July 30, 2009

To our stakeholders:

The second quarter of 2009 was a critical period for The Hartford; we took a number of significant actions to set the company on the right course to deliver value for our shareholders, distributors, employees and other stakeholders. We also set our strategic direction and outlined our focus going forward:

> The Hartford will be a U.S.-focused insurance company that is more protection-based. We will serve households, businesses and employees by protecting their assets and income from risk, and by managing wealth and retirement needs. Our operations will leverage our strengths in three key areas of opportunity:

- Protecting individuals and families;
- Protecting businesses and their employees; and
- Managing wealth and retirement.

While we have much more work ahead of us, I was pleased to see a number of positive trends and developments over the past several months, and want to share these with you.

Putting the Company on Stronger Financial Footing

This quarter, we took a number of actions to help put the company on stronger financial footing. We finished the quarter with more than ample capital, and we are well positioned to sustain significant market downturns from today's market levels. The investment from the U.S. Treasury, which closed in June, added $3.4 billion to our capital position.

Property & Casualty Operations statutory surplus, one measure of capital, ended the second quarter at $6.4 billion, up $300 million from the end of the first quarter. Life statutory surplus ended the second quarter at $6.1 billion, a $500 million increase from March 31, 2009. We did move $500 million of the U.S. Treasury investment funds to the Life Operations during the quarter. Looking to year end, we have the capital resources to withstand a sharp decline in the equity markets, as well as significant investment-related capital impacts over the balance of 2009.

Delivering Consistently Strong P&C Results

This month, we were pleased to announce that Juan Andrade will lead the P&C organization. Over the last nine months, Juan and Jonathan Bennett, our Executive Vice President of Personal and Small Business Insurance, did a fabulous job of leading the organization, and I thank them for their partnership. Juan has played a critical role in setting the strategy for the property and casualty business and ensuring the business' continued strong performance. I am certain he will continue to drive the underwriting discipline and customer service focus that has made the P&C business a success.

Overall for the quarter, the P&C business delivered strong results and demonstrated tremendous resiliency. Our operational performance remained solid -- strong underwriting performance, a good flow of new business, and high service levels – in the face of economic headwinds and market turmoil. Our current accident year combined ratio for P&C ongoing operations came in at a very good 90.4%, excluding catastrophes. Second quarter new business growth was up 44% in Personal Lines, 3% in Small

Commercial and 5% in Middle Market over the prior year. In addition, Hartford Financial Products has stabilized and the new management team is in place, working hard to successfully retain accounts. These are excellent signs that our P&C franchise is strong in the marketplace.

In Personal Lines, we are excited to provide our agents with the opportunity to offer The Hartford's AARP products and tap into a growing market. In the U.S., 12,000 people turn 50 every day. As we expand this program, we believe we can profitably grow market share, and we expect to have a 20-state presence by year end. In Small Commercial, we will expand our Growing Spectrum business owner product – one of the most comprehensive in the industry – into 25 new states by October. And in Middle Market, we are focusing on streamlining new business and renewal processes, enhancing product and pricing competitiveness and expanding in specialized verticals such as healthcare, technology and construction.

Taking the Right Steps to Capitalize on Market Opportunities Across Life Operations

We saw important signs of stabilization in our Life Operations in the second quarter. The earnings power of the businesses remains strong and we are taking the right steps to target desirable markets and to right-size the organization. The second quarter was also marked by significant improvements in global credit and equity markets. Investors began to return to the markets -- our mutual fund deposits exceeded $3 billion dollars for the first time since the third quarter of 2008. Individual Life saw a sequential sales increase of 22% in the quarter over the first quarter. Market dynamics have continued to improve into July, which is a positive sign for many of our investment-based businesses.

As we look ahead, we expect that profitability will begin to improve. Part of that will be driven by expense control, as the life team has taken decisive action to bring the cost structure in line with our revised strategy. We are continuing work toward the launch of our new variable annuity product suite, which we believe will provide customers with the value, simplicity and transparency they desire. And while we saw some pressure this quarter in our group benefits business, GBD has a long history of being a solid, steady performer. We also remain confident in the future of the retirement plans business -- the integration work for the three acquisitions we made in 2008 is on track and we expect to achieve scale and efficiencies in that business.

Investment Portfolio Shows Improvement, But Remains Challenging

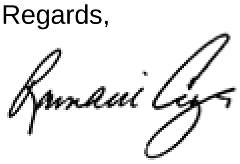
Our unrealized losses improved significantly in the second quarter -- by 27 percent -- which is positive momentum and helped drive our book value per share growth to $32.20. We also reported net realized capital losses of $649 million, after tax. This reflects about a $300 million charge relating to obligations to Allianz arising from the U.S. Treasury investment, and impairments on our investment portfolio of $207 million. At the end of June, we held a significant liquidity position, with more than $16 billion in cash, short-term investments and Treasuries.

While markets have experienced good momentum recently, we continue to see a tough macroeconomic environment and challenges in our investment portfolio. That said, we have a game plan and are taking action. During the second half of 2009, we plan to reduce our liquidity position by putting some of that cash to work in fixed maturities. Due to the size of our portfolio and the current market conditions, however, it will likely take some time to see the type of progress we are striving to achieve.

Focus Forward: Entering Our Third Century

We are confident that we are taking important steps to position The Hartford for future success. We are focused forward and looking ahead to our third century and the opportunities that lie ahead. I want to thank you for your dedication to and continued support of The Hartford.

Regards,



Ramani Ayer
Chairman and Chief Executive Officer