



November 4, 2009

Dear valued partners:

I am proud to share with you our third quarter results, which continue to demonstrate how well our company has emerged from the challenges of the last year. With core earnings of \$660 million – an increase of over one billion from the third quarter of 2008 – and new business indicators showing improvement, our results demonstrate that The Hartford's protection and wealth management businesses are stable and competing vigorously in our markets.

The Hartford's capital position is also strong and able to withstand a sharp decline in equities markets. During the quarter, our capital position improved with the completion of a \$900 million equity raise, increasing our overall estimated sources of capital to \$9.9 billion. In Property & Casualty, our statutory surplus increased by about \$400 million in the quarter to \$6.8 billion – this is an \$800 million increase since the start of the year.

The Hartford's book value per share jumped to \$37.90, an 18% increase from the second quarter. Overall, the company recorded a net loss of \$220 million in the third quarter -- compared to a loss of \$2.631 billion in 2008 -- driven by investment impairments and variable annuity hedging losses.

Within Property & Casualty, our strong quarterly core earnings reaffirm the strength of the franchise. Clearly we are executing well in a challenging economy, as profitability remained strong and submission flows continued to grow. For the quarter, our core earnings were an impressive \$246 million – 58% above the third quarter of 2008 and 16% higher than the second quarter of 2009. And, the combined ratio for ongoing operations was a very solid 93%.

The weak economy continues to reduce our industry's exposure base and pressure overall premium growth. Our 3Q 2009 written premium was \$2.4 billion, down from the prior year. Still, I am pleased to say we continue to gain traction in new business within all segments. This was particularly evident in Personal Lines and Small Commercial where new business grew +26% and +20% respectively.

Our customer service and claims handling capabilities continue to be recognized as best in class with J.D. Power and Associates ranking us in the top 5 of all carriers in both auto claims handling and new buyer satisfaction.

In summary, our franchise is performing well, our capital position is strong, and we continue to develop and enhance our product and service offerings to better serve you and your customers. Thank you for your partnership.

For more details on our results, please review the attached [snapshot](#) and visit our website at www.thehartford.com.

[View The Hartford's press release](#)

Click on the image below to view my short video message



Sincerely,

A handwritten signature in black ink, appearing to read 'Juan', is positioned in the top left corner of the page.

Juan Andrade
President and Chief Operating Officer
P&C Operations