

A COMPANY ON THE MOVE

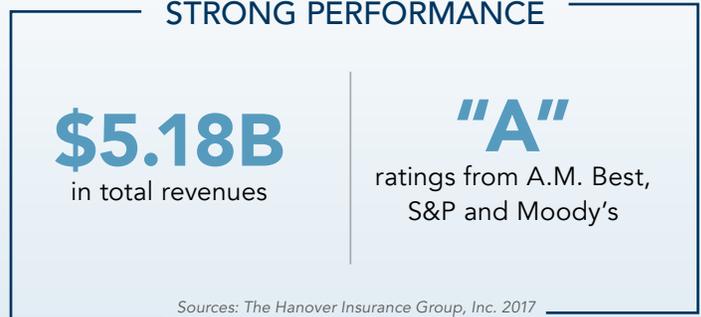


As one of the leading property and casualty insurance companies, we deliver a distinctive portfolio of value-creating products and services. Known for local responsiveness and decision making, we distribute our tailored insurance solutions exclusively through a select group of the best independent agents and brokers in the country. Today, we are a financially strong "A" rated carrier and one of the fastest growing insurers in the industry.

Our partner strategy gives you a distinct advantage

- Intense focus on product innovation and industry solutions
- True commitment to partnership and franchise value
- Unparalleled local responsiveness and expertise
- Expertise and tools aligned with agents to quickly respond to opportunities and compete in the evolving marketplace
- Products, resources and an operating model geared to improve agency performance
- Unique customer service center helps accelerate agency growth and profitability

TRACK RECORD OF STRONG PERFORMANCE



Sources: The Hanover Insurance Group, Inc. 2017 Annual Report, A.M. Best, Standard and Poor's

Praise from our policyholders



Personal

- Auto
- Home
- Umbrella
- Toys and valuables
- Identity theft
- Renters

Small Commercial

- Business owner's policy
- Commercial package policy
- Property
- General liability
- Workers' compensation
- Umbrella
- Commercial auto

Middle Market

- Commercial package policy
- Commercial auto
- Workers' compensation
- Umbrella
- International coverage

Specialty

- Cyber
- Excess and surplus
- Healthcare
- Industrial property
- Management liability
- Marine
- Professional liability
- Programs
- Surety
- Technology and life sciences

FOR INDIVIDUALS

- Full suite of competitive personal insurance products available in 18 states
- Insurance solutions tailored for stages of life; from new drivers to families purchasing their dream home and beyond
- Platinum—a unique offering of products, capabilities and services for value seeking account customers
- Innovative set of tools, programs, and state-of-the-art platform helps agents maximize profit and sell value

FOR SMALL BUSINESSES with up to \$50,000 in annual premium (\$25,000 annual premium in some non-metro geographies):

- Total account solutions (both BOP & CPP) designed with industry-specific coverages
- Small Commercial Solutions portal—real-time access to local appetite, quoting, forms, product comparisons, services and training resources
- Local new business underwriters and sales managers dedicated to supporting agents
- Flexible quoting platform and broad appetite (500+ classes)

FOR MID-SIZED BUSINESSES typically with 50+ employees and/or a minimum of \$50,000 premium for all lines of coverage:

- Industry-specific offerings for tailored coverage plans and total account solutions in more than a dozen industries including construction, educational institutions, human services, manufacturing, real estate and more
- Local underwriters with expertise and decision-making authority
- Innovative on-demand tools for agents, and value creating quote proposals
- Customer-facing risk management consultants and unique e-learning modules
- Liability coverage limits up to \$20 million and property up to \$100 million

HEALTHCARE

- Targeting small and mid-sized healthcare organizations including durable medical equipment, eldercare, healthcare facilities, home healthcare and pharmacies
- Multi-line account solutions: professional liability, general liability, property, auto and umbrella
- Dedicated claims team and robust risk management services with firsthand experience in the medical field

INDUSTRIAL PROPERTY

- Targeting small, mid-sized, and large manufacturers and distributors with high fire loads or potentially volatile manufacturing processes
 - Admitted, standard market property solution
 - \$100 million per location capacity
 - Value-add integration of underwriting, and loss control risk analysis with high-hazard expertise
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MANAGEMENT LIABILITY

- Targeting broad range of private companies and not-for-profit organizations
 - Suite of products includes: directors and officers (D&O), employment practices liability (EPL), fiduciary liability, fidelity and crime, kidnap/ransom and extortion, cyber privacy and security
 - Value-add services such as toll-free EPL hotline for customers
 - Coverage limits up to \$5 million
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MARINE

- Top 10-writer with an extensive portfolio of offerings for small, mid-sized and larger businesses across a broad set of industries, including many industries Hanover Middle Market supports
 - Specialized products and coverages include: builder's risk, contractor's equipment, energy, fine arts floaters, installation floaters, medical diagnostic equipment, motor truck cargo, ocean cargo, property floaters, riggers liability and warehouse legal liability
 - Web-based quote and issuance tool – TAP Sales – for builder's risk and contractor's equipment policies
 - Dedicated marine specialists in local markets with significant authority
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PROFESSIONAL LIABILITY

- Targeting small to mid-sized firms with customized offerings
 - Suite of products includes: accountants, architects and engineers, lawyers and miscellaneous professionals (business, professional and personal services)
 - Value-add risk management tools and services to support product offerings, such as toll-free risk management hotline, risk management portal, contract review services for architects and engineers and sample engagement letters for accountants
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PROGRAMS

- Targeting controlled, homogeneous programs that generate more than \$5 million annual premium. Innovative product platform with the capability to write on admitted and non-admitted basis
 - Specialist customized programs based on underwriting performance—including captives, commission slides, deductibles and SIRS—supported by state-of-the art technology platform
 - Total program solutions with expertise in claims handling, management, and reporting
 - Hands-on senior management team for flexibility and innovation in deal structuring and relationship management
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SURETY

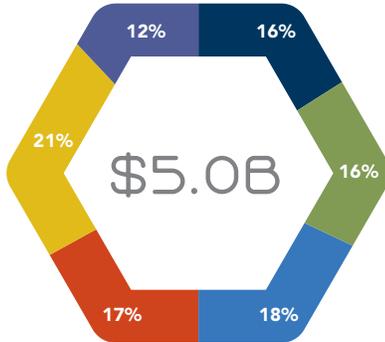
- Targeting mid-sized to large accounts in both commercial and contract surety
 - A leading U.S. surety provider; writing business in all 50 states
 - Commercial account surety capability for customers seeking bond programs up to \$100 million
 - Contract surety capability for construction businesses that have work backlogs up to \$75 million
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TECHNOLOGY AND LIFE SCIENCES

- Targeting small and mid-sized accounts
- Specialized offering for information technology, electronics manufacturing, and telecommunications companies
- Comprehensive product suite including technology errors and omissions, cyber liability, property, general liability, workers' compensation, umbrella, and commercial auto
- Innovative multi-line solutions including product liability for life sciences

The Hanover at a glance

Insurance product mix



2017 Net Premiums Written (NPW)

- Small Commercial
- Middle Market
- U.S. Specialty Lines
- Int'l. Specialty Lines
- Personal Auto
- Homeowners

2017 financial highlights

Year ended December 31 (\$ in millions, except per share amounts)	2016	2017
Revenues	\$4,946	\$5,184
Net income	\$155	\$186
Operating income ¹	\$184	\$204
Total assets	\$14,220	\$15,470
Shareholders' equity	\$2,858	\$2,998
Per share data		
Net income per share—diluted	\$3.59	\$4.33
Operating income per share—diluted ¹	\$4.27	\$4.74
Book value per share	\$67.40	\$70.59

¹ Operating income and operating income per diluted share are non-GAAP measures. Operating income before taxes, as referenced in the results of the three business segments, is defined as, with respect to such segment, operating income before taxes and interest expense. The definition and reconciliation of operating income and operating income per diluted share to the most directly comparable GAAP measures, income from continuing operations and income from continuing operations per diluted share, respectively, can be found on page 45 of our Annual Report on Form 10-K.



The power of the promise

- Highly-trained and experienced professionals, strategically aligned to ensure the best possible outcomes
- Comprehensive risk management services help businesses to identify and control exposures, reducing the potential for costly property claims
- Access to special discounts with a variety of reputable providers



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