

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

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**THE HARTFORD FINANCIAL SERVICES GROUP, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 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 "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;
 - 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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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, 2023, total assets and total stockholders' equity of The Hartford were \$76.8 billion and \$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 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

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. 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 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 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 end-to-end transformation, advancing data, analytics, and digital capabilities across the organization to improve customer experience and strengthen our existing competitive advantages.

An ethical, people-oriented, and performance-driven culture drives our values. We are committed to maintaining and enhancing our inclusive culture and are proud of our reputation for ethics and integrity.

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Shareholder value creation.jpg

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;
- Balancing use of excess capital for growth initiatives, investments in the business, and return to stockholders through dividends and share repurchases; and
- Continuing to advance 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 2024 we will continue to pursue objectives specific to each, including:

Commercial Lines

- Maintaining underwriting and pricing discipline across property and liability lines of 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;
- Continue addressing higher loss cost trends through pricing and underwriting actions;
- Increasing new business in AARP Direct through direct marketing initiatives; and
- Expanding use of telematics and investing in digital technology capabilities, including artificial intelligence.

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Group Benefits

- Grow revenues 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, supported by easy and accurate operations processes; and
- Advancing data and technology capabilities, including artificial intelligence, to unlock process improvement and enable agility.

Hartford Funds

- Driving organic growth by focusing on key distribution channels and optimizing our product and distribution teams; and
- Working with subadvisors to launch innovative products 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.

2023 Revenues of \$24,527 by Segment

1397

[1]Includes Revenue of \$62 for Property & Casualty Other Operations and \$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

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

51

2023 Earned Premiums of \$11,641 by Product

95

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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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 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

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

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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 continuing to invest in its underwriting systems and 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 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.

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. In recent years, surplus lines have accounted for a significant portion of the total U.S. property and casualty commercial 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.

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PERSONAL LINES

2023 Earned Premiums of \$3,087 by Line of Business

51

2023 Earned Premiums of \$3,087 by Product

91

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 \$2.9 billion, \$2.7 billion and \$2.7 billion in 2023, 2022 and 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 continues to roll out its new cloud-based product and platform, Prevail, on a state by state basis, and was in 39 states as of December 2023. Prevail is tailored to the mature

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



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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 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

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 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. Many carriers, including The Hartford, continue to invest in telematics capabilities to enable better risk selection and pricing segmentation in response to changes in driving patterns. Currently in the states where the Prevail product has rolled out, The Hartford offers its telematics program, TrueLane, which 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 2023, inflation continued to impact the industry. Supply chain pressures, advanced vehicle technology, body shop capacity, and a tight labor market have increased the cost of automobile repairs. In addition, a tight labor market and inflation on material prices increased the cost to repair homes.

<h2>P&C OTHER OPERATIONS</h2>		

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

2023 Premiums and Other Considerations of \$6,515

50

Principal Products and Services

Group Life	Typically is term life insurance provided in the form of a yearly renewable policy. Other life coverages in this category include accidental loss of life and severe injury benefits and business travel accident insurance.
Group Disability	Typically comprised of short-term disability, 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 2023, thirteen states and the District of Columbia have enacted mandated PFL or PFML programs. 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 market for group benefits continues to grow as COVID-19 drove new demand for employee benefits among both employees and employers for addressing mental health, wellness, and caregiving 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.

We offer our voluntary products 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 \$131,025 as of December 31, 2023

77

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

106

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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.
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.

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 third-party life and annuity separate accounts 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 groups and registered investment advisers. Our distribution team is organized to sell primarily in the United States.

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 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 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. For discussion of this sale, see Part II, Item 7, MD&A — The Hartford's Operations.

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RESERVES**Total Reserves as of December 31, 2023 [1]**

41

[1]Includes reserves for future policy benefits and other policyholder funds and benefits payable of \$484 and \$638, respectively, of which \$312 and \$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.

Total Property & Casualty Reserves as of December 31, 2023

729

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

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.

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

1342

[1]Includes short duration contract reserves of \$157 for short-term disability and \$38 of supplemental health as well as reserves for future policy benefits that include \$223 of paid up life reserves and policy reserves on life policies, \$71 of reserves for conversions to individual life and \$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 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 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 Lines	Personal Lines	Group Benefits	Total
California	8 %	2 %	2 %	12 %
New York	5 %	1 %	3 %	9 %
Texas	5 %	1 %	2 %	8 %
Florida	3 %	1 %	2 %	6 %
All other [1]	34 %	10 %	21 %	65 %
Total	55 %	15 %	30 %	100 %

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

As of December 31, 2023 and 2022, the fair value of HIMCO's total assets under management was approximately \$108.5 billion and \$108.9 billion, respectively, including \$50.3 billion and \$53.7 billion, respectively, that were held in HIMCO managed third party accounts and \$3.8 billion and \$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 achievement of enterprise financial objectives while remaining within acceptable risk tolerances. Portfolio objectives and guidelines are developed based upon the asset/liability profile, including timing and amount of claim payment obligations, investment return opportunity, and risk 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 \$55.9 billion as of December 31, 2023

1764

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 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.



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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.

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 18,700 employees as of 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. In

addition, the Board's Compensation and Management Development Committee ("Compensation Committee") is responsible for reviewing performance and approving compensation paid to senior 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 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 sustaining a 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 workforce and culture that actively 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.

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

In 2023, we achieved top quartile employee engagement and performance enablement scores, as measured by independent third party 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 aligned to our 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 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 in the organization. Variable compensation for the majority of employees includes an annual bonus 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.

We use an independent third party 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 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 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;

- 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 25 days of annual eligibility to start;
- Paid holidays;
- Flexible work schedules, including remote work arrangements;
- Tuition reimbursement;
- Family medical leave;
- 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, fitness reimbursement and more.

Diversity, Equity and Inclusion

The Hartford is committed to being an insurance industry leader in advancing diversity. We do this by creating an equitable and inclusive work environment, which enables us to attract, retain and leverage top talent to meet our business 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 build, enhance and sustain an inclusive and supportive culture.



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AVAILABLE INFORMATION

The Company's 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.

We are transparent about our DEI commitments and goals and take a whole-company approach to ensure we make meaningful progress toward them.

We enable our Unit leaders to model and foster a commitment to DEI and to make progress against those DEI goals, within established legal and other parameters. Each business and functional area, with oversight by the Human Resources function, creates and implements DEI plans with specific initiatives, consistent with equal employment opportunity principles. This enables the Company's units to customize their DEI 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 throughout the year to review progress against those goals and their results are considered as part of a broad annual performance assessment process.

We continue to invest in and accelerate a wide range of strategies to attract, retain and develop talent that is demographically underrepresented in the insurance industry, including initiatives to improve the representation of women and people of color. Examples include widening our recruiting pools for applicants, working to mitigate any bias that may exist in our talent systems and educating our leaders on how to 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 an inclusive workplace. These groups focus on the development and success of our employees through education, networking, mentorship and volunteer opportunities. As of December 31, 2023, over 59% of employees were members of at least one ERG. In 2023, we continued to offer Courageous Conversations, a process that allows employees to respectfully exchange perspectives, and we launched a comprehensive inclusive leadership training initiative for people managers.

The Company has demonstrated its commitment to advancing DEI outcomes for all through its active involvement in organizations such as the CEO Action for Racial Equity, the National African American Insurance Association and DisabilityIN and has been recognized for its commitment to inclusive workplaces by a number of 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, 2023, women and people of color represent 61.4% and 32.3% of our workforce, respectively. The Board of Directors is updated annually on the Company's DEI efforts.

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 2023 Sustainability Report is expected to be published following the Company's annual meeting in May 2024.

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.

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 returns and result in an adverse impact on operating results.

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 limited partnerships and 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 of equity securities, unrealized losses on equity securities held at fair value, reduce net investment income in future periods from our non-fixed income investment portfolio, including from limited partnerships and other alternative investments, or lower earnings from Hartford Funds 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** - Increases in interest rates or persistently high interest rates could lead to recession or



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economic stagnation, which could lower the demand for many of the Company's products and 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.

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.

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. A greater than expected increase in inflation may impact medical services, repair costs or other claim settlement 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

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 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. 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 Risk Management, Financial Risk.

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 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



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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 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. Climate change effects may also lead to decreases in real estate values in 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 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

For additional discussion about climate change related risks, see the Risk 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 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



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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. Catastrophes may also include some major international events designated by Lloyd's of 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 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

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



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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, which could lead to lower 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 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 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. 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 rapid pace that may continue to accelerate. Insurers are 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 competitors are able to use these emerging technologies more effectively and/or efficiently, it may provide them a competitive advantage. Because of the highly competitive nature of the industries The Hartford competes in, there can be no assurance that the Company will continue to compete effectively with our industry rivals, or that competitive pressure will not have a material adverse effect on the business and results of operations.

Our business could 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



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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

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 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.

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

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.

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, 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 a phased program of changes to the prudential and solvency regime in the UK following the 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;
- the value of certain fixed maturities, equity securities, and limited partnership and other alternative investments in our investment portfolio;
- 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 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 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

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

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 its insurance subsidiaries, HFSG has no significant business operations of its own. Therefore, HFSG relies on dividends from our insurance company subsidiaries and other subsidiaries as the principal source of cash flow to meet its obligations. Subsidiary dividends fund payments on its debt securities and the payment of dividends to stockholders on 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 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 its insurance subsidiaries are further dependent on their cash requirements. In addition, in the event of 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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Part I - Item 1A. Risk Factors

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.

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 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



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Part I - Item 1A. Risk Factors

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 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 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.

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. An equity repurchase plan approved by the Board 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



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

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



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Lloyd's, which has wide discretionary powers to regulate members' underwriting at Lloyd's, as well as regulations 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 disclosure related to greenhouse gas emissions (GHGe) and other climate-related information, increasing our operating expenses and litigation risk.

There has also been increased regulatory scrutiny of the 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

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, 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 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.



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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 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 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.

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. 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 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.



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Part I - Item 1C. Cybersecurity

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.

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.



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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.

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, 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, 2023, The Hartford leased approximately 935 thousand square feet throughout 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 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 15 - Commitments and Contingencies of the Notes to Consolidated Financial Statements.

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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 22, 2024, the Company had approximately 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, 2023 are set forth below. During the period from January 1, 2024 through February 22, 2024, the Company repurchased 2.3 million shares for \$200.

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 22,241 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 \$78.24 in employee tax withholding obligations related to net share settlements in the three months ended December 31, 2023.

[2]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.

[illegible]

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

[illegible]

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 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" 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, MD&A in The Hartford's 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 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.



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

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.

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

Reconciliation of Net Income to Core Earnings

	For the years ended December 31,					
	2023		2022		2021	
Net income	\$	2,504	\$	1,819	\$	2,371
Preferred stock dividends		21		21		21
Net income available to common stockholders		2,483		1,798		2,350
Adjustments to reconcile net income available to common stockholders to core earnings:						
Net realized losses (gains) excluded from core earnings, before tax		152		626		(505)
Restructuring and other costs, before tax		6		13		1
Loss on extinguishment of debt, before tax		—		9		—
Integration and other non-recurring M&A costs, before tax		8		21		58
Change in deferred gain on retroactive reinsurance, before tax		194		229		246
Income tax expense (benefit) [1]		(76)		(200)		34
Core earnings	\$	2,767	\$	2,496	\$	2,184

[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 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 ("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 number of renewal policies issued during the current year period divided by the new and renewal policies issued in the 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

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, based on contract effective dates, divided by the new and renewal policies 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 classes of business or states. Effective policy count retention is also affected by advertising and rate actions taken by 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.

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 P&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.

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

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 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

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 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.

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

Reconciliation of Net Income to Underwriting Gain (Loss)

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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 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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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 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 LTD, are priced using an assumption about expected investment yields over time. While the Company employs asset-liability duration matching

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 AUM and the level of fees charged based, in part, on asset share class and fund type. Changes in 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 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.

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

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were \$35 of employee severance, \$25 to retire certain IT applications, and \$64 for consulting and lease termination expenses. Restructuring costs are reported as a charge to net income but not in core earnings.

The following table presents Hartford Next program costs incurred, including restructuring costs, and expense savings relative to 2019 realized in 2021, 2022 and 2023:

Hartford Next Costs and Expense Savings									
	2021		2022		2023				
Employee severance	\$	(25)	\$	(7)	\$	(6)			
IT costs to retire applications		9		8		5			
Professional fees and other expenses		17		12		7			
Estimated restructuring costs		1		13		6			
Non-capitalized IT costs		46		43		15			
Other costs		17		11		6			
Amortization of capitalized IT development costs [1]		—		3		7			
Amortization of capitalized real estate [2]		—		1		1			
Estimated costs within core earnings		63		58		29			
Total Hartford Next program costs		64		71		35			
Cumulative savings relative to 2019 beginning July 1, 2020		(423)		(561)		(636)			
Net expense (savings) before tax	\$	(359)	\$	(490)	\$	(601)			
Net expense (savings) before tax:									
To be accounted for within core earnings	\$	(360)	\$	(503)	\$	(607)			
Restructuring costs recognized outside of core earnings		1		13		6			
Net expense (savings) before tax	\$	(359)	\$	(490)	\$	(601)			

[1] Does not include approximately \$47 of IT asset amortization after 2023.

[2] Does not include approximately \$9 of real estate amortization after 2023.

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2023 FINANCIAL HIGHLIGHTS

Net Income Available to Common Stockholders	Net Income Available to Common Stockholders per Diluted Share	Book Value per Diluted Share
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30 34 37

↑	Increased \$685 or 38%	↑	Increased \$2.51 or 46%	↑	Increased \$7.76 or 19%
+	Lower net realized losses	+	Increase in net income available to common stockholders	+	Net income in excess of common stockholder dividends
+	The effect of higher earned premiums in P&C and GB	+	Reduction in outstanding shares due to share repurchases	+	An increase in AOCI, primarily driven by a decrease in net unrealized losses on AFS securities
+	Lower group life and group disability loss ratios			-	Dilutive effect of share repurchases
+	Higher net investment income				
-	A higher current accident year loss ratio before catastrophes in Personal Lines				
-	Higher current accident year catastrophe losses in P&C				

Investment Yield, After Tax	Property & Casualty Combined Ratio	Group Benefits Net Income Margin
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444546

Increased 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		+	Higher personal automobile loss costs, driven by severity		+	Lower group life and group disability loss ratios	
			-	A lower expense ratio primarily driven by higher earned premium and lower marketing spend in Personal Lines			Effect of higher fully insured ongoing premiums, including a lower expense ratio	
-	Lower returns on limited partnerships and other alternative investments					+		
						+	Lower net realized losses	
						-	Lower net investment income	

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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

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Earned premiums	\$ 21,026	\$ 19,390	\$ 17,999	8 %	8 %
Fee income	1,300	1,349	1,488	(4 %)	(9 %)
Net investment income	2,305	2,177	2,313	6 %	(6 %)
Net realized gains (losses)	(188)	(627)	509	70 %	NM
Other revenues	84	73	81	15 %	(10 %)
Total revenues	24,527	22,362	22,390	10 %	— %
Benefits, losses and loss adjustment expenses	14,238	13,138	12,720	8 %	3 %
Amortization of deferred policy acquisition costs ("DAC")	2,044	1,824	1,668	12 %	9 %
Insurance operating costs and other expenses	4,881	4,841	4,791	1 %	1 %
Interest expense	199	213	234	(7 %)	(9 %)
Amortization of other intangible assets	71	71	71	— %	— %
Restructuring and other costs	6	13	1	(54 %)	NM
Total benefits, losses and expenses	21,439	20,100	19,485	7 %	3 %
Income before income taxes	3,088	2,262	2,905	37 %	(22 %)
Income tax expense	584	443	534	32 %	(17 %)
Net income	2,504	1,819	2,371	38 %	(23 %)
Preferred stock dividends	21	21	21	— %	— %
Net income available to common stockholders	\$ 2,483	\$ 1,798	\$ 2,350	38 %	(23 %)

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

Net income available to common stockholders

increased by \$685 primarily driven by:

- Lower net realized losses of \$439, before tax, primarily driven by net gains on equity securities in the 2023 period compared to net losses in the 2022 period and lower net losses on sales of fixed maturities in the 2023 period, partially offset by losses on credit derivatives in the 2023 period;
- 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;

- 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 income from limited partnerships and other alternative investments; and
- An increase in P&C underwriting gain of \$20, before tax, driven by the effect of earned premium growth, including a lower expense ratio, and a lower level of unfavorable prior accident year reserve development, partially offset by a higher current accident year loss and LAE ratio before catastrophes in Personal Lines and higher current accident year catastrophe losses.

These increases were partially offset by:

- Lower fee income net of variable expenses in Hartford Funds.

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

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Revenue

Earned Premiums

2141

Earned premiums increased primarily due to:

- An increase in P&C reflecting a 10% increase in Commercial Lines and a 5% increase in Personal Lines.
 - Contributing to the increase in Commercial Lines was the effect of an increase in new business across all lines of business, earned pricing increases, and higher insured exposures, principally in workers' compensation and property lines.
 - For Personal Lines, earned premium was up primarily due to the effect of earned pricing increases, partially offset by non-renewals.
- An increase in Group Benefits earned premium of 7% due to increases in group disability, group life and supplemental health product 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 resulting from net outflows over the preceding twelve 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.

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:

- Net gains on equity securities in the 2023 period driven by sales compared to net losses in the 2022 period driven by valuation declines and sales; and
- Fewer net losses on sales of fixed maturities in the 2023 period.

The increases were partially offset by:

- Losses on credit derivatives in the 2023 period due to credit spread 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

Losses and LAE Incurred for P&C

4411

Benefits, losses and loss adjustment expenses

increased due to:

- An increase in Property & Casualty of \$935 which was attributable to:
 - An increase in P&C CAY loss and loss adjustment expenses before catastrophes of \$934, before tax, primarily due to the effect of higher earned premiums in Commercial Lines and, to a lesser extent, higher personal automobile claim severity.
 - An increase in current accident year catastrophe losses of \$27, before tax. Catastrophe losses in the 2023 period 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. 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.

Group Benefits Losses and LAE Incurred

6042

- 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 reserve decreases in workers' compensation, catastrophes, package business and bond, partially offset by reserve increases in general liability and commercial automobile liability. For further discussion, see Note 11 - Reserve for Unpaid Losses and Loss Adjustment Expenses of Notes to Consolidated Financial Statements.
- An increase in Group Benefits of \$166, before tax, primarily driven by the effect of an increase in earned premiums and higher incidence on paid family leave and short-term disability products, partially offset by the

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impact of lower mortality 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:

- Technology investments made to improve customer and broker experience and 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.

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 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.

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

Net Investment Income									
(Before tax)	For the years ended December 31,								
	2023			2022			2021		
	Amount	Yield [1]		Amount	Yield [1]		Amount	Yield [1]	
Fixed maturities [2]	\$ 1,895	4.2 %		\$ 1,469	3.4 %		\$ 1,349	3.1 %	
Equity securities	45	3.7 %		57	3.0 %		73	4.9 %	
Mortgage loans	235	3.9 %		211	3.6 %		181	3.7 %	
Limited partnerships and other alternative investments	212	4.8 %		515	14.4 %		732	31.8 %	
Other [3]	9			5			58		
Investment expense	(91)			(80)			(80)		
Total net investment income	\$ 2,305	4.1 %		\$ 2,177	3.9 %		\$ 2,313	4.3 %	
Total net investment income excluding limited partnerships and other alternative investments	\$ 2,093	4.0 %		\$ 1,662	3.2 %		\$ 1,581	3.1 %	

[1] Yields calculated using annualized net investment income divided by the monthly average invested assets at amortized cost, as applicable, excluding derivatives book value.

[2] Includes net investment income on short-term investments.

[3] 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.

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

Total 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.

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.

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.

For the 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 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)						
(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]		78		(349)		227
Net credit losses on fixed maturities, AFS [2]		(14)		(18)		4
Change in ACL on mortgage loans [3]		(15)		(7)		9
Intent-to-sell impairments [2]		—		(6)		—
Other, net [4]		(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] 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 \$12, respectively, and gains (losses) from transactional foreign currency revaluation of \$(15), \$28, and \$(1), respectively. Also included for 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.

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 a decline in value due to lower equity 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.

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 LTD reserves, 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

- 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.

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PROPERTY & CASUALTY INSURANCE PRODUCT RESERVES, NET OF REINSURANCE

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

	Commercial Lines		Personal Lines		Property & Casualty Other Operations		Total Property & Casualty Insurance		% Total Reserves-net
Workers' compensation	\$	12,212	\$	—	\$	—	\$	12,212	44.7%
General liability		5,168		—		—		5,168	18.9%
Marine		295		—		—		295	1.1%
Package business [1]		2,281		—		—		2,281	8.3%
Commercial property		540		—		—		540	2.0%
Automobile liability		1,351		1,572		—		2,923	10.7%
Automobile physical damage		25		84		—		109	0.4%
Professional liability		1,449		—		—		1,449	5.3%
Bond		458		—		—		458	1.7%
Homeowners		—		372		—		372	1.3%
Asbestos and environmental		84		8		248		340	1.2%
Assumed reinsurance		562		—		76		638	2.3%
All other		157		4		402		563	2.1%
Total reserves-net		24,582		2,040		726		27,348	100.0%
Reinsurance and other recoverables		4,599		28		2,069		6,696	
Total reserves-gross	\$	29,181	\$	2,068	\$	2,795	\$	34,044	

[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, 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 the difference between the estimated ultimate cost of all claims and the actual loss and loss adjustment expenses reported to the



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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.

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

patterns of insurance companies ceding to The Hartford can 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 \$100 as of December 31, 2023, comprised of \$46 related to Commercial Lines, \$1 related to Personal Lines and \$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.

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.

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 lines. Other reserves, including commercial automobile, 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 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

period. For long-tailed lines, IBNR for the current accident year 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, 2023 and 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 adverse development cover reinsurance agreements that are recorded as a reduction of other liabilities under statutory accounting. 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, 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 equal to net reserves reported on a 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, 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, and 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, 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.
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	ULAE is analyzed separately from loss and ALAE. For most lines of business, future ULAE costs to be

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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.

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 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 relating to sexual molestation and sexual abuse. For 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

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

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 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 risk of potentially increasing jury awards and an increase in the percentage of litigated claims. Changes in claim practices increase the



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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

	Possible Change in Key Indicator	Reserves, Net of Reinsurance December 31, 2023	Estimated Range of Potential Reserve Development
Personal Automobile Liability	+/-2.5 points to the annual assumed change in loss cost severity for the two most recent accident years	\$1.6 billion	+/- \$80M
Commercial Automobile Liability	+/- 2.5 points to the annual assumed change in loss cost severity for the two most recent accident years	\$1.4 billion	+/- \$40M
Workers' Compensation	2% change in paid loss	\$12.2 billion	+/- \$400M



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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 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-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

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 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, 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.

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

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
Beginning liabilities for unpaid losses and loss adjustment expenses, gross	\$ 26,906	\$ 1,844	\$ 2,699	\$ 31,449
Reinsurance and other recoverables	4,480	37	1,564	6,081
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				
Current accident year before catastrophes	5,959	1,969	—	7,928
Current accident year catastrophes	441	208	—	649
Prior accident year development	(231)	(13)	280	36
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 other liabilities	—	—	(229)	(229)
Payments	(4,684)	(2,142)	(276)	(7,102)
Foreign currency adjustment	(32)	—	—	(32)
Ending liabilities for unpaid losses and loss adjustment expenses, net	23,879	1,829	910	26,618
Reinsurance and other recoverables	4,574	28	1,863	6,465
Ending liabilities for unpaid losses and loss adjustment expenses, gross	\$ 28,453	\$ 1,857	\$ 2,773	\$ 33,083
Earned premiums and fee income	\$ 10,610	\$ 2,979		
Loss and loss expense paid ratio [1]	44.1	71.9		
Loss and loss expense incurred ratio	58.4	73.4		
Prior accident year development (pts) [2]	(2.2)	(0.4)		

[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.

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.

Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
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	\$	251
Winter storms [1]		151		18		169
Hurricanes and Tropical Storms		151		43		194
Wildfires		9		23		32
Losses ceded to the aggregate catastrophe treaty [2]		(29)		(10)		(39)
Catastrophes before assumed reinsurance		439		168		607
Global assumed reinsurance business [3]		57		—		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 (Favorable) Prior Accident Year Development for the Year Ended December 31, 2021									
	Commercial Lines		Personal Lines		Property & Casualty Other Operations		Total Property & Casualty Insurance		
Workers' compensation	\$	(190)	\$	—	\$	—	\$	(190)	
Workers' compensation discount accretion		35		—		—		35	
General liability		454		—		—		454	
Marine		1		—		—		1	
Package business		(91)		—		—		(91)	
Commercial property		(26)		—		—		(26)	
Professional liability		(2)		—		—		(2)	
Bond		(26)		—		—		(26)	
Assumed reinsurance		(6)		—		—		(6)	
Automobile liability		9		(90)		—		(81)	
Homeowners		—		3		—		3	
Net asbestos and environmental reserves		—		—		—		—	
Catastrophes		(97)		(57)		—		(154)	
Uncollectible reinsurance		(5)		—		(1)		(6)	
Other reserve re-estimates, net		(6)		—		48		42	
Total prior accident year development		50		(144)		47		(47)	
Change in deferred gain on retroactive reinsurance included in other liabilities		91		—		155		246	
Total prior accident year development	\$	141	\$	(144)	\$	202	\$	199	

For discussion of the factors contributing to unfavorable (favorable) for the prior accident year reserve development 2023, 2022, and 2021 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, 2023

		Asbestos	Environmental	Total Run-off A&E
Gross				
	Direct	\$ 1,364	\$ 400	\$ 1,764
	Assumed Reinsurance	448	62	510
	Total	1,812	462	2,274
	Ceded- other than NICO	(475)	(75)	(550)
	Total net reserves, before ceded losses to NICO	\$ 1,337	\$ 387	1,724
	Ceded - NICO A&E ADC "Run-off" [1]			(1,476)
	Net			\$ 248

[1] Including \$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 \$1,438 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		
2023									
Beginning net reserves before reinsurance recoverable from NICO	\$	1,298		\$	374		\$	1,672	
Losses and loss adjustment expenses incurred before ceding to NICO A&E ADC		156			38			194	
Losses and loss adjustment expenses paid		(120)			(25)			(145)	
Reclassification of allowance for uncollectible reinsurance [1]		3			—			3	
Ending net reserves before reinsurance recoverable from NICO	\$	1,337		\$	387			1,724	
Reinsurance recoverable from NICO A&E ADC								(1,476)	
Ending net reserves							\$	248	
2022									
Beginning net reserves before reinsurance recoverable from NICO	\$	1,263		\$	394		\$	1,657	
Losses and loss adjustment expenses incurred before ceding to NICO A&E ADC		161			68			229	
Losses and loss adjustment expenses paid		(128)			(89)			(217)	
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 A&E ADC								(1,282)	
Ending net reserves							\$	390	
2021									
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		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			1,657	
Reinsurance recoverable from NICO A&E ADC								(1,053)	
Ending liability — net							\$	604	

[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 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 premium was placed in 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

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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, 2023, the Company has incurred a cumulative \$1,438 in adverse development on A&E reserves that have been ceded under the A&E ADC treaty with NICO, including \$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, \$62 of coverage is available for future adverse net reserve development, if any. As a result, the Company has recorded a \$788 deferred gain within other liabilities, representing the difference between the reinsurance recoverable of \$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
One year net survival ratio	11.1	15.5
Three year net survival ratio	11.1	6.1
One year gross survival ratio	10.6	19.3
Three year gross survival ratio	11.1	5.8

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	
2023												
Gross	\$	171	\$	206	\$	24	\$	49	\$	195	\$	255
Ceded- other than NICO		(51)		(50)		1		(11)		(50)		(61)
Net - Gross of ADC	\$	120	\$	156	\$	25	\$	38		145		194
Ceded - NICO A&E ADC										—		(194)
Net									\$	145	\$	—
2022												
Gross	\$	160	\$	227	\$	106	\$	80	\$	266	\$	307
Ceded- other than NICO		(32)		(66)		(17)		(12)		(49)		(78)
Net - Gross of ADC	\$	128	\$	161	\$	89	\$	68		217		229
Ceded - NICO A&E ADC										—		(229)
Net									\$	217	\$	—
2021												
Gross	\$	157	\$	148	\$	109	\$	55	\$	266	\$	203
Ceded- other than NICO		(45)		(44)		(33)		(4)		(78)		(48)
Net - Gross of ADC	\$	112	\$	104	\$	76	\$	51		188		155
Ceded - NICO A&E ADC										—		(155)
Net									\$	188	\$	—

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 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.

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.

For information regarding the 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 2022 Form 10-K Annual Report.

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

Prior year development on all other reserves resulted in increases of \$30, \$51 and \$47, respectively for calendar years 2023, 2022 and 2021. Included in the 2023 adverse reserve development was an increase in ULAE reserves, 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, and 2021 the allowance for uncollectible reinsurance for Property & Casualty Other Operations totaled \$53, \$56 and \$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.

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, 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, 2023	(1.3%) - 0.4%	(20.5%) - 8.3%	0.9% - 9.8%	(1.9%) - 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.

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 \$6,619 and \$6,535 of LTD unpaid losses and loss adjustment expenses, net of reinsurance, as of December 31, 2023 and 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

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.

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 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 3.2% in 2023 and 2022, respectively. Had the discount rate for each incurral year been 10 basis points lower at the time they were established, our LTD unpaid

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loss and loss adjustment expense reserves would be higher by \$30, before tax, as of 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 termination rates for a single incurral year have generally increased and have ranged from 4% below to 13% above current assumptions over that time period. For a single recent incurral year (such as 2023), a one percent decrease in our assumption for LTD claim termination rates would increase our reserves by \$13. For all incurral years combined, as of

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 \$27.

Current Trends Contributing to Reserve Uncertainty

We have observed delays in the Social Security Administration's processing of disability claims, which reduces or slows down the recognition of 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 2023 incurral year is up from that of the 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, 2023, and resulted in no write-downs of goodwill for the year ended 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

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

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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 or liquidity in a particular quarterly or annual period.

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SEGMENT OPERATING SUMMARIES

COMMERCIAL LINES - RESULTS OF OPERATIONS

Underwriting Summary

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Written premiums	\$ 12,279	\$ 11,158	\$ 10,041	10 %	11 %
Change in unearned premium reserve	638	587	500	9 %	17 %
Earned premiums	11,641	10,571	9,541	10 %	11 %
Fee income	41	39	34	5 %	15 %
Losses and loss adjustment expenses					
Current accident year before catastrophes	6,575	5,959	5,407	10 %	10 %
Current accident year catastrophes [1]	436	441	496	(1 %)	(11 %)
Prior accident year development [1]	(225)	(231)	141	3 %	NM
Total losses and loss adjustment expenses	6,786	6,169	6,044	10 %	2 %
Amortization of DAC	1,779	1,563	1,398	14 %	12 %
Underwriting expenses	1,837	1,788	1,678	3 %	7 %
Amortization of other intangible assets	29	29	29	— %	— %
Dividends to policyholders	39	29	24	34 %	21 %
Underwriting gain	1,212	1,032	402	17 %	157 %
Net investment income [2]	1,532	1,415	1,502	8 %	(6 %)
Net realized gains (losses) [2]	(156)	(385)	260	59 %	NM
Other income (expense) [3]	(1)	(12)	(5)	92 %	(140 %)
Income before income taxes	2,587	2,050	2,159	26 %	(5 %)
Income tax expense [4]	502	426	402	18 %	6 %
Net income	\$ 2,085	\$ 1,624	\$ 1,757	28 %	(8 %)

[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 17 - Income Taxes of Notes to Consolidated Financial Statements.

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

Premium Measures

	2023	2022	2021
Small Commercial:			
Net new business premium	\$ 915	\$ 768	\$ 673
Policy count retention	85 %	86 %	84 %
Renewal written price increases	4.6 %	3.8 %	3.1 %
Renewal earned price increases	4.2 %	3.5 %	2.6 %
Policies in-force as of end of period (in thousands)	1,492	1,421	1,366
Middle Market [1]:			
Net new business premium	\$ 617	\$ 531	\$ 532
Premium retention	83 %	83 %	80 %
Renewal written price increases	7.3 %	5.6 %	5.9 %
Renewal earned price increases	6.6 %	5.7 %	7.2 %
Global Specialty:			
Global specialty gross new business premium [2]	\$ 883	\$ 825	\$ 912
Renewal written price increases [3]	4.4 %	6.1 %	13.4 %
Renewal earned price increases [3]	5.4 %	9.8 %	21.5 %

[1]Except for net new business premium, metrics for middle market exclude loss sensitive and programs businesses.

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

[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

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Loss and loss adjustment expense ratio					
Current accident year before catastrophes	56.5	56.4	56.7	0.1	(0.3)
Current accident year catastrophes	3.7	4.2	5.2	(0.5)	(1.0)
Prior accident year development	(1.9)	(2.2)	1.5	0.3	(3.7)
Total loss and loss adjustment expense ratio	58.3	58.4	63.3	(0.1)	(4.9)
Expense ratio	31.0	31.6	32.2	(0.6)	(0.6)
Policyholder dividend ratio	0.3	0.3	0.3	—	—
Combined ratio	89.6	90.2	95.8	(0.6)	(5.6)
Impact of current accident year catastrophes and prior year development	(1.8)	(2.0)	(6.7)	0.2	4.7
Underlying combined ratio	87.8	88.3	89.1	(0.5)	(0.8)



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Net Income
1283

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

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

Underwriting Gain
1575

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

Underwriting gain increased driven by the effect of earned premium growth and slightly lower current accident year catastrophes, partially offset by slightly lower favorable prior accident year development.

Expense ratio decreased in 2023 driven by the impact of 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.

Earned Premiums
2598

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

Written Premiums
2700

[1]Other written premiums of \$43, \$46 and \$52 for the year ended December 31, 2021, 2022 and 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.

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

- Small commercial written premium increased in 2023 driven by double-digit new business growth, renewal written price increases and higher insured exposures. Written premium grew in all lines of business, including package business, workers' compensation, auto and excess and surplus lines.
- Middle & large commercial written premium increased in 2023 driven by double-digit new business growth, renewal written price increases in all lines and higher insured exposures. Written premium grew in nearly all lines across general industries, specialty markets, large property and industry verticals.
- Global specialty written premium increased in 2023 driven by written price increases across almost all lines as well as an increase in gross new business. Written premiums grew across most U.S. lines, international lines, and global reinsurance.

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

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

Current Accident Year Loss and LAE Ratio before Catastrophes

5071

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

Current Accident Year Loss and LAE ratio before catastrophes increased slightly in 2023 as a higher loss ratio in workers' compensation was offset by lower net non-catastrophe property losses driven by middle & large commercial.

Catastrophes and Unfavorable (Favorable) Prior Accident Year Development

5696

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

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, 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

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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.

2024 Outlook

In 2024, the Company expects written premium growth to arise from new business, including from expanding addressable markets and distribution, maintaining steady retention, and

increases in written pricing in nearly all lines of business. Management expects renewal written pricing 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 2024 may be driven by a number of factors including the impact of materials, labor and social inflation costs 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 remainder of the Commercial Lines book, but remain subject to the inherent volatility in catastrophe and underlying property results.

PERSONAL LINES - RESULTS OF OPERATIONS

Underwriting Summary

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Written premiums	\$ 3,198	\$ 2,961	\$ 2,908	8 %	2 %
Change in unearned premium reserve	111	12	(46)	NM	NM
Earned premiums	3,087	2,949	2,954	5 %	— %
Fee income	30	30	32	— %	(6 %)
Losses and loss adjustment expenses					
Current accident year before catastrophes	2,287	1,969	1,840	16 %	7 %
Current accident year catastrophes [1]	240	208	168	15 %	24 %
Prior accident year development [1]	11	(13)	(144)	NM	91 %
Total losses and loss adjustment expenses	2,538	2,164	1,864	17 %	16 %
Amortization of DAC	231	228	230	1 %	(1 %)
Underwriting expenses	576	594	615	(3 %)	(3 %)
Amortization of other intangible assets	2	2	2	— %	— %
Underwriting gain (loss)	(230)	(9)	275	NM	NM
Net investment income [2]	171	140	157	22 %	(11 %)
Net realized gains (losses) [2]	(16)	(35)	29	54 %	NM
Net servicing and other income (expense) [3]	21	17	19	24 %	(11 %)
Income (loss) before income taxes	(54)	113	480	NM	(76 %)
Income tax expense (benefit) [4]	(15)	22	95	NM	(77 %)
Net income (loss)	\$ (39)	\$ 91	\$ 385	NM	(76 %)

[1]For discussion of current accident year catastrophes and 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]Includes servicing revenues of \$81, \$73, and \$80 for 2023, 2022, and 2021, respectively and includes servicing expenses of \$60, \$55, and \$61 for 2023, 2022, and 2021, respectively.

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

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Written and Earned Premiums

Written Premiums	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
<i>Product Line</i>					
Automobile	\$ 2,213	\$ 2,020	\$ 1,997	10 %	1 %
Homeowners	985	941	911	5 %	3 %
Total	\$ 3,198	\$ 2,961	\$ 2,908	8 %	2 %
<i>Earned Premiums</i>					
<i>Product Line</i>					
Automobile	\$ 2,134	\$ 2,025	\$ 2,035	5 %	— %
Homeowners	953	924	919	3 %	1 %
Total	\$ 3,087	\$ 2,949	\$ 2,954	5 %	— %

Premium Measures

	2023	2022	2021
Policies in-force end of period (in thousands)			
Automobile	1,257	1,323	1,317
Homeowners	704	740	773
New business written premium			
Automobile	\$ 224	\$ 227	\$ 219
Homeowners	\$ 93	\$ 74	\$ 60
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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Underwriting Ratios

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Loss and loss adjustment expense ratio					
Current accident year before catastrophes	74.1	66.8	62.3	7.3	4.5
Current accident year catastrophes	7.8	7.1	5.7	0.7	1.4
Prior accident year development	0.4	(0.4)	(4.9)	0.8	4.5
Total loss and loss adjustment expense ratio	82.2	73.4	63.1	8.8	10.3
Expense ratio	25.2	26.9	27.6	(1.7)	(0.7)
Combined ratio	107.5	100.3	90.7	7.2	9.6
Impact of current accident year catastrophes and prior year development	(8.2)	(6.7)	(0.8)	(1.5)	(5.9)
Underlying combined ratio	99.3	93.7	89.9	5.6	3.8

Product Combined Ratios

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Automobile					
Combined ratio	112.8	104.1	92.9	8.7	11.2
Underlying combined ratio	109.8	101.3	95.9	8.5	5.4
Homeowners					
Combined ratio	96.4	92.2	86.8	4.2	5.4
Underlying combined ratio	75.9	77.0	76.5	(1.1)	0.5

Net Income (Loss)

992

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)

1243

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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Expense ratio decreased in 2023 primarily due to lower direct marketing costs, and to a lesser extent, the impact of higher earned premium and Hartford Next savings.

Earned Premiums

1916

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

Earned premiums increased in 2023 due to an increase in written premium over the prior twelve months in both automobile and in homeowners.

Written Premiums

2243

Written premiums increased in 2023 due to the effect of written pricing increases in both automobile and homeowners, partially offset by non-renewals.

Renewal written pricing increases were higher for both automobile and homeowners in 2023 primarily in response to recent higher loss cost trends as well as higher insured values in homeowners.

Policy count retention slightly increased in automobile, and was stable for homeowners in 2023.

Effective policy count retention decreased both for automobile and for homeowners in 2023 in response to renewal written pricing increases.

Policies in-force as of the end of 2023 decreased for both automobile and for homeowners compared to the end of 2022, reflecting the level of new business in relation to non-renewed policies.

Current Accident Year Loss and Loss Adjustment Expense Ratio before Catastrophes

3231

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 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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PROPERTY & CASUALTY OTHER OPERATIONS - RESULTS OF OPERATIONS

Underwriting Summary

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Losses and loss adjustment expenses					
Prior accident year development [1]	\$ 224	\$ 280	\$ 202	(20 %)	39 %
Total losses and loss adjustment expenses	224	280	202	(20 %)	39 %
Underwriting expenses	4	9	8	(56 %)	13 %
Underwriting loss	(228)	(289)	(210)	21 %	(38 %)
Net investment income [2]	69	63	75	10 %	(16 %)
Net realized gains (losses) [2]	(7)	(16)	13	56 %	NM
Other income (expenses)	—	—	(1)	— %	100 %
Loss before income taxes	(166)	(242)	(123)	31 %	(97 %)
Income tax benefit [3]	(36)	(52)	(28)	31 %	(86 %)
Net loss	\$ (130)	\$ (190)	\$ (95)	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 17 - Income Taxes of Notes to Consolidated Financial Statements.

Net Loss

439

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

Net loss decreased primarily due to a lower underwriting loss, lower net realized losses, and an increase in net investment income.

Underwriting loss decreased, primarily due to lower unfavorable prior accident year reserve development in the 2023 period.

Unfavorable prior accident year reserve development for the year ended 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.

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 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 PFAS exposures, and higher legal expenses.

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GROUP BENEFITS - RESULTS OF OPERATIONS

Operating Summary

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Premiums and other considerations	\$ 6,515	\$ 6,057	\$ 5,687	8 %	7 %
Net investment income [1]	469	524	550	(10 %)	(5 %)
Net realized gains (losses) [1]	(45)	(122)	130	63 %	(194 %)
Total revenues	6,939	6,459	6,367	7 %	1 %
Benefits, losses and loss adjustment expenses	4,683	4,517	4,602	4 %	(2 %)
Amortization of DAC	34	33	40	3 %	(18 %)
Insurance operating costs and other expenses	1,514	1,467	1,373	3 %	7 %
Amortization of other intangible assets	40	40	40	— %	— %
Total benefits, losses and expenses	6,271	6,057	6,055	4 %	— %
Income before income taxes	668	402	312	66 %	29 %
Income tax expense [2]	133	75	56	77 %	34 %
Net income	\$ 535	\$ 327	\$ 256	64 %	28 %

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

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

Premiums and Other Considerations

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Fully insured — ongoing premiums	\$ 6,290	\$ 5,858	\$ 5,502	7 %	6 %
Buyout premiums	8	12	2	(33 %)	NM
Fee income	217	187	183	16 %	2 %
Total premiums and other considerations	\$ 6,515	\$ 6,057	\$ 5,687	8 %	7 %
Fully insured ongoing sales	\$ 839	\$ 801	\$ 760	5 %	5 %

Ratios, Excluding Buyouts

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Margin

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Net income margin	7.7 %	5.1 %	4.0 %	2.6	1.1
Adjustments to reconcile net income margin to core earnings margin:					
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	0.1 %	0.1 %	0.1 %	0.0	0.0
Income tax expense (benefit)	(0.1 %)	(0.5 %)	0.5 %	0.4	(1.0)
Core earnings margin	8.1 %	6.5 %	2.6 %	1.6	3.9

Net Income

440

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

Net income increased primarily due to a lower loss ratio, the effect of higher fully insured ongoing premiums, including a lower expense ratio, and lower net realized losses, partially offset by a decrease in net investment income.

Insurance operating costs and other expenses

were higher primarily due to the effect of premium growth, including higher commissions and staffing costs and increased investments in technology, partially offset by incremental expense savings from Hartford Next and lower incentive compensation.

Fully Insured Ongoing Premiums

1127

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

Fully insured ongoing premiums increased in group disability, life and other driven by strong persistency and new business sales as well as an increase in exposure on existing accounts.

Fully insured ongoing sales

increased primarily due to increases in group life sales, partially offset by a decrease in group disability sales.

[illegible]

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Hartford Funds Segment AUM

	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

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Equity - Mutual Funds	\$ 79,352	\$ 73,782	\$ 95,703	8 %	(23 %)
Fixed Income - Mutual Funds	16,773	15,861	20,113	6 %	(21 %)
Multi-Strategy Investments - Mutual Funds [1]	19,292	19,975	23,610	(3 %)	(15 %)
Equity - ETF	2,141	1,805	2,230	19 %	(19 %)
Fixed Income - ETF	1,758	1,049	976	68 %	7 %
Mutual Fund and ETF AUM	\$ 119,316	\$ 112,472	\$ 142,632	6 %	(21 %)

[1]Includes balanced, allocation, and alternative investment products.

Net Income

589

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

Net income increased for the year ended December 31, 2023, primarily driven by net realized gains compared to net realized losses in 2022 and higher net investment income, partially offset by a decrease in fee income net of variable expenses driven by a decrease in daily average AUM.

Hartford Funds AUM

931

December 31, 2023 compared to December 31, 2022

Hartford Funds AUM increased primarily due to an increase in market values, partly offset by net outflows over the previous twelve months. Net outflows were \$7.0 billion for the year ended December 31, 2023 compared to net outflows of \$8.0 billion for the year ended December 31, 2022.

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2024 Outlook

Assuming continued growth in equity markets in 2024, the Company expects net income for Hartford Funds to increase from 2023 to 2024.

CORPORATE - RESULTS OF OPERATIONS

Operating Summary

	2023	2022	2021	Increase (Decrease) From 2022 to 2023	Increase (Decrease) From 2021 to 2022
Fee income [1]	\$ 39	\$ 49	\$ 50	(20 %)	(2 %)
Net investment income	47	26	24	81 %	8 %
Net realized gains (losses)	26	(45)	73	NM	NM
Other revenue (loss)	2	1	(10)	100 %	NM
Total revenues	114	31	137	NM	(77 %)
Benefits, losses and loss adjustment expenses [2]	7	8	8	(13 %)	— %
Insurance operating costs and other expenses [1]	68	61	90	11 %	(32 %)
Interest expense [3]	199	213	234	(7 %)	(9 %)
Restructuring and other costs	6	13	1	(54 %)	NM
Total benefits, losses and expenses	280	295	333	(5 %)	(11 %)
Loss before income taxes	(166)	(264)	(196)	37 %	(35 %)
Income tax benefit [4]	(45)	(69)	(47)	35 %	(47 %)
Net loss	(121)	(195)	(149)	38 %	(31 %)
Preferred stock dividends	21	21	21	— %	— %
Net loss available to common stockholders	\$ (142)	\$ (216)	\$ (170)	34 %	(27 %)

[1]Includes investment management fees and expenses related to managing third-party assets.

[2]Includes benefits expense on life and annuity business previously underwritten by the Company.

[3]For discussion of debt, see Note 14 - Debt of Notes to Consolidated Financial Statements.

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

Net loss available to common stockholders

481

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

Net loss available to common stockholders for the year ended December 31, 2023 decreased primarily due to a change from net realized losses in the 2022 period to net realized gains in the 2023 period, higher net investment income, lower interest expense, a loss on extinguishment of debt in the 2022 period and lower restructuring costs, partially offset by a \$14, before tax, capital-based state tax expense covering several years recorded in the 2023 period related to recently released guidance.

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Interest Expense

1171

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

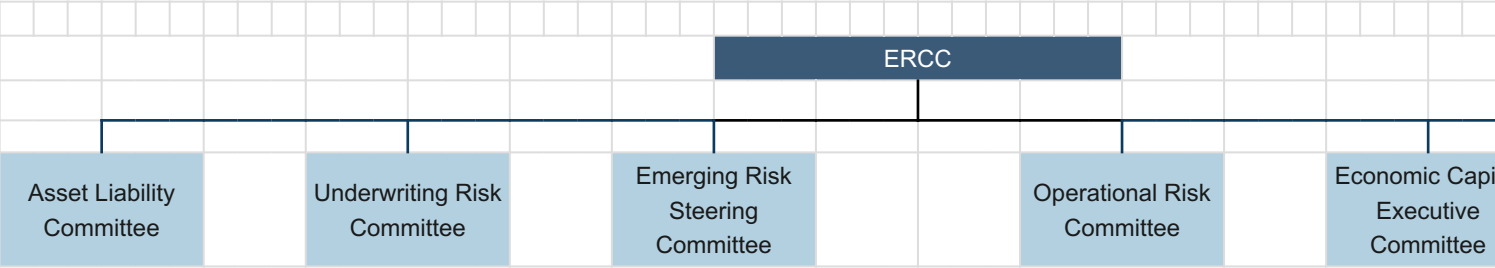
Interest expense decreased for the year ended December 31, 2023 due to the redemption of \$600 in 7.875% junior subordinated debentures in April 2022.

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") 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.

ERCC Members
CEO (Chair)
Chief Financial Officer
Chief Investment Officer
Chief Risk Officer
Chief Underwriting Officer
General Counsel
Others as deemed necessary by the Committee Chair



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



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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 credit and political risk insurance ("CPRI") 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 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

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 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.



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Risk	Definition	Details and Company Limits					
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	
		Aggregate annual all-peril (1-in-100) (1.0%)		\$	2,594	\$	1,465
		Aggregate annual all-peril (1-in-250) (0.4%)		\$	3,503	\$	2,022
		Hurricane single occurrence (1-in-100) (1.0%)		\$	1,456	\$	568
		Hurricane single occurrence (1-in-250) (0.4%)		\$	2,275	\$	1,091
		Earthquake single occurrence (1-in-100) (1.0%)		\$	914	\$	480
		Earthquake single occurrence (1-in-250) (0.4%)		\$	1,553	\$	643
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	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	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					

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[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"), 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

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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 \$200 per occurrence for all perils other than earthquakes and named hurricanes and 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 Reinsurance Coverages as of January 1, 2024 [1]

	Portion of losses reinsured	Portion of losses retained by The Hartford
Per Occurrence Property Catastrophe Treaty from 1/1/2024 to 12/31/2024 [1] [2]		
Losses of \$0 to \$200	None	100% retained
Losses of \$200 to \$350 for earthquakes and named hurricanes and tropical storms [3]	None	100% retained
Losses of \$200 to \$350 from one event other than earthquakes and named hurricanes and tropical storms [3]	40% of \$150 in excess of \$200	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 \$1.2 billion from one event [4] (all perils)	90% of \$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 1/1/2024 to 12/31/2024 [7]		
\$0 to \$750 of aggregate losses	None	100% Retained
\$750 to \$950 of aggregate losses	100%	None
Workers' Compensation Catastrophe Treaty for 1/1/2024 to 12/31/2024		
Losses of \$0 to \$100 from one event	None	100% Retained
Losses of \$100 to \$450 from one event [8]	80% of \$350 in excess of \$100	20% co-participation

[1] These 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, 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 \$38 in per event losses in excess of a \$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.

[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

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 \$2.0 billion for 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.

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 (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, 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 reinsurance recoverables 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 recoverables represent reserves for future policy benefits and unpaid loss

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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	
	2023	2022	2023	2022	2023	2022	2023	2022
Paid loss and loss adjustment expenses	\$ 273	\$ 300	\$ 5	\$ 6	\$ —	\$ —	\$ 278	\$ 306
Unpaid loss and loss adjustment expenses	6,429	6,257	256	245	244	261	6,929	6,763
Gross reinsurance recoverables	6,702	6,557	261	251	244	261	7,207	7,069
Allowance for uncollectible reinsurance	(100)	(102)	(1)	(1)	(2)	(2)	(103)	(105)
Net reinsurance recoverables	\$ 6,602	\$ 6,455	\$ 260	\$ 250	\$ 242	\$ 259	\$ 7,104	\$ 6,964

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.

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

operational risk on an aggregate basis. ERM is responsible for 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

For information on the prevention, detection, mitigation and remediation of cybersecurity incidents, see Part I, Item 1C – Cybersecurity.

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 OTC and exchange-traded derivatives with counterparties meeting the appropriate regulatory and due diligence requirements. Derivatives 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 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

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:

- Investing in a portfolio of high-quality and diverse securities;
- Selling investments subject to heightened credit risk;
- 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



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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, 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.

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Assets and Liabilities Subject to Credit Risk

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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. 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".

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Reinsurance recoverables Reinsurance recoverables, net of an allowance for uncollectible reinsurance, were \$7,104 and \$6,964 as of December 31, 2023 and 2022 respectively. Refer to the Enterprise Risk Management section of the MD&A under "Reinsurance as a Risk Management Strategy."

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Premiums receivable and agents' balances

Premiums receivable and agents' balances, net of an ACL, were \$5,607 and \$4,949, as of December 31, 2023 and 2022, respectively. For a discussion regarding collectibility of these balances, see Note 7 - Premiums Receivable and Agents' Balances of Notes to Consolidated Financial Statements.

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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.

Downgrades to the credit ratings of the Company's insurance

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's 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 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, the notional amount and fair value related to credit derivatives that purchase credit protection was \$11 and 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



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single corporate issuers and indexes. As of December 31, 2023 and 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 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.

Change in Interest Rates	Favorable Effects	Unfavorable Effects
	<ul style="list-style-type: none">Additional net investment income due to reinvesting at higher yields and higher yields on variable rate securities	<ul style="list-style-type: none">Decrease in the fair value of the fixed income investment portfolio
	<ul style="list-style-type: none">Increase in the fair value of the fixed income investment portfolio	<ul style="list-style-type: none">Lower net investment income due to reinvesting at lower yields and lower yields on variable rate securitiesAcceleration in paydowns and prepayments or calls of certain mortgage-backed and municipal securities

Management The Company primarily manages its exposure to interest rate risk by constructing investment portfolios that seek to protect the Company from the economic impact associated with changes in interest rates by setting portfolio duration targets that are aligned with the duration of the liabilities that they support. The Company analyzes interest rate risk using various models including parametric models and cash flow simulation under various market scenarios of the liabilities and their supporting investment portfolios. Key metrics that the Company uses to quantify its exposure to interest rate risk inherent in its invested assets and the associated liabilities include duration, convexity and key rate duration.

The Company may also use interest rate swaps and, to a lesser extent, futures to mitigate interest rate risk associated with its investment portfolio or liabilities and to manage portfolio duration. Interest rate swaps are primarily used to convert interest receipts or payments to a fixed or variable rate. The use of such swaps enables the Company to customize contract terms and conditions to desired objectives and manage the duration profile within established tolerances. As of December 31, 2023 and 2022, notional amounts pertaining to derivatives utilized to manage interest rate risk, including offsetting positions, totaled \$10.1 billion and \$9.4 billion, respectively, and primarily relate to hedging invested assets. As of December 31, 2023 and 2022, the fair value of these derivatives was \$(6) for both periods.



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Assets and Liabilities Subject to Interest Rate Risk

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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 2022, respectively. The weighted average duration of the portfolio, including derivative instruments, was approximately 3.8 years and 4.0 years as of December 31, 2023 and 2022, respectively. Changes in the fair value of fixed maturities due to changes in interest rates are reflected as a component of AOCI.

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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 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 \$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.

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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, 2023 and 2022, the Company had \$8,586 and \$8,479, respectively of reserves for group life and disability contracts. For most Group Benefits liabilities, changes in interest rates will impact the fair value 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.

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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 further discussion of discounting pension and other postretirement benefit obligations, refer to Note 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 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,			
	2023		2022	
Basis point shift	-100	+100	-100	+100
Increase (decrease) in economic value, before tax	\$ 64	\$ (50)	\$ 71	\$ (71)

The carrying value of assets related to supporting Group Benefits, primarily long-term disability reserves, was \$10.3 billion and \$9.8 billion, as of December 31, 2023 and 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, 2023 and 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,			
	2023		2022	
Basis point shift	-100	+100	-100	+100
Increase (decrease) in fair value, before tax	\$ 1,590	\$ (1,466)	\$ 1,554	\$ (1,470)

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 \$39.8 billion and \$36.6 billion as of December 31, 2023 and 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

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 \$12 and \$22 as of December 31, 2023 and 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 \$3 and \$10 as of December 31, 2023 and 2022, respectively. Gains or losses due to changes in 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.

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 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 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.

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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 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 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 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.

Equity Sensitivity

	As of December 31, 2023						As of December 31, 2022					
				Shock to S&P 500						Shock to S&P 500		
	(Before tax)											
	Fair Value			+20%			Fair Value			+20%		
				-20%						-20%		
Investment Portfolio	\$	5,649	\$	574	\$	(574)	\$	5,978	\$	676	\$	(676)
Assets supporting pension and other postretirement benefit plans	\$	833	\$	89	\$	(89)	\$	820	\$	84	\$	(84)

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 \$55 as of December 31, 2023. The selection of the 20% shock to the S&P 500 was made only as an illustration of the potential 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 ("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 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.

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.

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.

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.

Foreign Currency Sensitivity [1]

	GBP		CAD		10% Unfavorable Change	
December 31, 2023						
Net assets (liabilities)	\$	168	\$	170	\$	(31)
December 31, 2022						
Net assets (liabilities)	\$	174	\$	185	\$	(33)

[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;
- 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

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.

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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 investment income

related to fixed maturities 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, 2023						December 31, 2022				
	Amortized Cost		Fair Value		Percent of Total Fair Value		Amortized Cost		Fair Value		Percent of Total Fair Value
United States Government/ Government agencies	\$	5,174	\$	4,776	12.0 %		\$	5,573	\$	5,025	13.9 %
AAA		7,277		7,055	17.7 %			6,171		5,824	16.1 %
AA		7,527		7,270	18.3 %			7,136		6,650	18.4 %
A		10,253		9,828	24.7 %			9,758		8,968	24.7 %
BBB		9,710		9,198	23.1 %			8,918		7,973	22.0 %
BB & below		1,785		1,691	4.2 %			1,977		1,791	4.9 %
Total fixed maturities, AFS	\$	41,726	\$	39,818	100.0 %		\$	39,533	\$	36,231	100.0 %

The fair value of fixed maturities, AFS increased as compared to December 31, 2022, 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. 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

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[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.

The fair value of fixed maturities, AFS increased as compared to December 31, 2022, 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. The Company primarily increased holdings of financial

services, utilities, capital goods, and consumer cyclical corporate bonds as well as consumer loans.

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Commercial & Residential Real Estate

The following tables present the Company's exposure to CMBS and RMBS by credit quality included in the preceding Fixed Maturities, AFS by Type table.

Exposure to CMBS and RMBS as of December 31, 2023

	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
CMBS											
Agency [1]	\$ 20	\$ 19	\$ 1,159	\$ 1,043	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,179
Bonds	852	795	545	485	371	317	147	119	235	215	2,150
Interest Only	76	72	54	53	—	—	7	7	—	—	137
Total CMBS	948	886	1,758	1,581	371	317	154	126	235	215	3,466
RMBS											
Agency	—	—	2,342	2,185	—	—	—	—	—	—	2,342
Non-Agency	1,263	1,144	526	477	300	260	189	169	15	12	2,293
Sub-Prime	1	1	12	12	5	5	10	10	12	12	40
Total RMBS	1,264	1,145	2,880	2,674	305	265	199	179	27	24	4,675
Total CMBS & RMBS	\$ 2,212	\$ 2,031	\$ 4,638	\$ 4,255	\$ 676	\$ 582	\$ 353	\$ 305	\$ 262	\$ 239	\$ 8,141

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
CMBS											
Agency [1]	\$ 1,264	\$ 1,154	\$ 4	\$ 3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,268
Bonds	908	840	568	504	424	370	138	116	225	207	2,263
Interest Only	101	96	74	70	—	—	8	7	1	1	184
Total CMBS	2,273	2,090	646	577	424	370	146	123	226	208	3,715
RMBS											
Agency	1,845	1,652	20	19	—	—	—	—	—	—	1,865
Non- Agency	1,166	1,036	501	428	353	288	236	198	21	15	2,277
Sub- Prime	3	3	21	21	10	10	9	9	29	29	72
Total RMBS	3,014	2,691	542	468	363	298	245	207	50	44	4,214
Total CMBS & RMBS	\$ 5,287	\$ 4,781	\$ 1,188	\$ 1,045	\$ 787	\$ 668	\$ 391	\$ 330	\$ 276	\$ 252	\$ 7,929

[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.

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

participated loan, and the relationship between the Company as loan originator, lead participant and servicer and the third party 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. The increase in the allowance is primarily attributable to revised economic scenarios, lower property valuations, and overall weaker real estate fundamentals.

The Company funded \$589 million of commercial mortgage loans with a weighted average loan-to-value ("LTV") ratio of 57%

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and a weighted average yield of 7.2% during the twelve months ended December 31, 2023. The Company continues to originate commercial mortgage loans in high growth markets across the country focusing primarily on institutional-quality industrial and multi-family properties with strong LTV ratios. There were no mortgage loans held for sale as of December 31, 2023, or 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, 2023				December 31, 2022		
	Amortized Cost	Fair Value	Weighted Average Credit Quality		Amortized Cost	Fair Value	Weighted Average Credit Quality
General Obligation	\$ 807	\$ 814	AA		\$ 863	\$ 838	AA
Pre-refunded [1]	155	158	AA+		235	242	AAA
Revenue							
Transportation	1,325	1,298	A+		1,435	1,342	A+
Health Care	974	902	A+		1,132	1,012	A+
Leasing [2]	761	732	AA-		714	659	AA-
Education	527	520	AA		601	572	AA
Water & Sewer	362	347	AA+		411	384	AA
Power	275	271	A		280	268	A
Sales Tax	231	237	AA		304	295	AA
Housing	179	172	AA		73	62	AA-
Other	611	588	A+		670	622	A+
Total Revenue	5,245	5,067	AA-		5,620	5,216	AA-
Total Municipal	\$ 6,207	\$ 6,039	AA-		\$ 6,718	\$ 6,296	AA-

[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. In total, municipal bonds make up 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,							
	2023		2022		2021			
	Amount	Yield [1]	Amount	Yield [1]	Amount	Yield [1]		
Real estate joint ventures and funds	\$ (10)	(0.5) %	\$ 316	21.9 %	\$ 149	18.4 %		
Private equity funds	161	9.9 %	186	14.2 %	456	51.3 %		
Other funds	29	6.6 %	32	10.5 %	33	17.7 %		
Other alternative investments [2]	32	6.6 %	(19)	(3.8) %	94	22.6 %		
Total	\$ 212	4.8 %	\$ 515	14.4 %	\$ 732	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 funds and fixed income.

Investments in Limited Partnerships and Other Alternative Investments

	December 31, 2023		December 31, 2022	
	Amount	Percent	Amount	Percent
Real estate joint ventures and funds	\$ 1,931	40.4 %	\$ 1,713	41.0 %
Private equity funds	1,838	38.4 %	1,565	37.5 %
Other funds	498	10.4 %	413	9.9 %
Other alternative investments [1]	518	10.8 %	486	11.6 %
Total	\$ 4,785	100.0 %	\$ 4,177	100.0 %

[1] Consists of an insurer-owned life insurance policy which is primarily invested in private equity funds and fixed income.

Fixed Maturities, AFS — Unrealized Loss Aging

The total gross unrealized losses were \$2.3 billion as of December 31, 2023, and have decreased \$1.1 billion from December 31, 2022, primarily due to tighter credit spreads. As of December 31, 2023, \$1.9 billion of the gross unrealized losses were associated with fixed maturities, AFS depressed less than 20% of amortized cost. The remaining \$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 that are mainly depressed because current interest rates are higher 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

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

Unrealized Loss Aging for Fixed Maturities, AFS Continuously Depressed Over 20%

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Credit Losses on Fixed Maturities, AFS and Intent-to-Sell Impairments

For the year ended December 31, 2023

The Company recorded net credit losses of \$14, primarily attributable to increases in the ACL of \$12 related to three below investment grade corporate issuers and \$2 related to a 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 \$4. For further information, refer to Note 5 - Investments of Notes to Consolidated Financial Statements.

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, 2022

The Company recorded net credit losses of \$18, primarily attributable to increases in the allowance for credit losses of \$10 on CMBS, \$3 on issuers with exposure to Russia, \$3 related to a 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 \$6

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.

ACL on Mortgage Loans

For the year ended 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 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.



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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, 2023:

- \$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, 2023, there were no borrowings outstanding.
- 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. As of 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.

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 2024. The HFSG Holding Company 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.
- **Group Benefits** - Hartford Life and Accident Insurance Company ("HLA") has regulatory dividend capacity of \$609 in 2024 with approximately \$600 of dividends expected in 2024.
- **Hartford Funds** - HFSG Holding Company expects to receive approximately \$130 in dividends from Hartford Funds in 2024.

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Expected liquidity requirements for the next twelve months as of December 31, 2023:

- \$194 of interest on debt, net of settlements on a related interest rate 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
- \$570 of common stockholders' dividends, subject to the discretion of the Board of Directors and before share repurchases.

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Expected liquidity requirements for beyond the next twelve months as of December 31, 2023:

- Interest on debt and debt repayments, see Note 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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Equity repurchase program:

In 2023, the Company repurchased 19.2 million common shares for \$1.4 billion under the \$3.0 billion share repurchase program authorized by the Board of Directors, effective through December 31, 2024. As of December 31, 2023, the Company has \$1.35 billion remaining for equity repurchases under the share repurchase program. During the period January 1, 2024 through February 22, 2024, the Company repurchased approximately 2.3 million common shares for \$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.

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LIQUIDITY REQUIREMENTS AND SOURCES OF CAPITAL

The Hartford Financial Services Group, Inc. ("HFSG Holding Company")

The liquidity requirements of the 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



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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

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 14 - Debt of Notes to Consolidated Financial Statements.

DIVIDENDS

The Hartford's Board of Directors declared the following quarterly dividends since October 1, 2023:

Common Stock Dividends

Declared	Record	Payable	Amount per share
October 26, 2023	December 1, 2023	January 3, 2024	\$ 0.470
February 21, 2024	March 4, 2024	April 2, 2024	\$ 0.470

Preferred Stock Dividends

Declared	Record	Payable	Amount per share
December 13, 2023	February 1, 2024	February 15, 2024	\$ 375.00
February 21, 2024	May 1, 2024	May 15, 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

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 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 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 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 2023, HFSG Holding Company received \$408 of dividends from HLA and \$129 from Hartford Funds. In addition, HFSG Holding Company received \$1.5 billion of net dividends from



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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.

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 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, 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 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, 2023, \$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

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 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, 2023, there were no advances outstanding. The CTDOI permits Hartford Fire and HLA to pledge up to \$1.3 billion and \$0.7 billion in qualifying assets, respectively, without prior approval, to secure FHLBB advances in 2024. For further information regarding the Company's collateralized advances with Federal Home Loan Bank of Boston, see Note 14 - Debt of Notes to Consolidated Financial Statements.

Lloyd's Letter of Credit Facility

The Hartford has a committed credit facility agreement with a syndicate of lenders (the "Lloyd's Facility"). The Lloyd's Facility has two tranches with one tranche extending a \$74 commitment and the other tranche extending a £79 million (\$101 as of December 31, 2023) commitment. As of December 31, 2023, letters of credit with an aggregate face amount of \$74 and £79 million, or \$101, were outstanding under the Lloyd's Facility.

Among other covenants, the 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, 2023, The Hartford was in compliance with all financial covenants of the facility. For further information regarding the Lloyd's Facility, see Note 14 - Debt of Notes to Consolidated Financial Statements.

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, respectively. No other contributions were made to the other postretirement plans in 2023, 2022 and 2021. The Company's 2023, 2022 and 2021 required minimum funding contributions were immaterial. The Company does not have a 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



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qualified defined benefit pension plan in 2024. The Company will monitor the funded status of the U.S. qualified defined benefit pension plan during 2024 to make this determination. As of 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 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 15 - Commitments and Contingencies of Notes to Consolidated Financial Statements.

As of 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 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, 2023	
Fixed maturities	\$	31,680
Short-term investments		2,127
Cash		106
Less: Derivative collateral		52
Total	\$	33,861

Property & Casualty operations invested assets also include \$456 in equity securities, \$4.5 billion in mortgage loans and \$3.8 billion in limited partnerships and other alternative investments.

Group Benefits Operations

	As of	
	December 31, 2023	
Fixed maturities	\$	8,277
Short-term investments		382
Cash		12
Less: Derivative collateral		14
Total	\$	8,657

Group Benefits operations invested assets also include \$99 in equity securities, \$1.6 billion in mortgage loans and \$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, 2023 were \$34.0 billion and net of reinsurance were \$27.4 billion. Reserves for Property & Casualty unpaid losses and loss adjustment expenses include case reserves and IBNR reserves. The ultimate amount to be paid to settle both case 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

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Benefit LTD Reserves, Net of 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. 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 \$402 as of December 31, 2023 related to retained run-off liabilities of its former life and annuity business. 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.

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, 2023, Hartford Funds cash and short-term investments were \$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 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, and information technology. The Company's operating lease commitments are disclosed in Note 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, 2022		Change
Long-term debt	\$	4,362	\$	4,357	—%
Total debt		4,362		4,357	—%
Common stockholders' equity, excluding AOCI, net of tax		17,842		17,183	4%
Preferred stock		334		334	—%
AOCI, net of tax		(2,849)		(3,841)	26%
Total stockholders' equity	\$	15,327	\$	13,676	12%
Total capitalization	\$	19,689	\$	18,033	9%
Debt to stockholders' equity		28 %		32 %	
Debt to capitalization		22 %		24 %	

Total capitalization increased \$1,656, or 9%, as of December 31, 2023 compared to December 31, 2022 primarily due to net income in excess of common stockholder dividends in the period and a decrease in net unrealized losses on fixed maturities, AFS, partially offset by share repurchases.

For additional information on AOCI, net of tax, including unrealized gains from securities, see Note 18 - Changes in and Reclassifications From Accumulated Other Comprehensive Income (Loss) and Note 5 - Investments of Notes to Consolidated Financial Statements. For additional information on debt, see Note 14 - Debt of Notes to Consolidated Financial Statements.

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CASH FLOW [1]

	2023	2022	2021
Net cash provided by operating activities	\$ 4,220	\$ 4,008	\$ 4,093
Net cash used for investing activities	\$ (2,431)	\$ (1,277)	\$ (2,466)
Net cash used for financing activities	\$ (1,947)	\$ (2,710)	\$ (1,581)
Cash and restricted cash— end of year	\$ 189	\$ 344	\$ 337

[1]Cash activities in 2021 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 22 - Business Dispositions of Notes to Consolidated Financial Statements for discussion of this transaction.

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

Net cash provided by operating activities

increased in 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.

Cash used for investing activities increased in 2023 as a result of a change from net proceeds from to net payments for both fixed maturities and derivatives, partially offset by a 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 investments, and a decrease in net payments for partnerships.

Cash used for financing activities decreased primarily due to the redemption of \$600 of 7.875% junior subordinated debentures in the second quarter of 2022, and a decrease in share repurchases in 2023.

Operating cash flows for the year ended 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.

Insurance Financial Strength Ratings as of 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 [1] [2]		Group Benefits Insurance Subsidiary		Total	
U.S. statutory capital at January 1, 2023	\$	12,111	\$	2,571	\$	14,682
Statutory income		1,887		592		2,479
Dividends to parent		(1,515)		(408)		(1,923)
Other items		66		(7)		59
Net change to U.S. statutory capital		438		177		615
U.S. statutory capital at December 31, 2023	\$	12,549	\$	2,748	\$	15,297

[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.

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 the NAIC to be recorded at the lower of amortized cost or fair value.
- 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 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.

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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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.

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, 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.

CONTINGENCIES

Legal Proceedings

For a discussion regarding The Hartford's legal proceedings, see the information contained in Note 15 - Commitments and Contingencies of the Notes to Consolidated Financial Statements and Part I, Item 3 — Legal Proceedings, which are incorporated herein by reference.

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 some preliminary 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.

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 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.

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 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 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	PV&T	Political Violence and Terrorism
ETF	Exchange-Traded Funds	PYD	Prior Accident Year Development
FAL	Funds at Lloyd's	RBC	Risk-Based Capital
FASB	Financial Accounting Standards Board	RMBS	Residential Mortgage-Backed Securities
FHLBB	Federal Home Loan Bank of Boston	ROA	Return on Assets
FVO	Fair Value Option	ROE	Return on Equity
GAAP	Generally Accepted Accounting Principles	SCR	Solvency Capital Requirement
HFSG	Hartford Financial Services Group, Inc.	SOFR	Secured Overnight Financing Rate
HHI	Hartford Holdings, Inc.	ULAE	Unallocated Loss Adjustment Expenses

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, 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.

The Hartford's management assessed its internal controls over financial reporting as of 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, 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 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.

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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, 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, 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, 2023, of the Company and our report dated February 23, 2024, expressed an unqualified opinion on those financial 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

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 23, 2024

Name	Age	Position with The Hartford and Business Experience For the Past Five Years
Jonathan R. Bennett	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	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]	59	Executive Vice President and Head of Personal Lines (January 2018-present); Executive Vice President and Head of Small Commercial (July 2014-present)
Beth A. Costello	56	Executive Vice President and Chief Financial Officer (July 2014-present)
Michael R. Fisher	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	52	Executive Vice President, Head of Claims & Operations (August 2021-present); Chief Claims Officer (April 2013-August 2021)
Allison G. Niderno	44	Senior Vice President and Controller (March 2023-present); Vice President Finance, Head of External Reporting and Investment Finance (June 2018 - March 2023); Vice President Finance (April 2016 - June 2018)
Robert W. Paiano	62	Executive Vice President and Chief Risk Officer (June 2017-present); Senior Vice President & Treasurer (July 2010-May 2017)
David C. Robinson ^[2]	58	Executive Vice President and General Counsel (June 2015-present)
Lori A. Rodden	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	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	55	Executive Vice President Chief Investment Officer (August 2020-present); President of Hartford Investment Management Company (August 2020-present); Managing Director and Head of Public Credit Research Hartford Investment Management Company (September 2008-August 2020)
Adin M. Tooker	54	Executive Vice President, Middle & Large Commercial, Global Specialty and Sales and Distribution (November 2022-present); Executive Vice President and Head of Middle & Large Commercial (March 2019-October 2022); Executive Vice President and Head of Middle Market (March 2017-February 2019)

[1]On November 29, 2023, the Company announced Ms. Bush's intent to retire as Executive Vice President and Head of Small Commercial and Personal Lines effective 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.

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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, 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").

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 20 - Stock Compensation Plans of Notes to Consolidated Financial Statements.

	(a)	(b)	(c)
	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	10,086,091	\$ 55.92	10,039,761
Equity compensation plans not approved by stockholders	—	—	—
Total	10,086,091	\$ 55.92	10,039,761

[1] The amount shown in this column includes 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 3,258,731 outstanding restricted stock units, 582,651 outstanding performance shares at 100% of target (which excludes 777,144 shares that vested on December 31, 2023, related to the 2021-2023 performance period) and 173,114 non-vested dividend equivalent shares as of December 31, 2023 under the 2014 Stock Plan and the 2020 Stock Plan. The maximum number of performance shares that could be awarded is 1,165,302 (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, 3,155,609 remain available for purchase under the ESPP as of December 31, 2023. 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, 2023.

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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, 2023 and 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, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended 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, 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 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, 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:
 - 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, 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 23, 2024

We have served as the Company's auditor since 2002.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Operations

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See Notes to Consolidated Financial Statements.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Comprehensive Income (Loss)

	For the years ended December 31,					
(in millions)	2023		2022		2021	
Net income	\$	2,504	\$	1,819	\$	2,371
Other comprehensive income (loss) ("OCI"):						
Change in net unrealized gain (loss) on fixed maturities, available-for-sale ("AFS")		1,112		(4,225)		(1,224)
Change in unrealized losses on fixed maturities for which an allowance for credit losses ("ACL") has been recorded		(1)		(5)		—
Change in net gain on cash flow hedging instruments		(19)		34		(6)
Change in foreign currency translation adjustments		6		(10)		(2)
Change in liability for future policy benefits adjustments		(10)		94		27
Change in pension and other postretirement plan adjustments		(96)		143		228
OCI, net of tax		992		(3,969)		(977)
Comprehensive income (loss)	\$	3,496	\$	(2,150)	\$	1,394

See Notes to Consolidated Financial Statements



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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Balance Sheets

							As of December 31,		
(in millions, except for share and per share data)							2023	2022	
Assets									
Investments:									
Fixed maturities, AFS, at fair value (amortized cost of \$41,726 and \$39,533, and ACL of \$21 and \$12)							\$ 39,818	\$ 36,231	
Fixed maturities, at fair value using the fair value option ("FVO")							327	333	
Equity securities, at fair value							864	1,801	
Mortgage loans (net of ACL of \$51 and \$36)							6,087	6,000	
Limited partnerships and other alternative investments							4,785	4,177	
Other investments							191	159	
Short-term investments							3,850	3,859	
Total investments							55,922	52,560	
Cash							126	229	
Restricted cash							63	115	
Accrued investment income							404	372	
Premiums receivable and agents' balances (net of ACL of \$109 and \$109)							5,607	4,949	
Reinsurance recoverables (net of allowance for uncollectible reinsurance of \$103 and \$105)							7,104	6,964	
Deferred policy acquisition costs							1,113	998	
Deferred income taxes, net							1,173	1,437	
Goodwill							1,911	1,911	
Property and equipment, net							896	927	
Other intangible assets, net							707	778	
Other assets							1,754	1,768	
Total assets							\$ 76,780	\$ 73,008	
Liabilities									
Unpaid losses and loss adjustment expenses							\$ 42,318	\$ 41,243	
Reserve for future policy benefits							484	502	
Other policyholder funds and benefits payable							638	658	
Unearned premiums							8,599	7,815	
Long-term debt							4,362	4,357	
Other liabilities							5,052	4,757	
Total liabilities							61,453	59,332	
Commitments and Contingencies (Note 15)									
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							334	334	
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							3	3	
Additional paid-in capital							648	1,895	
Retained earnings							19,007	17,058	
Treasury stock, at cost — 28,488,130 and 29,848,980 shares							(1,816)	(1,773)	
Accumulated other comprehensive loss, net of tax							(2,849)	(3,841)	
Total stockholders' equity							15,327	13,676	
Total liabilities and stockholders' equity							\$ 76,780	\$ 73,008	



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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Changes in Stockholders' Equity

						For the years ended December 31,							
(in millions, except for share and per share data)	2023			2022			2021						
Preferred Stock	\$	334	\$	334	\$	334							
Common Stock													
Common Stock, beginning of period		3		4		4							
Treasury stock retired		—		(1)		—							
Common Stock, end of period		3		3		4							
Additional Paid-in Capital													
Additional Paid-in Capital, beginning of period		1,895		3,309		4,322							
Issuance of shares under incentive and stock compensation plans and other		(153)		(154)		(90)							
Stock-based compensation plans expense		125		131		116							
Treasury stock retired		(1,219)		(1,391)		(1,039)							
Additional Paid-in Capital, end of period		648		1,895		3,309							
Retained Earnings													
Retained Earnings, beginning of period		17,058		15,770		13,918							
Net income		2,504		1,819		2,371							
Dividends declared on preferred stock		(21)		(21)		(21)							
Dividends declared on common stock		(534)		(510)		(498)							
Retained Earnings, end of period		19,007		17,058		15,770							
Treasury Stock, at cost													
Treasury Stock, at cost, beginning of period		(1,773)		(1,740)		(1,192)							
Treasury stock acquired		(1,414)		(1,550)		(1,702)							
Treasury stock retired		1,219		1,392		1,039							
Issuance of shares under incentive and stock compensation plans from treasury stock and other		207		183		146							
Net shares acquired related to employee incentive and stock compensation plans		(55)		(58)		(31)							
Treasury Stock, at cost, end of period		(1,816)		(1,773)		(1,740)							
Accumulated Other Comprehensive Income (Loss) ("AOCI"), net of tax													
Accumulated Other Comprehensive Income (Loss), net of tax, beginning of period		(3,841)		128		1,170							
Cumulative effect of accounting changes, net of tax		—		—		(65)							
Adjusted balance beginning of period		(3,841)		128		1,105							
Total other comprehensive income (loss)		992		(3,969)		(977)							
Accumulated Other Comprehensive Income (Loss), net of tax, end of period		(2,849)		(3,841)		128							
Total Stockholders' Equity	\$	15,327	\$	13,676	\$	17,805							
Preferred Shares Outstanding		13,800		13,800		13,800							
Common Shares Outstanding (in thousands)													
Common Shares Outstanding, beginning of period		315,111		334,926		358,489							
Treasury stock acquired		(19,238)		(22,273)		(25,878)							
Issuance of shares under incentive and stock compensation plans and other		3,299		3,285		2,902							
Return of shares under incentive and stock compensation plans to treasury stock		(700)		(827)		(587)							
Common Shares Outstanding, end of period		298,472		315,111		334,926							
Cash dividends declared per common share	\$	1.75	\$	1.58	\$	1.44							
Cash dividends declared per preferred share	\$	1,500.00	\$	1,500.00	\$	1,500.00							



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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Consolidated Statements of Cash Flows



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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 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

Reference Rate Reform

On March 12, 2020, the Company adopted the 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 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.

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

Future Adoption of New Accounting Standards

Segment Disclosures

The FASB issued new guidance on Segment Reporting that requires enhanced disclosures on an annual and quarterly basis about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within the reported measure of segment profit or loss. The new guidance also requires disclosure of the title and position of the CODM as well as a description of 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 applied on a retrospective basis for all periods presented. The Company is evaluating the disclosure impact of the new guidance; however, the new guidance will not have an impact on the 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 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 will not have an impact on the consolidated financial position, results of 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 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, 2023, 2022 and 2021, respectively. Participating dividends to property and casualty policyholders were \$39, \$29 and \$24 for the years ended December 31, 2023, 2022 and 2021, respectively.

There were no additional amounts of income allocated to participating policyholders.

Investments

Overview

The Company's investments in fixed maturities consist of bonds, including structured securities, and redeemable preferred 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 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 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, 2023, 2022, and 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.

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

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.

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 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 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. The Company's non-income producing investments were not material for the years ended December 31, 2023, 2022 and 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, 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

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 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 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

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

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 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

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. The Company had no deposit liability as of December 31, 2023 and 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

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 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 \$1.7 billion and \$1.5 billion, and the deferred gain liability reported in other liabilities was \$997 and \$803, as of December 31, 2023 and 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 and \$246 before tax for the years ended December 31, 2023, 2022, and 2021 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 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 future income, and if not, are charged to expense. Anticipated investment income is considered in the determination of the recoverability of DAC.

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

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.

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 \$2.4 billion and \$2.3

ended December 31, 2023, 2022 and 2021, respectively, and is reported in insurance operating costs and other expenses. The 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, and \$60 for the years ended December 31, 2023, 2022, and 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 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

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"), for which the Company is the sole corporate 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.

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 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 third-party life and annuity separate accounts.



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<u>Table of Contents</u>					Note 3 - Segment Information					

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 and \$234, on debt for the years ended December 31, 2023, 2022 and 2021, respectively, is included in the Corporate category for segment reporting. Corporate also includes investment management fees and expenses related to managing third party assets. Talcott Resolution Life, Inc. is the holding company of the life and 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			Page 301 of 2,313		

Net Income (Loss)

	For the years ended December 31,		
	2023	2022	2021
Commercial Lines	\$ 2,085	\$ 1,624	\$ 1,757
Personal Lines	(39)	91	385
Property & Casualty			
Other Operations	(130)	(190)	(95)
Group Benefits	535	327	256
Hartford Funds	174	162	217
Corporate	(121)	(195)	(149)
Net income	2,504	1,819	2,371
Preferred stock dividends	21	21	21
Net income available to common stockholders	\$ 2,483	\$ 1,798	\$ 2,350

Net Investment Income

	For the years ended December 31,		
	2023	2022	2021
Commercial Lines	\$ 1,532	\$ 1,415	\$ 1,502
Personal Lines	171	140	157
Property & Casualty			
Other Operations	69	63	75
Group Benefits	469	524	550
Hartford Funds	17	9	5
Corporate	47	26	24
Net investment income	\$ 2,305	\$ 2,177	\$ 2,313

Amortization of DAC

	For the years ended December 31,		
	2023	2022	2021
Commercial Lines	\$ 1,779	\$ 1,563	\$ 1,398
Personal Lines	231	228	230
Group Benefits	34	33	40
Total amortization of DAC	\$ 2,044	\$ 1,824	\$ 1,668

Amortization of Other Intangible Assets

	For the years ended December 31,		
	2023	2022	2021
Commercial Lines	\$ 29	\$ 29	\$ 29
Personal Lines	2	2	2
Group Benefits	40	40	40
Total amortization of other intangible assets	\$ 71	\$ 71	\$ 71

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

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Non-Insurance Revenue from Contracts with Customers

		For the years ended December 31,		
	Revenue Line Item	2023	2022	2021
Commercial Lines				
Installment billing fees	Fee income	\$ 41	\$ 39	\$ 34
Personal Lines				
Installment billing fees	Fee income	30	30	32
Insurance servicing revenues	Other revenues	81	73	80
Group Benefits				
Administrative services	Fee income	217	187	183
Hartford Funds				
Advisory, servicing and distribution fees	Fee income	973	1,044	1,189
Corporate				
Investment management and other fees	Fee income	39	49	50
Other	Other revenues	1	1	1
Total non-insurance revenues with customers		\$ 1,382	\$ 1,423	\$ 1,569

4. FAIR VALUE MEASUREMENTS

The Company carries certain financial assets and liabilities at estimated fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants. Our fair value framework includes a hierarchy that gives the highest priority to the use of quoted prices in active markets, followed by the use of market observable inputs, followed by the use of unobservable inputs.

The fair value hierarchy levels are as follows:

- Level 1 Fair values based primarily on unadjusted quoted prices for identical assets or liabilities, in active markets that the Company has the ability to access at the measurement date.
- Level 2 Fair values primarily based on observable inputs, other than quoted prices included in Level 1, or based on prices for similar assets and liabilities.

- Level 3 Fair values derived when one or more of the significant inputs are unobservable (including assumptions about risk). With little or no observable market, the determination of fair values uses considerable judgment and represents the Company's best estimate of an amount that could be realized in a market exchange for the asset or liability. Also included are securities that are traded within illiquid markets and/or priced by independent brokers.

The Company will classify the financial asset or liability by level based upon the lowest level input that is significant to the determination of the fair value. In most cases, both observable inputs (e.g., changes in interest rates) and unobservable inputs (e.g., changes in risk assumptions) are used to determine fair values that the Company has classified within Level 3.

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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, 2023

	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				
Fixed maturities, AFS				
Asset-backed securities ("ABS")	\$ 3,320	\$ —	\$ 3,320	\$ —
Collateralized loan obligations ("CLO")	3,090	—	2,977	113
Commercial mortgage-backed securities ("CMBS")	3,125	—	2,898	227
Corporate	17,866	—	16,005	1,861
Foreign government/government agencies	562	—	562	—
Municipal	6,039	—	6,039	—
Residential mortgage-backed securities ("RMBS")	4,287	—	4,251	36
U.S. Treasuries	1,529	18	1,511	—
Total fixed maturities, AFS	39,818	18	37,563	2,237
Fixed maturities, FVO	327	—	160	167
Equity securities, at fair value	864	333	473	58
Derivative assets				
Credit derivatives	(10)	—	(10)	—
Foreign exchange derivatives	9	—	9	—
Total derivative assets [1]	(1)	—	(1)	—
Short-term investments	3,850	1,400	2,425	25
Total assets accounted for at fair value on a recurring basis	\$ 44,858	\$ 1,751	\$ 40,620	\$ 2,487
Liabilities accounted for at fair value on a recurring basis				
Derivative liabilities				
Credit derivatives	\$ 10	\$ —	\$ 10	\$ —
Foreign exchange derivatives	4	—	4	—
Interest rate derivatives	(6)	—	(6)	—
Total derivative liabilities [2]	8	—	8	—
Total liabilities accounted for at fair value on a recurring basis	\$ 8	\$ —	\$ 8	\$ —

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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, 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				
Fixed maturities, AFS				
ABS	\$ 1,941	\$ —	\$ 1,911	\$ 30
CLO	2,941	—	2,826	115
CMBS	3,368	—	3,146	222
Corporate	15,233	—	13,644	1,589
Foreign government/government agencies	547	—	547	—
Municipal	6,296	—	6,296	—
RMBS	3,708	—	3,613	95
U.S. Treasuries	2,197	—	2,197	—
Total fixed maturities, AFS	36,231	—	34,180	2,051
Fixed maturities, FVO	333	—	155	178
Equity securities, at fair value	1,801	1,261	479	61
Derivative assets				
Credit derivatives	2	—	2	—
Foreign exchange derivatives	32	—	32	—
Total derivative assets [1]	34	—	34	—
Short-term investments	3,859	1,429	2,237	193
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				
Derivative liabilities				
Credit derivatives	\$ (2)	\$ —	\$ (2)	\$ —
Foreign exchange derivatives	21	—	21	—
Interest rate derivatives	(6)	—	(6)	—
Total derivative liabilities [2]	13	—	13	—
Total liabilities accounted for at fair value on a recurring basis	\$ 13	\$ —	\$ 13	\$ —

[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 \$75 and \$62 as of December 31, 2023 and December 31, 2022, respectively, which are measured at fair value using the net asset value as a practical expedient.

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 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 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

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

- 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 market prices for exchange-traded and OTC cleared derivatives may be used and in other cases independent broker quotes may

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.

	Level 2 Primary Observable Inputs	Level 3 Primary Unobservable Inputs
Fixed Maturity Investments		
Structured securities (includes ABS, CLO, CMBS and RMBS)		
	<ul style="list-style-type: none"> • 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 <p>Other inputs for ABS, CLO, and RMBS:</p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Independent broker quotes • Credit spreads beyond observable curve • Interest rates beyond observable curve <p>Other inputs for less liquid securities or those that trade less actively, including subprime RMBS:</p> <ul style="list-style-type: none"> • Estimated cash flows • Credit spreads, which include illiquidity premium • Constant prepayment rates • Constant default rates • Loss severity
Corporates		
	<ul style="list-style-type: none"> • Benchmark yields and spreads • Reported trades, bids, offers of the same or similar securities • Issuer spreads and credit default swap curves <p>Other inputs for investment grade privately placed securities that utilize internal matrix pricing:</p> <ul style="list-style-type: none"> • Credit spreads for public securities of similar quality, maturity, and sector, adjusted for non-public nature 	<ul style="list-style-type: none"> • Independent broker quotes • Credit spreads beyond observable curve • Interest rates beyond observable curve <p>Other inputs for below investment grade privately placed securities and private bank loans:</p> <ul style="list-style-type: none"> • 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		
	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Credit spreads beyond observable curve • Interest rates beyond observable curve
Equity Securities		
	<ul style="list-style-type: none"> • Quoted prices in markets that are not active 	<ul style="list-style-type: none"> • 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		
	<ul style="list-style-type: none"> • Benchmark yields and spreads • Reported trades, bids, offers • Issuer spreads and credit default swap curves • Material event notices and new issue money market rates 	<ul style="list-style-type: none"> • Independent broker quotes
Derivatives		
Credit derivatives		
	<ul style="list-style-type: none"> • Swap yield curve • Credit default swap curves 	<ul style="list-style-type: none"> • Not applicable
Foreign exchange derivatives		
	<ul style="list-style-type: none"> • Swap yield curve • Currency spot and forward rates • Cross currency basis curves 	<ul style="list-style-type: none"> • Not applicable
Interest rate derivatives		
	<ul style="list-style-type: none"> • Swap yield curve 	<ul style="list-style-type: none"> • 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	Fair Value	Predominant Valuation Technique	Significant Unobservable Input	Minimum	Maximum	Weighted Average [1]	Impact of Increase in Input on Fair Value [2]
As of December 31, 2023							
CLO [3]	\$ 98	Discounted cash flows	Spread	268 bps	270 bps	269 bps	Decrease
CMBS [3]	\$ 226	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)	365 bps	1,315 bps	509 bps	Decrease
Corporate [4]	\$ 1,741	Discounted cash flows	Spread	49 bps	743 bps	323 bps	Decrease
RMBS	\$ 36	Discounted cash flows	Spread [6]	32 bps	298 bps	161 bps	Decrease
			Constant prepayment rate [6]	1%	5%	4%	Decrease [5]
			Constant default rate [6]	1%	5%	2%	Decrease
			Loss severity [6]	10 bps	70 bps	41 bps	Decrease
Short-term investments [3]	\$ 15	Discounted cash flows	Spread	579 bps	1,254 bps	1,225 bps	Decrease
As of December 31, 2022							
CLO	\$ 115	Discounted cash flows	Spread	337 bps	337 bps	337 bps	Decrease
CMBS [3]	\$ 219	Discounted cash flows	Spread (encompasses prepayment, default risk and loss severity)	419 bps	1,307 bps	527 bps	Decrease
Corporate [4]	\$ 1,541	Discounted cash flows	Spread	77 bps	642 bps	360 bps	Decrease
RMBS [3]	\$ 65	Discounted cash flows	Spread [6]	62 bps	249 bps	160 bps	Decrease
			Constant prepayment rate [6]	1%	10%	7%	Decrease [5]
			Constant default rate [6]	1%	4%	2%	Decrease
			Loss severity [6]	10%	100%	38%	Decrease

[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, 2023 and 2022, the fair values of the Company's level 3 derivatives were less than \$1 for both periods.

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

of December 31, 2023, no significant adjustments were made by the Company to broker prices received.

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.

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Note 4 - Fair Value Measurements

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, 2023**

				Total realized/ unrealized gains (losses)											
		Fair value as of January 1, 2023		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, 2023				
Assets															
Fixed maturities, AFS															
	ABS	\$	30	\$	—	\$	82	\$	—	\$	—	\$	(112)	\$	—
	CLO	115		—		102		(49)		—		(55)		113	
	CMBS	222		(2)		3		6		(18)		(5)		21	
	Corporate	1,589		(5)		71		458		(196)		(11)		50	
	RMBS	95		—		—		40		(29)		—		—	
Total fixed maturities, AFS		2,051		(7)		74		688		(292)		(16)		71	
Fixed maturities, FVO		178		(1)		—		—		(10)		—		—	
Equity securities, at fair value		61		(1)		—		1		(3)		—		—	
Short-term investments		193		—		—		48		(216)		—		—	
Total Assets		\$	2,483	\$	(9)	\$	74	\$	737	\$	(521)	\$	(16)	\$	71

**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	

[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 into and/or (out of) of Level 3 are primarily attributable to the availability of market observable information and the re-evaluation of the observability of pricing inputs.

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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 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		—		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 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.

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, 2023 and 2022, the fair value of assets using the fair value option was \$327 and \$333, respectively, of which \$167 and \$178, respectively, were residual interests of securitizations.

For the years ended December 31, 2023, 2022, and 2021, net realized gains (losses) related to the change in fair value of assets using the fair value 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, 2023							December 31, 2022					
	Fair Value Hierarchy Level	Carrying Amount [1]		Fair Value				Fair Value Hierarchy Level	Carrying Amount [1]		Fair Value		
Assets													
Mortgage loans	Level 3	\$	6,087	\$	5,584			Level 3	\$	6,000	\$	5,362	
Liabilities													
Other policyholder funds and benefits payable	Level 3	\$	638	\$	639			Level 3	\$	658	\$	658	
Senior notes [2]	Level 2	\$	3,863	\$	3,533			Level 2	\$	3,858	\$	3,339	
Junior subordinated debentures [2]	Level 2	\$	499	\$	429			Level 2	\$	499	\$	419	

[1]As of December 31, 2023 and December 31, 2022, the carrying amount of mortgage loans is net of ACL of \$51 and \$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.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVESTMENTS

Net Investment Income

(Before tax)	For the years ended December 31,					
	2023		2022		2021	
Fixed maturities [1]	\$	1,895	\$	1,469	\$	1,349
Equity securities		45		57		73
Mortgage loans		235		211		181
Limited partnerships and other alternative investments		212		515		732
Other investments [2]		9		5		58
Gross investment income	\$	2,396	\$	2,257	\$	2,393
Investment expenses		(91)		(80)		(80)
Total net investment income	\$	2,305	\$	2,177	\$	2,313

[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.

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

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.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 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.

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.

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

For the years ended December 31,

	2023										2022										2021							
														Foreign govt./ govt. agencies														
(Before tax)	CMBS			Corporate			Total				CMBS			Corporate							Corporate			Total				
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

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Note 5 - Investments

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		V
ABS	\$ 3,347	\$ —	\$ 18	\$ (45)	\$ 3,320		\$ 2,016	\$ —	\$ —	\$ (75)	\$	1
CLO	3,104	—	3	(17)	3,090		3,040	—	3	(102)		2
CMBS	3,466	(12)	19	(348)	3,125		3,715	(10)	21	(358)		3
Corporate	18,691	(9)	197	(1,013)	17,866		16,794	(2)	33	(1,592)		13
Foreign govt./govt. agencies	583	—	6	(27)	562		596	—	—	(49)		
Municipal	6,207	—	131	(299)	6,039		6,718	—	93	(515)		6
RMBS	4,675	—	18	(406)	4,287		4,214	—	2	(508)		3
U.S. Treasuries	1,653	—	26	(150)	1,529		2,440	—	—	(243)		2
Total fixed maturities, AFS	\$ 41,726	\$ (21)	\$ 418	\$ (2,305)	\$ 39,818		\$ 39,533	\$ (12)	\$ 152	\$ (3,442)	\$	36

Fixed Maturities, AFS, by Contractual Maturity Year

	December 31, 2023			December 31, 2022	
	Amortized Cost	Fair Value		Amortized Cost	Fair Value
One year or less	\$ 1,526	\$ 1,501		\$ 1,417	\$ 1,396
Over one year through five years	9,670	9,433		8,340	7,930
Over five years through ten years	6,568	6,211		7,259	6,485
Over ten years	9,370	8,851		9,532	8,462
Subtotal	27,134	25,996		26,548	24,273
Mortgage-backed and asset-backed securities	14,592	13,822		12,985	11,958
Total fixed maturities, AFS	\$ 41,726	\$ 39,818		\$ 39,533	\$ 36,231

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, 2023, or December 31, 2022, other than U.S. government securities and certain U.S. government agencies.

As of 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 Government of Canada, and Morgan Stanley each of which comprised less than 1% of total invested assets. As of 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 Toronto Dominion Bank, Morgan Stanley, and the 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 HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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
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, 2023, fixed maturities, AFS in an unrealized loss position consisted of 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, 2023, 94% of these fixed maturities were depressed less than 20% of cost or amortized cost. The decrease in unrealized losses during 2023, was primarily due to 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 municipal bonds, which were primarily depressed because current rates are higher and/or market spreads are wider than at the respective purchase dates. 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.

ACL on Mortgage Loans

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

There were no mortgage loans held-for-sale as of December 31, 2023 or December 31, 2022. In addition, as of December 31, 2023 and 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 or with borrowers experiencing financial difficulties.

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, 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.

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Mortgage Loans LTV & DSCR by Origination Year as of December 31, 2023																		
	2023			2022			2021			2020			2019			2018 & Prior		
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
Greater than 80%	\$ —		—x	\$ 16		1.09x	\$ 38		1.05x	\$ —		—x	\$ —		—x	\$ 105		1.41x
65% - 80%	—		—x	189		2.13x	457		2.42x	95		3.47x	98		1.77x	252		1.77x
Less than 65%	400		1.47x	724		2.75x	1,105		2.99x	527		2.92x	679		2.90x	1,453		2.67x
Total mortgage loans	\$ 400		1.47x	\$ 929		2.60x	\$ 1,600		2.78x	\$ 622		3.00x	\$ 777		2.76x	\$ 1,810		2.47x

[1]Amortized cost of mortgage loans excludes ACL of \$51.

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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	
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
Greater than 80%	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	\$ —	—x	\$ 23	1.40x
65% - 80%	16	2.02x	59	2.61x	43	2.78x	100	1.95x	108	1.11x	117	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
Total mortgage loans	\$ 855	2.42x	\$ 1,534	2.78x	\$ 706	3.01x	\$ 780	2.66x	\$ 545	1.99x	\$ 1,616	2.48x

[1] Amortized cost of mortgage loans excludes ACL of \$36.

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, 2023 and 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, 2023, under this program, the Company serviced mortgage loans with a total outstanding principal of \$9.4 billion, of which \$4.4 billion was serviced on behalf of third parties and \$5.0 billion was retained and reported in total investments on the Company's Consolidated Balance Sheets. As of December 31, 2022, the Company serviced mortgage loans with a total outstanding principal balance of \$9.3 billion, of which \$4.4 billion was serviced on behalf of third parties and \$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, 2023 and 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 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

Mortgage Loans by Region									
	December 31, 2023					December 31, 2022			
	Amortized Cost		Percent of Total			Amortized Cost		Percent of Total	
East North Central	\$ 368		6.0 %			\$ 317		5.3 %	
Middle Atlantic	238		3.9 %			316		5.2 %	
Mountain	699		11.4 %			707		11.7 %	
New England	351		5.7 %			395		6.5 %	
Pacific	1,326		21.6 %			1,299		21.5 %	
South Atlantic	1,776		28.9 %			1,670		27.7 %	
West North Central	103		1.7 %			105		1.7 %	
West South Central	445		7.2 %			421		7.0 %	
Other [1]	832		13.6 %			806		13.4 %	
Total mortgage loans	6,138		100.0 %			6,036		100.0 %	
ACL	(51)					(36)			
Total mortgage loans, net of ACL	\$ 6,087					\$ 6,000			

[1] Primarily represents loans collateralized by multiple properties in various regions.

Mortgage Loans by Property Type									
	December 31, 2023					December 31, 2022			
	Amortized Cost		Percent of Total			Amortized Cost		Percent of Total	
Commercial									
Industrial	\$ 2,363		38.5 %			\$ 2,217		36.7 %	
Multifamily	2,200		35.9 %			2,247		37.2 %	
Office	578		9.4 %			585		9.7 %	
Retail [1]	917		14.9 %			947		15.7 %	
Single Family	80		1.3 %			—		— %	
Other	—		— %			40		0.7 %	
Total mortgage loans	6,138		100.0 %			6,036		100.0 %	
ACL	(51)					(36)			
Total									

consolidates the VIE in the Company's Consolidated Financial Statements.

Consolidated VIEs

As of December 31, 2023 and 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, 2023 and 2022 is limited to the total carrying value of \$3.0 billion and \$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, 2023 and 2022, the Company has outstanding commitments totaling \$1.7 billion and \$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.

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

agreements as collateralized financing. As of December 31, 2023 and December 31, 2022, the Company reported \$10 and \$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, 2023 and December 31, 2022, the Company pledged collateral of \$7 and \$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, 2023		December 31, 2022	
	Fair Value		Fair Value	
Securities on deposit with government agencies	\$	2,339	\$	2,189
Fixed maturities in trust for benefit of Lloyd's Syndicate policyholders		890		718
Short-term investments in trust for benefit of Lloyd's Syndicate policyholders		30		8
Fixed maturities in Lloyd's trust account		154		161
Other investments		75		62
Total Other Restricted Investments	\$	3,488	\$	3,138

Equity Method Investments

The majority of the Company's investments in limited partnerships and other alternative investments, including real estate joint ventures, real estate funds, private equity funds, and other funds (collectively, "limited partnerships"), are accounted for under the equity method of accounting. The remainder of investments in limited partnerships and other

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 the \$500 junior subordinated debentures due 2067 to fixed interest payments. For further information, see the Junior Subordinated Debentures section within Note 14 - Debt.

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.

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 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 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, 2023 and

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 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

The Company 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.

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

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Offsetting of Derivative Assets/Liabilities

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.

Offsetting Derivative Assets and Liabilities

	(i)		(ii)		(iii) = (i) - (ii)		(iv)		(v) = (iii) - (iv)	
					Net Amounts Presented in the Statement of Financial Position		Collateral Disallowed for Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets (Liabilities)		Gross Amounts Offset in the Statement of Financial Position		Derivative Assets [1] (Liabilities) [2]		Accrued Interest and Cash Collateral (Received) [3] Pledged [2]		Financial Collateral (Received) Pledged [4]	
As of December 31, 2023										
Other investments	\$	57	\$	55	\$	(1)	\$	3	\$	—
Other liabilities	\$	(50)	\$	(36)	\$	8	\$	(22)	\$	(13)
As of December 31, 2022										
Other investments	\$	62	\$	60	\$	34	\$	(32)	\$	—
Other liabilities	\$	(15)	\$	(7)	\$	13	\$	(21)	\$	(7)

[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.

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 Gain/(Loss)	Net Investment Income	Interest Expense	Net Realized Gain/(Loss)	Net Investment Income	Interest Expense	Net Realized Gain/(Loss)	Net Investment Income	Interest Expense
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, 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 \$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 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, 2023, 2022, and 2021, the Company had no net reclassifications from AOCI to earnings

resulting from the discontinuance of cash-flow hedges due to forecasted transactions that were no longer probable of occurring.

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,					
	2023		2022		2021	
<i>Foreign exchange contracts</i>						
Foreign currency swaps and forwards	\$	—	\$	5	\$	2
<i>Interest rate contracts</i>						
Interest rate swaps, swaptions and futures		(3)		25		3
<i>Credit contracts</i>						
Credit derivatives that purchase credit protection		(105)		4		—
Credit derivatives that assume credit risk		—		—		7
<i>Equity contracts</i>						
Equity options		—		(2)		—
<i>Commodity contracts</i>						
Commodity options		—		14		—
Total [1]	\$	(108)	\$	46	\$	12

[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 may reference investment grade single corporate issuers and baskets, which include standard diversified portfolios of corporate and CMBS issuers.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Credit Risk Assumed Derivatives by Type

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[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, 2023 and 2022, the Company has pledged cash collateral associated with derivative instruments of \$25 and less than \$1, 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, 2023 and 2022, the Company pledged securities collateral associated with derivative instruments with a fair value of \$14 and \$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, 2023 and 2022, the Company has pledged initial margin of cash related to OTC-cleared and exchange traded derivatives with a fair value of \$16 for both periods, which is recorded in other investments or other assets on the Company's Consolidated Balance Sheets. As of December 31, 2023 and 2022, the Company has pledged initial margin of securities related to OTC-cleared and exchange traded derivatives with a fair value of \$112 and \$57, respectively, which are included within fixed maturities on the Company's Consolidated Balance Sheets.

As of December 31, 2023 and 2022, the Company accepted cash collateral associated with derivative instruments of \$49 and \$56, respectively, which was invested and recorded in the Consolidated Balance Sheets in fixed maturities and short-term 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, 2023 and 2022 with a fair value of \$0 and \$1, respectively, which the Company has the right to repledge or sell. As of December 31, 2023 and 2022, the Company had no repledged securities. In addition, as of December 31, 2023 and 2022, non-cash collateral accepted was held in separate custodial accounts and was not included in the Company's Consolidated Balance Sheets.

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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,					
		2023		2022	
Premiums receivable, excluding receivables for losses within a deductible and retrospectively-rated policy premiums ("loss sensitive business")	\$	5,303	\$	4,698	
Receivables for loss sensitive business, by credit quality:					
AA		94		106	
A		54		38	
BBB		136		119	
BB		84		56	
Below BB		45		41	
Total receivables for loss sensitive business		413		360	
Total Premiums Receivable and Agents' Balances, Gross		5,716		5,058	
ACL		(109)		(109)	
Total Premiums Receivable and Agents' Balances, Net of ACL	\$	5,607	\$	4,949	

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.

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.

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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 for the Year Ended

	December 31, 2023					December 31, 2022					December 31, 2021			
	Receivables Excluding Receivables for Loss Sensitive Business	Receivables for Loss Sensitive Business	Total			Receivables Excluding Receivables for Loss Sensitive Business	Receivables for Loss Sensitive Business	Total			Receivables Excluding Receivables for Loss Sensitive Business	Receivables for Loss Sensitive Business	Total	
Beginning ACL	\$ 85	\$ 24	\$ 109			\$ 83	\$ 22	\$ 105			\$ 117	\$ 35	\$ 152	
Current period provision (release)	52	(2)	50			48	3	51			17	(13)	4	
Current period gross write-offs	(55)	(2)	(57)			(56)	(1)	(57)			(59)	—	(59)	
Current period gross recoveries	7	—	7			10	—	10			8	—	8	
Ending ACL	\$ 89	\$ 20	\$ 109			\$ 85	\$ 24	\$ 109			\$ 83	\$ 22	\$ 105	

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 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 ("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") up to an aggregate limit of \$300. As the Company has ceded all of the \$300 available limit, there is no remaining limit available 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 for the years ended December 31, 2023, 2022 and 2021, respectively.

Group Benefits ceded losses, which reduce losses and loss adjustment expenses incurred, were \$93, \$81 and \$85 for the years ended December 31, 2023, 2022 and 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.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reinsurance Recoverables by Credit Quality Indicator

	As of December 31, 2023					As of December 31, 2022			
	P&C	Group Benefits	Corporate	Total		P&C	Group Benefits	Corporate	Total
AM Best Financial Strength Rating									
A++	\$ 2,398	\$ —	\$ —	\$ 2,398		\$ 2,094	\$ —	\$ —	\$ 2,094
A+	2,030	251	241	2,522		2,169	239	259	2,667
A	810	1	—	811		763	1	—	764
A-	653	5	—	658		79	6	—	85
B++	2	—	3	5		616	—	2	618
Below B++	22	—	—	22		20	—	—	20
Total Rated by AM Best	5,915	257	244	6,416		5,741	246	261	6,248
Mandatory (Assigned) and Voluntary Risk Pools	208	—	—	208		218	—	—	218
Captives	353	—	—	353		319	—	—	319
Other not rated companies	226	4	—	230		279	5	—	284
Gross Reinsurance Recoverables	6,702	261	244	7,207		6,557	251	261	7,069
Allowance for uncollectible reinsurance	(100)	(1)	(2)	(103)		(102)	(1)	(2)	(105)
Net Reinsurance Recoverables	\$ 6,602	\$ 260	\$ 242	\$ 7,104		\$ 6,455	\$ 250	\$ 259	\$ 6,964

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

factors are historical insurer and reinsurer defaults for liabilities 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. 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.

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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, 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	2023		2022		2021	
Direct	\$	16,144	\$	14,891	\$	13,696
Assumed		975		718		631
Ceded		(1,642)		(1,490)		(1,378)
Net	\$	15,477	\$	14,119	\$	12,949
Premiums Earned						
Direct	\$	15,514	\$	14,328	\$	13,204
Assumed		826		654		568
Ceded		(1,612)		(1,462)		(1,277)
Net	\$	14,728	\$	13,520	\$	12,495

Group Benefits Revenue

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,					
	2023		2022		2021	
Balance, beginning of period	\$	998	\$	874	\$	782
Deferred costs		2,159		1,939		1,739
Amortization — DAC		(2,044)		(1,824)		(1,668)
Add back amortization of value of business acquired [1]		—		9		21
Balance, end of period	\$	1,113	\$	998	\$	874

[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, 2023 and 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, 2023 and 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, 2023 and 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, 2023							As of December 31, 2022					
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount			Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
Amortized Intangible Assets:													
Customer relationships	\$	636	\$	(269)	\$	367		\$	636	\$	(225)	\$	411
Marketing agreement with Aetna		16		(7)		9			16		(6)		10
Distribution Agreement		79		(72)		7			79		(70)		9
Distribution and Agency relationships & Other		340		(111)		229			340		(87)		253
Total Finite Life Intangibles		1,071		(459)		612			1,071		(388)		683
Total Indefinite Life Intangible Assets		95				95			95				95
Total Other Intangible Assets	\$	1,166	\$	(459)	\$	707		\$	1,166	\$	(388)	\$	778

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, 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,		
	2023	2022	2021
Workers' compensation	\$ (236)	\$ (204)	\$ (190)
Workers' compensation discount accretion	42	36	35
General liability	41	56	454
Marine	(2)	2	1
Package business	(24)	(39)	(91)
Commercial property	(7)	(11)	(26)
Professional liability	(2)	(11)	(2)
Bond	(27)	(32)	(26)
Assumed reinsurance	34	19	(6)
Automobile liability - Commercial Lines	20	38	9
Automobile liability - Personal Lines	—	(14)	(90)
Homeowners	(6)	(1)	3
Net asbestos and environmental reserves	—	—	—
Catastrophes	(87)	(62)	(154)
Uncollectible reinsurance	13	3	(6)
Other reserve re-estimates, net	57	27	42
Prior accident year development, including full benefit for the ADC cession	(184)	(193)	(47)
Change in deferred gain on retroactive reinsurance included in other liabilities [1]	194	229	246
Total prior accident year development	\$ 10	\$ 36	\$ 199

[1]The change in deferred gain for the years ended December 31, 2023, 2022 and 2021 included \$194, \$229 and \$155, respectively of adverse development on A&E reserves in excess of ceded premium paid and included \$0, \$0 and \$91 respectively, of adverse development on Navigators 2018 and prior accident year reserves ceded to NICO, primarily within professional liability, general liability and marine.

2023 re-estimates of prior accident year reserves

Workers' compensation reserves were decreased within the 2014 to 2020 accident years primarily in small commercial, driven by lower than previously estimated claim

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 & 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 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 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.

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.

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 15 - Commitments and Contingencies.

Other reserve re-estimates, net, were increased primarily due to an increase in 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.

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 D&O insurance for older accident years. More than offsetting this favorable reserve development were reserve increases on legacy Navigators public company D&O insurance for 2019 and

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 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.

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.

Settlement Agreement with Boy Scouts of America

On February 14, 2022, the Company executed a final settlement agreement (the "Settlement") with the BSA, 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 in the 1970s and early 1980s. In exchange for its payment, the Company receives a complete release of its policies issued to BSA and the Local Councils, as well as an injunction against further abuse claims involving BSA. All conditions precedent to the Settlement have been satisfied, including approval by the bankruptcy court and the district court, and on April 20, 2023, The Hartford paid the Settlement amount of \$787. Certain objecting parties have appealed the 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 affirmed on appeal, it is possible that adverse outcomes, if any, could have a material adverse effect on the Company's operating results.

Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance																			
Reserve Line	Cumulative Incurred for Accident Years Displayed in Triangles		Cumulative Paid for Accident Years Displayed in Triangles		Unpaid for Accident Years not Displayed in Triangles		Unpaid Unallocated Loss Adjustment Expenses, Net of Reinsurance		Discount	Subtotal		Reinsurance and Other Recoverables		Liability for Unpaid Losses and Loss Adjustment Expenses					
Workers' compensation	\$	18,050	\$	(9,482)	\$	3,581	\$	388	\$	(325)	\$	12,212	\$	1,651	\$	13,863			
General liability		8,271		(3,772)		497		172		—		5,168		1,160		6,328			
Marine		1,452		(1,182)		11		14		—		295		255		550			
Package business		7,856		(5,797)		102		120		—		2,281		54		2,335			
Commercial property		4,068		(3,568)		13		27		—		540		271		811			
Commercial automobile liability		4,243		(2,945)		21		32		—		1,351		99		1,450			
Commercial automobile physical damage		215		(194)		3		1		—		25		—		25			
Professional liability		2,846		(1,511)		68		46		—		1,449		734		2,183			
Bond		680		(284)		26		36		—		458		14		472			
Assumed Reinsurance		1,798		(1,242)		—		6		—		562		44		606			
Personal automobile liability		10,874		(9,393)		29		62		—		1,572		27		1,599			
Personal automobile physical damage		1,535		(1,462)		7		4		—		84		—		84			
Homeowners		6,009		(5,677)		5		35		—		372		4		376			
Other ongoing business						170		5		(14)		161		347		508			
Asbestos and environmental [1]						340		—		—		340		1,992		2,332			
Other operations [1]						317		161		—		478		44		522			
Total P&C	\$	67,897	\$	(46,509)	\$	5,190	\$	1,109	\$	(339)	\$	27,348	\$	6,696	\$	34,044			

[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 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 \$17 of losses ceded to the Navigators ADC related to older accident years and lines of business not in the triangles.

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

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.

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. 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, 2023.

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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)

Workers' Compensation

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	For the years ended December 31,									
	(Unaudited)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 1,869	\$ 1,838	\$ 1,789	\$ 1,761	\$ 1,713	\$ 1,692	\$ 1,679	\$ 1,654	\$ 1,637	\$ 1,615
2015		1,873	1,835	1,801	1,724	1,714	1,699	1,667	1,645	1,625
2016			1,772	1,772	1,780	1,767	1,748	1,708	1,670	1,634
2017				1,862	1,869	1,840	1,822	1,757	1,665	1,635
2018					1,916	1,917	1,915	1,904	1,870	1,836
2019						1,937	1,935	1,934	1,934	1,899
2020							1,865	1,864	1,849	1,808
2021								1,831	1,832	1,831
2022									2,000	2,001
2023										2,166
Total										\$ 18,050

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	For the years ended December 31,									
	(Unaudited)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 275	\$ 598	\$ 811	\$ 960	\$ 1,041	\$ 1,099	\$ 1,137	\$ 1,167	\$ 1,191	\$ 1,207
2015		261	576	778	909	1,004	1,068	1,117	1,151	1,179
2016			255	579	779	908	1,003	1,064	1,110	1,145
2017				261	575	778	900	977	1,035	1,087
2018					283	624	837	983	1,090	1,170
2019						291	637	856	1,007	1,129
2020							223	507	695	850
2021								254	562	780
2022									293	649
2023										286
Total										\$ 9,482

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claim Report
2014	\$ 506	\$ 475	\$ 481	\$ 494	\$ 513	\$ 522	\$ 515	\$ 505	\$ 510	\$ 506	\$ 33	16,609
2015		556	560	554	594	633	647	637	647	641	51	16,786
2016			613	583	607	632	632	620	636	670	65	17,833
2017				626	614	613	615	613	615	658	92	17,377
2018					692	669	697	703	728	751	158	18,783
2019						822	826	821	839	859	259	18,432
2020							938	923	923	874	496	14,006
2021								1,002	991	983	676	11,943
2022									1,116	1,110	873	11,167
2023										1,219	1,173	7,835
Total										\$ 8,271		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,										
(Unaudited)										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 15	\$ 42	\$ 130	\$ 214	\$ 304	\$ 358	\$ 402	\$ 423	\$ 437	\$ 456
2015		10	55	156	278	409	477	524	547	564
2016			12	52	131	283	368	446	513	564
2017				15	67	156	255	344	441	506
2018					21	83	177	288	409	512
2019						29	100	192	339	501
2020							45	110	202	308
2021								34	115	209
2022									26	135
2023										17
Total										\$ 3,772

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance										
For the years ended December 31,										
(Unaudited)										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 41	\$ 81	\$ 117	\$ 132	\$ 152	\$ 157	\$ 160	\$ 162	\$ 165	\$ 166
2015		40	86	117	126	134	140	141	143	143
2016			36	81	106	123	132	141	144	147
2017				47	107	134	143	151	162	171
2018					33	95	126	135	142	159
2019						34	80	96	106	115
2020							32	68	90	99
2021								25	63	87
2022									27	72
2023										23
Total										\$ 1,182

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claim Report
2014	\$ 566	\$ 578	\$ 601	\$ 602	\$ 603	\$ 603	\$ 593	\$ 581	\$ 576	\$ 577	\$ 18	43,611
2015		582	588	585	583	588	581	567	564	564	15	42,415
2016			655	638	632	625	611	595	591	590	33	44,318
2017				695	702	692	657	644	637	640	43	46,880
2018					719	724	688	667	655	654	60	45,254
2019						813	769	749	744	747	81	43,820
2020							915	893	877	837	147	62,738
2021								946	954	958	235	47,187
2022									1,038	1,039	317	45,649
2023										1,250	570	40,286
Total										\$ 7,856		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,										
(Unaudited)										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 226	\$ 345	\$ 416	\$ 468	\$ 507	\$ 525	\$ 535	\$ 542	\$ 545	\$ 551
2015		212	332	383	445	486	505	513	530	542
2016			225	353	410	465	500	521	540	545
2017				235	372	447	496	534	561	578
2018					237	402	451	498	537	571
2019						254	413	488	571	626
2020							326	493	573	648
2021								368	556	650
2022									319	633
2023										453
Total										\$ 5,797

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claim Report
2014	\$ 293	\$ 281	\$ 282	\$ 280	\$ 280	\$ 280	\$ 280	\$ 279	\$ 279	\$ 279	\$ (1)	21,124
2015		299	301	302	302	306	304	302	302	301	1	21,149
2016			406	420	400	407	409	409	406	406	(1)	24,099
2017				578	516	456	439	441	438	440	3	24,727
2018					450	436	424	403	400	393	(3)	21,916
2019						480	439	418	420	421	—	21,105
2020							501	469	439	437	54	20,573
2021								530	500	463	45	18,285
2022									497	480	71	17,350
2023										448	140	15,390
Total										\$ 4,068		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,										
(Unaudited)										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 170	\$ 250	\$ 270	\$ 279	\$ 279	\$ 279	\$ 280	\$ 280	\$ 280	\$ 280
2015		179	257	285	296	302	303	302	302	302
2016			215	343	379	396	402	407	407	408
2017				229	378	412	427	433	439	440
2018					188	344	378	385	394	394
2019						215	351	383	405	407
2020							221	336	355	366
2021								241	382	403
2022									180	369
2023										199
Total										\$ 3,568

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claim Report
2014	\$ 309	\$ 317	\$ 331	\$ 337	\$ 341	\$ 334	\$ 333	\$ 332	\$ 332	\$ 332	\$ 4	30,171
2015		308	358	372	356	356	359	360	358	360	6	28,745
2016			385	393	390	391	391	395	395	396	7	29,260
2017				372	383	379	383	381	394	398	2	26,411
2018					349	396	405	406	424	433	21	24,799
2019						425	439	450	460	471	30	28,573
2020							428	424	419	397	79	22,194
2021								440	443	429	157	19,999
2022									468	500	238	20,384
2023										527	403	18,107
Total										\$ 4,243		

Cumulative Paid Losses & Allocated Loss Adjustment Expense, Net of Reinsurance

For the years ended December 31											
(Unaudited)											
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2014	\$ 59	\$ 131	\$ 197	\$ 252	\$ 299	\$ 309	\$ 318	\$ 320	\$ 325	\$ 328	
2015		62	142	207	267	314	335	344	348	350	
2016			65	147	232	303	339	357	379	385	
2017				60	134	211	285	328	368	386	
2018					62	153	238	305	360	387	
2019						67	160	247	327	393	
2020							55	119	200	264	
2021								55	127	212	
2022									64	171	
2023										69	
Total										\$ 2,945	

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance											
For the years ended December 31,											
(Unaudited)											
Claims Made Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2014	\$ 8	\$ 38	\$ 74	\$ 108	\$ 131	\$ 135	\$ 146	\$ 145	\$ 151	\$ 157	
2015		9	41	86	108	125	141	164	175	186	
2016			8	51	88	111	124	148	167	177	
2017				11	48	87	122	149	179	191	
2018					15	72	127	161	195	233	
2019						21	77	148	198	241	
2020							19	71	118	147	
2021								15	55	95	
2022									18	64	
2023										20	
Total										\$ 1,511	

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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)

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claims Reported
2014	\$ 71	\$ 67	\$ 66	\$ 67	\$ 59	\$ 59	\$ 60	\$ 60	\$ 64	\$ 62	\$ 10	1,393
2015		67	67	63	60	54	48	47	42	37	12	1,411
2016			61	61	61	55	51	45	37	34	14	1,344
2017				63	90	101	94	79	70	68	25	1,793
2018					68	68	72	71	70	63	32	1,737
2019						72	73	74	73	71	53	1,890
2020							83	84	79	83	55	2,201
2021								85	85	88	62	2,870
2022									85	93	42	2,456
2023										81	71	1,414
Total										\$ 680		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,

(Unaudited)

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 18	\$ 31	\$ 40	\$ 43	\$ 43	\$ 44	\$ 46	\$ 47	\$ 52	\$ 52
2015		9	20	24	31	34	32	30	25	25
2016			2	12	15	20	22	22	22	20
2017				5	46	55	54	42	43	43
2018					6	16	23	24	29	29
2019						3	13	15	16	16
2020							4	12	21	26
2021								8	21	23
2022									11	42
2023										8
Total										\$ 284

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves [1]	Claims Reported
2014	\$ 119	\$ 142	\$ 122	\$ 118	\$ 115	\$ 116	\$ 116	\$ 115	\$ 116	\$ 116	\$ (1)	1,934
2015		102	92	95	94	95	96	96	96	96	(1)	1,723
2016			89	91	98	100	102	102	102	104	(2)	1,975
2017				129	153	162	157	153	155	155	(3)	2,557
2018					128	127	129	134	136	132	(17)	3,026
2019						181	189	186	190	209	22	3,710
2020							183	181	187	179	29	3,177
2021								192	196	204	41	2,431
2022									266	274	101	1,971
2023										329	188	977
Total										\$ 1,798		

[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)											
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2014	\$ 66	\$ 119	\$ 106	\$ 109	\$ 112	\$ 113	\$ 115	\$ 115	\$ 115	\$ 116	
2015		42	65	77	83	91	94	95	96	96	
2016			36	66	85	90	95	97	99	101	
2017				44	116	135	145	147	149	151	
2018					25	111	133	139	142	144	
2019						62	132	153	159	176	
2020							50	89	113	133	
2021								46	102	133	
2022									60	129	
2023										63	
Total										\$ 1,242	

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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 Liability

Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,

(Unaudited)

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 1,146	\$ 1,153	\$ 1,198	\$ 1,200	\$ 1,199	\$ 1,202	\$ 1,201	\$ 1,199	\$ 1,199	\$ 1,199
2015		1,195	1,340	1,338	1,330	1,331	1,328	1,324	1,320	1,319
2016			1,407	1,402	1,393	1,397	1,395	1,386	1,384	1,384
2017				1,277	1,275	1,228	1,214	1,200	1,198	1,197
2018					1,108	1,104	1,072	1,058	1,056	1,055
2019						1,018	1,010	991	986	971
2020							805	782	775	741
2021								881	886	852
2022									928	1,018
2023										1,138
Total										\$ 10,874

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,

(Unaudited)

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 430	\$ 843	\$ 1,032	\$ 1,125	\$ 1,165	\$ 1,182	\$ 1,186	\$ 1,190	\$ 1,192	\$ 1,193
2015		475	935	1,142	1,243	1,292	1,304	1,310	1,313	1,314
2016			505	968	1,188	1,308	1,345	1,363	1,373	1,377
2017				441	836	1,033	1,123	1,161	1,180	1,187
2018					359	710	888	965	1,011	1,028
2019						323	654	816	897	933
2020							238	486	615	679
2021								247	553	691
2022									301	662
2023										329
Total										\$ 9,393

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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)												
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR Reserves	Claim Report
2014	\$ 710	\$ 707	\$ 702	\$ 700	\$ 698	\$ 698	\$ 698	\$ 698	\$ 698	\$ 699	\$ —	121,928
2015		690	703	690	684	684	684	684	684	682	—	120,017
2016			669	673	663	658	658	658	658	658	—	119,815
2017				866	889	884	783	775	774	771	5	124,772
2018					903	910	673	642	639	645	11	102,905
2019						501	475	470	468	467	4	84,781
2020							525	512	513	505	12	88,502
2021								502	501	491	14	77,212
2022									499	507	27	63,841
2023										584	115	63,662
Total										\$ 6,009		

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance

For the years ended December 31,										
(Unaudited)										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 526	\$ 663	\$ 684	\$ 691	\$ 695	\$ 697	\$ 697	\$ 698	\$ 698	\$ 698
2015		487	645	665	674	680	681	681	682	682
2016			481	621	640	649	653	655	656	657
2017				538	747	795	757	761	762	761
2018					484	712	616	619	627	626
2019						318	425	445	458	460
2020							335	454	478	486
2021								305	440	464
2022									298	453
2023										390
Total										\$ 5,677

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 ALAE and 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 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 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

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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]

Reserve Line	(Unaudited)									
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Workers' compensation	14.9 %	18.4 %	12.0 %	8.2 %	5.6 %	3.8 %	2.8 %	2.1 %	1.6 %	1.0 %
General liability	2.7 %	7.6 %	12.7 %	16.7 %	16.6 %	12.3 %	9.0 %	5.1 %	2.7 %	3.9 %
Marine	23.1 %	31.8 %	18.0 %	7.2 %	6.7 %	6.0 %	2.3 %	1.5 %	0.8 %	0.4 %
Package business	36.7 %	22.3 %	10.0 %	9.1 %	6.6 %	3.9 %	2.2 %	1.7 %	1.3 %	1.1 %
Commercial property	50.9 %	32.1 %	7.2 %	3.5 %	1.2 %	0.6 %	0.1 %	0.1 %	— %	— %
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	79.7 %	17.1 %	(0.2 %)							
Professional liability	5.0 %	16.5 %	18.1 %	13.2 %	10.7 %	9.7 %	8.5 %	3.5 %	4.2 %	3.7 %
Bond	11.7 %	24.9 %	9.4 %	6.8 %	0.3 %	(0.4 %)	(0.5 %)	(5.5 %)	4.0 %	— %
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	33.2 %	34.2 %	16.4 %	8.0 %	3.5 %	1.4 %	0.5 %	0.3 %	0.2 %	0.1 %
Personal automobile physical damage	91.3 %	6.5 %	0.1 %							
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

[illegible]

[1] Prior incurral year development represents the change in estimated ultimate incurred losses and loss adjustment expenses for prior incurral years on a discounted basis.

[2]Includes unallocated loss adjustment expenses of \$182, \$185 and \$179 for the years ended December 31, 2023, 2022 and 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,											
	2023				2022				2021			
Liability for unpaid losses and loss adjustment expenses, at undiscounted amounts	\$			8,150	\$			8,124	\$			8,176
Amount of discount				(1,166)				(1,205)				(1,304)
Carrying value of liability for unpaid losses and loss adjustment expenses	\$			6,984	\$			6,919	\$			6,872
Weighted average discount rate				3.2 %				3.2 %				3.3 %
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 \$50 largely driven by continued low incidence in group life premium waiver as well as a reduction in 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.

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 loss of life and severe injury benefits.

Supplemental Accident & Health- Prior period reserve estimates decreased by approximately \$10 driven by lower-than-expected emergence of prior year claims, especially for voluntary critical illness and voluntary accident products.

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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, 2023

Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										Subtotal										Liability for Unpaid Losses and Loss Adjustment Expenses									
Reserve Line	Cumulative Incurred for Incurral Years Displayed in Triangles			Cumulative Paid for Incurral Years Displayed in Triangles			Unpaid for Incurral Years not Displayed in Triangles			Unpaid Unallocated Loss Adjustment Expenses, Net of Reinsurance	Discount	Unpaid Losses and Loss Adjustment Expenses, Net of Reinsurance			Reinsurance and Other Recoverables														
Group long-term disability	\$	14,262		\$	(8,187)		\$	1,434		\$	200	\$	(1,089)		\$	6,620		\$	243		\$	6,863							
Group life and accident, excluding premium waiver		6,525			(5,934)			157			5		(14)			739			5			744							
Group short-term disability								148			9		—			157			—			157							
Group life premium waiver								523			10		(63)			470			2			472							
Group supplemental health								34			—		—			34			4			38							
Total Group Benefits	\$	20,787		\$	(14,121)		\$	2,296		\$	224	\$	(1,166)		\$	8,020		\$	254		\$	8,274							

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)

Incurral Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	F
2014	\$ 1,636	\$ 1,473	\$ 1,430	\$ 1,431	\$ 1,431	\$ 1,408	\$ 1,395	\$ 1,389	\$ 1,382	\$ 1,382	\$
2015		1,595	1,442	1,422	1,420	1,401	1,385	1,380	1,380	1,380	
2016			1,651	1,481	1,468	1,437	1,417	1,409	1,401	1,400	
2017				1,597	1,413	1,358	1,316	1,304	1,296	1,289	
2018					1,647	1,387	1,309	1,277	1,276	1,271	
2019						1,650	1,424	1,327	1,284	1,287	
2020							1,686	1,407	1,323	1,282	
2021								1,768	1,521	1,417	
2022									1,842	1,566	
2023										1,988	
Total										\$ 14,262	

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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)

Incurral Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 103	\$ 448	\$ 675	\$ 801	\$ 884	\$ 960	\$ 1,025	\$ 1,079	\$ 1,122	\$ 1,164
2015		108	460	687	806	891	962	1,025	1,078	1,125
2016			112	479	705	819	907	981	1,043	1,100
2017				109	452	658	757	842	911	970
2018					105	447	639	743	827	897
2019						101	454	650	751	832
2020							100	458	663	767
2021								101	493	720
2022									101	496
2023										116
Total										\$ 8,187

Group Life and Accident, excluding Premium Waiver

Undiscounted Incurred Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance						
For the years ended December 31,						
(Unaudited)						
Incurral Year	2021	2022	2023	IBNR Reserves	Claims Reported	
2021	\$ 2,384	\$ 2,365	\$ 2,364	\$ 14	69,915	
2022		2,061	2,053	26	71,604	
2023			2,108	407	57,414	
Total			\$ 6,525			

Cumulative Paid Losses & Allocated Loss Adjustment Expenses, Net of Reinsurance						
For the years ended December 31,						
(Unaudited)						
Incurral Year	2021	2022	2023			
2021	\$ 1,764	\$ 2,320	\$ 2,344			
2022		1,562	2,018			
2023			1,572			
Total			\$ 5,934			

Group life, disability and accident reserves, including IBNR

The majority of Group Benefits' reserves are for 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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THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. RESERVE FOR FUTURE POLICY BENEFITS

[illegible]

Net Reserve for Future Policy Benefits									
		As of December 31,							
		2023		2022		2021			
Payout Annuities	\$	137	\$	140	\$	188			
Life Conversions		64		65		94			
Paid-up Life		185		192		262			
Deferred Profit Liability		20		19		20			
Other		78		86		82			
Total	\$	484	\$	502	\$	646			

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Note 12 - Reserve for Future Policy Benefits

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Undiscounted Expected Future Gross Premiums and Benefit Payments									
As of December 31,									
	2023		2022		2021				
Payout Annuities [1]									
Expected future benefit payments	\$	257	\$	272	\$	283			
Life Conversions									
Expected future gross premiums	\$	114	\$	120	\$	131			
Expected future benefit payments	\$	204	\$	212	\$	225			
Paid-up Life [1]									
Expected future benefit payments	\$	281	\$	300	\$	324			

[1]Payout Annuities and Paid-up Life have no expected future gross premiums.

Weighted-Average Interest Rates									
For the year ended December 31,									
	2023		2022		2021				
Payout Annuities									
Interest accretion rate	5.6	%	5.6	%	5.6	%			
Current discount rate	5.0	%	5.3	%	2.8	%			
Life Conversions									
Interest accretion rate	4.2	%	4.1	%	4.1	%			
Current discount rate	5.1	%	5.3	%	2.9	%			
Paid-up Life									
Interest accretion rate	2.9	%	2.9	%	2.9	%			
Current discount rate	5.0	%	5.2	%	2.1	%			

The Company completed a review of cash flow assumptions in the third quarter 2023, resulting in immaterial changes to the reserve for future policy benefits. For payout annuities, the net effect of updating cash flow assumptions was partially offset by a corresponding impact to the deferred profit liability. Gross premiums and interest accretion recognized on long-duration insurance policies for the years ended December 31, 2023, 2022 and 2021 were immaterial.

13. OTHER POLICYHOLDER FUNDS AND BENEFITS PAYABLE

Other policyholder funds and benefits payable of \$638, \$658 and \$687 as of December 31, 2023, 2022 and 2021, respectively, included universal life long-duration contracts of \$223, \$232 and \$253 as well as policyholder balances related to short-duration contracts of \$415, \$426, and \$434. The universal life long-duration contracts presented in the 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	\$	277			
Premiums Received		14		15		16			
Policy Charges		(21)		(23)		(23)			
Surrenders and Withdrawals		(6)		(4)		(9)			
Benefit Payments		(6)		(20)		(22)			
Interest Credited		10		11		14			
Balance, End of Year	\$	223	\$	232	\$	253			
Weighted-average crediting rate		4.2 %		4.2 %		4.2 %			
Net Amount at Risk [1]	\$	917	\$	987	\$	1,086			
Cash Surrender Value	\$	221	\$	229	\$	250			

[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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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.

Long-term Debt by Issuance

	As of December 31,			
	2023		2022	
Revolving Credit Facilities	\$	—	\$	—
Senior Notes and Debentures				
2.8% Notes, due 2029		600		600
5.95% Notes, due 2036		300		300
6.625% Notes, due 2040		295		295
6.1% Notes, due 2041		409		409
6.625% Notes, due 2042		178		178
4.3% Notes, due 2043		300		300
4.4% Notes, due 2048		500		500
3.6% Notes, due 2049		800		800
2.9% Notes, due 2051		600		600
Junior Subordinated Debentures				
3-Month term SOFR + 0.26161% + 2.125% Notes, due 2067 [1]		500		500
Total Notes and Debentures		4,482		4,482
Unamortized discount and debt issuance cost [2]		(120)		(125)
Total Debt		4,362		4,357
Less: Current maturities		—		—
Long-Term Debt	\$	4,362	\$	4,357

[1] The Company 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 \$70 and \$72 as of December 31, 2023 and 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

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.

Junior Subordinated Debentures

As of 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.

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 \$500 junior subordinated debentures due 2067 is determined based on a reference rate of 3-month term Secured Overnight Financing Rate ("SOFR") plus a spread adjustment of 0.26161% plus 2.125%.

The Company's interest rate swap agreements that converted the LIBOR variable interest payments on the \$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%.

The \$500 junior subordinated debentures due 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 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 \$500 junior subordinated debentures due 2067 in whole or in part for the principal amount being redeemed plus accrued and unpaid interest to the date of redemption.

In connection with the offering of 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 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.

Long-Term Debt

Long-term Debt Maturities (at par value) as of December 31, 2023

2024 - Current maturities	\$	—	
2025	\$	—	
2026	\$	—	
2027	\$	—	
2028	\$	—	
Thereafter	\$	4,482	

Revolving Credit Facility

The Hartford has a \$750 senior unsecured revolving credit facility, including \$100 available to support letters of credit (the "Credit Facility"), with an expiration date of October 27, 2026. Under the 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 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 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 Credit Facility is for general corporate purposes.

Facility and the Company was in compliance with all financial covenants.

Lloyd's Letter of Credit Facility

The Hartford has a committed credit facility agreement with a syndicate of lenders (the "Lloyd's Facility"). The Lloyd's Facility has two tranches, with one tranche extending a \$74 commitment and the other tranche extending a £79 million (\$101 as of 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 Lloyd's Facility.

Among other covenants, the 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 FAL's, consistent with Lloyd's requirements. As of 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 membership required the purchase of member stock and requires additional member stock ownership of 3% or 4% of any amount borrowed. The amount of advances that can be taken is limited to a percentage of the fair value of the assets considered eligible collateral, for example, 94% for U.S. government-backed fixed maturities maturing within 3 years and 70% for 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 \$0.7 billion in qualifying assets, respectively, without prior approval, to secure FHLBB advances in 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, 2023 and 2022, there were no advances outstanding under the FHLBB facility.



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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 and 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, 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

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 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 uncertainties and contingencies that are not yet fully known, including 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 are in discovery, and many have been dismissed through rulings in favor of the Hartford Writing Companies. Moreover, dozens of policyholders have appealed dismissals in favor of the Hartford Writing Companies. The Hartford Writing Companies have received numerous favorable rulings on appeal, with a few adverse appellate rulings to date. The remainder of the Hartford Writing Companies' appeals are at various stages of the



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appellate process and have not yet been 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 accident years prior to 1986 that are reported in Property & Casualty Other Operations ("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 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,

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 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, 2023, the Company reported \$248 of net asbestos and environmental reserves, including the benefit of losses ceded to an A&E ADC with NICO. In addition, the Company has recorded a \$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,



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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 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, 2023, the Company has incurred \$1,438 in cumulative adverse development on A&E reserves that have been ceded under the A&E ADC treaty, leaving \$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, 2023, the Company has outstanding commitments totaling \$2.6 billion, of which \$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, \$313 of the outstanding commitments relate to various funding obligations primarily associated with tax credits and private debt. The remaining outstanding commitments of \$376 relate to mortgage loans. Of the \$2.6 billion in total outstanding commitments, \$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, a guaranty 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.

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, 2023 and 2022 the liability balance was \$77 and \$82, respectively. As of December 31, 2023 and 2022, there were \$0 and \$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, 2023 was \$43 for which the legal entities have posted collateral of \$39 in the normal course of business. Based on derivative contractual terms as of 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 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

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, 2023, the Company has \$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 equity repurchase program authorized by its Board of Directors in December 2020 expired on December 31, 2022. During the 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, 2024 through February 22, 2024, the Company repurchased \$200 (2.3 million shares).

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.

As of December 31, 2023, the Company accrued \$12 in excise taxes on share repurchases, partially reduced by share issuances, which are reported in other liabilities on the 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, at a redemption price of \$25,000 per share, plus unpaid dividends attributable to the current dividend period.

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 insurance assets and liabilities net of reinsurance. For reporting purposes, statutory capital and surplus is referred to collectively as "statutory capital".

U.S. Statutory Net Income

	For the years ended December 31,		
	2023	2022	2021
Group Benefits Insurance Subsidiary	\$ 592	\$ 378	\$ 32
Property and Casualty Insurance Subsidiaries	1,887	1,514	1,774
Total	\$ 2,479	\$ 1,892	\$ 1,806

U.S. Statutory Capital

	As of December 31,	
	2023	2022
Group Benefits Insurance Subsidiary	\$ 2,748	\$ 2,571
Property and Casualty Insurance Subsidiaries	12,549	12,111
Total	\$ 15,297	\$ 14,682

Regulatory Capital Requirements

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 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

Property casualty insurers domiciled in New York, including 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 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 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 2023, HFSG Holding Company received \$408 of dividends from HLA and \$129 from Hartford Funds. In addition, HFSG Holding Company received \$1.5 billion of net dividends from P&C subsidiaries in 2023, which excludes \$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.

The Company's property and casualty insurance subsidiaries have regulatory dividend capacity of \$1.8 billion for 2024. The HFSG Holding Company 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.

HLA has regulatory dividend capacity of \$609 in 2024 with approximately \$600 of dividends expected in 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, 2023, the Company's insurance subsidiaries had net assets of \$14.5 billion, determined in accordance with U.S. GAAP, that were restricted from payment to the HFSG Holding Company, without prior

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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 \$3,042, \$2,260 and \$2,919 for the years ended December 31, 2023, 2022 and 2021, and income (losses) from foreign operations of \$46, \$2 and \$(14) for the years ended December 31, 2023, 2022 and 2021.

Income Tax Expense

	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,		
	2023	2022	2021
Tax provision at U.S. federal statutory rate	\$ 648	\$ 474	\$ 611
Nontaxable net investment income	(41)	(29)	(67)
Other	(23)	(2)	(10)
Provision for income taxes	\$ 584	\$ 443	\$ 534

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 \$3, \$4 and \$4 for the years ended December 31, 2023, 2022 and 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

Deferred Tax Assets (Liabilities)

	As of December 31,	
	2023	2022
Deferred tax assets		
Loss reserves and tax discount	\$ 517	\$ 437
Unearned premium reserve and other underwriting related reserves	483	442
Employee benefits	172	167
Net unrealized losses on investments	387	668
Net operating loss carryover	45	37
Other	1	19
Total deferred tax assets	1,605	1,770
Valuation allowance	(12)	(27)
Deferred tax assets, net of valuation allowance	1,593	1,743
Deferred tax liabilities		
Deferred acquisition costs	(163)	(146)
Investment-related items	(110)	(48)
Other depreciable and amortizable assets	(147)	(112)
Total deferred tax liabilities	(420)	(306)
Net deferred tax asset	\$ 1,173	\$ 1,437

As of December 31, 2023, the Company has a deferred tax asset for foreign net operating losses ("NOLs") of \$45 partially offset by a valuation allowance of \$12. While the foreign 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,		
	2023	2022	2021

	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 18 - Accumulated Other Comprehensive Income (Loss)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Changes in AOCI, Net of Tax for the Year Ended December 31, 2022

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	\$ 1,631	\$ (2)	\$ 6	\$ 41	\$ (59)	\$ (1,489)	\$ 128		
OCI before reclassifications	(5,630)	(6)	56	(13)	119	119	(5,355)		
Amounts reclassified from AOCI	282	—	(13)	—	—	62	331		
OCI, before tax	(5,348)	(6)	43	(13)	119	181	(5,024)		
Income tax benefit (expense)	1,123	1	(9)	3	(25)	(38)	1,055		
OCI, net of tax	(4,225)	(5)	34	(10)	94	143	(3,969)		
Ending balance	\$ (2,594)	\$ (7)	\$ 40	\$ 31	\$ 35	\$ (1,346)	\$ (3,841)		

Changes in AOCI, Net of Tax for the Year ended December 31, 2021

[illegible]

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Note 18 - Accumulated Other Comprehensive Income (Loss)

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Reclassifications from AOCI

AOCI	Amount Reclassified from AOCI			Affected Line Item in the Consolidated Statement of Operations
	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021	
Net Unrealized Gain on Fixed Maturities, AFS				
Fixed maturities, AFS	\$ (133)	\$ (282)	\$ 234	Net realized gains (losses)
	(133)	(282)	234	Total before tax
	(28)	(59)	49	Income tax expense
	\$ (105)	\$ (223)	\$ 185	Net income
Unrealized Loss on Fixed Maturities with ACL				
Fixed maturities, AFS	\$ (4)	\$ —	\$ —	Net realized gains (losses)
	(4)	—	—	Total before tax
	(1)	—	—	Income tax expense
	\$ (3)	\$ —	\$ —	Net income
Net Gains (Losses) on Cash Flow Hedging Instruments				
Interest rate swaps	\$ (26)	\$ 6	\$ 41	Net investment income
Interest rate swaps	15	(2)	(10)	Interest expense
Foreign currency swaps	10	9	5	Net investment income
	(1)	13	36	Total before tax
	—	3	8	Income tax expense
	\$ (1)	\$ 10	\$ 28	Net income
Pension and Other Postretirement Plan Adjustments				
Amortization of prior service credit	\$ 7	\$ 7	\$ 7	Insurance operating costs and other expenses
Amortization of actuarial loss	(34)	(69)	(77)	Insurance operating costs and other expenses
	(27)	(62)	(70)	Total before tax
	—	(13)	(15)	Income tax expense
	(27)	(49)	(55)	Net income
Total amounts reclassified from AOCI	\$ (136)	\$ (262)	\$ 158	Net income

19. EMPLOYEE BENEFIT PLANS

Investment and Savings Plan

Substantially all U.S. employees of the Company are eligible to participate in The Hartford Investment and Savings Plan under which designated contributions may be invested in a variety of investments, including up to 10% in a fund consisting largely of common stock of The Hartford. The Company's contributions include a non-elective contribution of 2.0% of eligible compensation and a dollar-for-dollar matching contribution of up to 6.0% of eligible compensation contributed by the employee. The Company also maintains a non-qualified savings plan, The Hartford Excess Savings Plan, with the dollar-for-dollar matching contributions related to employee compensation in excess of the amount of eligible compensation that can be contributed under the tax-qualified Investment and Savings

Plan. An employee's eligible compensation includes overtime and bonuses but for the Investment and Savings Plan and Excess Savings Plan combined, is limited to \$1 annually. The total cost to The Hartford for these plans was approximately \$163, \$142 and \$147 for the years ended December 31, 2023, 2022 and 2021, respectively.

Additionally, The Hartford has established defined contribution pension plans for certain employees of the Company's international subsidiaries. The cost to The Hartford for each of the years ended December 31, 2023, 2022 and 2021 for these plans was \$3.

Postretirement Benefit Plans

Defined Benefit Pension Plan- The Company maintains The Hartford Retirement Plan for U.S. Employees, a U.S. qualified defined benefit pension plan ("U.S. Pension Plan") that covers substantially all U.S. employees hired prior to January 1, 2013. The Company also maintains non-qualified pension plans to provide retirement benefits previously accrued that are in excess of Internal Revenue Code limitations, as well as a Canadian defined benefit pension plan. Together, the 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

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 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 grouped by duration, using the above mean average for each duration group. Based on all available market and industry information, it was determined that 5.15% and 5.13% were the appropriate discount rates as of 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 plan's investment strategy over the remaining life of 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 81% in fixed income securities and 19% in non-fixed income securities (global equities and limited partnerships) in its assumed expected long-term rate of return for the year ended December 31, 2023, whereas the Company anticipated an allocation of 73% in fixed income securities and 27% in non-fixed income securities to derive an expected long-term rate of return for the year ended December 31, 2022. For the other postretirement plans, the Company has assumed an allocation of 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 to derive an expected long-term rate of return for the year ended December 31, 2022. 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. To determine the Company's 2024 expense, the Company has assumed an allocation of 81% in fixed income securities and 19% in non-fixed income 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 5.90% and 4.50% for the Company's U.S. Pension Plan and other postretirement obligations, respectively.

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,										
	2023		2022		2021						
Weighted Average Assumptions used to determine benefit obligations											
Discount rate:											
U.S. Pension Plan	5.15	%	5.43	%	2.91	%					
Other Pension Plans	5.14	%	5.40	%	2.83	%					
Other postretirement benefits	5.13	%	5.39	%	2.72	%					
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:											
U.S. Pension Plan	5.43	%	2.91	%	2.66	%					
Other Pension Plans	5.40	%	2.83	%	2.52	%					
Other postretirement benefits	5.39	%	2.72	%	2.36	%					
Expected long-term rate of return on plan assets:											
U.S. Pension Plan	6.10	%	5.10	%	5.40	%					
Other Pension Plans	4.40	%	3.30	%	2.90	%					
Other postretirement benefits	4.50	%	4.80	%	4.90	%					
Assumed Health Care Cost Trend Rates											
Pre-65 health care cost trend rate	8.00	%	7.00	%	7.00	%					
Post-65 health care cost trend rate	N/A		N/A		N/A						
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	2038		2032		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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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Obligations and Funded Status

Other Postretirement Benefits											
U.S. Pension Plan				Other Pension Plans				Total Pension Plans			
For the years ended December 31,											
	2023	2022		2023	2022		2023	2022		2023	2022
Change in Benefit Obligation											
Benefit obligation — beginning of year	\$ 3,156	\$ 4,210		\$ 334	\$ 439		\$ 3,490	\$ 4,649		\$ 143	\$ 197
Service cost	3	4		—	—		3	4		—	—
Interest cost	163	101		17	10		180	111		7	4
Plan participants' contributions	—	—		—	—		—	—		8	10
Actuarial loss (gain)	38	14		2	4		40	18		3	(5)
Changes in assumptions	100	(985)		8	(92)		108	(1,077)		3	(33)
Benefits paid [1]	(191)	(188)		(27)	(27)		(218)	(215)		(26)	(30)
Benefit obligation — end of year [2]	\$ 3,269	\$ 3,156		\$ 334	\$ 334		\$ 3,603	\$ 3,490		\$ 138	\$ 143
Change in Plan Assets											
Fair value of plan assets — beginning of year	\$ 3,513	\$ 4,467		\$ 11	\$ 15		\$ 3,524	\$ 4,482		\$ 30	\$ 51
Actual return on plan assets	254	(742)		—	(3)		254	(745)		1	(6)
Employer contributions [3]	—	—		1	—		1	—		5	5
Plan participants' contributions [3]	—	—		—	—		—	—		8	10
Benefits paid [1]	(191)	(188)		(1)	(1)		(192)	(189)		(26)	(30)
Expenses paid	(14)	(24)		—	—		(14)	(24)		—	—
Fair value of plan assets — end of year	\$ 3,562	\$ 3,513		\$ 11	\$ 11		\$ 3,573	\$ 3,524		\$ 18	\$ 30
Funded status — end of year	\$ 293	\$ 357		\$ (323)	\$ (323)		\$ (30)	\$ 34		\$ (120)	\$ (113)
Amounts Recognized in the Consolidated Balance Sheets											
Other assets	\$ 293	\$ 357		\$ —	\$ —		\$ 293	\$ 357		\$ 443	\$ 485

[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, 2023 and 2022, the Accumulated Benefit Obligation is equal to the Projected Benefit Obligation.

[3]Employer and plan participants' contributions for the Other Postretirement Benefits represent funding from Company and plan participant 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 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 2023 primarily included a \$7 increase in the benefit obligation for pension benefits as a result of a decrease in the discount rate from 5.40% as of the December 31, 2022 valuation to 5.14% as of the December 31, 2023 valuation. Changes in assumptions in 2022 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.

Included in the benefit obligation for the U.S. Pension Plan in the table above, the cash balance plan pension benefit obligation was \$357 and \$338 as of December 31, 2023 and 2022, respectively.

The fair value of assets for total pension plans, and hence the funded status, presented in the table above excludes assets of \$198 and \$170 as of December 31, 2023 and 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 \$3,771 and \$3,694 as of December 31, 2023 and 2022, respectively, and the funded status of total pension plans would have been \$168 and \$204 as of December 31, 2023 and 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.

Net Periodic Cost (Benefit)

	Pension Benefits									Other Postretirement Benefits									
	For the years ended December 31,																		
	2023			2022			2021			2023			2022			2021			
Service cost	\$	3		\$	4		\$	4		\$	—		\$	—		\$	—		
Interest cost		180			111			96			7			4			3		
Expected return on plan assets		(235)			(202)			(205)			(1)			(2)			(3)		
Amortization of prior service credit		—			—			—			(7)			(7)			(7)		
Amortization of actuarial loss		29			62			69			5			7			8		
Net periodic cost (benefit)	\$	(23)		\$	(25)		\$	(36)		\$	4		\$	2		\$	1		

Amounts Recognized in Other Comprehensive Income (Loss)

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Amounts in Accumulated Other Comprehensive Income (Loss), Before Tax, not yet Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits						Other Postretirement Benefits										
	As of December 31,																
	2023		2022		2021		2023		2022		2021						
Net loss	\$	(1,777)	\$	(1,664)	\$	(1,815)	\$	(88)	\$	(87)	\$	(124)					
Prior service credit	—		—		—		40		47		54						
Total	\$	(1,777)	\$	(1,664)	\$	(1,815)	\$	(48)	\$	(40)	\$	(70)					

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

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 limited partnerships and 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.

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Target Asset Allocation Ranges

	Pension Plans				Other Postretirement Plans			
	Minimum		Maximum		Minimum		Maximum	
Equity securities	—	%	20	%	—	%	—	%
Fixed income securities	75	%	95	%	100	%	100	%
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

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 multiple asset classes reflecting the current needs, investment preferences, risk tolerances and the desired degree of diversification of the U.S. Pension Plan. These asset classes include publicly traded fixed income securities and equities, private fixed income securities, commercial mortgage loans and 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

Asset Category	As of December 31, 2023				As of December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Short-term investments:	\$ 187	\$ —	\$ —	\$ 187	\$ 155	\$ —	\$ —	\$ 155
Fixed Income Securities:								
Corporate	—	1,643	36	1,679	—	1,791	31	1,822
RMBS	—	111	—	111	—	115	—	115
U.S. Treasuries	—	271	—	271	—	165	—	165
Foreign government	—	11	10	21	—	25	1	26
CMBS	—	49	1	50	—	57	1	58
Other fixed income [1]	—	160	—	160	—	139	—	139
Mortgage Loans	—	—	143	143	—	—	165	165
Equity Securities:								
Domestic	11	23	—	34	8	—	—	8
International	—	45	—	45	—	7	—	7
Total pension plan assets at fair value, in the fair value hierarchy [2]	198	2,313	190	2,701	163	2,299	198	2,660
Other Investments, at net asset value [3]:								
Limited partnerships				826				818
Total pension plan assets at fair value	\$ 198	\$ 2,313	\$ 190	\$ 3,527	\$ 163	\$ 2,299	\$ 198	\$ 3,478

[1]Includes ABS, municipal bonds and CLOs.

[2]Excludes \$46 and \$46 as of December 31, 2023 and 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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Note 19 - Employee Benefit Plans

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Pension Plan Asset Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Assets	Corporate		Foreign government		Mortgage loans		Other [1]		Totals	
Fair Value as of January 1, 2023	\$	31	\$	1	\$	165	\$	1	\$	198
Realized gains (losses), net		—		—		(3)		—		(3)
Changes in unrealized gains (losses), net		2		(1)		8		—		9
Purchases		—		10		3		—		13
Settlements		—		—		—		—		—
Sales		—		—		(30)		—		(30)
Transfers into Level 3 [2]		5		—		—		—		5
Transfers out of Level 3 [2]		(2)		—		—		—		(2)
Fair Value as of December 31, 2023	\$	36	\$	10	\$	143	\$	1	\$	190
Fair Value as of January 1, 2022	\$	42	\$	2	\$	202	\$	5	\$	251
Realized gains, net		—		—		—		—		—
Changes in unrealized gains (losses), net		(10)		—		(25)		—		(35)
Purchases		1		—		4		—		5
Settlements		—		—		—		—		—
Sales		(2)		—		(16)		—		(18)
Transfers into Level 3 [2]		3		—		—		—		3
Transfers out of Level 3 [2]		(3)		(1)		—		(4)		(8)
Fair Value as of December 31, 2022	\$	31	\$	1	\$	165	\$	1	\$	198

[1]"Other" includes CMBS.

[2]Transfers into 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.

There was less than \$1 in Company common stock included in the U.S. Pension Plan's assets as of December 31, 2023 and 2022 as part of a passive indexing strategy.

Other Postretirement Plan Assets at Fair Value

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 and 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,					
	2023		2022		2021	
Stock-based compensation plans expense	\$	125	\$	131	\$	128
Income tax benefit		(22)		(22)		(22)
Excess tax benefit on awards vested, exercised and expired		(12)		(12)		(6)
Total stock-based compensation plans expense, net of tax	\$	91	\$	97	\$	100

The Company did not capitalize any cost of stock-based compensation. As of December 31, 2023, the total compensation cost related to non-vested awards not yet recognized was \$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, 2023, there were 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 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.

Stock Option Awards

Under the Stock Incentive Plan, options granted have an exercise price at least equal to the closing stock price 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

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Note 20 - Stock Compensation Plans

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

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Non-qualified Stock Option Activity Under the Stock Incentive Plan

	Number of Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
For the year ended December 31, 2023				
Outstanding at beginning of year	6,596	\$ 51.58		
Granted	593	\$ 78.28		
Exercised	(1,118)	\$ 42.20		
Forfeited	—	\$ —		
Expired	—	\$ —		
Outstanding at end of year	6,071	\$ 55.92	5.7	\$ 148
Outstanding, fully vested and expected to vest	6,033	\$ 55.83	5.7	\$ 148
Exercisable at end of year	4,790	\$ 52.00	4.9	\$ 136

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, 2023, 2022, and 2021 was \$21.09, \$16.56 and \$14.88, respectively. For the years ended December 31, 2023, 2022, and 2021, The Hartford received \$47, \$26, and \$45, respectively, in cash from exercised stock options. The Hartford recognized tax benefits of \$3, \$3, and \$4 on stock options exercised for the years ended December 31, 2023, 2022, and 2021, respectively. The total intrinsic value of options exercised during the years ended December 31, 2023, 2022 and 2021 was \$35, \$24, and \$28, respectively.

Share Awards

Share awards granted under the Stock Incentive Plan and outstanding include restricted stock units and performance shares. Performance shares become payable within a range of 0% to 200% of the number of shares initially granted based upon the attainment of specific performance goals achieved at the end of a performance period of three years and, for the 2021 grant year, is subject to a modifier that will either increase or decrease final performance by 10% based upon results against predetermined year-end 2023 representation goals for women and people of color in executive level roles.

Index to Consolidated Financial Statements and Schedules

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Note 20 - Stock Compensation Plans

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 closing stock price 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-determined group of peer companies as of December 31 at the end of the three year performance period. Stock compensation expense for these performance share awards is based on the number of awards expected to vest as estimated at the grant date and, therefore, does not change for changes in estimated performance. The Company uses a risk neutral Monte-Carlo Plan Valuation Model that incorporates time to maturity, implied volatilities of the Company and the peer companies, and correlations between the Company and the peer companies and interest rates.

Assumptions for Total Stockholder Return Performance Shares

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Total Share Awards

Non-vested Share Award Activity Under the Stock Incentive Plan

	Restricted Stock Units				Performance Shares			
	Number of Shares (in thousands)	Weighted-Average Grant-Date Fair Value	Number of Shares (in thousands)	Weighted-Average Grant date Fair Value	Number of Shares (in thousands)	Weighted-Average Grant date Fair Value	Number of Shares (in thousands)	Weighted-Average Grant date Fair Value
Non-vested shares	For the year ended December 31, 2023							
Non-vested at beginning of year	3,517	\$ 58.28	711	\$ 63.04				
Granted	1,019	\$ 77.72	268	\$ 85.69				
Performance based adjustment, net			389	\$ 56.09				
Vested	(1,177)	\$ 54.58	(777)	\$ 56.09				
Forfeited	(100)	\$ 66.72	(8)	\$ 72.05				
Non-vested at end of year	3,259	\$ 65.44	583	\$ 77.97				

In addition to the non-vested shares presented in the above table, there are related non-vested dividend equivalent shares. The number of non-vested dividend equivalent shares related to restricted stock units was 155 thousand and 182 thousand as of December 31, 2023 and 2022, respectively, and the number of non-vested dividend equivalent shares related to performance shares was 18 thousand and 25 thousand as of December 31, 2023 and 2022, respectively. The dividend equivalent shares are subject to the same vesting terms as the restricted stock units and performance shares.

The weighted average grant-date fair value per share of restricted stock units granted during the years ended December 31, 2023, 2022, and 2021 was \$77.72, \$69.32 and \$52.13, respectively. The weighted average grant-date fair value per share of performance shares granted during the years ended December 31, 2023, 2022, and 2021 was \$85.69, \$71.54 and \$56.09, respectively.

The total fair value of shares vested during the years ended December 31, 2023, 2022 and 2021 was \$154, \$134 and \$105, respectively, based on actual or estimated performance factors. The Company did not make cash payments in settlement of stock compensation during the years ended December 31, 2023, 2022 and 2021.

Subsidiary Stock Plan

The Hartford has a subsidiary stock-based compensation plan similar to the Stock Incentive Plan, except that it awards non-public subsidiary stock as compensation. The Company recognized stock-based compensation plan expense of \$12, \$13 and \$11 in the years ended December 31, 2023, 2022 and 2021, respectively, for the subsidiary stock plan. Upon employee vesting of subsidiary stock, the Company recognizes a noncontrolling equity interest. Employees are restricted from selling vested subsidiary stock to anyone other than the Company and the Company has discretion on the amount of stock to repurchase. Therefore, the subsidiary stock is classified

The Hartford has operating leases for real estate and equipment. The right-of-use asset as of December 31, 2023 and 2022 was \$141 and \$135, respectively, and is included in property and equipment, net, in the Consolidated Balance Sheets. The lease liability as of December 31, 2023 and 2022 was \$144 and \$136, respectively, and is included in other liabilities in the Consolidated Balance Sheets. Variable lease costs include changes in interest rates on variable rate leases primarily for automobiles. 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 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,					
	2023		2022		2021	
Operating lease cost	\$	36	\$	40	\$	45
Variable lease cost		(2)		—		2
Sublease income		(4)		(4)		(3)
Total lease costs included in insurance operating costs and other expenses	\$	30	\$	36	\$	44

Supplemental Operating Lease Information

	For the years ended December 31,					
	2023		2022		2021	
Operating cash flows for operating leases (for the twelve months ended)	\$	37	\$	56	\$	46
Right-of-use asset obtained in exchange for new operating lease liabilities		40		6		3
Weighted-average remaining lease term in years for operating leases		7 years		6 years		6 years
Weighted-average discount rate for operating leases		4.0 %		3.0 %		3.0 %

Maturities of Operating Lease Liabilities as of December 31, 2023

	Operating Leases
2024	\$ 33
2025	26
2026	22
2027	20
2028	16
Thereafter	49
Total lease payments	166
Less: Discount on lease payments to present value	22
Total lease liability	\$ 144

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 have been substantially completed as of December 31, 2023.

Termination benefits related to workforce reductions and professional fees are included within restructuring and other costs in the Consolidated Statement of Operations and unpaid restructuring costs are included in other liabilities in the Company's Consolidated Balance Sheets. For the years ended December 31, 2023, and December 31, 2022, the severance benefits accrual was reduced by \$6, and \$7 respectively, due to more recent experience of higher than expected voluntary attrition.

Subsequent to 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 \$126, before tax, and will be recognized in Corporate for segment reporting.

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Note 23 - Restructuring and Other Costs

THE HARTFORD FINANCIAL SERVICES GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Restructuring and Other Costs, Before Tax

	Incurring in the Year Ended December 31, 2021	Incurring in the Year Ended December 31, 2022	Incurring in the Year Ended December 31, 2023	Cumulative Incurring in the Year Ended December 31, 2023	Total Amount Expected to be Incurring
Severance benefits	\$ (25)	\$ (7)	\$ (6)	\$ 35	\$ 35
IT costs	9	8	5	25	25
Professional fees and other expenses	17	12	7	64	66
Total restructuring and other costs, before tax	\$ 1	\$ 13	\$ 6	\$ 124	\$ 126

Accrued Restructuring and Other Costs

	Year Ended December 31, 2023				
	Severance Benefits and Related Costs	IT Costs	Professional Fees and Other	Total Restructuring and Other Costs Liability	
Balance, beginning of period	\$ 7	\$ —	\$ —	\$ 7	
Incurring	(6)	5	7	6	
Payments	(1)	(5)	(7)	(13)	
Balance, end of period	\$ —	\$ —	\$ —	\$ —	

Accrued Restructuring and Other Costs

	Year Ended December 31, 2022				
	Severance Benefits and Related Costs	IT Costs	Professional Fees and Other	Total Restructuring and Other Costs Liability	
Balance, beginning of period	\$ 18	\$ —	\$ —	\$ 18	
Incurring	(7)	8	12	13	
Payments	(4)	(8)	(12)	(24)	
Balance, end of period	\$ 7	\$ —	\$ —	\$ 7	

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 restated to reflect the adoption of LDTI. For additional information, refer to Note 1 - Basis of Presentation and Significant Accounting Policies.

Current and Historical Quarterly Results of the Company

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Part IV - Schedule I. Summary of Investments - Other Investments in Affiliates

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE I
SUMMARY OF INVESTMENTS — OTHER THAN INVESTMENTS IN AFFILIATES
(in millions)

				As of December 31, 2023			
Type of Investment	Cost		Fair Value		Amount at which shown on Balance Sheet		
Fixed Maturities							
Bonds and notes							
U.S. government and government agencies and authorities (guaranteed and sponsored)	\$	5,174	\$	4,776	\$	4,776	
States, municipalities and political subdivisions		6,207		6,039		6,039	
Foreign governments		583		562		562	
Public utilities		2,155		2,029		2,029	
All other corporate bonds		16,536		15,837		15,837	
All other mortgage-backed and asset-backed securities		11,071		10,575		10,575	
Total fixed maturities, available-for-sale		41,726		39,818		39,818	
Fixed maturities, at fair value using fair value option		350		327		327	
Equity Securities [1]							
Common stocks							
Industrial, miscellaneous and all other		384		385		385	
Non-redeemable preferred stocks		527		479		479	
Total equity securities [1]		911		864		864	
Mortgage loans [2]		6,138		5,584		6,087	
Other investments		221		191		191	
Short-term investments		3,850		3,850		3,850	
Limited partnerships and other alternative investments [3]		4,785				4,785	
Total investments	\$	57,981			\$	55,922	

[1] Cost of equity securities represents original cost.

[2] Cost of mortgage loans excludes the allowance for credit losses ("ACL") of \$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.

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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 SERVICES GROUP, INC.

(Registrant)

(in millions)

							As of December 31,			
Condensed Balance Sheets							2023		2022	
Assets										
Fixed maturities, available-for-sale, at fair value (amortized cost of \$29 and \$126)							\$	24	\$	120
Short-term investments							1,040		832	
Cash							—		—	
Investment in affiliates							20,261		18,610	
Deferred income taxes							439		395	
Unamortized issue costs							2		2	
Investment income due and accrued							—		1	
Other assets							400		466	
Total assets							\$	22,166	\$	20,426
Liabilities										
Net payable to affiliates							\$	1,918	\$	1,863
Long-term debt							4,362		4,357	
Other liabilities							559		530	
Total liabilities							6,839		6,750	
Stockholders' Equity										
Preferred stock							\$	334	\$	334
Common stock							3		3	
Additional paid-in capital							648		1,895	
Retained Earnings							19,007		17,058	
Treasury Stock							(1,816)		(1,773)	
Accumulated other comprehensive income (loss), net of tax							(2,849)		(3,841)	
Total stockholders' equity							15,327		13,676	
Total liabilities and stockholders' equity							\$	22,166	\$	20,426

The condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto.

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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 SERVICES GROUP, INC. (continued)

(Registrant)

(in millions)

	For the years ended December 31,					
Condensed Statements of Operations and Comprehensive Income (Loss)	2023		2022		2021	
Net investment income	\$	33	\$	13	\$	2
Net realized gains (losses)		—		—		(1)
Total revenues		33		13		1
Interest expense		199		213		234
Loss on extinguishment of debt		—		9		—
Other expense (income)		7		(8)		(2)
Total expenses		206		214		232
Loss before income taxes and earnings of subsidiaries		(173)		(201)		(231)
Income tax benefit		(67)		(61)		(51)
Loss before earnings of subsidiaries		(106)		(140)		(180)
Earnings of subsidiaries		2,610		1,959		2,551
Net income		2,504		1,819		2,371
Other comprehensive income (loss) - parent company:						
Change in net gain or loss on cash-flow hedging instruments		(7)		45		24
Change in net unrealized gain or loss on fixed maturities		1		(4)		(1)
Change in pension and other postretirement plan adjustments		(89)		119		224
Other comprehensive income (loss), net of taxes before other comprehensive income of subsidiaries		(95)		160		247
Other comprehensive income (loss) of subsidiaries		1,087		(4,129)		(1,224)
Total other comprehensive income (loss)		992		(3,969)		(977)
Total comprehensive income (loss)	\$	3,496	\$	(2,150)	\$	1,394

The condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto.



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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 SERVICES GROUP, INC. (continued)

(Registrant)

(in millions)

				For the years ended December 31,			
Condensed Statements of Cash Flows				2023	2022	2021	
Operating Activities							
Net income	\$	2,504	\$	1,819	\$	2,371	
Loss on extinguishment of debt		—		9		—	
Dividends received from subsidiaries		1,594		1,780		1,277	
Equity in net income of subsidiaries		(2,610)		(1,959)		(2,551)	
Net realized losses (gains)		—		—		1	
Change in operating assets and liabilities		75		61		36	
Cash provided by operating activities		1,563		1,710		1,134	
Investing Activities							
Net proceeds from (payments for) short-term investments		(208)		899		(54)	
Proceeds from the sale/maturity/prepayment of:							
Fixed maturities, available-for-sale		97		47		25	
Payments for the purchase of:							
Fixed maturities, available-for-sale		—		—		(74)	
Equity securities, at fair value		—		(5)		—	
Net payments for derivatives		(8)		55		38	
Capital returned from (contributions to) subsidiaries		503		(6)		530	
Cash provided by investing activities		384		990		465	
Financing Activities							
Proceeds from issuance of debt		—		—		588	
Repayments of debt		—		(600)		—	
Treasury stock acquired		(1,400)		(1,550)		(1,702)	
Net issuance (return of) shares under incentive and stock compensation plans		6		(19)		25	
Dividends paid on common shares		(532)		(510)		(489)	
Dividends paid on preferred shares		(21)		(21)		(21)	
Cash used for financing activities		(1,947)		(2,700)		(1,599)	
Net increase (decrease) in cash		—		—		—	
Cash — beginning of period		—		—		—	
Cash — end of period	\$	—	\$	—	\$	—	
Supplemental Disclosure of Cash Flow Information							
Interest Paid	\$	209	\$	212	\$	214	

The condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto.

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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 Funds and Benefits Payable
As of December 31, 2023					
Commercial Lines	\$ 976	\$ 29,181	\$ —	\$ 6,977	\$ —
Personal Lines	102	2,068	—	1,582	—
Property & Casualty Other Operations	—	2,795	—	2	—
Group Benefits	35	8,274	312	38	408
Hartford Funds	—	—	—	—	—
Corporate	—	—	172	—	230
Consolidated	\$ 1,113	\$ 42,318	\$ 484	\$ 8,599	\$ 638
As of December 31, 2022					
Commercial Lines	\$ 865	\$ 28,454	\$ —	\$ 6,306	\$ —
Personal Lines	101	1,857	—	1,471	—
Property & Casualty Other Operations	—	2,772	—	2	—
Group Benefits	32	8,160	319	36	419
Hartford Funds	—	—	—	—	—
Corporate	—	—	183	—	239
Consolidated	\$ 998	\$ 41,243	\$ 502	\$ 7,815	\$ 658

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Part IV - Schedule III. Supplementary Insurance Information

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

SCHEDULE III

SUPPLEMENTARY INSURANCE INFORMATION

(in millions)

Segment	Earned Premiums, Fee Income and Other	Net Investment Income	Benefits, Losses and Loss Adjustment Expenses	Amortization of Deferred Policy Acquisition Costs	Insurance Operating Costs and Other Expenses [1]	Net Written Premiums [2]
For the year December 31, 2023						
Commercial Lines	\$ 11,683	\$ 1,532	\$ 6,786	\$ 1,779	\$ 1,907	\$ 12,279
Personal Lines	3,198	171	2,538	231	638	3,198
Property & Casualty Other Operations	—	69	224	—	4	—
Group Benefits	6,515	469	4,683	34	1,554	—
Hartford Funds	973	17	—	—	781	—
Corporate	41	47	7	—	273	—
Consolidated	\$ 22,410	\$ 2,305	\$ 14,238	\$ 2,044	\$ 5,157	\$ 15,477
For the year December 31, 2022						
Commercial Lines	\$ 10,609	\$ 1,415	\$ 6,169	\$ 1,563	\$ 1,857	\$ 11,158
Personal Lines	3,052	140	2,164	228	652	2,961
Property & Casualty Other Operations	—	63	280	—	9	—
Group Benefits	6,057	524	4,517	33	1,507	—
Hartford Funds	1,044	9	—	—	826	—
Corporate	50	26	8	—	287	—
Consolidated	\$ 20,812	\$ 2,177	\$ 13,138	\$ 1,824	\$ 5,138	\$ 14,119
For the year December 31, 2021						
Commercial Lines	\$ 9,586	\$ 1,502	\$ 6,044	\$ 1,398	\$ 1,747	\$ 10,041
Personal Lines	3,066	157	1,864	230	678	2,908
Property & Casualty Other Operations	—	75	202	—	9	—
Group Benefits	5,687	550	4,602	40	1,413	—
Hartford Funds	1,189	5	—	—	925	—
Corporate	40	24	8	—	325	—
Consolidated	\$ 19,568	\$ 2,313	\$ 12,720	\$ 1,668	\$ 5,097	\$ 12,949

[1] Includes interest expense, loss on extinguishment of debt, restructuring and other costs, loss on reinsurance transaction and amortization of intangible assets.

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Part IV - Schedule IV. Reinsurance

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
SCHEDULE IV
REINSURANCE
(in millions)

	Gross Amount	Ceded Amount	Assumed From Other Companies	Net Amount	Percentage of Amount Assumed to Net
For the year ended December 31, 2023					
Life insurance in-force	\$ 1,275,984	\$ 33,009	\$ 23,605	\$ 1,266,580	2 %
Insurance revenues					
Property and casualty insurance	\$ 15,514	\$ 1,612	\$ 826	\$ 14,728	6 %
Life insurance and annuities	2,540	33	76	2,583	3 %
Accident and health insurance	3,905	71	98	3,932	2 %
Total insurance revenues	\$ 21,959	\$ 1,716	\$ 1,000	\$ 21,243	5 %
For the year ended December 31, 2022					
Life insurance in-force	\$ 1,147,723	\$ 23,330	\$ 22,511	\$ 1,146,904	2 %
Insurance revenues					
Property and casualty insurance	\$ 14,328	\$ 1,462	\$ 654	\$ 13,520	5 %
Life insurance and annuities	2,341	25	77	2,393	3 %
Accident and health insurance	3,647	81	98	3,664	3 %
Total insurance revenues	\$ 20,316	\$ 1,568	\$ 829	\$ 19,577	4 %
For the year ended December 31, 2021					
Life insurance in-force	\$ 1,112,333	\$ 22,814	\$ 21,230	\$ 1,110,749	2 %
Insurance revenues					
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 %



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THE HARTFORD FINANCIAL SERVICES GROUP, INC.
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
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.

		Incorporated by Reference			
Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date
2.01	Purchase and Sale Agreement by and among Massachusetts Mutual Life Insurance Company, Hartford Life, Inc. and The Hartford Financial Services Group, Inc. ("The Hartford") dated as of September 4, 2012.	10-Q	001-13958	2.01	11/01/2012
2.02	Purchase and Sale Agreement by and among Hartford Life, Inc., Prudential Financial, Inc. and The Hartford dated as of September 27, 2012.	10-Q	001-13958	2.02	11/01/2012
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 Holdings GP LLC.	8-K	001-13958	2.01	12/04/2017
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.	8-K	001-13958	2.01	10/23/2017
2.05	Commitment Agreement by and between The Hartford Financial Services Group, Inc., The Prudential Insurance Company of America and State Street Global Advisors Trust Company, as the Independent Fiduciary of The Hartford Retirement Plan for U.S. Employees, dated as of June 23, 2017.†	10-Q	001-13958	2.01	07/27/2017
2.06	Agreement and Plan of Merger, dated as of August 22, 2018, by and among The Navigators Group, Inc., The Hartford Financial Services Group, Inc. and Renato Acquisition Co.	8-K/A	001-13958	2.1	08/22/2018
3.01	Restated Certificate of Incorporation of The Hartford, as filed with the Delaware Secretary of State on October 20, 2014.	8-K	001-13958	3.01	10/20/2014
3.02	Certificate of Designations with respect to the Series G Preferred Stock of the Company, dated October 30, 2018.	8-K	001-13958	3.1	11/05/2018
3.03	Amended and Restated By-laws of The Hartford Financial Services Group, Inc., effective December 14, 2022.	8-K	001-13958	3.1	12/14/2022
4.01	Senior Indenture, dated as of March 9, 2004, between The Hartford and JPMorgan Chase Bank, as Trustee.	8-K	001-13958	4.1	03/12/2004
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.	8-K	001-13958	4.01	02/16/2007
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.	S-3ASR	333-142044	4.03	04/11/2007
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.	8-K	001-13958	4.1	06/06/2008
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.	8-K	001-13958	4.2	06/06/2008
4.06	Third Supplemental Indenture, dated as of April 5, 2012, between The Hartford and The Bank of New York Mellon	8-K/A	001-13958	4.3	04/06/2012



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Incorporated by Reference					
Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date
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	001-13958	4.2	11/06/2018
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	001-13958	4.3	11/06/2018
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	001-13958	4.3	08/19/2019
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	001-13958	4.4	09/21/2021
4.14	Description of Securities**				
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	001-13958	10.01	02/18/2022
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	001-13958	10.1	10/28/2021
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	001-13958	10.01	04/28/2022
*10.04	The Hartford Deferred Restricted Stock Unit Plan, as amended.	10-K	001-13958	10.12	02/24/2006
*10.05	Form of Key Executive Employment Protection Agreement between The Hartford and certain executive officers of The Hartford, as amended.	10-K	001-13958	10.06	02/12/2009
*10.06	The Hartford Deferred Compensation Plan, as amended December 20, 2012.	10-K	001-13958	10.18	03/01/2013
*10.07	The Hartford Excess Pension Plan II, as amended January 1, 2013.	10-K	001-13958	10.19	03/01/2013
*10.08	The Hartford Excess Savings Plan IA, as amended	8-K	001-13958	10.01	07/29/2013

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Incorporated by Reference					
Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date
*10.19	The Hartford 2020 Stock Incentive Plan Form of Non-Employee Directors Award Agreement.	10-K	001-13958	10.26	02/19/2021
*10.20	Amendment to The Hartford Excess Pension Plan II.	10-K	001-13958	10.22	02/18/2022
*10.21	The Hartford Senior Executive Officer Severance Pay Plan (Tier 1), as amended and restated, effective October 2, 2023.**				
*10.22	The Hartford Senior Executive Officer Severance Pay Plan (Tier 2), as amended and restated, effective 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 Statements on Form S-8 and Form S-3 of the report of Deloitte & Touche LLP contained in this Form 10-K regarding the audited financial 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 because its XBRL 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**				



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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature		Title		Date	
/s/ Christopher J. Swift		Chairman, Chief Executive Officer and Director		February 23, 2024	
Christopher J. Swift		(Principal Executive Officer)			
/s/ Beth A. Costello		Executive Vice President and Chief Financial Officer		February 23, 2024	
Beth A. Costello		(Principal Financial Officer)			
/s/ Allison G. Niderno		Senior Vice President and Controller		February 23, 2024	
Allison G. Niderno		(Principal Accounting Officer)			
*		Director		February 23, 2024	
Larry D. De Shon					
*		Director		February 23, 2024	
Carlos Dominguez					
*		Director		February 23, 2024	
Trevor Fetter					
*		Director		February 23, 2024	
Donna James					
*		Director		February 23, 2024	
Edmund Reese					
*		Director		February 23, 2024	
Teresa W. Roseborough					
*		Director		February 23, 2024	
Virginia P. Ruesterholz					
*		Director		February 23, 2024	
Matthew E. Winter					
*		Director		February 23, 2024	
Craig Woodruff					

