Total \$	2,514	\$	125	

19.20. STOCK COMPENSATION PLANS

The Company's stock-based compensation plans are described below. Shares issued in satisfaction of stock-based compensation may be made available from authorized but unissued shares, shares held by the Company in treasury or from shares purchased in the open market. In 2023, 2022, 2021 and 2020, 2021, the Company issued shares from treasury in satisfaction of stock-based compensation.

The Hartford measures stock compensation at the grant date based on the estimated fair value of the award and recognizes expense on a straight-line basis, net of estimated forfeitures, over the requisite service period. Stock-based compensation expense, included in insurance operating costs and other expenses in the consolidated statement of operations, was as follows:

Stock-Based Compensation Expense				
		For the years ended December 31,		
		2022	2021	2020
		For the years ended December 31,		For the years ended December 31,
		2023	2022	2021
Stock-based compensation plans expense	Stock-based compensation plans expense	\$131	\$128	\$116
Income tax benefit	Income tax benefit	(22)	(22)	(20)
Excess tax benefit on awards vested, exercised and expired	Excess tax benefit on awards vested, exercised and expired	(12)	(6)	(1)
Total stock-based compensation plans expense, net of tax	Total stock-based compensation plans expense, net of tax	\$ 97	\$100	\$ 95

The Company did not capitalize any cost of stock-based compensation. As of December 31, 2022, December 31, 2023, the total compensation cost related to non-vested awards not yet recognized was \$66, \$64, which is expected to be recognized over a weighted average period of 2 years.

Stock Plan

Future stock-based awards may be granted under The Hartford's 2020 Stock Incentive Plan (the "Stock Incentive Plan") other than the Subsidiary Stock Plan and the Employee

Stock Purchase Plan described below. The Stock Incentive Plan provides for awards to be granted in the form of non-qualified or incentive stock options qualifying under Section 422 of the Internal Revenue Code, stock appreciation rights, performance shares, restricted stock or restricted stock units, or any other form of stock-based award. The maximum number of shares, subject to adjustments set forth in the 2020 Stock Plan, that may be issued to Company employees and third-party service providers during the 10-year duration of the Stock Incentive Plan is the sum of 11,250,000 shares, any shares forfeited subsequent to February 29, 2020, plus any shares used for tax withholding purposes. If any award under an earlier incentive stock plan is forfeited, terminated, surrendered, exchanged, expires unexercised, or is settled in cash in lieu of stock (including to effect tax withholding) or for the net issuance of a lesser number of shares than the number subject to the award, the shares of stock subject to such award (or the relevant portion thereof) shall be available for awards under the Stock Incentive Plan and such shares shall be added to the maximum limit. As of December 31, 2022, December 31, 2023, there were 8,181,554, 6,884,152 shares available for future issuance.

The fair values of awards granted under the Stock Incentive Plan are measured as of the grant date and expensed ratably over the awards' vesting periods, generally 3 three years. For stock awards to retirement-eligible employees, the Company recognizes the expense over a period shorter than the stated vesting period because the employees receive accelerated vesting upon retirement and, therefore, the vesting period is considered non-substantive.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Stock Option Awards

Under the Stock Incentive Plan, options granted have an exercise price at least equal to the market closing stock price of on the New York Stock Exchange for the Company's common stock on the date of grant, and an option's maximum term is not to exceed 10 years. Options generally become exercisable over a

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

period of three years commencing one year from the date of grant.

The Company uses a hybrid lattice/Monte-Carlo based option valuation model (the "Plan Valuation Model") that incorporates the possibility of early exercise of options into the valuation. The Plan Valuation Model also incorporates the Company's historical termination and exercise experience to determine the option value.

The Plan Valuation Model incorporates ranges of assumptions for inputs, and those ranges are disclosed below. The term

structure of volatility is generally constructed utilizing implied volatilities from exchange-traded options, historical volatility of

the Company's stock and other factors. The Company uses historical data to estimate option exercise and employee termination within the Plan Valuation Model, and accommodates variations in employee preference and risk-tolerance by segregating the grantee pool into a series of behavioral cohorts and conducting a fair valuation for each cohort individually. The expected term of options granted is derived from the output of the option Plan Valuation Model and represents, in a mathematical sense, the period of time that options are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Constant Maturity Treasury yield curve in effect at the time of grant.

Stock Options Valuation Assumptions

		For the years ended December 31,			For the years ended December 31,		
		2022	2021	2020	2023	2022	2021
Expected dividend yield	Expected dividend yield	2.3%	2.8%	2.6%	2.0%	2.3%	2.8%
Expected annualized spot volatility	Expected annualized spot volatility	28.3 % - 29.6%	34.1 % - 43.0%	22.2 % - 36.2%	24.5 % - 26.0%	28.3 % - 29.6%	34.1 % - 43.0%
Weighted average annualized volatility	Weighted average annualized volatility	28.8%	39.4%	30.9%	25.4%	28.8%	39.4%
Risk-free spot rate	Risk-free spot rate	(0.04)% - 2.0%	0.03 % - 1.4%	1.3 % - 1.6%	3.8 % - 5.1%	(0.04) % - 2.0%	0.03 % - 1.4%
Expected term	Expected term	6.4 years	6.6 years		6.7 years	6.4 years	

Non-qualified Stock Option Activity Under the Stock Incentive Plan

Number of Options (in thousands)	Weighted Average	Number (in thousands)
Outstanding at beginning of year		
Granted		

Exercised
Forfeited
Expired
Outstanding at end of year
Outstanding, fully vested and expected to vest
Exercisable at end of year

Aggregate intrinsic value represents the value of the Company's closing stock price on the last trading day of the period in excess of the exercise price multiplied by the number of options outstanding or exercisable. The aggregate intrinsic value excludes the effect of stock options that have a zero or negative intrinsic value. The weighted average grant-date fair value per share of options granted during the years ended December 31, 2022, December 31, 2023, 2022, and 2021 was \$21.09, \$16.56 and 2020 was \$16.56, \$14.88, and \$12.97, respectively. For the years ended December 31, 2023, 2022, 2021, and 2020 2021, The Hartford received \$47, \$26, \$45, and \$3, \$45, respectively, in cash from exercised stock options. The Hartford recognized tax benefits of \$3, \$4, \$3, and \$0 \$4 on stock options exercised for the years ended December 31, 2023, 2022, 2021, and 2020 2021, respectively. The total intrinsic value of options exercised during the years ended December 31, 2022, December 31, 2023, 2022 and 2021 was \$35, \$24, and 2020 was \$24, \$28, and \$2, respectively.

Share Awards

Share awards granted under the shares become payable within a performance goals achieved at t either increase or decrease final women and people of color in ex

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Performance share awards that are not dependent on market conditions are valued equal to the market closing stock price of on the New York Stock Exchange for the Company's common stock on the date of grant. Stock compensation expense for these performance share awards without market conditions is based on a current estimate of the number of awards expected to vest based on the performance level achieved and, therefore, may change during the performance period as new estimates of performance are available.
Other performance share awards or portions thereof have a market condition based upon the Company's total stockholder

return relative to a pre-determine of grant. year performance period expected to vest as estimated at uses a risk neutral Monte-Carlo f companies, and correlations bet

Assumptions for Total Stockholder Return Performance Share

For the years ended December 31,					
	2022	2021	2020		
Volatility of common stock	35.9%	37.3%	19.6%	Volatility of common stock	
Average volatility of peer companies	27.0 % - 46.0%	27.0 % - 49.0%	18.0 % - 31.0%	Average volatility of peer companies	
Average correlation coefficient of peer companies	68.0%	67.0%	51.0%	Average correlation coefficient of peer companies	
Risk-free spot rate	1.8%	0.2%	1.2%	Risk-free spot rate	
Term		3.0 years		Term	

Total Share Awards

Non-vested Share Award Activity Under the Stock Incentive Pl

Restricted Stock Units				Performance Shares			
Number of Shares (in thousands)		Average Grant-Date Fair Value	Number of Shares (in thousands)		Average Grant-Date Fair Value		
Restricted Stock Units							
Number of Shares (in thousands)				Weighted-Average Grant-Date Fair Value			
				Number of Shares (in thousands)			

Non-vested shares		Non-vested shares		For the year ended December 31, 2022		Non-vested shares		For the year ended December 31, 2021	
Non-vested at beginning of year	Non-vested at beginning of year	4,031	\$ 52.45	765	\$ 52.53				
Granted	Granted	1,128	\$ 69.32	325	\$ 71.54				
Performance based adjustment, net	Performance based adjustment, net			90	\$ 52.27				
Vested	Vested	(1,416)	\$ 50.68	(449)	\$ 51.08				
Forfeited	Forfeited	(226)	\$ 56.97	(20)	\$ 57.30				
Non-vested at end of year	Non-vested at end of year	3,517	\$ 58.28	711	\$ 63.04				

The total fair value of shares vested in 2020 was \$134, \$105, and \$73, net of payments in settlement of stock options for 2020, 2021, and 2022, respectively.

The Hartford has a subsidiary stock plan under which it issues subsidiary stock as compensation to its executive officers. The plan was amended in 2019 to require employee vesting of subsidiary stock to occur over a three-year period. Therefore, the subsidiary stock is

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Employee Stock Purchase Plan

shares of stock through payroll deduction, 194,504 shares, 199,173 shares, 2022 December 31, 2023, 2021 plan

20.21. LEASES

The Hartford has operating leases for real estate and equipment. The right-of-use asset as of **December 31, 2022** **December 31, 2023** and **2021** **2022** was **\$135** **\$141** and \$167, **\$135**, respectively, and is included in property and equipment, net, in the Consolidated Balance Sheet. **Sheets**. The lease liability as of **December 31, 2022** **December 31, 2023** and **2021** **2022** was **\$136** **\$144** and \$184, **\$136**, respectively, and is included in other liabilities in the Consolidated Balance Sheet. **Sheets**. Variable lease costs include changes in interest rates on variable rate leases primarily for automobiles. In **During the years ended December 31, 2023, 2022** and 2021, variable lease costs of **\$0, \$6** and \$4, respectively, were reported in restructuring and other costs for lease terminations under Hartford Next (see Note **22** **23** - Restructuring and Other Costs for more information), and were excluded from components of lease expense.

Components of Lease Expense

For the years ended December 31, 2022 2021 2020				
For the years ended December 31,		For the years ended December 31,		
2023		2023	2022	2021
Operating lease cost	Operating lease cost	\$ 40	\$ 45	\$ 52
Variable lease cost	Variable lease cost	—	2	—
Variable lease cost				
Variable lease cost				
Sublease income	Sublease income	(4)	(3)	(5)
Total lease costs included in operating costs and other expenses	Total lease costs included in operating costs and other expenses	\$ 36	\$ 44	\$ 47

Supplemental Operating Lease Information

		For the years ended December 31,					
		2022	2021	2020			
		For the years ended December 31,			For the years ended December 31,		
		2023	2022	2021	2023	2022	2021
Operating cash flows for operating leases (for the twelve months ended)	Operating cash flows for operating leases (for the twelve months ended)	\$56	\$46	\$54			
Right-of-use asset obtained in exchange for new operating lease liabilities	Right-of-use asset obtained in exchange for new operating lease liabilities	6	3	49			
Weighted-average remaining lease term in years for operating leases	Weighted-average remaining lease term in years for operating leases	6 years	7 years	7 years			
Weighted-average discount rate for operating leases	Weighted-average discount rate for operating leases	3.0 %	3.0 %	3.1 %			

Maturities of Operating Lease Liabilities as of December 31, 2022

Operating Leases		
2023	\$	37
Operating Leases		Operating Leases
2024	2024	29
2025	2025	21
2026	2026	16
2027	2027	14
2028		
Thereafter	Thereafter	30
Total lease payments	Total lease payments	147

Less:	Less:	
Discount	Discount	
on lease	on lease	
payments	payments	
to present	to present	
value	value	11
Total	Total	
lease	lease	
liability	liability	\$ 136

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

21.22. BUSINESS DISPOSITIONS

Sale of Continental Europe Operations

On December 29, 2021, the Company completed the sale of its Continental Europe Operations for approximately \$11, net of transaction costs. The complete sale of the Continental Europe Operations consists of multiple arrangements designed as a single transaction. The Continental Europe Operations are included in the Commercial Lines segment. Revenues and earnings are not material to the Company's consolidated results of operations for the years year ended December 31, 2021 and 2020.

The sale resulted in losses a loss of approximately \$21, and \$48, before tax, for the periods year ended December 31, 2021 and 2020, respectively, which were was recorded within net realized gains (losses) in the Consolidated Statements of Operations. The Company also recorded a related income tax benefits benefit on the sale of \$5 and \$18, for after tax losses of \$16 and \$30, for the years year ended December 31, 2021 and 2020, respectively.

Total consideration less costs to sell of \$11 is subject to change based on how the ultimate amounts required to settle claims on 2020 and prior accident years, as determined at the end of 2024, compare with recorded reserves as currently estimated. The contingent consideration has been estimated at its fair value of \$0 and could result in an increase or decrease in consideration depending on how ultimate losses develop. Any change in the estimated fair value of contingent consideration in a future period would increase or decrease the estimated loss on sale in that period.

Major Classes of Assets

Assets
Investments and cash
Reinsurance recoverables and o
Total assets held for sale
Liabilities
Unpaid losses and loss adjustme
Unearned premiums
Other liabilities
Total liabilities held for sale

Assets
Investments and cash
Reinsurance recoverables and o
Total assets held for sale
Liabilities
Unpaid losses and loss adjustme
Unearned premiums
Other liabilities
Total liabilities held for sale

[1]As of December 31, 2021, the Company had \$11 of consideration to be received from the sale of Continental Europe Operations investments in fixed maturities, which had a fair value of \$11. The fair value of \$11 was based on the fair value of the disposal group is \$(70), which was based on the See Note 4—Fair Value

[2]Classified as assets and liabilities held for sale

22.23. RESTRUCTURING AND OTHER COSTS

In recognition of the need to become more cost efficient and competitive along with enhancing the experience we provide to agents and customers, on July 30, 2020 the Company announced an operational transformation and cost reduction plan it refers to as Hartford Next. Hartford Next is intended to reduce annual insurance operating costs and other expenses through reduction of the Company's headcount, investment in information technology ("IT") to further enhance our capabilities, and other activities. The activities are expected to be **have been** substantially complete by the end **completed as of 2023, December 31, 2023.**

Termination benefits related to w
Consolidated Statement of Oper

Company's Consolidated Balance Sheets. For the years ended December 31, 2022 **December 31, 2023,** and **December 31, 2021** **December 31, 2022,** the severance benefits accrual was reduced by \$7 **\$6,** and **\$25 \$7** respectively, due to more recent experience of higher than expected voluntary attrition.

Subsequent to **December 31, 2022** **December 31, 2023,** the Company expects to incur additional costs including, amortization of right of use assets and other lease exit costs, other IT costs to retire applications, and other expenses. Total restructuring and other costs are expected to be approximately \$125, **\$126,** before tax, and will be recognized in Corporate for segment reporting. The estimated restructuring and other costs for future periods do not include all costs associated with the real estate consolidation plan as those plans are still being finalized.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Restructuring an

	Incurring	Incurring	Incurring	Cumulative	
	in the	in the	in the	Incurring in	Total
	Year	Year	Year	the Year	Amount
	Ended	Ended	Ended	Ended	Expected
	December	December	December	December	to be
	31, 2020	31, 2021	31, 2022	31, 2022	Incurring

Restructuring and Other Costs, Before Tax

Restructuring and Other Costs, Before Tax

Incurring in the
Year Ended
December 31,
2021

Severance benefits

Severance benefits

Severance	Severance						
benefits	benefits	\$	73	\$	(25)	\$	(7)
						41	\$
						41	

IT costs	IT costs		2		9		8		19		24

IT costs

IT costs

Professional fees and other
expenses

Professional fees and other
expenses

Professional	Professional						
fees and other	fees and other						
expenses	expenses		29		17		12
						58	60

Total	Total						
restructuring	restructuring						
and other	and other						
costs, before	costs, before						
tax	tax	\$	104	\$	1	\$	13
						118	\$
						125	

Total restructuring and
other costs, before tax

Total restructuring and
other costs, before tax

Accrued Restructuring and Other Costs

	Severance Benefits and Related Costs	
Balance, beginning of period	\$	7 \$
Incurred		(6)
Payments		(1)
Balance, end of period	\$	— \$
Accrued Restructuring and Other Costs		
	Severance Benefits and Related Costs	
Balance, beginning of period	\$	18 \$
Incurred		(7)
Payments		(4)
Balance, end of period	\$	7 \$
Accrued Restructuring and Other Costs		
	Severance Benefits and Related Costs	
Balance, beginning of period	\$	54 \$
Incurred		(25)
Payments		(11)
Balance, end of period	\$	18 \$

24. QUARTERLY RESULTS (UNAUDITED)

On January 1, 2023, the Company adopted the FASB's long-duration targeted improvements ("LDTI") guidance, which was applied on a modified retrospective basis as of January 1, 2021. Impacted prior periods have been reclassified to improve the comparability of the Company's Presentation and Significant Accounting Policies.

Current and Historical Quarterly Results of the Company

	March 31,			
	2023		2022	
Revenues	\$	5,910	\$	5,393
Benefits, losses and expenses	\$	5,257	\$	4,852
Net income	\$	535	\$	443
Less: Preferred stock dividends		5		5
Net income available to common stockholders	\$	530	\$	438
Net income available to common stockholders per common share				
Basic	\$	1.69	\$	1.32
Diluted	\$	1.66	\$	1.30

		As of December 31, 2022				
		Amount at which shown on				
Type of Investment	Type of Investment	Cost	Fair Value	Balance Sheet	Type of Investment	Fair Value
Fixed Maturities	Fixed Maturities					
Bonds and notes	Bonds and notes					
Bonds and notes						
Bonds and notes						
U.S. government and government agencies and authorities (guaranteed and sponsored)						
U.S. government and government agencies and authorities (guaranteed and sponsored)						
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U.S. government and government agencies						

Common stocks				
Industrial, miscellaneous and all other				
Industrial, miscellaneous and all other				
Industrial, miscellaneous and all other	Industrial, miscellaneous and all other	1,289	1,315	1,315
Non-redeemable preferred stocks	Non-redeemable preferred stocks	542	486	486
Total equity securities [1]	Total equity securities [1]	1,831	1,801	1,801
Mortgage loans [2]	Mortgage loans [2]	6,036	5,362	6,000
Other investments	Other investments	165	159	159
Short-term investments	Short-term investments	3,859	3,859	3,859
Limited partnerships and other alternative investments [3]	Limited partnerships and other alternative investments [3]	4,177		4,177
Total investments	Total investments	\$ 55,967		\$ 52,560

[1]Cost of equity securities represents original cost.

[2]Cost of mortgage loans excludes the allowance for credit losses ("ACL") of \$36. **\$51**. For further information, refer to Schedule V - Valuation and Qualifying Accounts.

[3]Cost of limited partnerships and other alternative investments is presented as the carrying value, which is primarily accounted for under the equity method.

Part IV - Schedule II. Condensed Financial Information of the Hartford Financial Services Group, Inc.

THE HARTFORD FINANCIAL SERVICES GROUP, INC. SCHEDULE II CONDENSED FINANCIAL INFORMATION OF THE HARTFORD FINANCIAL SE (Registrant) (in millions)

		As of December 31,		
Condensed Balance Sheets	Condensed Balance Sheets	2022	2021	Condensed Balance Sheets
Assets	Assets			Assets
Fixed maturities, available-for-sale, at fair value (amortized cost of \$126 and \$174)		\$ 120	\$ 173	
Fixed maturities, available-for-sale, at fair value (amortized cost of \$29 and \$126)				
Other investments		—	12	
Short-term investments				
Short-term investments				
Short-term investments	Short-term investments	832	1,732	

Cash	Cash	—	—
Investment in affiliates	Investment in affiliates	18,565	22,546
Deferred income taxes	Deferred income taxes	395	430
Unamortized issue costs	Unamortized issue costs	2	3
Investment income due and accrued			
Other assets	Other assets	467	344
Total assets	Total assets	\$ 20,381	\$ 25,240
Liabilities	Liabilities	Liabilities	
Net payable to affiliates	Net payable to affiliates	\$ 1,863	\$ 1,820
Long-term debt	Long-term debt	4,357	4,944
Long-term debt			
Long-term debt			
Other liabilities	Other liabilities	530	633
Total liabilities	Total liabilities	6,750	7,397
Stockholders' Equity	Stockholders' Equity		
Preferred stock			
Preferred stock			
Preferred stock	Preferred stock	\$ 334	\$ 334
Common stock	Common stock	3	4
Additional paid-in capital	Additional paid-in capital	1,895	3,309
Retained Earnings	Retained Earnings	17,048	15,764
Treasury Stock	Treasury Stock	(1,773)	(1,740)
Accumulated other comprehensive income (loss), net of tax	Accumulated other comprehensive income (loss), net of tax	(3,876)	172
Total stockholders' equity	Total stockholders' equity	13,631	17,843
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 20,381	\$ 25,240

The condensed financial statements should be read in conjunction with the consolidated financial statements at

Part IV - Schedule II. Condensed Financial Information of the Hartford Financial Services Group, Inc.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF THE HARTFORD FINANCIAL SERVICE
(Registrant)
(in millions)

		For the years ended December 31,		
Condensed Statements of Operations and Comprehensive Income		2022	2021	2020
Condensed Statements of Operations and Comprehensive Income (Loss)		Condensed Statements of Operations and Comprehensive Income (Loss)		
Net investment income	Net investment income	\$ 13	\$ 2	\$ 9
Net realized gains (losses)	Net realized gains (losses)	—	(1)	(2)
Total revenues	Total revenues	13	1	7
Interest expense	Interest expense	213	234	236
Loss on extinguishment of debt	Loss on extinguishment of debt	9	—	—
Other expense (income)	Other expense (income)	(8)	(2)	(8)
Other expense (income)				
Other expense (income)				
Total expenses	Total expenses	214	232	228
Loss before income taxes and earnings of subsidiaries	Loss before income taxes and earnings of subsidiaries	(201)	(231)	(221)
Income tax expense (benefit)		(61)	(51)	(39)
Income (loss) before earnings of subsidiaries		(140)	(180)	(182)
Income tax benefit				
Loss before earnings of subsidiaries				
Earnings of subsidiaries	Earnings of subsidiaries	1,955	2,545	1,919
Net income	Net income	1,815	2,365	1,737
Other comprehensive income (loss) - parent company:	Other comprehensive income (loss) - parent company:			
Change in net gain or loss on cash-flow hedging instruments				
Change in net gain or loss on cash-flow hedging instruments				
Change in net gain or loss on cash-flow hedging instruments	Change in net gain or loss on cash-flow hedging instruments	45	24	(28)
Change in net unrealized gain or loss on fixed maturities	Change in net unrealized gain or loss on fixed maturities	(4)	(1)	(1)

Change in pension and other postretirement plan adjustments	Change in pension and other postretirement plan adjustments	119	224	(36)
Other comprehensive income (loss), net of taxes before other comprehensive income of subsidiaries	Other comprehensive income (loss), net of taxes before other comprehensive income of subsidiaries	160	247	(65)
Other comprehensive income (loss) of subsidiaries	Other comprehensive income (loss) of subsidiaries	(4,208)	(1,245)	1,183
Total other comprehensive income (loss)	Total other comprehensive income (loss)	(4,048)	(998)	1,118
Total comprehensive income	Total comprehensive income	\$ (2,233)	\$ 1,367	\$ 2,855
Total comprehensive income (loss)				

The condensed financial statements should be read in conjunction with the consolidated financial statements at

Part IV - Schedule II. Condensed Financial Information of the Hartford Financial Services Group, Inc.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF THE HARTFORD FINANCIAL SERVICE
(Registrant)
(in millions)

Condensed Statements of Cash Flows	Condensed Statements of Cash Flows	For the years ended December 31,			Condensed Statements of Cash Flows
		2022	2021	2020	
Operating Activities	Operating Activities	Operating Activities			
Net income	Net income	\$ 1,815	\$ 2,365	\$ 1,737	
Loss on extinguishment of debt	Loss on extinguishment of debt	9	—	—	
Dividends received from subsidiaries	Dividends received from subsidiaries	1,780	1,277	995	
Equity in net income of subsidiaries	Equity in net income of subsidiaries	(1,955)	(2,545)	(1,919)	
Net realized losses (gains)	Net realized losses (gains)	—	1	2	
Change in operating assets and liabilities	Change in operating assets and liabilities	61	36	504	
Cash provided by operating activities	Cash provided by operating activities	1,710	1,134	1,319	
Investing Activities	Investing Activities	Investing Activities			

Net proceeds from (payments for) short-term investments	Net proceeds from (payments for) short-term investments	899	(54)	(802)
Proceeds from the sale/maturity/prepayment of:	Proceeds from the sale/maturity/prepayment of:			
Fixed maturities, available-for-sale	Fixed maturities, available-for-sale	47	25	311
Equity securities, at fair value		—	—	124
Fixed maturities, available-for-sale				
Fixed maturities, available-for-sale				
Payments for the purchase of:	Payments for the purchase of:			
Payments for the purchase of:				
Payments for the purchase of:				
Fixed maturities, available-for-sale				
Fixed maturities, available-for-sale				
Fixed maturities, available-for-sale	Fixed maturities, available-for-sale	—	(74)	(128)
Equity securities, at fair value	Equity securities, at fair value	(5)	—	—
Net payments for derivatives	Net payments for derivatives	55	38	(57)
Capital returned from (contributions to) subsidiaries	Capital returned from (contributions to) subsidiaries	(6)	530	386
Cash provided by (used for) investing activities		990	465	(166)

Capital returned from (contributions to) subsidiaries

Capital returned from (contributions to) subsidiaries

Cash provided by investing activities

Financing Activities **Financing Activities** **Financing Activities**

Proceeds from issuance of debt	Proceeds from issuance of debt	—	588	—
Repayments of debt	Repayments of debt	(600)	—	(500)
Treasury stock acquired				
Treasury stock acquired				
Treasury stock acquired	Treasury stock acquired	(1,550)	(1,702)	(150)
Net issuance (return of) shares under incentive and stock compensation plans	Net issuance (return of) shares under incentive and stock compensation plans	(19)	25	(21)
Dividends paid on common shares	Dividends paid on common shares	(510)	(489)	(461)
Dividends paid on preferred shares	Dividends paid on preferred shares	(21)	(21)	(21)
Cash used for financing activities		(2,700)	(1,599)	(1,153)

Net increase (decrease) in cash	Net increase (decrease) in cash	—	—	—
Cash — beginning of period	Cash — beginning of period	—	—	—
Cash — end of period	Cash — end of period	\$ —	\$ —	\$ —

Supplemental Disclosure
of Cash Flow Information

Interest Paid Interest Paid \$ 212 \$ 214 \$ 232

Supplemental Disclosure of Cash Flow Information

The condensed financial statements should be read in conjunction with the consolidated financial statements at

Part IV - Schedule III. Supplementary Insurance Information

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE III
SUPPLEMENTARY INSURANCE INFORMATION
(in millions)

Segment	Deferred Policy Acquisition Costs	Unpaid Losses and Loss Adjustment Expenses	Reserve for Future Policy Benefits	Unearned Premiums	Other Policyholder
Segment	Deferred Policy Acquisition Costs	Unpaid Losses and Loss Adjustment Expenses	Reserve for Future Policy Benefits	Unearned Premiums	Other Policyholder
As of December 31, 2023					
Commercial Lines	\$	976	\$		
Personal Lines		102			
Property & Casualty Other Operations		—			
Group Benefits		35			
Hartford Funds		—			
Corporate		—			
Consolidated	\$	1,113	\$		
As of December 31, 2022					
Commercial Lines	\$	865	\$		
Personal Lines		101			
Property & Casualty Other Operations		—			
Group Benefits		32			
Hartford Funds		4			
Corporate		—			
Consolidated	\$	1,002	\$ 998		
As of December 31, 2021					
Commercial Lines	\$	742	\$		
Personal Lines		101			
Property & Casualty Other Operations		—			
Group Benefits		31			
Hartford Funds		7			
Corporate		—			
Consolidated	\$	881	\$		

Part IV - Schedule III. Supplementary Insurance Information

THE HARTFORD FINANCIAL SER
SCHEDULE III
SUPPLEMENTARY INSURANCE

(in millions)

Segment	Earned Premiums, Net Investment Income and Adjusted		
Segment	Earned Premiums, Fee Income and Other	Net Investment Income	Adjusted
For the year December 31, 2023			
Commercial Lines	\$ 11,683	\$ 1,532	\$
Personal Lines	3,198	171	
Property & Casualty Other Operations	—	69	
Group Benefits	6,515	469	
Hartford Funds	973	17	
Corporate	41	47	
Consolidated	\$ 22,410	\$ 2,305	\$
For the year December 31, 2022			
Commercial Lines	\$ 10,609	\$ 1,415	\$
Personal Lines	3,052	140	
Property & Casualty Other Operations	—	63	
Group Benefits	6,057	524	
Hartford Funds	1,044	9	
Corporate	50	26	
Consolidated	\$ 20,812	\$ 2,177	\$
For the year December 31, 2021			
Commercial Lines	\$ 9,586	\$ 1,502	\$
Personal Lines	3,066	157	
Property & Casualty Other Operations	—	75	
Group Benefits	5,687	550	
Hartford Funds	1,189	5	
Corporate	40	24	
Consolidated	\$ 19,568	\$ 2,313	\$
For the year December 31, 2020			
Commercial Lines	\$ 8,941	\$ 1,160	\$
Personal Lines	3,123	157	
Property & Casualty Other Operations	—	55	
Group Benefits	5,536	448	
Hartford Funds	989	4	
Corporate	102	22	
Consolidated	\$ 18,691	\$ 1,846	\$

[1]Includes interest expense, loss on extinguishment of debt, restructuring and other costs, loss on reinsurance transaction and amortization of
[2]Excludes life insurance pursuant to Regulation S-X.

Part IV - Schedule IV. Reinsurance

		Gross Amount	Ceded Amount	Assumed From Other Companies	Net Amount	Percentage of Amount Assumed to Net	
	Gross Amount						
For the year ended December 31, 2023							For the year ended December 31, 2023
Life insurance in-force							Life insurance in-force \$:
Insurance revenues							
Property and casualty insurance							
Property and casualty insurance							
Property and casualty insurance							\$
Life insurance and annuities							Life insurance and annuities
Accident and health insurance							Accident and health insurance
Total insurance revenues							Total insurance revenues \$
For the year ended December 31, 2022	For the year ended December 31, 2022						For the year ended December 31, 2022
Life insurance in-force	Life insurance in-force	\$1,147,723	\$23,330	\$22,511	\$1,146,904	2 %	Life insurance in-force \$:
Insurance revenues	Insurance revenues						
Property and casualty insurance							
Property and casualty insurance							
Property and casualty insurance	Property and casualty insurance	\$14,328	\$1,462	\$654	\$13,520	5 %	\$14,328
Life insurance and annuities	Life insurance and annuities	2,341	25	77	2,393	3 %	Life insurance and annuities
Accident and health insurance	Accident and health insurance	3,647	81	98	3,664	3 %	Accident and health insurance
Total insurance revenues	Total insurance revenues	\$20,316	\$1,568	\$829	\$19,577	4 %	Total insurance revenues \$

For the year ended December 31, 2021	For the year ended December 31, 2021								For the year ended December 31, 2021
Life insurance in-force	Life insurance in-force	\$1,112,333	\$22,814	\$	21,230	\$1,110,749	2	%	Life insurance in-force
Insurance revenues	Insurance revenues								\$:
Property and casualty insurance	Property and casualty insurance	\$	13,204	\$	1,277	\$	568	\$	12,495
							5	%	
Life insurance and annuities		2,367	25		46	2,388	2	%	
Accident and health insurance		3,296	79		82	3,299	2	%	
Total insurance revenues		\$	18,867	\$	1,381	\$	696	\$	18,182
							4	%	
For the year ended December 31, 2020									
Life insurance in-force		\$1,134,390	\$19,055	\$	20,373	\$1,135,708	2	%	
Insurance revenues									
Property and casualty insurance									
Property and casualty insurance	Property and casualty insurance	\$	12,551	\$	1,173	\$	540	\$	11,918
							5	%	\$
Life insurance and annuities	Life insurance and annuities	2,251	24		207	2,434	9	%	13,204
Accident and health insurance	Accident and health insurance	2,994	72		180	3,102	6	%	Life insurance and annuities
									Accident and health insurance
Total insurance revenues	Total insurance revenues	\$	17,796	\$	1,269	\$	927	\$	17,454
							5	%	Total insurance revenues



Part IV - Schedule V. Valuation and Qualifying Accounts

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE V
VALUATION AND QUALIFYING ACCOUNTS
(in millions)

	Balance January 1, [1]	Increase (decrease) in Costs and Expenses	Write-offs/ Payments/ Other	Balance December 31,	
Balance January 1, 2023					
Balance January 1, 2023					
Balance January 1, 2023					
Balance January 1, 2023					Increase (decrease) in Costs and Expenses
2023					2023

ACL on
fixed
maturities,
available-
for-sale

ACL on
mortgage
loans

ACL on
premiums
receivable
and agents'
balances

Allowance
for
uncollectible
reinsurance

Valuation
allowance
for deferred
taxes

2022 **2022**

ACL on fixed maturities,
available-for-sale

ACL on fixed maturities,
available-for-sale

ACL on fixed maturities, available- for-sale	ACL on fixed maturities, available- for-sale	\$	1	\$	18	\$	(7)	\$	12
ACL on mortgage loans	ACL on mortgage loans	\$	29	\$	7	\$	—	\$	36
ACL on premiums receivable and agents' balances	ACL on premiums receivable and agents' balances	\$	105	\$	51	\$	(47)	\$	109
Allowance for uncollectible reinsurance	Allowance for uncollectible reinsurance	\$	99	\$	3	\$	3	\$	105
Valuation allowance for deferred taxes	Valuation allowance for deferred taxes	\$	7	\$	20	\$	—	\$	27

2021 **2021**

ACL on fixed maturities, available- for-sale	ACL on fixed maturities, available- for-sale	\$	23	\$	(4)	\$	(18)	\$	1
ACL on mortgage loans	ACL on mortgage loans	\$	38	\$	(9)	\$	—	\$	29
ACL on premiums receivable and agents' balances	ACL on premiums receivable and agents' balances	\$	152	\$	4	\$	(51)	\$	105

Allowance for uncollectible reinsurance	\$	108	\$	3	\$	(12)	\$	99
Valuation allowance for deferred taxes	\$	4	\$	9	\$	(6)	\$	7

2020

ACL on fixed maturities, available-for-sale

ACL on fixed maturities, available-for-sale	ACL on fixed maturities, available-for-sale	\$	30	\$	(7)	\$	23
ACL on mortgage loans	ACL on mortgage loans	\$ 19	\$ 19	\$	—	\$	38
ACL on premiums receivable and agents' balances	ACL on premiums receivable and agents' balances	\$ 122	\$ 74	\$	(44)	\$	152
Allowance for uncollectible reinsurance	Allowance for uncollectible reinsurance	\$ 116	\$ 4	\$	(12)	\$	108
Valuation allowance for deferred taxes	Valuation allowance for deferred taxes	\$ 4	\$ 9	\$	(9)	\$	4

[1]The balance as of January 1, 2020 reflects a cumulative effect adjustments recorded to retained earnings of \$19, \$(23), and \$2, for the ACL on fixed maturities, available-for-sale, mortgage loans, and premiums receivable and agents' balances, respectively. For more information see Note 1 - Basis of Presentation and Significant Accounting Policies.

THE HARTFORD FINANCIAL SERVICES GROUP, INC. FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020 FORM 10-K EXHIBITS INDEX

The exhibits attached to this Form 10-K are those that are required by Item 601 of Regulation S-K.

Exhibit No.	Description
2.01	Purchase and Sale Agreement by and among Massachusetts Mutual Life Insurance Company, Hartford Financial Services Group, Inc. ("The Hartford") dated as of September 4, 2012.
2.02	Purchase and Sale Agreement by and among Hartford Life, Inc., Prudential Financial, Inc. and The Hartford Financial Services Group, Inc. dated as of September 27, 2012.
2.03	Stock and Asset Purchase Agreement dated December 3, 2017 by and between The Hartford Financial Services Group, Inc., Hartford Holdings, Inc., Hopmeadow Acquisition, Inc., Hopmeadow Holdings, LP and Hopmeadow Financial Services Group, Inc.
2.04	Master Transaction Agreement by and between Hartford Life & Accident Insurance Company, a subsidiary of The Hartford Financial Services Group, Inc., and Aetna Inc. dated as of October 22, 2017.
2.05	Commitment Agreement by and between The Hartford Financial Services Group, Inc., The Prudential Financial, Inc., State Street Global Advisors Trust Company, as the Independent Fiduciary of The Hartford Financial Services Group, Inc. and State Street Global Advisors Trust Company, dated as of June 23, 2017.

2.06	Agreement and Plan of Merger, dated as of August 22, 2018, by and among The Navigators Group, Inc., Financial Services Group, Inc. and Renato Acquisition Co.
3.01	Restated Certificate of Incorporation of The Hartford, as filed with the Delaware Secretary of State on
3.02	Certificate of Designations with respect to the Series G Preferred Stock of the Company, dated October 1, 2007, as amended
3.03	Amended and Restated By-laws of The Hartford Financial Services Group, Inc., effective December 1, 2007
4.01	Senior Indenture, dated as of March 9, 2004, between The Hartford and JPMorgan Chase Bank, as Trustee
4.02	Junior Subordinated Indenture, dated as of February 12, 2007, between The Hartford Financial Services Group, Inc. and Wilmington Trust Company (as successor to LaSalle Bank, National Association), as Trustee
4.03	Senior Indenture, dated as of April 11, 2007, between The Hartford and The Bank of New York Trust Company, N.A., as Trustee
4.04	Junior Subordinated Indenture, dated as of June 6, 2008, between The Hartford and The Bank of New York Trust Company, N.A., as Trustee
4.05	First Supplemental Indenture, dated as of June 6, 2008, between The Hartford and The Bank of New York Trust Company, N.A., as Trustee
4.06	Third Supplemental Indenture, dated as of April 5, 2012, between The Hartford and The Bank of New York Trust Company, N.A., as Trustee
4.07	First Supplemental Indenture, dated as of August 9, 2013, between The Hartford and The Bank of New York Trust Company, N.A., as Trustee
4.08	Replacement Capital Covenant dated as of February 15, 2017
4.09	Form of Series G Preferred Stock Certificate (included as Exhibit A to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 5, 2018)

Exhibit No.				
Exhibit No.				
Exhibit No.	Exhibit No.	Description	Form	File
4.10	4.10	Deposit Agreement, dated November 6, 2018, among the Company, Computershare Inc. and Computershare Trust Company, N.A., collectively as depositary, and the holders from time to time of the depositary receipts described therein.	8-K	
4.10				
4.10				
4.11				
4.11	4.11	Form of Depositary Receipt (included as Exhibit A to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 6, 2018)	8-K	

4.12	4.12	Second Supplemental Indenture, dated as of August 19, 2019, between The Hartford Financial Services Group, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee	8-K
4.12	4.12		
4.13	4.13	Third Supplemental Indenture, dated as of September 21, 2021, between The Hartford Financial Services Group, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K
4.13	4.13		
4.13	4.13		
4.14	4.14	Description of Securities**	
10.01	10.01	Aggregate Excess of Loss Reinsurance Agreement by and between Hartford Fire Insurance Company, First State Insurance Company, New England Insurance Company, New England Reinsurance Corporation, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Fire Insurance Company, Hartford Insurance Company of Illinois, Hartford Insurance Company of the Midwest, Hartford Insurance Company of the Southeast, Hartford Lloyd's Insurance Company, Hartford Underwriters Insurance Company, Nutmeg Insurance Company, Pacific Insurance Company, Limited, Property and Casualty Insurance Company of Hartford, Sentinel Insurance Company, Ltd., Trumbull Insurance Company, Twin City Fire Insurance Company (collectively, the "Reinsured") and National Indemnity Company (the "Reinsurer"), dated as of December 30, 2016.††	10-K
10.01	10.01		
10.02	10.02		
10.02	10.02		

10.02	10.02	Amended and Restated Credit Agreement dated October 27, 2021, among The Hartford Financial Services Group, Inc. as borrower, Bank of America, N.A., as administrative agent and the other parties signatory thereto.	8-K
10.03	10.03	First Amendment, entered into as of March 10, 2022, to the Amended and Restated Credit Agreement among The Hartford Financial Services Group, Inc. as borrower, Bank of America, N.A., as administrative agent, BofA Securities, Inc. as Sustainability Coordinator and the other parties signatory thereto.	10-Q
10.03			
10.03			
*10.04			
*10.04	*10.04	The Hartford Deferred Restricted Stock Unit Plan, as amended.	10-K
*10.05	*10.05	Form of Key Executive Employment Protection Agreement between The Hartford and certain executive officers of The Hartford, as amended.	10-K
*10.05			
*10.05			
*10.06			
*10.06	*10.06	The Hartford 2010 Incentive Stock Plan Forms of Individual Award Agreements.	10-Q
*10.07	*10.07	The Hartford 2010 Incentive Stock Plan Administrative Rules Related to Awards for Key Employees, as amended effective December 15, 2010.	10-K
*10.07			
*10.07			
*10.08	*10.08	The Hartford Deferred Compensation Plan, as amended December 20, 2012.	10-K
*10.09	*10.09	The Hartford Excess Pension Plan II, as amended January 1, 2013.	10-K
*10.09			
*10.09			
*10.10			
*10.10	*10.10	The Hartford Excess Savings Plan IA, as amended effective May 28, 2013.	8-K

*10.11	*10.11	The Hartford 2010 Incentive Stock Plan, as amended and restated, effective February 25, 2014.	10-K
	*10.11		
	*10.11		
	*10.12		
	*10.12		
*10.12	*10.12	The Hartford 2014 Incentive Stock Plan, effective May 21, 2014.	S-8
*10.13	*10.13	The Hartford Protection Agreement between The Hartford and Christopher Swift, effective June 9, 2014.	10-Q
	*10.13		
	*10.13		
	*10.14		
	*10.14		
*10.14	*10.14	The Hartford 2014 Incentive Stock Plan Administrative Rules Relating to Awards for Non-Employee Directors.	10-K
*10.15	*10.15	The Hartford 2014 Incentive Stock Plan Form of Non-Employee Directors Award Agreement.	10-Q
	*10.15		
	*10.15		
	*10.16		
	*10.16		
*10.16	*10.16	The Hartford 2014 Incentive Stock Plan Forms of Individual Award Agreements	10-Q
*10.17	*10.17	The Hartford Financial Services Group, Inc. Annual Incentive Plan	8-K
	*10.17		
	*10.17		
*10.18	*10.18	Amendment to The Hartford Excess Savings Plan IA	10-Q
	*10.19	The Hartford 2020 Stock Incentive Plan, effective May 20, 2020	S-8
	*10.18		
	*10.18		

Exhibit No.	Description
*10.20	The Hartford 2020 Stock Incentive Plan Forms of Individual Award Agreements.
*10.21	The Hartford 2020 Stock Incentive Plan Administrative Rules Relating to Awards for Non-Employee D
*10.22 10.19	The Hartford 2020 Stock Incentive Plan Form of Non-Employee Directors Award Agreement.
*10.23 10.20	Amendment to The Hartford Excess Pension Plan II.
*10.24 10.21	The Hartford Senior Executive Officer Severance Pay Plan (Tier 1), as amended and restated, effecti 2022, October 2, 2023.**
*10.25 10.22	The Hartford Senior Executive Officer Severance Pay Plan (Tier 2), as amended and restated, effecti 2022, October 2, 2023.**
21.01	Subsidiaries of The Hartford Financial Services Group, Inc. **
23.01	Consent of Deloitte & Touche LLP to the incorporation by reference into The Hartford's Registration S Form S-8 and Form S-3 of the report of Deloitte & Touche LLP contained in this Form 10-K regarding statements is filed herewith.**
24.01	Power of Attorney.**
31.01	Certification of Christopher J. Swift pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
31.02	Certification of Beth A. Costello pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
32.01	Certification of Christopher J. Swift pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.02	Certification of Beth A. Costello pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
97.01	The Hartford Financial Services Group, Inc. Clawback Policy.**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File tags are embedded within the Inline XBRL document.**
101.SCH	Inline XBRL Taxonomy Extension Schema.**
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.**
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.**
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.**
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.**
104.01	Cover Page Interactive Data File - formatted in Inline XBRL and included as Exhibit 101 101**
*	Management contract, compensatory plan or arrangement.
**	Filed with the Securities and Exchange Commission as an exhibit to this report.
†	Certain portions of this exhibit have been omitted pursuant to the Securities and Exchange Commiss 2017
††	Certain portions of this exhibit have been omitted pursuant to Section (b)(10)(iv) of Item 601 of Regul Commission upon request.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly cau

THE HARTFORD FINANCIAL SERV

By: /s/ Scott R. Lewis Allison G

Scott R. Lewis Allison G. N

Senior Vice President and

(Chief accounting officer and
authorized signatory)

Date: February 24, 2023 February 23, 2024

|

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following

Signature	Title
<u>/s/ Christopher J. Swift</u>	Chairman, Chief Executive Officer and Director
Christopher J. Swift	(Principal Executive Officer)
<u>/s/ Beth A. Costello</u>	Executive Vice President and Chief Financial Officer
Beth A. Costello	(Principal Financial Officer)
<u>/s/ Scott R. Lewis Allison G. Niderno</u>	Senior Vice President and Controller
Scott R. Lewis Allison G. Niderno	(Principal Accounting Officer)
<u>*</u>	Director
Larry D. De Shon	
<u>*</u>	Director
Carlos Dominguez	
<u>*</u>	Director
Trevor Fetter	
<u>*</u>	Director
Donna James	
<u>*</u>	Director
Edmund Reese	
<u>*</u>	Director
Teresa W. Roseborough	
<u>*</u>	Director
Virginia P. Ruesterholz	
<u>*</u>	Director
Matthew E. Winter	
<u>*</u>	Director
Greig Woodring	
*By: <u>/s/ David C. Robinson</u>	
David C. Robinson	
As Attorney-in-Fact	

As of **December 31, 2022** **December 31, 2023**, The Hartford Financial Services Group, Inc. (the "Company") amended (the "Exchange Act"): (1) Common Stock, par value \$0.01 per share; (2) 6.10% Notes due 2041; and (3) Depo Stock, Series G, par value \$0.01 per share. Unless otherwise indicated, or the context otherwise requires, references in Services Group, Inc. and not to any of its subsidiaries and references to "The Hartford" are to The Hartford Financial

The following description of our Common Stock, par value \$0.01 per share ("Common Stock"), is a summary Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Amended and Restated By-Laws (the "By-Laws"), which is incorporated by reference to our Annual Report on Form 10-K of which this Exhibit 4.14 is a part. We encourage you to read our Certificate of Incorporation, our By-Laws and General

Under our Certificate of Incorporation, we have the authority to issue 1,500,000,000 shares of Common Stock.

The holders of our Common Stock are entitled to receive dividends when, as, and if declared by our board of directors.

Holders of our Common Stock have no preference, conversion, exchange, sinking fund or redemption rights, are not entitled to participate in dividends, and are not entitled to purchase their pro rata share of any offering of shares of any class or series, and generally have no approval rights with respect to our capital structure. We are not liable for our debts or obligations.

Holders of our Common Stock are entitled to one vote per share on all matters voted on by our stockholders. Our shares of Common Stock shall have and possess the exclusive right to notice of stockholders' meetings and the exclusi

Upon any liquidation, dissolution or winding up of, whether voluntary or involuntary, and after any holders of preferred stock have been paid in full their respective shares of principal amount of such stock, respectively shall be entitled to a sum sufficient for such payment in full shall have been set aside, the remaining net assets available for distribution shall be distributed pro rata among the holders of our common stock, then outstanding, with their respective rights and interest, to the exclusion of any holders of our preferred stock then outstanding.

Certain provisions of the DGCL and our Certificate of Incorporation and By-Laws contain provisions that could be considered to be in its best interests, as discussed below:

series and the provisions, designations, powers, preferences and relative, participating, optional and other special by it.

Advance Notice Requirements - Our Bylaws establish an advance notice procedure for stockholders seeking to upon at stockholders' meetings.

Number of Directors; Filling of Vacancies - Our By-Laws provide that the number of directors that constitute our Board of Directors shall be determined by the Board of Directors, but that such number shall not be less than three nor more than twenty-five. In addition, newly created

be filled by a vote of a majority of directors then in office

No Cumulative Voting - Holders of our Common Stock are entitled to one vote for each share of Common Stock a

Delaware Business Combination Statute - As a Delaware corporation, we are subject to Section 203 of the combinations" with any "interested stockholder" for a three-year period following the time that such stockholder bec

- the transaction or the business combination that results in a person becoming an interested stockholder is app stockholder;
- upon consummation of the transaction that results in the stockholder becoming an interested stockholder, the i the transaction commenced, excluding, for purposes of determining the voting stock outstanding, shares owne
- on or after the date the person becomes an interested stockholder, the business combination is approved by th voting stock, excluding shares owned by the interested stockholder, at a meeting of stockholders.

Under Section 203, an "interested stockholder" is defined as any person (or the affiliates or associates of such person),

- the owner of 15% or more of the outstanding voting stock of the corporation, or
- an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock o sought to be determined whether the person is an interested stockholder.

Listing

Our Common Stock is listed on the New York Stock Exchange, or the NYSE, under the symbol "HIG."

Description of No

The following description of our 6.10% Notes due 2041 (the "Notes") is a summary and does not purport to be 2004, between the Company and JPMorgan Chase Bank, N.A., as trustee (the "2004 Indenture"), which is incorporated

We encourage you to read the above referenced 2004 Indenture, for additional information.

General

The Notes were issued under the 2004 Indenture, which provides that debt securities may be issued under the governed by, and construed in accordance with, the laws of the State of New York. The 2004 Indenture does not limit th limitations, we may, without the consent of any holders of any of the Notes, re-open this series of Notes on terms identic accrue and, in certain circumstances, the first interest payment date), so that such additional notes of the Company sha Notes.

Maturity, Interest and Principal

The Notes were initially issued with an aggregate principal amount of \$408,774,000. The Notes will mature on annum. We pay interest semi-annually in arrears on April 1 and October 1 of each year, having commenced on April 1, (whether or not a business day). Interest is computed on the basis of a 360-day year consisting of twelve 30-day month

Optional Redemption

We may redeem the Notes at our option, in whole or in part, at any time and from time to time, at a redemption price i the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (exclusi basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate (as defined in th of redemption.

The Notes are not redeemable at the option of the holder prior to maturity and do not benefit from any sinking fund.

Defeasance and Covenant Defeasance

The 2004 Indenture provides that we may discharge all of our obligations, other than as to transfers and excha as "defeasance." In addition, we may also be released from our obligations subject to the "Limitation upon Liens" and "C obligations, including obligations imposed by supplemental indentures with respect to the Notes, if any, and elect not to is referred to as "covenant defeasance."

Defeasance or covenant defeasance, will be conditioned upon, among other things, on our irrevocable deposit funds in an amount certified to be sufficient to pay and discharge on the respective stated maturities, the principal of an

Limitations upon Liens

With certain exceptions as set forth below, the 2004 Indenture provides that neither we nor our restricted subsi or existing prior to the execution date of the 2004 Indenture, on, any property or assets (including the capital stock of an

any income or revenues or rights in respect thereof.

General Exceptions

The restriction on our and our restricted subsidiaries' ability to create, incur, assume or permit to exist liens will

- liens on any property or asset acquired, constructed or improved by us or any of our restricted subsidiaries sub the payment of any part of the purchase price of such property or asset or the cost of such construction or imp such property or asset existing at the time of acquisition thereof; provided, however, that such lien shall not ext
- liens existing upon any property or asset of a company which is merged with or into or is consolidated into, or s subsidiaries, at the time of such merger, consolidation or acquisition; provided that such lien does not extend to
- any pledge or deposit to secure payment of workers' compensation or insurance premiums, or in connection w
- any pledge of, or other lien upon, any assets as security for the payment of any tax, assessment or other simil regulation as a condition to the transaction of any business or the exercise of any privilege or right;
- liens necessary to secure a stay of any legal or equitable process in a proceeding to enforce a liability or oblige the institution by us or any of our restricted subsidiaries of any legal or equitable proceeding to enforce a right i connection with any order or decree in any such proceeding or in connection with any contest of any tax or oth

or the giving of any form of security to any governmental agency or any body created or approved by law or go insurance or to participate in any fund in connection with workers' compensation, unemployment insurance, olt companies participating in any such arrangement or for liability on insurance of credits or other risks;

- mechanics', carriers', workmen's, repairmen's, or other like liens, if arising in the ordinary course of business, in appropriate proceedings;
- liens on property in favor of the United States, or of any agency, department or other instrumentality thereof, to
- liens securing indebtedness of any of our restricted subsidiaries to us or to another restricted subsidiary; provic subsidiary, such sale or other disposition shall be deemed to constitute the creation of another lien not permitte
- liens affecting our or any of our restricted subsidiaries' property securing indebtedness of the United States or i control or abatement program required in our opinion to meet environmental criteria with respect to our or any cost of acquisition of such program; or
- the renewal, extension, replacement or refunding of any mortgage, pledge, lien, deposit, charge or other encur time shall not be increased.

Exceptions for Specified Amount of Indebtedness

In addition, we and one or more of our restricted subsidiaries may create, incur, assume or permit to exist any creation or assumption of such lien, the total of the aggregate principal amount of our and our restricted subsidiaries' inc "General Exceptions") secured by such liens shall not exceed an amount equal to 10% of our consolidated net tangible

Consolidation, Merger and Sale of Assets

We will not consolidate with or merge into any other person or convey, transfer or lease our assets substantiall

- we will be the surviving company in any merger or consolidation,
- if we consolidate with or merge into another person or convey, transfer or lease our assets substantially as an i of the United States of America or any state thereof or the District of Columbia, and the successor entity expre
- immediately after giving effect to the consolidation, merger, conveyance or transfer, there exists no event of de
- other conditions described in the 2004 Indenture are met.

This covenant would not apply to the direct or indirect conveyance, transfer or lease of all or any portion of the subsidiaries. In addition, this covenant would not apply to any recapitalization transaction, a change of control of the Co to include a merger or consolidation by us or the conveyance, transfer or lease of our assets substantially as an entirety

Events of Default

Under the terms of the 2004 Indenture, each of the following constitutes an event of default for the Notes:

- default for 30 days in the payment of any interest when due;
- default in the payment of principal, or premium, if any, when due;
- default in the performance, or breach, of any covenant or warranty in the 2004 Indenture for 60 days after writt
- certain events of bankruptcy, insolvency or reorganization, or
- any other event of default described in the applicable board resolution or supplemental indenture, if any, under

We are required to furnish the trustee annually with a certificate as to the fulfillment of our obligations under the 2004 any default, except in respect of the payment of principal or interest on the Notes, if it considers it in the interests of the

Effect of an Event of Default

If an event of default exists (other than an event of default with respect to the Notes in the case of certain even outstanding Notes may declare the principal amount of the Notes to be due and payable immediately, by a notice in writ immediately due and payable. However, at any time after a declaration of acceleration of outstanding Notes has been m not less than a majority in aggregate principal amount of the Notes may, subject to conditions specified in the 2004 Inde

If an event of default in the case of certain events of bankruptcy exists, the principal amount of all Notes outsta part of the trustee or any holder of such outstanding Notes, become immediately due and payable.

Subject to the provisions of the 2004 Indenture relating to the duties of the trustee, if an event of default then e Indenture (other than the payment of any amounts on the Notes furnished to it pursuant to the 2004 Indenture) at a hold security or indemnity against fees, advance costs, expense and liabilities which it might incur in connection with the exe trustee, the holders of a majority in aggregate principal amount of the Notes have the right to direct the time, method an power conferred on the trustee in connection with the Notes.

Modification and Waiver

Modification

We and the trustee may modify and amend the 2004 Indenture with the consent of the holders of a majority in consent of the holder of each of the outstanding Notes:

- change the stated maturity of the principal of, or any installment of interest payable on, any outstanding Notes;
- reduce the principal amount of, or the rate of interest on or any premium payable upon the redemption of, or th redemption or would be provable in bankruptcy, or adversely affect any right of repayment of the holder of, any
- change the place of payment, or the coin or currency in which any outstanding Notes or the interest on any out
- impair a holder's right to institute suit for the enforcement of any payment on any outstanding Notes on or after
- reduce the percentage of the holders of outstanding Notes necessary to modify or amend the 2004 Indenture, ' of such defaults or to reduce the quorum or voting requirements set forth in the 2004 Indenture; or
- modify any of these provisions or any of the provisions relating to the collection of indebtedness in an event of percentage to effect such action or to provide that certain other provisions may not be modified or waived with

Waiver

The holders of a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders

The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf Notes and the consequences of such default. However, a default in the payment of the principal of, or premium, if any, c Indenture relating to the Notes cannot, be modified or amended without the consent of the holder of each outstanding N

Ranking

The Notes are our unsecured senior indebtedness and rank equally with all of our other unsecured and unsub

Trustee

The trustee under the 2004 Indenture is JPMorgan Chase Bank, N.A. and has all the duties and responsibilitie Act"). The trustee is not required to expend or risk its own funds or otherwise incur financial liability in performing its duti repayment or adequate indemnity.

The trustee acts as depositary for funds of, makes loans to, and performs other services for, us and our subsid

Description of Depositary

The following description of our Depositary Shares (the "Depositary Shares"), each representing a 1/1,000th In Stock"), is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to th Company and Computershare Inc. and Computershare Trust Company, N.A. (the "Depositary"), which is incorporated by

We encourage you to read the above referenced Deposit Agreement for additional information.

Dividends and Other Distributions

The Depositary will distribute any cash dividends or other cash distributions received in respect of the deposite of the Depositary Shares held by each holder on the relevant record date. The Depositary will distribute any property re distributions, unless it determines that a distribution cannot be made proportionally among those holders or that it is not property received by it and distribute the net proceeds from the sale to the holders of the Depositary Shares entitled to s

Record dates for the payment of dividends and other matters relating to the Depositary Shares are the same a than in cash, the depositary will distribute property received by it to you based on instructions from us. The amounts dis the Depositary or by us on account of taxes or other governmental charges.

Redemption of the Depositary Shares

"Regulatory capital event" means that we become subject to capital adequacy supervision by a capital regulator pursuant to which the aggregate liquidation preference amount of the Series G Preferred Stock would not qualify as capital.

"Capital regulator" means any governmental agency, instrumentality or standard-setting organization, including the National Insurance Companies ("NAIC"), or any state insurance regulator, as may then have group-wide oversight of the Company's regulated business.

If the Series G Preferred Stock is to be redeemed, the notice of redemption shall be given by first class mail to the holder of such Series G Preferred Stock not more than 90 days, prior to the date fixed for redemption thereof (*provided* that, if the Series G Preferred Stock is held by a trust, the notice of redemption will include a statement setting forth:

- the redemption date;
- the number of shares of Series G Preferred Stock to be redeemed and, if less than all the shares of Series G Preferred Stock to be redeemed from such holder;
- the redemption price; and
- the place or places where holders may surrender certificates evidencing the Series G Preferred Stock for payment.

If notice of redemption of any Series G Preferred Stock has been given, and if the funds necessary for such redemption have been received, then, from and after the redemption date, dividends will cease to accrue on such Series G Preferred Stock and the holders of such Series G Preferred Stock will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the Series G Preferred Stock at the time outstanding, the Series G Preferred Stock is in the form of global securities, in accordance with the applicable procedures of DTC in compliance with the applicable procedures of DTC.

If the Series G Preferred Stock is treated as "Tier 1 capital" (or a substantially similar concept) under the capital requirements of the capital regulator, the Series G Preferred Stock may be subject to our receipt of any required prior approval from the capital regulator and to the satisfaction of any other applicable regulations of the capital regulator.

Voting Rights

Except as provided below or as otherwise required by applicable law, the holders of the Series G Preferred Stock shall have the following voting rights:

Whenever dividends on any Series G Preferred Stock shall have not been declared and paid for the equivalent of two dividend periods following the Nonpayment, the holders of such Series G Preferred Stock, voting together as a single class with holders of any and all other series of our preferred stock, shall have the right to elect two additional members of our board of directors (the "Preferred Stock Directors"), *provided* that the election of such Preferred Stock Directors shall be held at a special meeting of the holders of our preferred stock called at the request of the holders of our preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the Series G Preferred Stock for two dividend periods following the Nonpayment shall have been fully paid.

As used herein, "voting preferred stock" means any other class or series of our preferred stock ranking equally upon our liquidation, dissolution or winding-up and upon which like voting rights have been conferred and are exercisable. The matter on which the holders of voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the Series G Preferred Stock.

If and when dividends for at least four consecutive dividend periods following a Nonpayment have been paid in full, the holders of the Series G Preferred Stock shall be divested of the foregoing voting rights (subject to reversion in the event of each subsequent Nonpayment). If, at any time after the termination of the voting rights of the Series G Preferred Stock, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on our board of directors shall be reduced to the number of directors then in office. If, at any time after the termination of the voting rights of the Series G Preferred Stock, we may take account of any dividend we elect to pay for such period. If, at any time after the termination of the voting rights of the Series G Preferred Stock, a Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding Series G Preferred Stock (as a class) when they have the voting rights described above. So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director shall be filled by the written consent of the Preferred Stock Director remaining in office, or, if none remains in office, by a vote of the holders of the Series G Preferred Stock (as a class) when they have the voting rights described above.

So long as any Series G Preferred Stock remains outstanding, we will not, without the affirmative vote or consent of the holders of the Series G Preferred Stock (as a class), given in person or by proxy, either in writing or by electronic means, take any of the following actions:

- amend or alter the provisions of our Restated Certificate of Incorporation or the Certificate of Designations for the Series G Preferred Stock with respect to payment of dividends and the voting rights of the Series G Preferred Stock;
- amend, alter or repeal the provisions of our Restated Certificate of Incorporation or the Certificate of Designations for the Series G Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series G Preferred Stock or our merger or consolidation with another entity, in the case of any such merger or consolidation with respect to which we are not the surviving entity.

into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such consummation of such share exchange, merger or consolidation shall not be materially less favorable to the holders of the Series G Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series G Preferred Stock or authorized or issued other series of preferred stock ranking equally with and/or junior to the Series G Preferred Stock with respect to the payment of dividends or assets upon our liquidation, dissolution or winding-up will not be deemed to materially and adversely affect the special rights of the Series G Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above (including the Series G Preferred Stock for this purpose), then only the series materially and adversely affected by such amendment, alteration, repeal, share exchange, reclassification, merger or consolidation shall be deemed to be affected.

To the fullest extent permitted by the law, without the consent of the holders of the Series G Preferred Stock, so long as the Series G Preferred Stock is outstanding, we may supplement any terms of the Series G Preferred Stock with any terms that do not materially and adversely affect the special rights of the Series G Preferred Stock.

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the Certificate of Designation of the Series G Preferred Stock;
- to make any provision with respect to matters or questions arising with respect to the Series G Preferred Stock.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such provisions apply has been redeemed or called for redemption upon proper notice, and sufficient funds shall have been set aside by us for the redemption of such Series G Preferred Stock.

Listing

The Depositary Shares are listed on the NYSE, under the symbol "HIG-PRG."

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THE HARTFORD 2014 INCENTIVE PLAN

1. Purpose

The purpose of the Plan is to motivate and reward superior performance on the part of Key Employees of The Hartford Financial Group, Inc. and its subsidiaries and affiliates and to thereby attract and retain Key Employees of superior ability. In addition, the purpose of the Plan is to increase the proprietary interest in The Hartford and, as a result, their interest in the success of The Hartford and its subsidiaries and affiliates (including officers and directors who are also Key Employees) whose responsibilities and decisions are also to Directors. Such incentive awards may consist of Options, Rights, Performance Shares, Restricted Stock or any combination thereof.

2. Definitions

When used herein, the following terms shall have the following meanings:

"Act" means the Securities Exchange Act of 1934, as amended.

"Award" means an award granted to any Key Employee or Director in accordance with the provisions of the Plan, including any combination of the foregoing, as applicable.

"Award Document" means the written notice, agreement, or other document evidencing each Award granted to a Key Employee or Director, in non-paper form, including any acceptance thereof and actions thereunder by an Award recipient.

"Beneficial Owner" means any Person who, directly or indirectly, has the right to vote or dispose of or has the right to acquire any security of the Company, including any such right pursuant to any agreement, arrangement or understanding (whether or not enforceable) that gives the Person the right to vote or dispose of or has the right to acquire such security as a result of an agreement, arrangement or understanding to vote such security (i) arising solely from the exercise of such right, or (ii) made pursuant to, and in accordance with, the Act and the applicable rules and regulations thereunder, or (iii) made, or to be made, pursuant to, and in accordance with, the applicable provisions of the Act and the applicable rules and regulations thereunder, whether or not such agreement, arrangement or understanding is also then reportable by such Person on Schedule 13D or Schedule 13G under the Act, or engaged in business as an underwriter of securities shall not be deemed to be the Beneficial Owner of any securities of the Company until the expiration of forty days after the date of such acquisition.

"Beneficiary" means the beneficiary or beneficiaries designated pursuant to the Plan to receive the amount of any Award payable to or for the benefit of a Key Employee or Director who has died.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence of an event defined in Section 9 of the Plan.

“Code” means the Internal Revenue Code of 1986, as amended. For purposes of this Plan, references to s thereunder and any successor or similar provision.

“Committee” means the Compensation and Management Development Committee of the Board or such o does not exist or cannot function for any reason, the Board may take any action under the Plan that would c

“Company” means The Hartford Financial Services Group, Inc. and its successors and assigns.

“Director” means a member of the Board who is not an employee of any Participating Company.

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“Dividend Equivalents” means an amount credited with respect to an outstanding Restricted Unit equal to Dividend Equivalents on unearned performance-based Awards, if accrued, but will only be paid as and whe

“Eligible Employee” means an Employee as defined in the Plan; provided, however, that except as the Bo on a basis uniformly applicable to all persons similarly situated, “Eligible Employee” shall not include any “In “HARTEMP” Program, (ii) is hired to work for a Participating Company through a temporary employment ag of hire that the position will terminate on a certain date; (b) a person who is a leased employee (within the m or through a temporary help firm, technical help firm, staffing firm, employee leasing firm, or professional en Company, and (c) a person who performs services for a Participating Company as an independent contract Company as, or determined by a Participating Company to be, an independent contractor, regardless of wh or any other Federal, State or local governmental authority or regulatory body to be an employee of a Partic

Notwithstanding any provision in the Plan to the contrary, if any person is an Ineligible Person, or otherwise and such person is later required by a court or governmental authority or regulatory body to be classified as participate in the Plan, notwithstanding such classification, unless and until designated as an Eligible Emplo be prospective only.

“Employee” means any person regularly employed by a Participating Company, but shall not include any p under any other non-employee classification, or who is classified by a Participating Company as, or determi

“Fair Market Value,” unless otherwise indicated in the provisions of this Plan, means a price that is based i reported on the New York Stock Exchange or other established stock exchange (or exchanges) on the appli trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise price for one share of Stock on the New York Stock Exchange or, if no sales of Stock have taken place on s quoted, the determination to be made in the discretion of the Committee.

“Incentive Stock Option” means a stock option qualified under Section 422 of the Code.

“Key Employee” means an Eligible Employee (including any officer or director who is also an Eligible Emp the performance of the Company and its subsidiaries.

“Option” means an option awarded under Section 5 of the Plan to purchase Stock of the Company, which i

“Participating Company” means the Company or any subsidiary or other affiliate of the Company; provide or any corporation which at the time such Option is granted qualifies as a “subsidiary” of the Company unde

“Performance Share” means a performance share awarded under Section 6 of the Plan.

“Person” has the meaning ascribed to such term in Section 3(a)(9) of the Act, as supplemented by Section subsidiary of the Company or any other Person controlled by the Company, (b) any trustee or other

Stock with respect to which Awards may be granted under the Plan in the form of Incentive Stock Options s

Subject to adjustments in accordance with Section 13, and subject to the Maximum Limit set forth above on number of shares that may be awarded to Directors under the Plan shall be 1,000,000 shares of Stock. Add in any Plan Year, except that this annual limit on Director Awards shall be 100,000 shares of Stock for any D which an individual is first appointed or elected as a Director, the limit applicable to such Director shall be in

In addition to the foregoing, in any Plan Year: (a) no individual Key Employee may receive an Award of Opti receive an Award of Restricted Stock, Restricted Units or Performance Shares for more than 500,000 share Except with respect to shares of Stock equivalent to a maximum of five percent of the Maximum Limit autho Change of Control, any Full Value Awards which vest on the basis of a Key Employee's continued employm Disability or Retirement, or such other circumstances, such as a reduction in force or a divestiture or sale of any portion thereof) would be in the best interests of the Company, which is more rapid than pro rata annual of performance objectives shall provide for a performance period of at least twelve months. For purposes of Right, which is settled by the issuance of Stock.

Notwithstanding the foregoing, Awards of Restricted Units attributable to a Key Employee's voluntary deferr shall not be subject to the restrictions set forth in this paragraph and shall not be counted against the five pe

Subject to the above limitations, shares of Stock to be issued under the Plan may be made available from th purchased in the open market.

For the purpose of computing the total number of shares of Stock available for Awards under the Plan, there issuance upon exercise or settlement of Awards and the number of shares of Stock which equals the value at the dates on which such Awards are granted. If any Awards under the Plan are forfeited, terminated, surr effect tax withholding) or for the net issuance of a lesser number of shares than the number subject to the A available for Awards under the Plan to the extent of such forfeiture, termination, expiration, or cash or net se Plan or under the prior The Hartford 2005 Incentive Stock Plan that was outstanding as of March 17, 2014, lieu of Stock (including to effect tax withholding) or for the net issuance of a lesser number of shares than th portion thereof) shall be available for Awards under the Plan and such shares shall be added to the Maximu such awards.

The Committee may grant other types of equity-based or equity-related awards ("Stock-Based Awards") not unrestricted shares of Stock) in such amounts (subject to the Maximum Limit and other limitations provided Stock-Based Awards may be granted as an inducement to enter the employ of The Hartford or in satisfactio otherwise, that would otherwise have been payable in cash or in respect of any other obligation of The Hart or otherwise of amounts based on the value of Stock and may include, without limitation, awards designed t United States. The Committee shall specify the extent to which the award recipient shall have the right to re provisions need not be uniform among all Stock-Based Awards, and may reflect

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distinctions based on the reasons for such termination. Except as the Committee shall otherwise specify at otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and during

4. Grant of Awards and Award Documents

(a) Subject to the provisions of the Plan, the Committee shall: (i) determine and designate from time to tim Awards are to be granted, (ii) determine the form or forms of Award to be granted to any Key Employee and Award; and (iv) determine the terms and conditions of each Award. The Committee may in its discretion als conditions as Awards are made to Key Employees, subject to such modifications as are necessary to reflec

(iv) Except as provided in Section 5(g)(ii) and Section 9, if a Key Employee's employment terminates, her Options or Rights, to the extent that he or she shall have been entitled to do so at the date of the termination of his or her employment, or within such other period, and subject to the date specified in Section 5(c) above. All Options and Rights held by such Key Employee or any of his or her family members shall be canceled without further action by the Key Employee, the Committee or the Company coincident with the termination of his or her employment.

(v) Any Options or Rights not exercised within the period established in accordance with this Section 5 shall be canceled without further action by the Key Employee, the Committee or the Company.

(h) Except as provided in this Section 5(h) or required by applicable law, no Option or Right granted under the Plan shall be exercisable by anyone other than the Key Employee or Director to whom it was granted. During the lifetime of the optionee, an Option or Right shall be exercisable only by the Key Employee or Director. A portion of a non-qualified Option or Right may be transferred and assigned by such persons designated by the Committee, and upon such terms and conditions as the Committee may from time to time authorize. An Option or Right under the Plan may be transferred for value (as defined in the General Instructions to Form S-8 with respect to the transfer of securities and/or interests).

(i) Except as provided in Section 9, if a Director's service on the Board terminates for any reason, including death, the Director or his or her Beneficiary, in the event of death, may exercise any Option or Right granted to him or her only to the extent permitted by the administrative rules or other terms and conditions adopted by the Committee from time to time applicable to the Plan.

(j) With respect to an Incentive Stock Option, the Committee shall specify such terms and provisions as they may deem appropriate to qualify such Option as an "incentive stock option" within the meaning of Section 422 of the Code.

(k) With respect to the exercisability and settlement of Rights:

(i) Except as expressly provided below, upon exercise of a Right, a Key Employee or Director shall receive, in cash or in kind, all or a portion of the excess of (A) the Fair Market Value of a specified number of shares of Stock at the time of exercise over (B) the exercise price of such shares. The amount payable shall not, subject to Section 5(d), be less than the Fair Market Value of such specified number of shares at the time of exercise. The Committee shall specify in cash, the issuance or transfer to the Key Employee or Director of which combination of cash and shares of Stock with a combined Fair Market Value at such time equal to or greater than the excess described in (A) and (B) above. If a fractional share would otherwise be issuable, the Company shall pay for such fractional share in cash.

(ii) Notwithstanding Section 5(k)(i), the Committee may specify at grant that payment of any excess amount payable upon exercise of a Right shall be deferred until the termination of the Key Employee's employment, the cessation of the Director's service on the Board, or the death of the Key Employee or Director, whichever occurs first. If such payment is deferred, it shall be permissible without adverse tax consequences for the Key Employee or Director, the Committee may specify that such payment shall be subject to such terms and conditions as the Committee may deem appropriate. The amount of such deferred amounts shall be determined.

(iii) In the event of the exercise of such Right, the Company's obligation in respect of any related cash payment shall be satisfied by the issuance of shares of Stock to the Key Employee or Director, or by the payment of cash to the Key Employee or Director, or by a combination of such methods as the Committee may deem appropriate.

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(l) Each outstanding Option and Right shall be deemed to be exercised, in the manner set forth below, at the time the Option or Right by its terms remains exercisable and, if so exercised, would result in a distribution to the Key Employee or Director of cash or shares of Stock, after the payment of any applicable tax withholding requirements (a "Deemed Exercise"). Such Deemed Exercise may be effected without the Key Employee or Director's consent. Upon such Deemed Exercise, the Company shall issue and deliver to the Director or Key Employee the cash or shares of Stock, as the case may be, determined by the Committee. The amount of cash or shares of Stock to be issued and delivered shall be (i) divided by (ii), with the quotient reduced as necessary to satisfy any applicable tax withholding requirements.

(i) The product of (x) the number of shares of Stock as to which the Option or Right is being deemed exercised and (y) the exercise price per share of such Option or the specified amount for such Right, and

(ii) The Fair Market Value on such date,

with any remainder being payable in cash to the Participant. If, on the scheduled expiration date of any Option or Right, then such Option or Right shall be canceled without further action by the Key Employee or Director, the Company shall have no obligation to exercise such Option or Right. If the Option or Right has not been exercised in accordance with this Section 5.

6. Performance Shares

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(ii) Performance Shares granted on or after February 28, 2017. If a Key Employee terminates service with the Company during the Performance Period because of his or her voluntary termination of employment due to Retirement, then he or she shall be entitled to payment in settlement of such Performance Shares at the end of the Performance Period in which the Performance Objectives were satisfied at the end of such Performance Period, and (b) he or she shall forfeit any Award upon the Award by the Committee. If a Key Employee terminates service with all Participating Companies during the Performance Period due to Total Disability, or under other circumstances where the Committee in its sole discretion finds that a Key Employee's death (in the event of death) shall be or become vested in, or entitled to payment in respect of, such Award to the extent of the Award Document and/or any administrative rules or other terms and conditions adopted by the Committee, then he or she shall be entitled to payment in settlement of such Award at the end of the Performance Period. If a Key Employee terminates service with all Participating Companies during a Performance Period or any other Award Period, he or she shall be entitled to any Award with respect to that Performance Period and shall forfeit any shares of Stock of the Company.

(g) Except as provided in Section 9, if a Director's service on the Board terminates for any reason, including any applicable Restriction Period, such Director (or Beneficiary, in the event of death) shall be or become a member of the Committee as set forth in such Director's Award Document and/or any administrative rules or other terms applicable to such Director; provided that, to the extent that any such rules or terms and conditions establish a payment obligation established under such rules or terms and conditions as are in effect at the date the Award is granted to the Director, such payment obligation shall survive the termination of the Director's service on the Board.

(h) Each Award of a Performance Share shall be paid in whole shares of Stock, or cash, or a combination the time of grant, in annual installments, with payment to commence as soon as practicable (but in any event any applicable Restriction Period).

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(i) Except as otherwise required by applicable law, no Performance Share granted under the Plan shall be

(j) Notwithstanding anything else contained in the Plan to the contrary, unless the Committee otherwise directs, no Award shall be made to any officer or director of the Company or a Subsidiary who is subject to the reporting requirements of Section 16(a) of the Act, shall be established by the Committee have been attained, in whole or in part, to the extent required to ensure that the Award is not intended to qualify as performance-based compensation under the Code. To the extent such Award is so intended to qualify as performance-based compensation under the Code, the Committee shall not have any discretionary power or authority to increase the amount payable with respect to such Award or to such Award any authority or discretion afforded to it under the Plan that would cause the Award to fail to qualify as performance-based compensation under the Code.

7. Restricted Stock and Restricted Units

(a) Except as provided in Section 9, Restricted Stock and Restricted Units shall be subject to a Restriction Period in installments where deemed appropriate, and it may also require the achievement of performance goals otherwise provided in the Plan or as specified by the Committee, certificates for shares related to an Award shall be issued as soon as administratively practicable (but in no event later than 90 days) following the end of the applicable Restriction Period.

(b) Except when the Committee determines otherwise pursuant to Section 7(d), if a Key Employee terminates employment with the Company during the Restricted Period, all shares of Restricted Stock and all rights with respect to any Award of Restricted Units shall be forfeited to the Company.

(c) Except as otherwise provided in this Section 7 or required by applicable law, no shares of Restricted S
Restricted Units shall be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of dur

(d) In the event that a Key Employee's employment terminates due to (i) death, (ii) Total Disability, (iii) a v as a reduction in force or a divestiture or sale of a business or unit, that the Committee finds that a waiver of Company, such Key Employee (or Beneficiary, in the event of death) shall be or become vested in, or entitle Employee to the extent determined by the Committee and set forth in such Key Employee's Award Document from time to time applicable to such Restricted Stock or Restricted Units granted to such Key Employee; pr terms in effect under such Award Documents, rules or terms and conditions at the date the Award is granted unless otherwise expressly provided herein or otherwise determined by the Committee (and specified in wri in accordance with this Section 7(d) shall be paid within 90 days following the later of such Key Employee's For this purpose a Key Employee shall be deemed to have terminated employment when a separation from determined pursuant to Section 409A of the Code. If a Key Employee is a "specified employee" as determin be made following the later of (i) six months after the date the Key Employee separates from service or (ii) t payment shall be made as soon as administratively practicable (but in no event later than 90 days) following the event that a Restricted Unit Award vests and is paid on account of an involuntarily termination of employ such Award shall be payable within 90 days of the date of such employment termination (provided, however such two calendar years not later than

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March 15 thereof), unless, at that date, the Key Employee is a "specified employee", in which case payment

(e) Except as provided in Section 9, if a Director's service on the Board terminates for any reason, including death, during the applicable Restriction Period, such Director (or Beneficiary, in the event of death) shall be or become vested in the Restricted Stock as set forth in such Director's Award Document and/or any administrative rules or other terms applicable to such Director; provided that, to the extent that any such rules or terms and conditions establish a payment schedule, such payment shall be made in accordance with the schedule established under such rules or terms and conditions as are in effect at the date the Award is granted to the Director.

(f) The Committee may require, on such terms and conditions as it deems appropriate or desirable, that the Restricted Stock may be held in custody by a bank or other institution, or that the Company may itself hold such shares in custody, as provided in Section 14 hereof. The Committee may require, as a condition of any Award of Restricted Stock, that the Restricted Stock be held in custody by a bank or other institution, or that the Company may itself hold such shares in custody, relating to the Restricted Stock. Notwithstanding any provision of the Plan to the contrary, Restricted Stock shall be held in custody (including, without limitation, in an omnibus or nominee account administered by a third party) until restricted by the Committee or Director.

(g) At the discretion of the Committee, the Restricted Unit account of a Key Employee or Director may be terminated, and the Restricted Units shall be deemed reinvested in that number of Restricted Units determined by the Committee, payable in respect of Restricted Units shall be deemed reinvested in that number of Restricted Units determined by the Committee, payable to stockholders.

(h) Nothing in this Section 7 shall preclude a Key Employee or Director from exchanging any shares of Restricted Stock for cash or other property, and any such shares are similarly restricted.

(i) Subject to Section 7(f) and Section 8, a stock certificate shall be issued in the name of each Key Employee or Director, and shall bear an appropriate legend reciting the terms, conditions and restrictions applicable to the Restricted Stock. Upon the lapse of the Restriction Period or the Key Employee or Director otherwise vesting in the Restricted Stock, the Company shall issue or have issued new share certificates, or otherwise deliver or have delivered, in exchange for those certificates previously issued. Upon the lapse of the Restriction Period or the Key Employee or Director otherwise vesting in the Restricted Units, the Company shall deliver (or otherwise render available) to the Key Employee or Director the Restricted Units, the Company shall deliver (or otherwise render available) to the Key Employee or Director the Restricted Unit as to which restrictions have lapsed (including any such Restricted Units related to any Dividend or other benefit). In the sole discretion, elect to pay cash or part cash and part Stock in lieu of delivering only Stock for Restricted Units. For each share of Stock to which a Key Employee or Director is entitled shall be equal to the Fair Market Value of the Restricted Unit. Notwithstanding the foregoing, the Committee may, to the extent possible without adverse tax consequences, determine the date or dates (including, without limitation, the date the Key Employee's employment terminates) for the Restricted Units to a date or dates (including, without limitation, the date the Key Employee's employment terminates) on such terms and conditions (including, without limitation, the manner in which the amounts are to be paid) from time to time.

(j) Except for the restrictions set forth herein and unless otherwise determined by the Committee, a Key Employee or Director shall be entitled to Restricted Stock, including but not limited to, the right to vote and the right to receive dividends. A Key Employee or Director shall be entitled to the Plan, to vote on any

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matter submitted to the Company's stockholders until such time, if at all, as the shares of Stock attributable to the Key Employee or Director.

(k) In addition, the Committee may permit Key Employees and Directors or any group of Key Employees or Directors to receive Restricted Stock or Restricted Units as part of their compensation (including salaries, annual bonuses, annual retainer and meeting fees) that would otherwise be payable to them. The Committee may establish the terms and conditions of any such Restricted Units, including the Restriction Period applicable to such Restricted Units, and may establish the terms and conditions applicable to any election by a Key Employee or Director to receive Restricted Stock or Restricted Units.

(l) Notwithstanding anything else contained in the Plan to the contrary, the Committee may determine at the time of the Award that a Key Employee or Director shall become vested, if at all, only upon the determination by the Committee that Performance Objectives have been achieved. The Performance Objectives determined by the Committee may vary from Key Employee to Key Employee, and the Committee may establish the terms and conditions of the Performance Objectives, including the standards (and selecting from the criteria) applicable to the Performance Objectives, and the Committee may determine which the Committee expects to have a substantial effect on the applicable Performance Objectives, the Committee may determine at the time of the Award that a Key Employee or Director shall become vested, if at all, only upon the determination by the Committee that Performance Objectives have been achieved.

8. Issuance of Stock

(b) All shares of Stock delivered under the Plan shall also be subject to such stop-transfer orders and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is traded, and any legend or legends to be placed on any such certificates to make appropriate reference to such restrictions. This shall not be construed to require the Company to

(c) Except to the extent such shares are subject to forfeiture during any applicable Restriction Period, each holder of such shares shall have all of the rights of a shareholder with respect to such shares, including the right to vote the shares and a Right, a Restricted Unit or a Performance Share shall have any right as a shareholder with respect to any shares issued to him or her prior to the date of issuance to him or her of such shares.

9. Change of Control

(i) If a report on Schedule 13D shall be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 by or on behalf of any person who is or may become the owner, directly or indirectly, of 1% or more of the outstanding shares of common stock of the Company or any employee benefit plan sponsored by the Company or a subsidiary of the Company, the Company is entitled to vote in the election of directors of the Company;

(ii) if any Person other than the Company or a subsidiary of the Company or any employee benefit plan of the Company or any subsidiary of the Company is the issuer of, or a party to, any securities transaction pursuant to a tender offer or exchange offer to acquire any stock of the Company (or securities convertible into any stock of the Company),

consummation of the offer, the Person in question is the Beneficial Owner of twenty percent or more of the Company (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights

(iii) upon the consummation of any merger, consolidation, recapitalization or reorganization of the immediately following which the persons who were the Beneficial Owners of the outstanding securities prior to such transaction are the Beneficial Owners of at least 55% of the total voting power represent directors of such entity (or the ultimate parent of such entity) in substantially the same relative proportions as the directors of the Company immediately prior to such transaction; provided that, such continuity of ownership failure to meet such threshold (or to preserve such relative voting power) is due solely to the acquisition or any subsidiary of such surviving entity;

(iv) upon the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Company, or by the stockholders of the Company; or

(v) if within any 24 month period, the persons who were directors of the Company immediately before the death of the deceased Director (other than death) to constitute at least a majority of the Board or the board of directors of any successor Company during such period shall be deemed to be an Incumbent Director if such director (A) was elected to the Board of Directors of the Company as a Director by the shareholders of the Company or by the Board of Directors of the Company or by the board of directors of any successor Company or then qualified as Incumbent Directors either actually or by prior operation of this clause 9(a)(iii) or Section 9(a)(iv) of the Plan.

(i) Each Option and Right outstanding on the date such Change of Control occurs, and which is not terminated, exercised, cashed out, or otherwise settled in full prior to the date of the Change of Control, shall remain in full extent of the original grant for the remainder of its term.

(ii) The surviving or resulting corporation may, in its discretion, provide for the assumption or replacement of the Options and Rights that are less favorable to the optionee than those applicable to the Options and Rights immediately prior to the Change of Control.

(iii) Except to the extent otherwise expressly provided in Section 9(b)(vi), the restrictions applicable to the Award of Performance Shares under Section 7 shall lapse upon the occurrence of a Change of Control, and such Key Employees shall not be subject to the Award of Performance Shares.

(iv) If a Change of Control occurs during the course of a Performance Period or any Restriction Period, a Key Employee shall be deemed to have satisfied the Performance Objectives at the target level specified by the Committee at or after grant, and to have completed any applicable Restriction Period effective on the date of the Change of Control. (vi), distribution of amounts payable in connection with an Award of Performance Shares shall be made at the time of the Change of Control.

(v) Without limiting the foregoing provisions of this Section 9(b), in the event of a Change of Control, the Committee shall have the right to elect such Key Employees:

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a. Each Option and Right shall be surrendered or exercised for an immediate lump sum cash payment equal to the exercise price of the Option or Right determined as of the time of such surrender or exercise over the exercise price;

b. Each Restricted Stock, Restricted Unit and Award of Performance Shares shall be exchanged for cash at the time of the Change of Control in an amount equal to the Fair Market Value of the shares awarded to such Key Employee multiplied by the Fair Market Value of a share of Stock of the Company at the time of the Change of Control.

(vi) Notwithstanding the foregoing provisions of this Section 9(b), no distribution or payment shall be made of any Award that the Committee shall determine does not qualify for any applicable exemption from the requirements of Section 409(a) (including, but not limited to, the exemption for a short-term deferral). To the extent that, pursuant to the immediately preceding sentence, no distribution or payment of such Award shall be made at the time otherwise specified under the Plan, the distribution or payment of such Award shall be made at the time otherwise specified under the Plan, but not later than six months after the date of the Change of Control. any six month delay in payment applicable to a "specified employee", as determined in accordance with the terms of the Plan. this Section 9(b)(vi) shall be construed to prevent any Key Employee's rights in respect of any Award of Performance Shares.

(c) Notwithstanding Section 9(b), no acceleration of exercisability, vesting, issuance of shares, cash settlement or other benefit shall be provided by the Committee reasonably determines in good faith prior to the occurrence of a Change of Control that such acceleration is in the best interests of the Company. assumed or substituted award hereinafter called an "Alternative Award") by the Key Employee's employer (or its successor) at the time of the Change of Control, provided that any such Alternative Award must:

(i) relate to a class of equity that is (or will be) within 5 business days following the Change of Control to the Key Employee;

(ii) provide the Key Employee with rights and entitlements substantially equivalent to or better than the rights and entitlements provided to the Key Employee under the Plan, including, but not limited to, the timing and methods of payment of the Award, the vesting (with respect to Performance Shares, if the Change of Control occurs during the course of a Performance Period), and the timing and methods of payment of the Award. to have satisfied the Performance Objectives at the target level specified in the Key Employee's Award Agreement. any Alternative Award shall be in the form of restricted stock or restricted stock units, without a performance condition.

(iii) have substantially equivalent economic value to the Award (as determined by the Committee at the time of the Change of Control);

(iv) have terms and conditions which provide that if the Key Employee's employment is terminated other than for Cause or by the Key Employee for Good Reason, a Key Employee's rights under each Award shall be as defined in the Company severance pay plan applicable to the Key Employee at the time of the Change of Control. clause (iv), Good Reason and Cause shall be as defined in the Company severance pay plan applicable to the Key Employee at the time of the Change of Control. terms are not defined in such severance pay plan, as such terms are defined in The Hartford Executive Severance Plan (as amended from time to time, including the version effective as of January 1, 2014); provided, however, that with respect to any Award that does not qualify for any applicable exemption from the requirements of Section 409(a), distribution of the Alternative Award shall only be made at the time otherwise specified under the Plan, but not later than six months after the date of the Change of Control. (including any six month delay in payment applicable to a "specified employee", as determined in accordance with the terms of the Plan).

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10. Beneficiary

(b) If no such Beneficiary designation is in effect at the time of death of a Key Employee, Director or Transferee or if such designation conflicts with applicable law, the spouse of the Key Employee, receive the Award, if any, payable under the Plan upon his or her death. If the Committee is in doubt as to the liability for any interest thereon, until the Committee determines the rights thereto, or the Company may pay discharge of the liability of the Company therefore.

11. Administration of the Plan

(b) The Committee shall have full power, discretion and authority to interpret, construe and administer the thereunder shall be, except as otherwise determined by the Board, final, conclusive and binding on all person. authority or power reserved to the Committee shall be within the Committee's sole and absolute disc

(c) The Committee's decisions and determinations under the Plan need not be uniform and may be made by the Committee or the Board of Directors if the Directors are similarly situated.

(d) The Committee may, in its sole discretion, delegate such of its powers as it deems appropriate to the Compensation Committee (or any subcommittee thereof) or the Company's Chief Executive Officer, except that Awards to executive officers shall be made, and the Committee shall have the authority to make, by the Compensation Committee or any other appropriate committee of the Board.

12. Amendment, Extension or Termination

The Board or the Committee may, at any time, amend or modify the Plan and, specifically, may make such amendments to the Code and the Treasury regulations issued thereunder. However, no amendment shall, without approval of the Board, (i) increase the maximum number of shares of the Company that may be issued under the Plan, or (ii) except as provided in Section 13, increase the maximum number of shares of the Company that may be issued under the Plan. The Board or the Committee may, at any time, suspend or terminate the Plan at any time without the consent of any person. Notwithstanding anything in the Plan to the contrary, the Board or the Committee may, at any time, suspend or terminate the Plan during the period in which a Change of Control is threatened. For purposes of the preceding sentence, a Change of Control shall be deemed to have occurred if the Board or the Committee determines that a Change of Control has occurred.

other event shall occur which is deemed to be a threatened Change of Control for this purpose by the Board. Further, notwithstanding anything in this Plan to the contrary, no amendment, modification, suspension or termination of any Award shall be made by the Company or any person with respect to a prior Award without the consent of such person. Notwithstanding the preceding provisions, the Company may, in its sole discretion, effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan to the administrative regulations and rulings promulgated thereunder (including, but not limited to, amendments under Code Section 409A).

13. Adjustments in Event of Change in Common Stock

In the event of any reorganization, merger, recapitalization, consolidation, liquidation, special cash dividend, extraordinary dividend (including a spin-off) or divestiture, or any other change in the corporate structure or Stock subject to purchase by an Option or issuable in respect of Restricted Units, or the terms, conditions or Option and the number of shares subject to Restricted Stock or Restricted Unit Awards, as shall be necessary, the Company shall make such adjustments as shall be necessary immediately prior to such transaction or event.

14. Miscellaneous

(a) If a Change of Control has not occurred and if the Committee determines that a Key Employee has terminated employment, the Committee, in its sole discretion, terminate in whole or in part such portion of any Option or Right as has not yet become exercisable during the Performance Period or any applicable Restriction Period has not been completed or terminate any Award of Stock.

(b) Except as provided in Section 9, nothing in this Plan or any Award granted hereunder shall confer upon any person the right of any Participating Company to terminate his or her employment at any time. No Award shall be made under any employee benefit plan or other arrangement of any Participating Company for any Key Employee shall have any claim to an Award until it is actually granted under the Plan. To the extent that any Award shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made under the Plan shall be established and no segregation of assets shall be made to assure payment of such amounts.

(c) The Committee shall have the right to make such provisions as deemed appropriate in its sole discretion to satisfy such withholding obligations, (i) making settlement of any Award of Stock or other amount due under the Plan, (ii) making settlement of any Award of Stock or other amount due under the Plan, (iii) making settlement of any Award of Stock or other amount due under the Plan, (iv) receiving Stock already owned by the Key Employee, or (v) receiving cash or other property of the Key Employee.

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Stock otherwise due to, the Key Employee in an amount determined necessary to satisfy such withholding obligations. If the Key Employee who is an executive officer of the Company (within the meaning of Section 16 of the Act) shall be required to deliver to the Key Employee Stock otherwise deliverable to the Key Employee, the Company shall, in its sole discretion, instruct the Key Employee to deliver to the Key Employee Stock otherwise deliverable to the Key Employee.

(d) The Committee may permit deferrals of compensation pursuant to the Plan or any subplan hereof which shall be subject to Code Section 409A, notwithstanding any provision herein to the contrary, except as permitted by Code Section 409A and the regulations and rulings promulgated thereunder.

(e) The Plan and the grant of Awards shall be subject to all applicable federal and state laws, rules, and regulations. The Plan and each Award Document shall be governed by the laws of the State of Delaware, except to the extent that the Plan or any Award Document shall be subject to the substantive law of another jurisdiction. Unless otherwise provided in the Award Document, the Plan and each Award Document shall be subject to the jurisdiction and venue of the federal or state courts of Connecticut to resolve any and all issues that may arise under the Plan or any Award Document.

(f) The Company shall have the obligation or the right, as applicable, at any time to recoup any amount payable under the Plan if the Key Employee refuses to repay the Company any amount payable under the Plan. The Company may reduce other amounts payable under the Plan if the Key Employee refuses to repay the Company any amount payable under the Plan.

(g) The terms of the Plan shall be binding upon the Company and its successors and assigns.

(h) Captions preceding the sections hereof are inserted solely as a matter of convenience and in no way constitute part of the Plan.

15. Effective Date, Term of Plan and Shareholder Approval

The effective date of the Plan shall be May 21, 2014 and the Plan was most recently amended and restated termination date. The Plan's termination date shall be the earlier of: (a) May 21, 2024, or (b) the date on which that the Plan will continue in effect for existing Awards as long as any such Award is outstanding.

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
ANNUAL INCENTIVE PLAN

SECTION 1
PURPOSE

The Hartford Financial Services Group, Inc. Annual Incentive Plan (as amended from time to time) is intended to provide for the payment of awards of incentive compensation, to attract, retain and motivate qualified employees.

SECTION 2
DEFINITIONS

"Board" means the Board of Directors of the Company.

"Committee" means the Compensation and Management Development Committee of the Company.

"Company" means The Hartford Financial Services Group, Inc., a Delaware corporation.

"Executive Officer" means any officer of the Company who (i) is subject to the filing of a statement of financial interest directly to the Chief Executive Officer.

"Individual Award Opportunity" means the potential of a Participant to receive an incentive award in U.S. dollars (or other local currency) or pursuant to a formula.

"Participant" means, for each Performance Period, each employee of the Company or any subsidiary of the Company during the specified Performance Period.

"Performance Period" means the Company's fiscal year or any other period designated by the Committee.

"Section 409A of the Code" means Section 409A of the Internal Revenue Code of 1986.

"Subsidiary" means any entity that is directly or indirectly controlled by the Company or in which the Company has a significant interest.

SECTION 3
ADMINISTRATION

3.1 **General.** The Plan shall be administered by the Committee, which shall have full authority to interpret the Plan, to establish rules and regulations relating to the operation of the Plan, to make all determinations and take all other actions necessary or appropriate for the proper administration of the Plan, and all actions within the scope of its authority, shall be final and binding.

6.9 Recoupment of Individual Award Opportunities. The Company (or the Compensation Committee) shall have the right, as applicable, at any time to recoup any amount paid or payable hereunder to the fullest extent possible to reduce other amounts payable under the Plan if the Participant refuses to repay amounts subject to the Plan.

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6.10 Unfunded Plan; Plan Not Subject to ERISA. The Plan is an unfunded plan and the Company's assets are not held in a trust for the benefit of the Participants. Participants shall have the status of unsecured creditors of the Company. The Plan is not intended to be subject to ERISA and shall not be amended.

6.11 409A Compliance. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid adverse tax consequences pursuant to Section 409A of the Internal Revenue Code. No member of the Compensation Committee, nor any of the Company's directors, officers or employees shall have any liability to a Participant for any action taken in good faith in connection with the Plan or any right under this Plan in a manner that results in adverse tax consequences for the Participant or any other person.

6.12 Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall survive and shall be applied as though the unenforceable provision were not contained in the Plan.

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THE HARTFORD 2020 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this 2020 Stock Incentive Plan (the "**Plan**") of The Hartford Financial Services Group, Inc. (the "**Company**") is to provide a means by which the Company may reward and motivate the performance of individuals who are expected to make important contributions to the Company by providing them with an opportunity to acquire shares of the Company's common stock. Except where the context otherwise requires, the term "**Company**" shall include any of the Company's subsidiaries, divisions, departments, branches, offices, or other entities, as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulatory or governmental body, committee or such other committee of the Board as may be designated by the Board of Directors.

2. Eligibility

The Committee shall designate the employees, officers and directors of the Company who are eligible to participate in the Plan. Consultants and advisors to the Company (as those terms are defined for purposes of Form S-8 under the Securities Act of 1933) shall not be eligible to participate in the Plan. Each person who is actually granted an Award under the Plan is deemed a "Participant."

3. Awards under the Plan

- a. Types. The Plan provides for the following types of awards, each of which is referred to as an "Award": (i) Cash Awards (as defined in Section 8), RSUs (as defined in Section 8), Performance Awards (as defined in Section 8), and Restricted Stock Awards (as defined in Section 8). As otherwise provided by the Plan, each Award may be made alone or in addition or in conjunction with any other Award. The Committee need not treat Participants uniformly.
- b. Other Stock-Based Awards. The Committee may grant Awards of Shares (as defined in Section 8) or other property ("Other Stock-Based Awards"). Such Other Stock-Based Awards may be granted in lieu of cash or as payment in lieu of compensation to a Participant.
- c. Cash Based Awards. The Committee or the Company may also grant Awards under this Plan in the form of cash.
- d. Substitute Awards. In connection with a merger or consolidation of an entity with the Company, the Committee may grant Awards in substitution for any options or other stock or stock-based awards granted on such terms as the Committee deems appropriate under the circumstances. Such Awards shall be subject to the terms and conditions of the Plan, except as may be required by reason of Section 422 and related provisions of the Internal Revenue Code.

- e. Dividends or Dividend Equivalents. The Committee may provide that an Award of Restricted Stock or Restricted Stock Units ("RSUs") shall be credited with units or equivalents to reflect dividends declared on Shares ("Dividend Equivalents") (either at or after grant), all dividends or Dividend Equivalents credited to an Award shall be reinvested in that number of Restricted Stock, RSUs or Performance Awards, as applicable. The Share is payable to stockholders. Unless the Committee determines otherwise, "Fair Market Value" shall be the Fair Market Value of the Share as of the date the Award is made.

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of any date, to be equal to the reported closing price for one Share on the New York Stock Exchange closing price on the most recent date on which selling prices were quoted, the determination of which shall be made by the Committee, as applicable, may be payable in cash or settled in Shares, and shall be subject to the same performance measure(s) as the applicable Award. In the case of Performance Awards, Dividend Equivalents shall be paid on the date the Award vests based on achievement of the Award's performance measure(s). No dividends or Dividend Equivalents shall be paid on unvested Awards.

4. Granting of Awards: Administration and Delegation

The Committee shall have authority to grant Awards under the Plan. The Plan will be administered in accordance with the rules, guidelines and practices relating to the Plan as it shall deem advisable. The Committee shall have authority to interpret and construe the Plan and Award agreements entered into under the Plan and such interpretations and constructions shall be, except as otherwise provided, final for all purposes. The Committee may correct any defect, supply any omission or reconcile any inconsistency. The Committee's actions need not be uniform and may be made selectively among Participants, whether or not such Participants are designated by the Committee. The Committee may take any action under the Plan that would otherwise be the responsibility of the Board of Directors (or any such committee). The Committee may, in its sole discretion, delegate such of its authority to any other person holding a similar position or the Company's Chief Executive Officer, except that Awards to Directors shall be made by the Board of Directors. The Securities Exchange Act of 1934, as amended (the "1934 Act") ("Section 16 Officers") shall be made by the Board of Directors.

5. Shares Available for Awards

a. Number of Shares: Share Counting

- i. Authorized Number of Shares. Subject to adjustment under Section 10, Awards shall be made out of the total number of Shares available for issuance under the Plan, plus (A) the total number of Shares previously authorized for issuance under any plan, plus (B) the total Prior Plan Shares available for issuance under the Plan.

A. 3,273,002 Shares available for issuance under the Company's 2014 Incentive Award Plan ("Prior Plan") as of February 29, 2020;

plus

B. any of the 11,962,669 Shares subject to outstanding awards as of February 29, 2020 that have been surrendered, canceled, forfeited, or are settled in cash in lieu of shares of the Company.

- ii. As of the Effective Date, no further awards will be granted under the Prior Plan.

- iii. Share Counting. The following rules shall be used to determine the number of Shares available for issuance under the Plan and the sublimits contained in Section 5(b):

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- ## 7. Stock Appreciation Rights

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measurement price shall be not less than 100% of the Fair Market Value of the Shares on s

- c. Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms ; **however**, that no SAR will be granted with a term in excess of 10 years.
- d. Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exer the Committee. Each outstanding SAR shall be subject to Deemed Exercise at the close terms remains exercisable and, if so exercised, would result in a distribution to the holder o the scheduled expiration date of any SAR, the exercise of such SAR would not result Participant, the Committee, or the Company on the date following the last date on which su

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- e. Limitation on Repricing. Unless such action is approved by the Company's shareholde outstanding SAR granted under the Plan to provide a measurement price per share that i cancel (or accept surrender of) any outstanding SAR (whether or not granted under the granted pursuant to Section 3(d)) covering the same or a different number of Shares and f share of the cancelled SAR, (3) cancel (or accept surrender) in exchange for a cash paym Market Value of a Share, or (4) take any other action under the Plan that constitutes a "repr
- f. No Reload SARs. No SAR granted under the Plan shall contain any provision entitling the f original SAR.

8. Restricted Stock; Restricted Stock Units

- a. General. The Committee may grant Awards entitling recipients to acquire Shares, subject t specified by the Committee in the applicable Award agreement are not satisfied prior to the Award ("**Restricted Stock**"). The Committee may also grant restricted stock unit Awards er or periods established by the Committee for such Award ("**RSUs**").
- b. Terms and Conditions for Restricted Stock and RSUs. The Committee shall determine the and forfeiture and the issue price, if any, which shall be set out in the applicable Award agre
- c. Additional Provisions Relating to Restricted Stock.
 - i. Evidence of Ownership. Subject to Section 12(g) and Section 13(b), the Company and records in a manner consistent with its practices for evidencing share owner reflect in such records the terms, conditions and restrictions, if any, applicable to su acknowledge such terms, conditions and restrictions in such manner as the Com otherwise vesting in respect to Restricted Stock, such Shares shall no longer appropriate actions to reflect the lapse of such restrictions.
 - ii. Voting Rights. A Participant shall have voting rights with respect to Restricted Stock
- d. Additional Provisions Relating to RSUs.
 - i. Settlement. Upon the vesting of and/or lapsing of any restrictions (i.e., settlement) v number of Shares specified in the Award agreement or (if so provided in the app equal to the Fair Market Value of the number of Shares or a combination thereof. basis or at the election of the Participant, in a manner that complies with Section 4C

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i. Voting Rights. A Participant shall have no voting rights with respect to any RSUs.

a. Grants. The Committee may issue Awards under the Plan that are subject to the achievement of the goals and objectives of the grant. The terms and conditions of the grant shall be established at the time of grant.

- b. Performance Measures. The Committee shall specify in the Award agreement that the de achievement of one or more performance measures established by the Committee. Suc Awards; (y) may be particular to a Participant or the department, line of business, subsidi specified by the Committee; **provided, however**, that any such period must be at least twel
- c. Adjustments. Subject to the terms of the Plan, if during the course of a performance peric effect on the applicable performance measures during such period, the Committee may rev change described in Section 10, or a Change of Control of the Company, the Committee m:

In the event of any reorganization, merger, recapitalization, consolidation, liquidation, special cash split-up or extraordinary dividend (including a spin-off) or divestiture, or any other change in the subject to Awards (including Shares subject to purchase by an Option or issuable in respect of RSL those rights existing immediately prior to such transaction or event including (i) converting rights in types of securities or other property, or (ii) modifying the terms, conditions or restrictions on Shares of shares subject to Restricted Stock or RSUs.

If the Committee reasonably determines in good faith that a Change of Control has occurred, then t

- a. If the Committee (as constituted immediately prior to the Change of Control) determines that by the employer or other entity to which the Participant provides his or her services (or the Awards under this Plan shall be cancelled and terminated, provided that such Alternative A
- i. Relate to a class of equity that is (or will be within five business days followin
- ii. Fully vest and become exercisable if a Participant's employment or other s
Participant's employer (or other service recipient) other than for Cause or by
does not qualify for any

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applicable exemption from the application of Section 409A of the Code, the specified under the Plan or the Award agreements without regard to the occurrence of a "specified employee", as determined in accordance with Section 409A of the

- iii. Provide the Participants with rights and entitlements substantially equivalent to the rights and entitlements provided to the participants in the Plan, but not limited to an identical or better exercise or vesting schedule (including all other terms, conditions and provisions of the Plan);
- iv. In the case of existing awards with performance measures, be in the form of a cash bonus (the value of any such Alternative Award shall be determined based on the value of the cash bonus that would have been payable to the participant under the Plan if the participant had exercised his or her option to purchase shares of the Company's common stock on the date of the Alternative Award).

established by the Committee)); and

v. Have substantially equivalent economic value to the existing Award.

b. If the Committee determines that existing Awards will not be honored or assumed through Awards shall fully vest and become exercisable upon the occurrence of a Change of Control:

i. Options and SARs may be exercised throughout the remainder of the original term;

ii. Any performance measures applicable to Awards shall be deemed to have been approved by the Committee.

iii. All Restricted Stock, RSUs and Performance Awards shall be distributed at the time of the occurrence of the Change of Control, **provided** that the Committee has determined the application of Section 409A of the Code. Alternatively, the Committee may, in its discretion, determine the distribution of Awards to Participants:

A. Each Option and SAR shall be surrendered or exercised for an immediate cash payment to such Option or SAR determined as of the time of such surrender or exercise.

B. Each Restricted Stock, RSU and Performance Award shall be exchanged for cash or shares awarded to such Participant (with the performance objectives for Performance Awards as set forth in the Award agreement or, if greater, as otherwise specified by the Committee at or after the time of the Change of Control).

iv. If the Committee determines that all or any portion of an Award cannot be paid in cash, the payment of such Award shall be made at the time otherwise specified in the Plan (including any six-month delay in payment applicable to a "specified employee", as defined in this Section 11(b)).

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shall be construed to prevent any Participant's rights in respect of any Award from being affected.

c. Notwithstanding any provision in this Plan to the contrary, in the event of a Change of Control, the Company shall, within 60 days of the date of the consummation of such transaction, or if the consummation occurs within 60 days of such date of termination of employment or service involuntarily terminates on or after the date of a shareholder approval of such sections, and the consummation occurs within 60 days of such date of termination of employment or service, the date of the consummation of such transaction shall be deemed for purposes of the Plan to be the date following the date of the applicable consummation of such transaction.

d. For purposes of this Plan, a Change of Control shall occur:

i. if a report on Schedule 13D shall be filed with the Securities and Exchange Commission by the Company or a subsidiary of the Company or any employee benefit plan sponsored by the Company or more of the outstanding stock of the Company entitled to vote in the election of directors of the Company;

ii. if any Person other than the Company or a subsidiary of the Company or any employee benefit plan sponsored by the Company purchases shares pursuant to a tender offer or exchange offer to acquire any stock of the Company, provided that after consummation of the offer, the Person in question is not a director or officer of the Company entitled to vote in the election of directors of the Company (calculated as if the Person owned all the stock);

iii. if, upon the consummation of any merger, consolidation, recapitalization or reorganization of the Company, the persons who were the Beneficial Owners of the securities of the Company immediately prior to such transaction are the Beneficial Owners of the securities of the Company immediately following such transaction entitled to vote in the election of directors of such entity.

Participant's continued employment with or provision of service to the Company shall be su

i. Five Percent Exclusion. Awards which vest on the basis of an employee's continue
provided, however, that any such Awards shall be limited in the aggregate to a m
above; and

ii. Other Circumstances. The Committee may provide for earlier vesting of Awards up
or a divestiture or sale of a business or unit, if the Committee finds that a waiver c
the Company.

d. Termination of Employment. The Committee shall determine and set forth in the Award ag
the effect on an Award of a Participant's termination of employment resulting from disability
change in the employment or other status of a Participant and the extent to which, and the
guardian or Beneficiary, may exercise rights, or receive any benefits, under an Award. Unle
by the Company, all of such Participant's Awards outstanding as of the date of termin
Participant, the Committee or the Company coincident with the effective date of such termin

e. Withholding. All Awards under this Plan are subject to and the Participant must satisfy all a
or similar withholding obligations before the Company will deliver the Shares or otherwise
withholding obligations through additional withholding on salary or wages or as a deducti
elects not to or cannot withhold from such other compensation or payment, the Participant
tender to the Company cash equal to the withholding obligations. Payment of withholding o
from forfeiture of an Award or at the same time as payment of the exercise or purchase
provided for in the Award agreement, a Participant may satisfy the withholding obligations
Shares retained from the Award creating the withholding obligation, valued at their Fair Ma
satisfy such obligations may exceed the Company's minimum statutory withholding obligat
payroll taxes, that are applicable to such supplemental income) to the extent permitted by
the Company is able to retain Shares having a Fair Market Value that exceeds the statutory
Company is withholding in a jurisdiction that does not have a statutory minimum withholdin
having a Fair Market Value equal to the maximum individual statutory rate of tax as permit
withholding obligation associated with any Award. Shares used to satisfy withholding obli
other similar requirements.

f. Amendment of Award. Except as otherwise provided in Sections 6(g) and 7(e), the Comm
substituting therefor another Award of the same or a different type, changing the date of ex

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Nonqualified Stock Option. Without limiting the generality of the foregoing, if a Change of C
inimical to the best interests of the Company (including the failure to act where circumstanc
such portion of any Award as has not yet become vested or exercisable at the time of termi

g. Conditions on Delivery of Stock. The Company will not be obligated to deliver any Shares
under the Plan until (i) all conditions of the Award have been met or removed to the satisfac
connection with the issuance and delivery of such Shares have been satisfied, including a
market rules and regulations, and (iii) the Participant has executed and delivered to the Cc
satisfy the requirements of any applicable laws, rules or regulations.

h. Acceleration. Subject to the limitations in Section 11 regarding a Change of Control and S
may at any time provide that any Award shall become immediately exercisable in whole or
in part, as the case may be, as the Committee determines to be in the best interests of the

- a. No Right to Employment or Other Status. No person shall have any claim or right to be granted employment or any other relationship with the Company, and the Company shall be free to hire, employ, rehire, or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan. Compensation payable under the Plan shall be deemed salary or compensation for the purpose of computing the Company's cost of benefit of its employees unless the Company shall determine otherwise. To the extent that the Company has a right shall be no greater than the right of an unsecured general creditor of the Company. A special or separate fund shall be established and no segregation of assets shall be made with respect to Restricted Stock.
- b. No Rights as Shareholder. Subject to the provisions of the applicable Award agreement, no Shares shall be issued with respect to an Award until becoming the record holder of such Shares.
- c. Forfeiture of Award; Clawback. In accepting an Award under the Plan, the Participant agrees to the Company's section 12(f) and clawback policy that is then in effect or adopted in the future. The Compensation shall be paid or payable hereunder to the fullest extent provided for under the Company's Clawback Policy, and the Participant agrees to repay amounts subject to the Clawback Policy.
- d. Beneficiary. Each Participant may file with the Company a written designation on a form (or forms) designating the beneficiary who shall be entitled to receive the Award, if any, payable under the Plan in the event of the Participant's death. A Participant may change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Company.

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last such designation received by the Company shall be controlling; provided, however, that if no such designation is received by the Company prior to the Participant's death, the Award designated as the Award payable upon death shall be the Award payable upon death. If no designation is in effect at the time of death of a Participant, or if no Beneficiary survives the Participant to receive the Award, if any, payable under the Plan upon his or her death. If the Committee determines that such Award, without liability for any interest thereon, until the Committee determines the right to payment and such payment shall be a complete discharge of the liability of the Company therefore.

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I. Governing Law. The Plan and the grant of Awards shall be subject to all applicable federal and state laws, rules, regulations and orders of any federal or state regulatory agency as may be required. The Plan and each Award shall

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be governed by the laws of the State of Delaware, excluding any conflicts or choice of law substantive law of another jurisdiction. Unless otherwise provided in the Award, recipients c the federal or state courts of Connecticut to resolve any and all issues that may arise out of

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The Hartford

Senior Executive Officer S
(Tier 1)

This document describes your benefits under The Hartford Senior Executive Officer S information.

As Amended and Restated Effective October 2, 2023

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(A)Notice

THE HARTFORD SENIOR EXECUTIVE OFFICER SEVERANCE PAY PLAN

1. Purpose

The purpose of The Hartford Senior Executive Officer Severance Pay Plan (the "Plan") is to provide severance pay to certain executives covered by this Plan whose employment is terminated under conditions specified in this Plan.

2. Application of Plan

This Plan, which was initially effective February 22, 2011, and which was subsequently amended and restated in the form of this document effective October 2, 2023. Any amendments to this Plan shall be made by the Board of Directors (the "Board") (as defined below) that has an Effective Date (as defined in Section 3 below) on or after the date of the amendments made and restated herein, and by no other plan, policy, practice or arrangement.

3. Eligible Employees

You are an Eligible Employee under this Plan if, on the date your employment with the Company is terminated, you are an "Employee" (as defined below) who is paid on a salaried basis and is identified as an Eligible Employee in this Plan, except that you will not be an Eligible Employee if:

- (1) you are terminated for misconduct or other disciplinary action, which includes, but is not limited to, serious violations of Company policies; violation of the Company's Code of Ethics or any similar policy or undertaking of the Company; statements by you, either oral or written, that are false, misleading, or otherwise in violation of the Company's policies or procedures; or

potential to damage the Company; violation of any covenant or restriction or actions that the Company deems to be immoral, unethical, inimical to the best interests of the Company;

(2) provided that the Effective Date is prior to a Change of Control as defined in the Plan, the Base Pay would otherwise be due, for misconduct deemed by management to be inconsistent with the Company's Business Conduct;

(3) you refuse a Comparable Position offered as alternative employment to you, shall mean a position with materially the same Base Pay (your

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annual base salary at the Effective Date, excluding all bonus and incentive compensation opportunity at the target level of payout as in effect at the Effective Date, in management's judgment, you are able to perform and are consistent with your previous position's location or does not entail a substantially longer commute than your previous position's location;

(4) you terminate employment with the Company prior to the date selected by the Company;

(5) you are terminated after having exhausted job protection under the Company's policies or applicable law;

(6) you are terminated following acceptance or refusal of employment by the Company, or following an outsourcing, closure or relocation described in Section 9;

(7) except as provided in subparagraph (3) above or in Section 10 with respect to termination of employment for any reason, including resigning, retiring or failing to return to work;

(8) your employment terminates as a result of your death.

A person who is on an authorized leave of absence, who would otherwise qualify for job protection under the Company's policies or applicable law will be covered by the foregoing provisions of this Section 3, you will be an Eligible Employee hereunder notwithstanding any disparagement and other restrictive covenants as are required to be executed by the Company.

For purposes of the Plan, "Employee" means any person regularly employed on the U.S. by the Company, Fire Insurance Company, or any of their designated subsidiaries or affiliates which are included in the "Company", but shall not include any person who performs services for the Company on a contract basis, or who is classified by the Company as, or determined by the Company to be, an independent contractor.

Notwithstanding any provision in the Plan to the contrary, if any person does not qualify for participation in the Plan and such person is later required by a court or arbitrator or governmental authority to participate in the Plan, such person shall not be eligible to participate in the Plan, notwithstanding any provision in the Plan to the contrary, the Plan Administrator, and if so designated, the participation of such person in the Plan shall be limited to the extent of the requirement.

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4. Schedule of Severance Pay

You will be eligible to receive severance benefits under this Section if you are an employee in the United States at the time of your termination, but subject to your entering into (and not revoking) a Separation and Release Agreement. The severance benefits shall be equal to two times the sum of your Base Pay plus Target Bonus.

The severance payment provided shall be in addition to any Base Pay earned, but not to exceed the Base Pay earned as of the Effective Date, plus any paid time off accrued as of such date that is payable in accordance with the Company's policy.

5. Pro-Rata Annual Bonus and Treatment of Long-Term Incentives

If you receive severance pay in accordance with Section 4, you may also be eligible to receive a pro-rata annual bonus under the Company's bonus plan for the year in which the Effective Date occurs, payable as described in the bonus plan. The bonus shall be determined at the Company's discretion, based on Company and individual performance, and may be a bonus or a particular amount; along with other factors, post-termination activities of the Company. In the event of a Termination for Good Reason or an involuntary termination, the bonus shall be paid in full. In no event shall the pro-rata annual bonus be less than a pro-rata bonus payable to other executives whose employment did not terminate.

If you receive severance pay in accordance with Section 4, you will also vest in the Company's long-term incentive plan, including stock options, performance shares, restricted stock, and other long-term incentives, if and to the extent, so provided in the award agreement under the applicable long-term incentive plan. The timing of the payment of such awards will be as set forth in such award agreement.

6. Notice or Pay in Lieu of Notice

Except as provided in this Plan, you shall not be entitled to any notice of termination or pay in lieu of notice under the Company's policy.

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7. Payment of Severance Pay and Pro-Rata Annual Bonus

Any severance pay provided to you under this Plan shall be paid in a lump sum. Such payment shall be made on the Payment Date (or, if the Payment Date is a holiday, the next business day following the Payment Date) provided that, as of the Payment Date, the Separation and Release Agreement condition is satisfied on a date prior to the Payment Date, any portion of the severance pay may be paid prior to the Payment Date. The Code of 1986, as amended (the "Code"), can be paid on a date prior to the Payment Date, but in no event will you be able to elect the date of payment) and if the period in which the severance pay is paid spans more than one taxable year, then the severance pay will not be paid until the end of the taxable year.

Any pro-rata annual bonus payable in accordance with Section 5 shall be paid in full on the Payment Date, but in no event shall the pro-rata annual bonus be less than a pro-rata bonus payable to other executives whose employment did not terminate.

which the Effective Date occurs.

As provided in Section 3(2), prior to a Change of Control as defined in Section 10, in accordance with Section 4 or 5 shall not be payable under the Plan to an employee who would otherwise be due.

In the event of your death after the Effective Date but prior to your receipt of severance pay, the Company shall pay to your spouse, if any, the amount of severance pay that would have been payable to you had you survived, paid within 30 days of your death, subject to applicable law, to your spouse, if any,

8. Employee Benefit Plan Coverage While Receiving Severance Pay

Except as may otherwise be specifically provided by the applicable employee benefit plan, you shall be entitled to receive a pro-rata annual bonus and any other payment made by the Company after the Effective Date of the applicable benefit plan of the Company, including but not limited to The Hartford Investment Management Corporation Retirement Plan for U.S. Employees and The Hartford Excess Pension Plan II.

If you receive severance pay under Section 4, then, provided that the following provisions apply, you and your eligible dependents under the medical and dental benefit plans of the Company shall be eligible for such COBRA continuation coverage in accordance with the terms of the Effective Date. The reimbursement will be for the excess of the amount that the Company would pay for such coverage if you were still in the employ of the Company; provided that you are eligible for such COBRA continuation coverage in accordance with the terms of the Effective Date.

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comparable coverage under the plan of a subsequent employer. An initial reimbursement shall be made within 30 days of the Effective Date for payments made through that date; a second and final reimbursement shall be made within 30 days of the one-year anniversary of the Effective Date for any additional reimbursement due; provided that you have also had a separation from service, as determined in accordance with, or as otherwise determined pursuant to, Section 409A of the Code.

If you receive severance pay under Section 4, you will also be entitled to outplacement services, for a period of 12 months or such lesser period as you may require during the Effective Date.

9. Sale, Divestiture, Outsourcing, Closure or Relocation

(A) If the Company or a subsidiary, affiliate, division, department, business or function is sold, divested or outsourced in a transaction that does not qualify as a Change of Control as defined in Section 10, you shall be entitled to receive a pro-rata annual bonus in accordance with Section 5 of this Plan.

(1) you are an Eligible Employee at the time of the transaction whose employment is terminated;

(2) you are not offered a Comparable Position with the Company, the acquirer or the divested unit (except where the Plan provides otherwise);

(3) you do not decline an interview or an invitation to apply for a Comparable Position with the Company, the acquirer, the vendor or the divested unit (except where the Plan provides otherwise); and

(4) you do not accept a position with the Company, the acquirer, the vendor

An offer for a Comparable Position includes one that is contingent upon satisfaction, including, but not limited to, establishing work authorization under applicable immigration and executing employment agreements that include restrictive covenants and arbitration

If you continue employment with the Company or are hired on or immediately following a termination of employment, severance payments and a pro-rata annual bonus will not be provided under this Plan.

The provisions of this Section shall apply to all sales, divestitures and outsourcing service agreements.

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or any other method), unless such sale, divestiture or outsourcing qualifies as a Change of Control, the provisions of Section 10 shall apply.

(B) If the entire Company or the portion of the Company where you are employed is sold, then you are eligible to receive severance pay under Section 4 (provided you are not offered a position with the Company). You will not receive severance pay or a pro-rata annual bonus if you are offered a position with the Company.

10. Severance Pay in the Event of a Change of Control

(A) Post-Change of Control Severance Pay. In the event of a Change of Control, you are an Eligible Employee whom the Plan Administrator has approved participation in this Plan as of immediately prior to the Change of Control and (i) you are terminated for Cause (as defined below), a termination due to death or a termination under the Company's Long Term Disability Plan for Salaried Employees, or (ii) you are terminated for Good Reason (as defined below and as determined by the Compensation and Management Committee of the Financial Services Group, Inc. (the "Compensation Committee") as constituted immediately prior to the Change of Control), you will be eligible to receive severance pay and be eligible for a pro-rata annual bonus as provided in Sections 4 and 5, the amounts under Sections 4 and 5, the Base Pay and Target Bonus taken into account for any time since the date immediately prior to the Change of Control. Following a Change of Control, you will not be eligible to receive any interest to any of the entities included in the definition of Company immediately prior to the Change of Control. This section shall not apply to a person who was an Eligible Employee immediately prior to the Change of Control.

(B) Reduction of Severance Pay to Reduced Amount in Certain Circumstances.

(i) Determination of Existence of Reduced Amount. Notwithstanding anything to the contrary herein, if a nationally recognized public accounting firm as is designated by the Company determines that your receipt of payments hereunder would subject you to tax under Section 4999, the amount of the aggregate payments meets the definition of Reduced Amount under Section 4999, and the payment or benefit does not constitute a "parachute payment" within the meaning of Section 280G(b)(4)(A) of the Code, and (ii) a payment

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constitutes "reasonable compensation" for services rendered within the meaning of Section 501(c)(3) of the Code, the Accounting Firm under this Section shall be binding upon the Company and

(ii) Consequences of Determination of Existence of Reduced Amount. If the Accounting Firm determines, under the preceding paragraph, then the aggregate payments shall be reduced to the extent of the Accounting Firm projects that you will receive, if such reduction is made, is the amount you will receive if such reduction is not made.

(iii) Consequences of Overpayment or Underpayment of Amounts. As a result of the initial determination by the Accounting Firm under Section 10(B)(i), if the Company pursuant to the Plan that should not have been so paid or distributed or distributed by the Company pursuant to this Plan that could have been included in the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that the Accounting Firm believes that the Accounting Firm has been made, any such Overpayment paid or distributed by the Company shall be repaid to the Company of the Overpayment, which you shall have an obligation to repay to the Company at the applicable federal rate provided for in Section 7872(f)(2) of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be repaid to the Company at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(iv) Fees and Expenses of Accounting Firm. All fees and expenses of the Accounting Firm shall be borne by the Company.

(C) Definitions.

For purposes of this Section 10:

"Change of Control" means an event that qualifies as a Change of Control under the most recent long-term incentive plan under which such Eligible Employee is eligible to receive awards.

"Termination For Good Reason" means a termination of your employment by the Company for Good Reason, where notice of termination is provided as described below:

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(i) (A) the assignment to you of any duties inconsistent in any material adverse effect with your position, or any other material adverse change in such position, including titles, authority or responsibilities;

(ii) a material reduction in your Base Pay or Target Bonus;

(iii) the Company's requiring you to be based at any office or location immediately prior to the Change of Control (provided that such change of office is necessary except for travel reasonably required in the performance of your responsibilities);

(iv) any failure by the Company to obtain the assumption and agreement to the Change of Control;

(v) a Termination asserted by the Company to be For Cause that is substantiated and shall constitute a Termination For Cause.

Except with respect to an event described in subclause (v), you must provide written notice within 180 days of your having actual knowledge of the events giving rise to the termination of facts and circumstances claimed to provide a basis for Termination For Good Reason of receipt of such notice (which date shall not be more than 15 days after the date of termination) of any fact or circumstance that contributes to a showing of Good Reason for such fact or circumstance in enforcing your rights hereunder. Notwithstanding the foregoing, Termination For Good Reason if (i) you have consented in writing to the termination or (ii) if you have delivered a notice of termination based on a claim of Termination For Good Reason specified therein as providing a basis for such Termination For Good Reason termination.

"**Net After-Tax Receipt**" means the Present Value of a payment net of all taxes payable thereon under applicable state and local laws, and for Social Security, Medicare or Medicaid, and the rate under Section 1 of the Code and under state and local laws that apply to the payment at the other rate(s) as you shall certify as likely to apply to you in the relevant tax year.

"**Present Value**" means such value as determined in accordance with Section 7520 of the Code.

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"**Reduced Amount**" means the smallest amount of Plan payments that (i) has the effect of and (ii) results in aggregate Net After-Tax Receipts for all payments that are made under the Plan that the aggregate Present Value of Plan payments were any other amount that is specified in the Plan.

"**Termination For Cause**" For purposes of this Section 10 only, a Termination For Cause shall be (1) a felony conviction; (2) an act or acts of dishonesty or gross misconduct that materially and adversely affects the Company's business or reputation; or (3) repeated violations of your obligations under the Company's business and affairs of the Company and to use your best efforts to perform your duties away from work authorized by Company policy or state or federal law, which result in damage to the Company's business or reputation.

11. **Separation and Release Agreement**

You must accept the terms of a separation agreement, including but not limited to the Company's directors, officers, employees and employee benefit plans, and provide a non-disparagement of the Company, in a form provided by the Plan Administrator or the Company, as a condition of payment of any benefits under this Plan. In no event shall the terms and conditions of the separation agreement be modified or waived.

Control be significantly less favorable to you than the terms and conditions of the Plan prior to the Change of Control. You have no vested right to receive benefits upon the expiration of any revocation period occurs. You must sign and return the Separation Agreement.

12. Offset

Any severance pay provided to you under this Plan may be offset by reducing such severance pay by the amount of any other benefit that you receive or are entitled to receive (i) under any other Company plan, policy or program, including but not limited to any amounts owed by you as a result of the Company's incentive compensation; or (ii) by virtue of any law, custom or practice, excluding an unemployment award. Any offset to severance pay under this Plan shall be applicable.

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Any severance pay provided to you under this Plan shall also be offset by reducing such severance pay by the amount of any allowance you received as a result of any prior termination of employment with the Company. Any severance pay provided to you under this Plan shall be offset by reducing such severance pay and notice pay by any payment you receive or are entitled to receive under the WARN Act ("WARN") and any similar federal, state or local law.

Any severance pay provided to you under this Plan shall be offset by reducing such severance pay by the amount of any benefit you receive or are entitled to receive under any Company or statutory disability plan, policy, practice, program or arrangement.

The Company (or the Compensation Committee, as applicable, in the case of a Section 409(a) plan) may, in its sole discretion, not pay any amount which has not then been paid to you from the Company, and (2) any severance pay provided to you under this Plan shall be offset by any amount that you owe to the Company, including but not limited to any amounts due to you from bonuses, incentive compensation or in accordance with the Company's Clawback Policy. Any offset to severance pay under this Plan shall be applicable to the extent otherwise due to you may be offset by any costs to the Company in connection with the Plan.

13. Administration of Plan

Responsibility for administration of this Plan rests with the Company's Chief Human Resources Officer or her designee ("Plan Administrator").

The Plan Administrator shall have the exclusive discretionary authority and right to administer the Plan, to adopt any rules and regulations for carrying out the Plan as may be appropriate, and, not limited to, the right to make factual determinations and the right to determine the validity of any claim. All decisions by the Plan Administrator shall be final, conclusive and binding on all parties. No appeal or review of any decision by the Plan Administrator shall be permitted. Only if you file a written request for review of an adverse ruling, in whole or in part, from the Plan Administrator on one or more claims under the Plan, shall the Plan Administrator be required to review such claim.

If you believe you are entitled to, but do not receive, severance pay, you may make a claim for such severance pay to the Plan Administrator or the Executive Committee.

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Compensation Lead within 60 days after your Effective Date. If your claim is denied, the Compensation Lead or his or her designee will notify you of the Plan's denial not later than 90 days after your claim is denied. If the Compensation Lead or his or her designee determines that special circumstances require an extension of time for processing your claim, the Compensation Lead or his or her designee will notify you of the extension not later than 30 days before the end of the initial 90-day period. In no event will such extension end later than 180 days after the date of the initial denial. The notification from the Executive Compensation Lead or his or her designee, which shall include: (i) a statement of the reasons for the denial; (ii) reference to the specific plan provisions on which the determination is based; (iii) a statement of the material or information necessary to perfect your claim and an explanation of why such material or information is necessary; and (iv) a statement of the procedures applicable to such procedures.

If you wish to appeal a denial of your claim, you must submit a written appeal to the Compensation Lead or his or her designee within 60 days after the date of the denial. You may include with your appeal written comments, documents, records, and other information. The Compensation Lead or his or her designee will provide, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information. The review of your appeal will take into account all comments, documents, records, and other information submitted or considered in the initial benefit determination.

The Plan Administrator will notify you, within 60 days after it receives your request for review, of the result of the review. If the Plan Administrator determines that an extension of time for processing your appeal is warranted, the Plan Administrator will notify you of the extension not later than 30 days before the end of the initial 60-day period. In no event will such extension end later than 180 days after the date of the initial denial. The notification from the Plan Administrator, which shall include: (i) a statement of the reasons for the denial; (ii) reference to the specific plan provisions on which the determination is based; (iii) a statement of the material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and (iv) a statement of the procedures applicable to such procedures.

If your appeal is denied, the notification the Plan Administrator provides to you will include: (i) a statement of the reasons for the denial; (ii) reference to the specific Plan provisions on which the determination is based; (iii) a statement of the material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and (iv) a statement of the procedures applicable to such procedures.

14. Termination or Amendment

The Plan Administrator shall have the power to make amendments to the Plan as may be necessary in the interest of the Company or as required by applicable law. Any other amendments to the Plan shall be made only by the Board of Directors of the Company or the Financial Services Group, Inc., or the

Compensation Committee thereof. The Company reserves the right, in its sole discretion, to terminate or amend the Plan at any time without prior notice. Notwithstanding anything in this Plan to the contrary, the Plan shall terminate following a Change of Control or during the period in which a Change of Control is in effect (or, if the Plan is a term incentive plan in effect at the time), except that the Plan Administrator may

other time, in such manner as the Plan Administrator deems necessary or advisable to avoid any payments hereunder being subject to an additional tax under Section 401(a)(9). (A) the eligibility of any Eligible Employee to receive benefits hereunder or (B) the amount of benefits would be, payable hereunder to any such Eligible Employee.

15. **Miscellaneous.**

(A) **Arbitration.** Any claim arising under or in connection with this Plan that, following Section 13 hereof, has yet to be resolved in whole or in part, shall be resolved exclusively in Connecticut, and shall be conducted in accordance with the Employment Arbitration Act, otherwise in accordance with the principles that would be applied by a court of law. If you and the Company cannot agree on an acceptable arbitrator, the claim shall be resolved by one arbitrator appointed by the Company and the third appointed by the other two arbitrators. The award rendered by the arbitrator shall be final and binding on all issues submitted for arbitration, and a judgment may be entered on any award. You and the Company shall be jointly and equally responsible for the reasonable and necessary expenses of each be responsible for your respective attorney's fees and related expenses; provided that, in the event of a Change of Control, if the arbitrator (or arbitrators) shall in the award determine that you shall pay your share of any expenses of the arbitration and your reasonable attorney's fees (if not already paid), upon presentation of proof of such fees and expenses in a form acceptable to the arbitrator, you have already paid, the Company shall add to the reimbursement payment amount to you at the 90-day United States Treasury Bill rate as in effect from time to time to the date the award is commenced within twelve months following the Plan Administrator's benefit determination.

(B) **Unfunded.** Benefits under this Plan are paid for entirely by the Company from the Plan assets.

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(C) **Withholding.** Any payments provided for herein shall be reduced by any amount required by any applicable Federal, State or local income or employment tax laws or similar statute or regulation, as determined by the Plan Administrator or designee.

(D) **Section Headings.** The section headings contained in this Plan are included for convenience only and shall not be construed to affect the meaning of any provision of this Plan.

(E) **409A Compliance.** Notwithstanding anything in this Plan to the contrary, the Plan shall be operated in accordance with the requirements applicable to a qualified plan under Section 409A of the Code in accordance with the requirements applicable to a qualified plan under Section 409A-1(b)(4) (or any successor provision) of the Treasury Regulations or the Regulations (or any successor provision), and will be interpreted in a manner that is consistent with the administration of the Plan shall be construed in a manner that is consistent with the requirements of Section 409A of the Code. To the extent that any payments under this Plan are subject to the requirements of Section 409A of the Code, the determination of whether a payment is subject to Section 409A of the Code (or separation from service) shall be made in accordance with Section 409A of the Code. To the extent that any payments under this Plan are subject to Section 409A of the Code and if such payment is to be paid on account of the termination of employment (or separation from service) of an Eligible Employee, if the Eligible Employee is a specified employee, the payment is required to be made prior to the first day of the seventh month following the termination of employment (or separation from service) of the Eligible Employee's employment (or separation from service) for interest or other loss of investment opportunity.

16. Other Important Information

(A) Notice

This Plan is not a contract of employment. It does not guarantee your employment with the Company to terminate your employment at any time for any reason. Employment

Except as otherwise provided in a written agreement with the Company, any termination of employment, with or without notice, and with or without cause. Likewise, the Company may terminate your employment without notice, and with or without cause, subject to applicable law.

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No supervisor or manager has any authority to enter into an employment agreement that is contrary to the preceding paragraph, unless it is authorized by the Chairman of the Board in writing. Further no document, communication or publication of The Hartford Financial Group, Inc. or of the foregoing should be understood as, or construed as, making such an agreement

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THE HARTFORD

**SENIOR EXECUTIVE SEVERANCE PLAN
(Tier 2)**

This document describes your benefits under The Hartford Senior Executive Severance Plan.

As Amended and Restated Effective October 2, 2023

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THE HARTFORD SENIOR SEVERANCE PAY PLAN

1. Purpose

The purpose of The Hartford Senior Executive Severance Pay Plan (the "Plan") is to provide severance pay to executives and Hartford Funds Senior Managing Directors covered by this Plan who are terminated without cause.

2. Application of Plan

This Plan, which was initially effective October 1, 1997, and which was subsequently amended and restated in the form of this document effective October 2, 2023. Any amendments to this Plan shall be set forth in the version of this Plan (as amended and restated herein, and by no other plan, policy, practice or arrangement) that has an Effective Date (as defined in Section 3 below) on or after the date of the amendments.

3. Eligible Employees

You are an Eligible Employee under this Plan if, on the date your employment with Hartford Funds is terminated, you are an "Employee" (as defined below) who is paid on a salaried basis, and is identified as an Eligible Employee in the Hartford Funds Senior Managing Directors List.

Plan Administrator has approved for participation in this Plan, except that you will not

- (1) you are terminated for misconduct or other disciplinary action, which includes serious violations of Company policies; violation of the Company's Code of Ethics or similar policy or undertaking of the Company; statements by you, either oral or written, that have the potential to damage the Company; violation of any covenant or restriction agreement; or actions that the Company deems to be immoral, unethical, inimical to the best interests of the Company;
- (2) provided that the Effective Date is prior to a Change of Control as defined in the Plan, you are terminated for misconduct deemed by management to be a violation of Business Conduct;
- (3) you refuse a Comparable Position offered as alternative employment within 90 days of termination.

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"Comparable Position" shall mean a position with materially the same Base Pay (your base salary, incentive compensation and any special remuneration) and Target Bonus (your target bonus at the Effective Date) with similar duties, or having different duties that, in the opinion of the Plan Administrator, are commensurate with your experience, and that either is located within a 50-mile radius of the employee's home or requires a commute from your home;

- (4) you terminate employment with the Company prior to the date selected for termination;
- (5) you are terminated after having exhausted job protection under the Company's policies or applicable law;
- (6) you are terminated following acceptance or refusal of employment by the Company, an outsourcing, closure or relocation described in Section 9;
- (7) except as provided in subparagraph (3) above or in Section 10 with respect to termination of employment for any reason, including resigning, retiring or failing to return to work;
- (8) your employment terminates as a result of your death.

A person who is on an authorized leave of absence, who would otherwise qualify for participation in the Plan, and who has exhausted job protection under the Company's policies or applicable law will be covered by the foregoing provisions of this Section 3, you will be an Eligible Employee hereunder notwithstanding any disparagement and other restrictive covenants as are required to be executed by the Company.

For purposes of the Plan, "Employee" means any person regularly employed by the Company, Hartford Fire Insurance Company, or any of their designated subsidiaries or affiliates, who is classified by the Company as, or determined by the Company to be, an employee of the "Company", but shall not include any person who performs services for the Company as an independent contractor, consultant, or otherwise.

Notwithstanding any provision in the Plan to the contrary, if any person does not participate in the Plan, and such person is later required by a court or arbitrator or governmental authority to participate in the Plan, such person shall not be eligible to participate in the Plan, nor shall such person be designated an Employee by the Plan Administrator, and if so designated, the participation of such person shall be subject to the terms and conditions of the Plan.

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4. **Schedule of Severance Pay.**

You will be eligible to receive severance benefits under this Section if you are an employee in the United States at the time of your termination, but subject to your entering into (and not revoking) a Separation and Release Agreement. Your severance benefits will be equal to a number of months of your Base Pay determined as follows:

Years of Service	Number of Months of Base Pay
Less than 4 Years of Service	12 months
4 Years of Service	13 months
5 Years of Service	14 months
6 Years of Service	15 months
7 Years of Service	16 months
8 Years of Service	17 months
9 Years of Service	18 months
10 Years of Service	19 months
11 Years of Service	20 months
12 Years of Service	21 months
13 Years of Service	22 months
14 Years of Service	23 months
15 or more Years of Service	24 months

"Base Pay" means your annual base salary at the Effective Date, excluding all bonuses and commissions payable over the twelve (12) months preceding the Effective Date.

"Years of Service" shall mean the total number of completed years of employment with the Company to the nearest whole year. Your "Company Service Date" is the date used to determine the number of years of service in effect on the Effective Date.

The severance payment provided shall be in addition to any Base Pay earned, but not yet paid, as of the Effective Date, plus any paid time off accrued as of such date that is payable in accordance with the Company's policy.

5. Pro-Rata Annual Bonus and Treatment of Long-Term Incentives

If you receive severance pay in accordance with Section 4, you may also be eligible for the pro-rata annual bonus under the Long-Term Incentive plan for the year in which the Effective Date occurs, payable as described in the plan. The amount of the bonus shall be determined at the Company's discretion, based on Company and individual performance, and may vary from year to year. The bonus shall be payable as a bonus or a particular amount; along with other factors, post-termination activities of the employee shall be taken into account in determining the bonus payable to the employee. In the event of a Termination for Good Reason or an involuntary termination, the bonus shall be payable in full. In no event shall the pro-rata annual bonus be less than a pro-rata bonus payable to other executives whose employment did not terminate.

If you receive severance pay in accordance with Section 4, you will also vest in the outstanding unvested long term incentives, including stock options, performance shares, restricted stock, and restricted stock units, if, and to the extent, so provided in the award agreement under the applicable long term incentive plan. The timing of the payment of such awards will be as set forth in such award agreement.

6. Notice or Pay in Lieu of Notice

Except as provided in this Plan, you shall not be entitled to any notice of termination or pay in lieu of notice as provided.

7. Payment of Severance Pay and Pro-Rata Annual Bonus

Any severance pay provided to you under this Plan shall be paid in a lump sum. Such payment shall be made on the Payment Date (or, if the Separation and Release Agreement condition is satisfied on a date prior to the Payment Date, any portion of the severance pay may be paid on a date prior to the Payment Date, but in no event will you be able to elect the date of payment) and if the period in which the severance pay is payable spans more than one taxable year, then the severance pay will not be paid until the end of the taxable year in which the Effective Date occurs.

Any pro-rata annual bonus payable in accordance with Section 5 shall be paid in full on the Payment Date. Any long term incentives under which the awards are paid, but in no event will you be able to elect the date of payment, shall be paid on the Payment Date.

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As provided in Section 3(2), prior to a Change of Control as defined in Section 10, any severance pay or pro-rata annual bonus shall not be payable under the Plan to an employee who is terminated after the Effective Date but prior to the Payment Date, unless the employee would otherwise be due.

In the event of your death after the Effective Date but prior to your receipt of severance pay, the severance pay shall be paid within 30 days of your death, subject to applicable law, to your spouse, if any, or to your estate.

8. Employee Benefit Plan Coverage While Receiving Severance Pay

Except as may otherwise be specifically provided by the applicable employee benefit plan, you will be entitled to a pro-rata annual bonus and any other payment made by the Company after the Effective Date of the applicable benefit plan of the Company, including but not limited to The Hartford Investor Retirement Plan for U.S. Employees and The Hartford Excess Pension Plan II.

If you receive severance pay under Section 4, then, provided that the following provisions apply: (1) the month in which the one-year anniversary of the Effective Date occurs, the Company will reimburse you and your eligible dependents under the medical and dental benefit plans of the Company for the excess of the amount that the Company would pay for such coverage if you were still in the employ of the Company; provided that you are eligible for such COBRA continuation coverage in accordance with the terms of the applicable coverage under the plan of a subsequent employer. An initial reimbursement will be made on the Effective Date for payments made through that date; a second and final reimbursement will be made on the one-year anniversary of the Effective Date for any additional reimbursement due; provided that at such time as you have also had a separation from service, as determined in accordance with, or as otherwise determined pursuant to, Section 409A of the Code.

If you receive severance pay under Section 4, you will also be entitled to outplacement assistance, for a period of 12 months or such lesser period as you may require during the Effective Date.

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9. Sale, Divestiture, Outsourcing, Closure or Relocation

(A) If the Company or a subsidiary, affiliate, division, department, business or function is sold, divested or outsourced in a transaction that does not qualify as a Change of Control under Section 4 and a pro-rata annual bonus in accordance with Section 5 of this Plan:

- (1) you are an Eligible Employee at the time of the transaction whose employment is terminated;
- (2) you are not offered a Comparable Position with the Company, the acquirer, the vendor or the divested unit (except where the Plan Administrator determines otherwise);
- (3) you do not decline an interview or an invitation to apply for a Comparable Position with the Company, the acquirer, the vendor or the divested unit (except where the Plan Administrator determines otherwise);
- (4) you do not accept a position with the Company, the acquirer, the vendor or the divested unit (except where the Plan Administrator determines otherwise).

An offer for a Comparable Position includes one that is contingent upon satisfaction of certain conditions, including, but not limited to, establishing work authorization under applicable immigration laws and executing employment agreements that include restrictive covenants and arbitration provisions.

If you continue employment with the Company or are hired on or immediately following the Effective Date, severance payments and a pro-rata annual bonus will not be provided under this Plan.

The provisions of this Section shall apply to all sales, divestitures and outsourcing arrangements (including service agreements or any other method), unless such sale, divestiture or outsourcing is specifically excluded in writing by the Board of Directors.

event the provisions of Section 10 shall apply.

(B) If the entire Company or the portion of the Company where you are employed Company, then you are eligible to receive severance pay under Section 4 (provided You will not receive severance pay or a pro-rata annual bonus if you are offered a position with the Company.

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10. Severance Pay in the Event of a Change of Control

(A) Post-Change of Control Severance Pay. In the event of a Change of Control Control, you are an Eligible Employee whom the Plan Administrator has approved participation in this Plan as of immediately prior to the Change of Control, and (i) your Termination For Cause (as defined below), a termination due to death or a termination under the Company's Long Term Disability Plan for Salaried Employees, or (ii) your Good Reason (as defined below and as determined by the Compensation and Management Financial Services Group, Inc. (the "Compensation Committee") as constituted in pay and be eligible for a pro-rata annual bonus as provided in Sections 4 and 5, your severance pay shall be equal to two times your Base Pay rather than the amount under Sections 4 and 5, the Base Pay and Target Bonus taken into account shall not since the date immediately prior to the Change of Control. Following a Change of any of the entities included in the definition of Company immediately prior to the Change who was an Eligible Employee immediately prior to the Change of Control is employed

(B) Reduction of Severance Pay to Reduced Amount in Certain Circumstances.

(i) Determination of Existence of Reduced Amount. Notwithstanding anything nationally recognized public accounting firm as is designated by the Company your receipt of payments hereunder would subject you to tax under Section amount of the aggregate payments meets the definition of Reduced Amount which payments hereunder would subject you to tax under Section 4998 payment or benefit does not constitute a "parachute payment" within the 280G(b)(4)(A) of the Code), and (ii) a payment constitutes "reasonable compensation (B) of the Code. All determinations made by the Accounting Firm under this within 60 days of your termination of employment.

(ii) Consequences of Determination of Existence of Reduced Amount. If the the preceding paragraph, then the aggregate payments shall be reduced Accounting Firm projects that you will receive, if such reduction is made, is not

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after-tax amount that the Accounting Firm projects that you will receive if such

(iii) Consequences of Overpayment or Underpayment of Amounts. As a result of the initial determination by the Accounting Firm under Section 10(B)(i), the Company pursuant to the Plan that should not have been so paid or distributed or distributed by the Company pursuant to this Plan that could have been included in the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm provides a Service against either the Company or you that the Accounting Firm believes has been made, any such Overpayment paid or distributed by the Company shall be included in the Overpayment, which you shall have an obligation to repay to the Company at the applicable federal rate provided for in Section 7872(f)(2) of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be included in the Underpayment, which you shall have an obligation to repay to the Company at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(iv) Fees and Expenses of Accounting Firm. All fees and expenses of the Accounting Firm shall be borne by the Company.

(C) Definitions.

For purposes of this Section 10:

"Change of Control" means an event that qualifies as a Change of Control under the most recent long-term incentive plan under which such Eligible Employee is then serving.

"Termination For Good Reason" means a termination of your employment due to a Change of Control, where notice of termination is provided as described below:

(i) (A) the assignment to you of any duties inconsistent in any material adverse way with your position, or any other material adverse change in such position, including titles, authority or responsibilities;

(ii) a material reduction in your Base Pay or Target Bonus;

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(iii) the Company's requiring you to be based at any office or location materially different from the office or location at which you were based immediately prior to the Change of Control (provided that such change of office or location is necessary for the performance of your responsibilities except for travel reasonably required in the performance of your responsibilities);

(iv) any failure by the Company to obtain the assumption and agreement to the Change of Control by the Accounting Firm;

(v) a Termination asserted by the Company to be For Cause that is subsequently determined to be a Termination For Cause.

Except with respect to an event described in subclause (v), you must provide notice within 180 days of your having actual knowledge of the events giving rise to the facts and circumstances claimed to provide a basis for Termination For Good Reason of receipt of such notice (which date shall not be more than 15 days after the date of termination) of any fact or circumstance that contributes to a showing of Good Reason for such fact or circumstance in enforcing your rights hereunder. Notwithstanding the foregoing, you may not terminate your employment for Termination For Good Reason if (i) you have consented in writing to the occurrence of the event or (ii) if you have delivered a notice of termination based on a claim of Termination For Good Reason specified therein as providing a basis for such Termination For Good Reason without termination.

"Net After-Tax Receipt" means the Present Value of a payment net of all taxes payable under applicable state and local laws, and for Social Security, Medicare or Medicaid, and the applicable rate under Section 1 of the Code and under state and local laws that apply to the payment at the other rate(s) as you shall certify as likely to apply to you in the relevant tax year.

"Present Value" means such value as determined in accordance with Section 7520.

"Reduced Amount" means the smallest amount of Plan payments that (i) results in aggregate Net After-Tax Receipts for all payments that are made under the Plan and (ii) the aggregate Present Value of Plan payments were any other amount that is payable under the Plan.

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"Termination For Cause" For purposes of this Section 10 only, a Termination For Cause shall be deemed to exist if you are terminated for (1) a felony conviction; (2) an act or acts of dishonesty or gross misconduct that materially and adversely affects the Company's business or reputation; or (3) repeated violations of your obligations to the Company and to use your best efforts to perform your duties to the Company and to follow Company policy or state or federal law, which result in damage to the Company's business or reputation.

11. Separation and Release Agreement

You must accept the terms of a separation agreement, including but not limited to the Company's directors, officers, employees and employee benefit plans, and provide a release of the Company, in a form provided by the Plan Administrator, as a condition of payment of any benefits under this Plan. In no event shall the terms and conditions of the separation agreement be significantly less favorable to you than the terms and conditions of the separation agreement prior to the Change of Control. You have no vested right to receive benefits under the Plan until the expiration of any revocation period occurs. You must sign and return the Separation Agreement.

12. Offset

Any severance pay provided to you under this Plan may be offset by reducing such payment by the amount that you receive or are entitled to receive (i) under any other Company plan, policy or program.

including but not limited to any amounts owed by you as a result of the Company's incentive compensation; or (ii) by virtue of any law, custom or practice, excluding unemployment award. Any offset to severance pay under this Plan shall be applicable.

Any severance pay provided to you under this Plan shall also be offset by reducing allowance you received as a result of any prior termination of employment with the Plan shall be offset by reducing such severance pay and notice pay by any payment under the Retraining Notification Act ("WARN") and any similar federal, state or local law.

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Any severance pay provided to you under this Plan shall be offset by reducing such payment under any Company or statutory disability plan, policy, practice, program or arrangement.

The Company (or the Compensation Committee, in the case of a Section 16 Officer) may, in its discretion, determine that you have taken action, or failed to act, in a manner which is in the best interests of the Company, and (1) any amount paid or payable hereunder to the fullest extent provided for under the Plan, and (2) any severance pay provided to you in accordance with this Plan, and (3) any amount that you owe to the Company, including but not limited to any amount of incentive compensation or in accordance with the Company's Clawback Policy. Any such offset may be offset by any costs to the Company in connection with any sums for which you are liable.

13. Administration of Plan

Responsibility for administration of this Plan rests with the Company's Chief Human Resources Officer or her designee ("Plan Administrator").

The Plan Administrator shall have the exclusive discretionary authority and right to administer the Plan, to adopt any rules and regulations for carrying out the Plan as may be appropriate, and, not limited to, the right to make factual determinations and the right to determine the validity of claims. The Plan Administrator shall be final, conclusive and binding on all disputes, controversies or issues for determination (collectively "claim") in connection with the operation of the Plan. Only if you file a claim with the Plan Administrator on or before the date of the adverse ruling, in whole or in part, from the Plan Administrator on one or more claims shall the claim be considered for determination.

If you believe you are entitled to, but do not receive, severance pay, you may make a claim with the Plan Administrator within 60 days after your Effective Date. If your claim is denied, the Plan Administrator or her designee will notify you of the Plan's denial not later than 90 days after your Effective Date. If the Plan Administrator or her designee determines that special circumstances require an extension of time for the claim, the Plan Administrator or her designee may extend the time for the claim. If the Plan Administrator or her designee determines that special circumstances require an extension of time for the claim, the Plan Administrator or her designee may extend the time for the claim.

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an extension of time for processing your claim, you will receive written notice of the extension end later than 90 days from the end of the initial period. You will be notified by which the Plan expects to render the benefit determination. If your claim is denied or her designee, which will include: (i) the specific reason or reasons why the claim determination is based; (iii) a description of any additional material or information that material or information is necessary; and (iv) a description of the Plan's review process.

If you wish to appeal a denial of your claim, you must submit a written appeal to the Plan Administrator. You may include with your appeal written comments, documents, records, and other information. You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and records relating to your claim. The review of your appeal will take into account all comments, documents, and other information of whether such information was submitted or considered in the initial benefit determination.

The Plan Administrator will notify you, within 60 days after it receives your request for review. If the Plan Administrator determines that an extension of time for processing your claim is necessary, the extension will end no later than the end of the initial 60-day period. In no event will such extension end later than the circumstances requiring an extension of time and the date by which the Plan Administrator must render a decision.

If your appeal is denied, the notification the Plan Administrator provides to you will include reference to the specific Plan provisions on which the determination is based; (iii) a description of the material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and (iv) a description of the Plan's review process.

14. Termination or Amendment

The Plan Administrator shall have the power to make amendments to the Plan as may be necessary in the interest of the Company or are required by applicable law. Any other amendments to the Plan must be approved by the Board of Directors, the Compensation Committee, or the Financial Services Group, Inc., or the Compensation Committee thereof. The Company may modify this Plan ("Plan Change") in whole or in part at any time without prior notice. The Plan may be amended, modified, suspended or terminated following a Change of Control or during a Change of Control.

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accordance with the applicable long-term incentive plan in effect at the time), except as may be necessary in the interest of the Company or are required by applicable law, following a Change of Control, or at any other time, in such manner as the Plan Administrator may determine. (i) to comply with a change in law or to avoid any payments hereunder being subject to a change of law; (A) the eligibility of any Eligible Employee to participate in the Plan; (B) the time at which such benefits would be, payable hereunder to any such employee.

15. Miscellaneous

(C) **Withholding.** Any payments provided for herein shall be reduced by any applicable Federal, State or local income or employment tax laws or similar statute of the Plan Administrator or designee.

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(E) **409A Compliance.** Notwithstanding anything in this Plan to the contrary, the Plan shall be governed by the requirements of Section 409A of the Code in accordance with the requirements applicable to Section 409A-1(b)(4) (or any successor provision) of the Treasury Regulations or the Treasury Regulations (or any successor provision), and will be interpreted in a manner consistent with the administration of the Plan shall be construed in a manner that is consistent with the requirements of Section 409A of the Code. To the extent that any payments under this Plan are subject to the requirements of Section 409A of the Code, upon an Employee's termination of employment or separation from service, the determination of the amount of the payment (or separation from service) shall be made in accordance with Section 409A of the Code and if such payment is to be paid on account of a termination of employment or separation from service (or separation from service) subject to Section 409A of the Code and if such payment is to be paid on account of a termination of employment or separation from service (or separation from service) subject to Section 409A(a)(2)(B) of the Code), if the Eligible Employee is a specified employee, the payment is required to be made prior to the first day of the seventh month following the termination of employment or separation from service (or separation from service) delayed until the first day of the seventh month following the Eligible Employee's termination of employment or separation from service (or separation from service) for interest or other loss of investment opportunity.

Except as otherwise provided in a written agreement with the Company, any

without notice, and with or without cause, subject to applicable law.

No supervisor or manager has any authority to enter into an employment agreement contrary to the preceding paragraph, unless it is authorized by the Chairman in writing. Further no document, communication or publication of The Hartford of the foregoing should be understood as, or construed as, making such an agreement

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The Hartford Financial Services Group, Inc.

Organizational List – Domestic and Foreign Subsidiaries

1stAgChoice, Inc. (South Dakota)
Access CoverageCorp, Inc. (North Carolina)
Access CoverageCorp Technologies, Inc. (North Carolina)
Business Management Group, Inc. (Connecticut)
Cervus Claim Solutions, LLC (Delaware)
First State Insurance Company (Connecticut)
FTC Resolution Company, LLC (Delaware)
Hart Re Group, L.L.C. (Connecticut)
Hartford Accident and Indemnity Company (Connecticut)
Hartford Administrative Services Company (Minnesota)
Hartford Asia Limited (Hong Kong)
Hartford Casualty General Agency, Inc. (Texas)
Hartford Casualty Insurance Company (Indiana)
Hartford Corporate Underwriters Limited (United Kingdom)
Hartford Fire General Agency, Inc. (Texas)
Hartford Fire Insurance Company (Connecticut)
Hartford Funds Distributors, LLC (Delaware)
Hartford Funds Management Company, LLC (Delaware)
Hartford Funds Management Group, Inc. (Delaware)
Hartford Holdings, Inc. (Delaware)
Hartford Insurance Company of Illinois (Illinois)
Hartford Insurance Company of the Midwest (Indiana)
Hartford Insurance Company of the Southeast (Connecticut)
Hartford Insurance, Ltd. (Bermuda)
Hartford Integrated Technologies, Inc. (Connecticut)
Hartford Investment Management Company (Delaware)
Hartford Life and Accident Insurance Company (Connecticut)
Hartford Lloyd's Corporation (Texas)
Hartford Lloyd's Insurance Company (Partnership) (Texas)
Hartford Management, Ltd. (Bermuda)
Hartford Management (UK) Limited (United Kingdom)
Hartford Productivity Services, LLC (Delaware)
Hartford of the Southeast General Agency, Inc. (Texas)
Hartford of Texas General Agency, Inc. (Texas)
Hartford Residual Market, L.L.C. (Connecticut)
Hartford Specialty Insurance Services of Texas, LLC (Texas)
Hartford STAG Ventures LLC (Delaware)
Hartford Strategic Investments, LLC (Delaware)
Hartford Underwriters General Agency, Inc. (Texas)
Hartford Underwriters Insurance Company (Connecticut)
Hartford Underwriting Agency Limited (United Kingdom)
Heritage Holdings, Inc. (Connecticut)
Heritage Reinsurance Company, Ltd. (Bermuda)
HLA LLC (Connecticut)
Horizon Management Group, LLC (Delaware)

HRA Brokerage Services, Inc. (Connecticut)
Lattice Strategies LLC (Delaware)
Maxum Casualty Insurance Company (Connecticut)
Maxum Indemnity Company (Connecticut)
Maxum Specialty Services Corporation (Georgia)
Millennium Underwriting Limited (United Kingdom)
MPC Resolution Company LLC (Delaware)
Navigators Asia Limited (Hong Kong)
Navigators Corporate Underwriters Limited (United Kingdom)
Navigators Holdings (UK) Limited (United Kingdom)
Navigators Insurance Company (New York)
Navigators International Insurance Company Ltd. (United Kingdom)
Navigators Management Company, Inc. (New York)

Navigators Management (UK) Limited (United Kingdom)
Navigators Specialty Insurance Company (New York)
Navigators Underwriting Agency Limited (United Kingdom)
Navigators Underwriting Limited (United Kingdom)
New England Insurance Company (Connecticut)
New England Reinsurance Corporation (Connecticut)
New Ocean Insurance Co., Ltd. (Bermuda)
NIC Investments (Chile) SpA (Chile)
Nutmeg Insurance Agency, Inc. (Connecticut)
Nutmeg Insurance Company (Connecticut)
Pacific Insurance Company, Limited (Connecticut)
Property and Casualty Insurance Company of Hartford (Indiana)
Sentinel Insurance Company, Ltd. (Connecticut)
The Navigators Group, Inc. (Delaware)
Trumbull Flood Management, L.L.C. (Connecticut)
Trumbull Insurance Company (Connecticut)
Twin City Fire Insurance Company (Indiana)
Y-Risk, LLC (Connecticut)

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following registration statements on Form S-3 and Form financial statements and financial statement schedules of The Hartford Financial Services Group, Inc. and its financial reporting appearing in this Annual Report on Form 10-K of The Hartford Financial Services Group,

Form S-3 Registration No.

333-262879

/s/ DELOITTE & TOUCHE LLP
Hartford, Connecticut

POWER OF ATTORNEY

Each person whose signature appears below does hereby make, constitute and appoint BETH A. COSTELLO of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, in his or her capacity as a Director of The Hartford Financial Services Group, Inc. (the "Company"), to execute and file with the Securities and Exchange Commission the Annual Report on Form 10-K of The Hartford Financial Services Group, Inc. (the "Company") and all amendments thereto and other documents in connection therewith, granting to each of said attorneys-in-fact and agents all the powers and authority that the undersigned may lawfully do or cause to be done by virtue hereof; provided, however, that the powers granted herein to each of said Directors are subject to the approval of the Board of Directors of a resolution approving the form, substance and filing of the Annual Report.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney this 22nd 23rd day of February

/s/ Christopher J. Swift	/s/
Christopher J. Swift	Ka
/s/ Beth A. Costello	/s/
Beth A. Costello	Ed
/s/ Scott R. Lewis Allison G. Niderno	/s/
Scott R. Lewis Allison G. Niderno	Ter
/s/ Larry D. De Shon	/s/
Larry D. De Shon	Vin
/s/ Carlos Dominguez	/s/
Carlos Dominguez	Ma
/s/ Trevor Fetter	/s/
Trevor Fetter	Gre
/s/ Donna James	/s/
Donna James	

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ENACTED BY SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher J. Swift, certify that:

- I have reviewed this Annual Report on Form 10-K of The Hartford Financial Services Group, Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit 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;
- 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;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and for:
 - Designing such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed by or under the supervision of the registrant's chief financial officer, and the registrant, including its consolidated subsidiaries, is made known to us by others within those entities

- [illegible]

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I, Beth A. Costello, certify that:

Date: February 24, 2023 23, 2024

/s/ Beth A. Costello
Beth A. Costello
Executive Vice Pres

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THE HARTFORD FINANCIAL SERV
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the period ended December 31, 2022 December 31, 2023 of
Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. section 1350 as

- 1) The Report fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: February 24, 2023 23, 2024

/s/ Christopher J. Swift
Christopher J. Swift
Chairman and Chief Executive Officer

240 316

THE HARTFORD FINANCIAL SERV
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the period ended December 31, 2022 December 31, 2023 of
Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. section 1350 as

1. The Report fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: February 24, 2023 23, 2024

/s/ Beth A. Costello
Beth A. Costello
Executive Vice President

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The Hartford Financial Services Group, Inc.
CLAWBACK POLICY

1. Purpose.

The Hartford Financial Services Group, Inc. (collectively with its subsidiaries and affiliates) is committed to compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted the following Policy:

The Policy consists of two rules:

Section 3 of the Policy reflects the Company's recoupment rule, referred to herein as the "Recoupment Rule," which applies to any amount currently outstanding or previously paid to any Company employee in the circumstances described below.

Section 4 of the Policy reflects the Company's compensation recovery rule, referred to herein as the "Compensation Recovery Rule," which shall be consistent with Section 10D of the Securities Exchange Act of 1934, as amended (the "SEAC") and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the "Listed Manual").

Exhibit A attached hereto sets forth the definitions of all other capitalized terms used throughout this Policy.

2. Administration.

The Compensation & Management Development Committee of the Company's Board of Directors (the "Committee") may act as "Administrator" with respect to the application of the Misconduct Rule (as defined in Exhibit A). For the avoidance of doubt, the Compensation Committee shall act as "Administrator" with respect to the application of the Misconduct Rule to any Covered Executive.

The Administrator is authorized to interpret and construe this Policy and to make all determinations under this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals. In the administration of this Policy, the Administrator is authorized and directed to consult with the Company's legal counsel as may be necessary or appropriate as to matters within the scope of such other committee's responsibilities. The Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary to implement this Policy with respect to any recovery under this Policy involving such officer or employee).

3. Misconduct Rule.

The Company shall have the right at any time to recoup any amount paid or payable as compensation or benefits under any plans and/or severance plans to the fullest extent permitted by law if the Administrator determines that the Covered Executive engaged in misconduct unless the Dodd-Frank Rule applies, in which case the provisions of Section 4 shall govern, or (ii) if the Administrator determines that it is inimical to the best interests of The Hartford Financial Services Group, Inc. or any subsidiary to do so, or if any prior policy affording the Company the right to recover or recapture any previously payable compensation or benefits.

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4. Dodd-Frank Rule.

a. Covered Executives; Incentive-Based Compensation. This Rule applies to Incentive-Based Compensation received by a Covered Executive; (b) if that person served as a Covered Executive at any time during the period in which the Company had a listed class of securities on a national securities exchange.

b. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement. In the event of an Accounting Restatement, the Company shall promptly act to recoup the amount of any Erroneously Awarded Compensation pursuant to Section 5 hereof, during the Applicable Period.

c. Erroneously Awarded Compensation; Amount Subject to Recovery. The amount of "Erroneously Awarded Compensation" shall be the amount of Incentive-Based Compensation received by the Covered Executive that the Administrator determines should have been received by the Covered Executive had it been determined based on the restated amount of Incentive-Based Compensation without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation.

By way of example, with respect to any compensation plans or programs that take Incentive-Based Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to the Covered Executive's account for Incentive-Based Compensation earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on stock price or TSR: (a) the Administrator shall determine a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was based; (b) the Administrator shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Covered Executive.

d. Effective Date; Retroactive Application. This Rule shall be effective as of October 2, 2014. The Rule shall apply to any Based Compensation that is received by Covered Executives on or after the DFR Effective Date and to any Based Compensation paid to Covered Executives prior to the DFR Effective Date. Without limiting the generality of Section 409A, the Administrator may effect recovery under this Policy from any amount of compensation approved by the Board on or after the DFR Effective Date.

e. No Indemnification of Covered Executives. Notwithstanding the terms of any indemnification agreement entered into by or for any Covered Executive that may be interpreted to the contrary, the Company shall not indemnify any Covered Executive for any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executive.

5. Method of Recoupment.

a. Timing and Method. The Administrator shall determine, in its sole discretion, the timing and method of recoupment of Erroneously Awarded Compensation, which may include (a) clawback of cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or pro-rated awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Company may recover any amount of Erroneously Awarded Compensation otherwise payable to the Covered Executive or employee, including amounts payable to such individual in the form of salary, bonuses or commissions and compensation previously deferred by such individual.

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other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Company may recover any amount of Erroneously Awarded Compensation otherwise payable to the Covered Executive or employee, including amounts payable to such individual in the form of salary, bonuses or commissions and compensation previously deferred by such individual.

b. Dodd-Frank Rule – Recovery Impracticable.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation if the Compensation Committee has determined that recovery would be impracticable solely for the reasons set forth in the requirements:

- i. The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount of Erroneously Awarded Compensation based on expense of enforcement of the Policy; or
- ii. Recovery would violate home country law where that law was adopted prior to November 15, 2010; or
- iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which the Covered Executive is a participant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

c. Misconduct Rule – Recovery at Administrator’s Discretion. The standard set out in the Misconduct Rule shall apply. The Company is authorized pursuant to this Policy to recoup incentive compensation and/or severance pay if the Administrator has determined that such recovery is necessary or appropriate.

6. Administrator Indemnification.

Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation of this Policy to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The Company shall indemnify the members of the Board or of an employee under applicable law or Company policy.

7. Amendment; Termination.

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, provided that it deems necessary to comply with applicable law or any rules or standards adopted by the NYSE.

In addition, the Company may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion.

8. Other Recoupment Rights; Company Claims.

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other applicable law or pursuant to the

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terms of any similar policy in any employment agreement, equity award agreement, or similar agreement.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall be available against the Company or any of its affiliates may have against a Covered Executive or any employee arising out of the employment of any employee.

9. Other provisions.

a. All compensation subject to this Policy shall remain subject to recovery or recoupment pursuant to the terms of its otherwise applicable terms.

b. This Policy will survive and continue notwithstanding any termination of a Covered Executive.

c. In the event any provision of this Policy is determined to be unenforceable or invalid under applicable law and shall automatically be deemed amended to the extent necessary to conform to applicable law.

d. In any circumstances where the Dodd-Frank Rule applies, it shall be applied to the full extent of the discretion of the Administrator, if deemed appropriate, the Misconduct Rule may also be applied. Any recovery under the Misconduct Rule shall take into account and give credit for any recovery under the Dodd-Frank Rule. The Administrator may determine that the Misconduct Rule requires an aggregate recovery in excess of the amount of a duplicative amount under each such Rule.

e. The Committee and/or the Company may retain any third party it deems appropriate for the interpretation of the Policy or any other expertise it determines necessary.

10. Successors.

This Policy shall be binding and enforceable against all Covered Executives, all other employees, and all representatives.

11. Governing Law.

Except to the extent the Dodd-Frank Rule must be followed in accordance with U.S. federal law, this Policy shall be construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

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Exhibit A- Definitions

As used in this Policy, the following definitions shall apply:

“Accounting Restatement” means an accounting restatement of the Company’s financial statements required under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements, or that would result in a material misstatement if the error were corrected.

"Applicable Period" means the three completed fiscal years immediately preceding the date on any transition period (that results from a change in the Company's fiscal year) within or immediately preceding the date on which the Restatement is filed. If the period from the date on which the Restatement comprises a period of at least nine months shall count as a completed fiscal year). The **"date on which the Restatement is filed"** means the date on which the Restatement is filed with the SEC. The **"date on which the Restatement is filed"** shall be the earlier to occur of (a) the date the Board or any committee thereof concludes, or reasonably expects to conclude, the Restatement or (b) the date a court, regulator or other legally authorized body directs the Company to restate its financial statements. The **"date on which the Restatement is filed"** shall be the date the Restated financial statements are filed.

"Erroneously Awarded Compensation" has the meaning set forth in Section 4 of this Policy.

"Incentive-Based Compensation" means any compensation that is granted, earned or vested in the Company's equity securities, including but not limited to cash, restricted stock, restricted stock units, stock options, performance shares, performance units, deferred compensation, or any other form of compensation. Incentive-Based Compensation is **"received"** for purposes of this Policy in the Company's fiscal year in which the Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs in a subsequent fiscal year.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES D
REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES
AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSU
DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT.
ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISION:

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