

HARTFORD FINANCIAL SERVICES GROUP INC/DE
Form DEF 14A
April 08, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

The Hartford Financial Services Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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The Hartford Financial Services Group, Inc.
2010 Notice of Annual Meeting of Shareholders
and Proxy Statement

Letter to Shareholders

April 8, 2010

Dear Shareholder:

I am pleased to invite you to attend the Annual Meeting of Shareholders of The Hartford Financial Services Group, Inc., to be held at 12:30 p.m. on Wednesday, May 19, 2010. The meeting will take place in the Wallace Stevens Theater at the Company's Home Office, 690 Asylum Avenue, Hartford, Connecticut.

We have elected again this year to make our proxy materials available via the Internet. Shareholders who access our materials this way get the information they need electronically, which allows us to reduce printing and delivery costs and lessen adverse environmental impacts.

We hope that you will participate in the Annual Meeting, either by attending and voting in person or by voting as promptly as possible by mailing your completed proxy card (or voting instruction form, if you hold your shares through a broker), by telephone or through the Internet. Your vote is important and we urge you to exercise your right to vote.

The following Notice of Annual Meeting and Proxy Statement includes information about the matters to be acted upon by The Hartford's shareholders. You can find financial and other information about The Hartford in the accompanying Form 10-K for the fiscal year ended December 31, 2009. Our Form 10-K is also available on our investor relations web site, <http://ir.thehartford.com>.

Sincerely yours,

Liam E. McGee
Chairman, President and
Chief Executive Officer

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of the shareholders of The Hartford Financial Services Group, Inc. (the "Company") will be held at 12:30 p.m. on Wednesday, May 19, 2010 in the Wallace Stevens Theater at the Company's Home Office, One Hartford Plaza, Hartford, CT 06155, for the following purposes:

1. To elect a Board of Directors for the coming year;
2. To ratify the appointment of Deloitte & Touche LLP as independent auditor of the Company for the fiscal year ending December 31, 2010;
3. To consider and act on the Company's 2010 Incentive Stock Plan;
4. To consider and act on the material terms of executive officer performance goals for annual incentive awards;
5. To consider and act on a shareholder proposal recommending that our Board of Directors amend the By-Laws of the Company to provide for reimbursement of a shareholder or group of shareholders for expenses incurred in connection with nominating one or more candidates who are elected by shareholders in a contested election of Directors; and
6. To act upon any other business that may properly come before the annual meeting or any adjournment thereof.

Only shareholders of the Company at the close of business on March 31, 2010 are entitled to notice of, and to vote at, the annual meeting. For instructions on voting, please refer to the instructions on the Notice you received in the mail or, if you requested a hard copy of the Proxy Statement, on your enclosed proxy card.

IF YOU PLAN TO ATTEND:

Please note that space limitations make it necessary to limit attendance to shareholders. Admission to the meeting will be on a first-come, first-served basis, and shareholders will be required to present an admission ticket. Shareholders can obtain an admission ticket and directions to the meeting by contacting the Company's Investor Relations Department at InvestorRelations@TheHartford.com, by telephone at (860) 547-2537, or by mail to: The Hartford, Attn: Investor Relations, One Hartford Plaza (HO-01-01), Hartford, CT 06155. If you hold your shares of the Company through a brokerage account in "street name," your request for an admission ticket must be accompanied by a copy of a brokerage statement reflecting stock ownership as of the record date. Registration will begin at 11:30 a.m., and seating will begin at 12:00 p.m. Each shareholder may be asked to present valid picture identification, such as a driver's license or passport. Cameras, recording devices and other electronic devices will not be permitted at the meeting. The meeting will be simultaneously webcast at <http://ir.thehartford.com>.

By order of the Board of Directors,

Ricardo A. Anzaldúa
Senior Vice President and Corporate Secretary

April 8, 2010

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

One Hartford Plaza
Hartford, CT 06155

PROXY STATEMENT

Annual Meeting of Shareholders
May 19, 2010

GENERAL INFORMATION

The Board of Directors of The Hartford Financial Services Group, Inc. (the "Company" or "The Hartford") is soliciting shareholders' proxies in connection with the annual meeting of the shareholders of the Company, to be held on Wednesday, May 19, 2010 at 12:30 p.m. in the Wallace Stevens Theater at the Company's Home Office, One Hartford Plaza, Hartford, CT 06155, and at any adjournment or postponement thereof (the "Annual Meeting"). The mailing to shareholders of the notice of Internet availability of proxy materials took place on or about April 8, 2010.

Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

A: In accordance with rules and regulations adopted by the Securities and Exchange Commission (the "SEC"), instead of mailing a printed copy of our proxy materials to each shareholder of record, we may now furnish proxy materials by providing access to those documents on the Internet. Shareholders will not receive printed copies of the proxy materials unless they request them. Instead, most shareholders received a notice (the "Notice") containing instructions as to how to access and review all of the proxy materials on the Internet. The Notice also instructs you as to how to submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions in the Notice for requesting those materials.

Q: Who is soliciting my vote?

A: This proxy statement is being made available to holders of the Company's common stock (the "Common Stock") at the direction of the Board of Directors. As a Company shareholder, you are invited to attend the Annual Meeting and are entitled and requested to vote on the proposals described in this proxy statement to be presented at the Annual Meeting.

Q: Who may vote at the meeting?

A: You may vote all of the shares of our Common Stock that you owned at the close of business on March 31, 2010, the record date. On the record date, the Company had 443,936,966 shares of Common Stock outstanding and entitled to be voted at the meeting. You may cast one vote for each share of Common Stock held by you on all matters presented at the meeting.

Shares of Common Stock for the accounts of Company employees who participate in The Hartford Investment and Savings Plan ("ISP"), The Hartford Excess Savings Plan ("ESP") and The Hartford Deferred Restricted Stock Unit Plan ("Stock Unit Plan") are held of record and are voted by the trustees of the ISP, the ESP and the Stock Unit Plan, respectively. Participants in the ISP, the ESP and the Stock Unit Plan may instruct plan trustees as to how to vote their shares by voting by proxy using the voting methods described below. The trustees of the ISP, the ESP and

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the Stock Unit Plan will vote shares as to which they have not received direction in accordance with the terms of the ISP, the ESP and the Stock Unit Plan, respectively.

Shares of Common Stock purchased pursuant to the Company's Employee Stock Purchase Plan ("ESPP") are held in street name through brokerage accounts maintained with the ESPP's administrator, Fidelity Investments Institutional Services Company, Inc., and may be voted by ESPP participants using the voting methods described below.

Q:
What proposals will be voted on at the meeting?

A:
Shareholders of the Company will consider and vote on the following proposals:

1. To elect a Board of Directors for the coming year;
2. To ratify the appointment of Deloitte & Touche LLP as independent auditor of the Company for the fiscal year ending December 31, 2010;
3. To consider and act on the Company's 2010 Incentive Stock Plan;
4. To consider and act on material terms of executive officer performance goals for annual incentive awards;
5. To consider and act on a shareholder proposal recommending that our Board of Directors amend the By-Laws of the Company to provide for reimbursement of a shareholder or group of shareholders for expenses incurred in connection with nominating one or more candidates who are elected by shareholders in a contested election of Directors (the "Shareholder Proposal"); and
6. To act upon any other business that may properly come before the annual meeting or any adjournment thereof.

Q:
How does the Board of Directors recommend I vote?

A:
Our Board of Directors unanimously recommends that you vote:

1. **"FOR"** each of the nominees for election to the Board of Directors;
2. **"FOR"** ratification of Deloitte & Touche LLP as the Company's independent auditor for the year ending December 31, 2010;
3. **"FOR"** the approval of the Company's 2010 Incentive Stock Plan;
4. **"FOR"** the approval of the material terms of executive officer performance goals for annual incentive awards; and
5. **"AGAINST"** the Shareholder Proposal.

Please see the information included in this proxy statement relating to each proposal being submitted to shareholder vote at the meeting.

Q:

What happens if additional matters are presented at the Annual Meeting?

A:

Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxyholders, Alan J. Kreczko, Ricardo A. Anzaldúa and Laura A. Santirocco, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting in accordance with Delaware law and our By-laws.

Q: What vote is required to approve each proposal?

A: Our By-laws call for different voting standards depending on whether director elections are contested or uncontested. If the number of director nominees does not exceed the number of directors to be elected (i.e., an uncontested election), a director would be elected if the number of shares voted "for" that director exceeds the number of votes "against" that director ("Majority Voting"). If the number of director nominees exceeds the number of directors to be elected (i.e., a contested election), directors would be elected by a plurality of shares cast "for" a director. For the election of directors at the 2010 Annual Meeting, the number of nominees will not exceed the number of directors to be elected. Consequently, with respect to Proposal #1, Majority Voting will govern.

With respect to Proposal #2, the affirmative vote of a majority of those shares present in person or represented by proxy is required to ratify the appointment of our independent auditor.

With respect to Proposal #3, the affirmative vote of a majority of those shares present in person or represented by proxy is required to approve the Company's 2010 Incentive Stock Plan.

With respect to Proposal #4, the affirmative vote of a majority of those shares present in person or represented by proxy is required to approve the material terms of executive officer performance goals for annual incentive awards.

With respect to Proposal #5, the affirmative vote of the holders of at least a majority of the voting power of all of the Company's outstanding shares is required to approve the Shareholder Proposal.

Q: What is the difference between a "shareholder of record" and a "street name" holder?

A: These terms describe the manner in which your shares are held. If your shares are registered directly in your name through the Bank of New York Mellon, our transfer agent, you are a "shareholder of record." If your shares are held in the name of a brokerage firm, bank, trust or other nominee as custodian on your behalf, you are a "street name" holder.

Q: How do I vote my shares?

A: Subject to the limitations described below, you may vote by proxy:

1. electronically through the Internet;
2. by telephone; or
3. if you request printed copies of proxy materials, you can also vote by completing and signing each proxy card or voting instruction card provided to you and returning it to the address provided on the proxy card or voting instruction card.

When voting on any item to be voted on at the Annual Meeting, you may vote "for" or "against" the item or you may abstain from voting.

Voting by Telephone or Through the Internet. Whether you hold your shares directly as the shareholder of record or beneficially in "street name," you may direct your vote by proxy without attending the Annual Meeting. You can vote by proxy over the Internet or by telephone by following the instructions provided in the Notice.

Voting by Proxy Card or Voting Instruction Card. Each shareholder, including any employee of the Company who owns Common Stock through the ISP, the ESP, the Stock Unit Plan or the ESPP, may vote by using the proxy card(s) or voting instruction card(s) provided to him or her. When you return a proxy card or voting instruction card that is properly signed and completed, the shares of Common Stock represented by that card will be voted as specified by you.

Your vote is important, and the Board of Directors urges you to exercise your right to vote. Whether or not you plan to attend the Annual Meeting, you can ensure that your shares are voted by properly voting through the Internet, by telephone, by proxy card(s) or voting instruction card(s).

Q:
Can I vote my shares in person at the Annual Meeting?

A:
If you are a shareholder of record, you may vote your shares in person at the Annual Meeting. If you hold your shares in street name, you must obtain a legal proxy or voting instruction card from your broker, banker, trustee or nominee, giving you the right to vote the shares at the Annual Meeting.

Q:
Can my shares be voted even if I abstain or don't vote by proxy or attend the annual meeting?

A:
If you cast a vote of "abstention" on a proposal, your shares cannot be voted otherwise unless you change your vote (see below). Because they are considered to be present and entitled to vote for purposes of determining voting results, abstentions will have the effect of a vote against Proposal #2, Proposal #3, Proposal #4 and Proposal #5. Note, however, that abstentions will have no effect on the election of directors, since only votes "for" or "against" a nominee will be counted. Abstentions are included in the determination of shares present for quorum purposes.

If you don't vote your shares held in street name, your broker can vote your shares in its discretion on matters that the New York Stock Exchange (NYSE) has ruled discretionary. The ratification of Deloitte & Touche LLP as independent auditor and the approval of material terms of executive officer performance goals for annual incentive awards are discretionary items under the NYSE rules. If no contrary direction is given, the shares will be voted on these matters by your broker in its discretion. The NYSE deems the election of directors, the implementation of equity compensation plans, and stockholder proposals that are being contested by management as non-discretionary matters in which brokers may not vote shares held by a beneficial owner without instructions from such beneficial owner. Accordingly, brokers will not be able to vote your shares for the election of directors, the approval of the Company's 2010 Incentive Stock Plan or the Shareholder Proposal if you fail to provide specific instructions. If you have not provided instructions, a "broker non-vote" results, and the underlying shares will not be considered as present and entitled to vote with respect to those matters.

If you don't vote your shares registered directly in your name, not in the name of a bank or broker, your shares will not be voted.

Q:
What constitutes a quorum, and why is a quorum required?

A:
A quorum is required for the Company shareholders to conduct business at the meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares entitled to vote on the record date will constitute a quorum, permitting us to conduct the business of the meeting. Abstentions and broker non-votes will be counted in determining whether there is a quorum present.

Q:
Can I change my vote after I have delivered my proxy?

A:
Yes. If you are a shareholder of record, you may revoke your proxy at any time before it is exercised by:

1. entering a new vote using the Internet or by telephone;
2. giving written notice of revocation to the Corporate Secretary of the Company;
3. submitting a subsequently dated and properly completed proxy card; or

4. attending the Annual Meeting and revoking your proxy. Your attendance at the Annual Meeting will not by itself revoke your proxy.

Q: Where can I find voting results of the meeting?

A: We will announce preliminary voting results at the meeting and publish the results in a Form 8-K filed with the SEC within four business days after the date of the Annual Meeting.

Q: How can I submit a proposal to the Company for inclusion in the 2011 Proxy Statement?

A: Proposals submitted by shareholders for inclusion in the 2011 Proxy Statement relating to next year's annual meeting of shareholders must be received by the Company no later than the close of business on December 9, 2010. Any proposal received after that date will not be included in the Company's proxy materials for 2011. In addition, all proposals for inclusion in the 2010 Proxy Statement must comply with all of the requirements of SEC Rule 14a-8 under the Securities Exchange Act of 1934. No proposal may be presented at the 2011 annual meeting unless the Company receives notice of the proposal by February 18, 2011. Proposals should be addressed to Ricardo A. Anzaldúa, Senior Vice President and Corporate Secretary, The Hartford Financial Services Group, Inc., One Hartford Plaza, Hartford, CT 06155. All proposals must comply with certain requirements set forth in the Company's by-laws, a copy of which may be obtained from the Corporate Secretary of the Company or which may be viewed at <http://www.thehartford.com/higfiles/pdf/HFSGBByLaws.pdf>.

Q: How may I obtain other information about the Company?

A: General information about the Company is available on our website at www.thehartford.com. You may view the corporate governance page of the investor relations section of our website at <http://ir.thehartford.com> for the following information, which is also available in print without charge to any shareholder who requests it:

Copies of this Proxy Statement, our 2009 Annual Report on Form 10-K and other filings we have made with the SEC; and

The Company's corporate governance documents, as adopted by the Company's Board of Directors, including the Corporate Governance Guidelines (which incorporate the Company's director independence standards), committee charters, the Code of Ethics and Business Conduct applicable to all employees of the Company and the Code of Ethics and Business Conduct for Members of the Board of Directors.

Request for print copies of any of the above-listed documents should be addressed to Ricardo A. Anzaldúa, Senior Vice President and Corporate Secretary, The Hartford Financial Services Group, Inc., One Hartford Plaza, Hartford, CT 06155.

For further information, you may also contact the Company's Investor Relations Department at the following address: The Hartford Financial Services Group, Inc., One Hartford Plaza, Hartford, CT 06155, or call (860) 547-2537.

ITEMS TO BE ACTED UPON BY SHAREHOLDERS

ITEM 1

ELECTION OF DIRECTORS

Nine individuals will be nominated for election as directors at the Annual Meeting. The terms of office for all elected Directors will run until the next annual meeting of shareholders of the Company and until their successors are elected and qualified, or until his or her earlier death, retirement, resignation or removal from office. There are currently ten directors serving on the Board of Directors.

In accordance with the Company's Corporate Governance Guidelines, each director has submitted a contingent, irrevocable resignation that the Board of Directors may accept if the director fails to be elected in an uncontested election. In that situation, the Nominating and Corporate Governance Committee (or another committee of the Board of Directors comprised solely of at least three non-management directors) would make a recommendation to the Board of Directors about whether to accept or reject the resignation. The Board of Directors will act on this recommendation within 90 days from the date of the Annual Meeting and the Company will disclose its decision publicly promptly thereafter.

If for any reason a nominee should become unable to serve as a director, either the shares of Common Stock represented by valid proxies will be voted for the election of another individual nominated by the Board of Directors, or the Board of Directors will reduce the number of directors in order to eliminate the vacancy.

The Nominating and Corporate Governance Committee of the Board of Directors seeks director nominees with established records of accomplishment in areas relevant to the Company's business and objectives and who possess the characteristics identified in our Corporate Governance Guidelines as essential to a well-functioning and deliberative governing body, including the nominee's integrity, independence, commitment, availability and contributions to the diversity of the Board.

All of our directors hold, or have held, senior leadership positions in large, complex organizations, educational institutions and/or charitable and not-for-profit organizations. In these positions, they have demonstrated their leadership, intellectual and analytical skills and gained deep experience in core disciplines significant to their oversight responsibilities. Their roles in these organizations also permit them to offer senior management a diverse range of perspectives about the issues facing a complex financial services company like the Company.

The Committee believes that the Company's directors possess the qualifications, skills and experience that are consistent with the standards for the selection of nominees for election to the Board set forth in the Company's Corporate Governance Guidelines described on page 23 and that they have demonstrated the ability to effectively oversee Company's corporate, investment and line of business operations. Biographical information for the Company's directors is set forth below, including the principal occupation and other public company directorships (if any) held by each director in the past five years and a description of the specific experience and expertise that qualifies each director to serve as a director of the Company.

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR"
ALL NOMINEES FOR ELECTION AS DIRECTORS.**

Nominees for Directorships

ROBERT B. ALLARDICE, III

(Director since 2008)

Mr. Allardice, 63, is a retired regional chief executive officer of Deutsche Bank Americas Holding Corporation, North and South America. He began his financial services career at Morgan Stanley & Co., Inc., where he spent nearly 20 years in positions of increasing responsibility. He founded the company's Merger Arbitrage Department and later became chief operating officer of the Equity Department. He was also a founding member of Morgan Stanley's Finance Committee. Following Morgan Stanley, he was a consultant to Smith Barney, and later with Deutsche Bank Americas Holding Corporation, where he held the position of regional chief executive officer, North and South America, and of advisory director, among other posts.

Mr. Allardice has over thirty years of experience in the financial services industry, including at the chief executive officer level. As a senior leader at multiple complex financial institutions, Mr. Allardice demonstrated skills in key management disciplines that are relevant to the oversight of the Company's business, including strategic planning, risk management, finance and financial reporting. Mr. Allardice's experience interfacing with regulators and establishing governance frameworks acquired through his years of service in the industry is relevant to the oversight of the Company's highly regulated businesses. Further, his experience leading capital markets-based businesses is relevant to the oversight of the Company's HIMCO and corporate finance activities.

TREVOR FETTER

(Director since 2007)

Mr. Fetter, 50, was named President of Tenet Healthcare Corporation effective November 2002 and was appointed its Chief Executive Officer in September 2003. From March 2000 to November 2002, Mr. Fetter served as Chairman and Chief Executive Officer of Broadlane, Inc., a provider of technology solutions for the healthcare industry. From 1995 to 2000, Mr. Fetter served as the Chief Financial Officer of Tenet Healthcare Corporation. Mr. Fetter also is a member of the Board of Directors of Tenet Healthcare Corporation.

As the chief executive officer of a publicly-traded healthcare company, Mr. Fetter has demonstrated his ability to lead the management and operations of a complex, highly regulated organization. Mr. Fetter's leadership experience has equipped him with skills in key management disciplines that are relevant to the oversight of the Company's business, including strategic planning, operational and risk management, regulatory affairs, leadership development and corporate governance. As a chief financial officer of a publicly-traded company, Mr. Fetter also gained experience in corporate finance, financial reporting and the capital markets, all of which are relevant to the oversight of the Company's operations and corporate finance activities.

PAUL G. KIRK, JR.

(Director from 1995 to September 2009; March 2010)

Mr. Kirk, 72, served as a United States Senator from September 2009 until February 2010, filling the vacancy created by the death of Senator Edward M. Kennedy. Mr. Kirk currently serves as Chairman and President and a director of Kirk & Associates, Inc., a business advisory and consulting firm. Mr. Kirk served as Treasurer of the Democratic Party of the United States from 1983 to 1985 and as Chairman from 1985 until his resignation from that position in 1989. He retired from the law firm of Sullivan & Worcester in 2000, having become a partner of the firm in 1977, and Of Counsel to the firm in 1990. Mr. Kirk serves as a member of the Board of Directors of Rayonier, Inc. and served as a member of the Board of Directors of Cedar Shopping Centers, Inc. from 2005 to 2009.

Mr. Kirk has broad-based experience as a senior business leader, legal advisor and public servant. His experiences have provided him with skills that are relevant to the Company's operations, including strategic planning, legal and regulatory analysis, corporate governance and risk management. Further, he has served on the Board of Directors of several publicly-traded companies where he has acquired experience in overseeing complex operations.

LIAM E. MCGEE

(Director since 2009)

Mr. McGee, 55, is the Chairman and Chief Executive Officer of the Company, positions he has held since October 1, 2009. On December 17, 2009, he was also appointed President of the Company. Prior to joining the Company, Mr. McGee worked for Bank of America Corporation, which he joined in 1990. At Bank of America Corporation, Mr. McGee most recently served as President, Bank of America Consumer and Small Business Bank, a position he held from August 2004 until his departure in September 2009. In that role, he operated the nation's largest retail bank, serving more than 50 million consumer households and small businesses through a distribution network that included over 6,100 branches and the nation's largest online and mobile bank. From August 2001 to August 2004, he served as President, Global Consumer Banking; from August 2000 to August 2001, he served as President, Bank of America California; and from August 1998 to August 2000, he served as President, Southern California Region.

As the chief executive officer of the Company, Mr. McGee provides unique insights into the Company's businesses, relationships, competitive and financial positioning, senior leadership and strategic opportunities and challenges. Mr. McGee's experiences as a senior leader in the financial services industry provide him with skills in key management disciplines that are relevant to the oversight of the Company's business, including strategic planning, operational and risk management, finance and leadership development. In addition, his experience serving consumers and small businesses and managing large-scale distribution networks are of particular relevance to the Company's operations.

GAIL J. MCGOVERN

(Director since 2003)

Ms. McGovern, 58, is President and Chief Executive Officer of The American Red Cross, a position she has held since June 2008. From June 2002 to May 2008, she was a Professor of Marketing at Harvard Business School. Previously, Ms. McGovern served as President of Fidelity Personal Investments from January 2001 to May 2002, and as President of Distribution and Services of Fidelity Personal Investments from September 1998 to January 2001. Ms. McGovern also is a member of the Board of Directors of DTE Energy Company and served as a member of the Board of Directors of Digitas Inc. from 2004 to 2007.

Ms. McGovern has broad-based experience as a senior leader in business, academia and most recently as the Chief Executive Officer of The American Red Cross, where she is responsible for developing and implementing the strategic direction of the organization. Through her years of service as a senior leader of these organizations, she has gained experience in several areas that are relevant to the Company's operations, including strategic planning, marketing, distribution channels, finance, leadership development and corporate governance. Ms. McGovern has also demonstrated an ability to oversee complex business operations through her service on the Board of Directors of several publicly-traded companies.

MICHAEL G. MORRIS

(Director since 2004)

Mr. Morris, 63, is Chairman, President and Chief Executive Officer of American Electric Power Company, Inc., having held the positions of President and Chief Executive Officer since January 2004 and the position of Chairman since February 2004. He previously was Chairman, President and Chief Executive Officer of Northeast Utilities from August 1997 to December 2003. Mr. Morris is a member of the Boards of Directors of American Electric Power Company, Inc., Alcoa, Inc. and Nuclear Electric Insurance Ltd. Mr. Morris also served as a director of Cincinnati Bell from 2003 to 2008.

Mr. Morris has extensive operational and management experience acquired through his service as the chief executive officer of multiple publicly-traded companies in the highly regulated energy industry. As a senior leader responsible for the management of complex business operations, Mr. Morris has experience in areas that are relevant to the oversight of the Company's business, including strategic planning, risk management, regulatory affairs, leadership development and corporate governance. Further, he has served on the Board of Directors of several publicly-traded companies where he has acquired experience in overseeing complex operations.

THOMAS A. RENYI

(Director since March 2010)

Mr. Renyi, 64, served as Executive Chairman of The Bank of New York Mellon Corporation, New York, New York from July 2007 until he retired in August 2008. Prior to that he served as Chairman of the Board and Chief Executive Officer of The Bank of New York Company, Inc. and The Bank of New York, from February 1998 to July 2007. His career at The Bank of New York Mellon and its predecessor company spanned almost four decades and included key leadership roles in securities servicing, credit policy, capital markets, and domestic and international banking. He also headed the transition team responsible for integrating Irving Trust Company into Bank of New York. Mr. Renyi is a member of the Board of Directors of RiskMetrics Group, Inc. and Public Service Energy Group.

Mr. Renyi has nearly forty years of experience in the financial services industry, including nearly ten years of experience at the chairman and chief executive officer level. Mr. Renyi has acquired skills in areas that are relevant to the oversight of the Company's operations through his years of service as a senior leader, including strategic planning, capital markets, operational and risk management, corporate governance and leadership development. Through his service on the Board of Directors of several publicly-traded companies, he has acquired experience in overseeing complex operations.

CHARLES B. STRAUSS

(Director since 2001)

Mr. Strauss, 67, served as President and Chief Executive Officer of Unilever United States, Inc., a primary business group of Unilever, the international food and home and personal care organization, from May 2000 until his retirement in December 2004. While at Unilever, he also held the positions of Group President, Unilever Home and Personal Care North America since September 1999 and Chairman of the North America Committee, which coordinates Unilever's North American activities. Mr. Strauss is a member of the Board of Directors of Aegis Group plc. Mr. Strauss also served on the Board of Directors of Unilever plc and Unilever N.V. from 2000 to 2004 and The Hershey Company from 2007 to 2009.

Mr. Strauss has extensive experience guiding large, complex organizations acquired through nearly two decades of service as an executive in the consumer products industry, including at the chief executive officer level. As the leader of a large, publicly-traded company with global operations, Mr. Strauss demonstrated skills in areas that are relevant to the oversight of the Company, including strategic planning, complex distribution channels, risk management, leadership development and corporate governance. Mr. Strauss also has experience in corporate finance and financial reporting. Further, he has served on the Board of Directors of several publicly-traded companies where he has acquired experience in overseeing complex operations.

H. PATRICK SWYGERT

(Director since 1996)

Mr. Swygert, 67, is President Emeritus and professor of law at Howard University and is a Distinguished Lecturer of the Institute for Strategic Studies of the National Defense University. He previously served as President of Howard University, Washington, D.C., a position he held from August 1995 until his retirement in June 2008. He was President of the University at Albany, State University of New York, from 1990 to 1995. Mr. Swygert is a member of the Board of Directors of United Technologies Corporation, the External Advisory Board of the Central Intelligence Agency, the Commission on Presidential Debates, the Advisory Council for the Smithsonian Institution's National Museum of African American History and Culture and the Advisory Team for Cheyney University. He also served as a member of the Board of Directors of Fannie Mae from 2000 through 2008.

The Board of Directors considered Mr. Swygert's service on the board and risk committee of Fannie Mae and the stresses experienced at that institution that ultimately led to the federal government placing Fannie Mae into conservatorship. In recommending Mr. Swygert's nomination, the Board concluded that he brings significant and valuable leadership experience to the Board demonstrated in nearly two decades of service as the president of two major universities. Mr. Swygert led the academic and financial revitalization of both Howard University and the University of Albany, gaining experience in strategic planning, risk management and governance. He has served on the Board of Directors of several publicly-traded companies where he has acquired experience in overseeing complex operations. Further, Mr. Swygert's leadership roles at educational, governmental and cultural organizations provide him with a unique perspective on civic and cultural issues.

ITEM 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITOR

In accordance with its Board-approved charter, the Audit Committee has appointed Deloitte & Touche LLP as independent auditor of the Company for the fiscal year ending December 31, 2010. Although shareholder ratification of the appointment of Deloitte & Touche LLP is not required, the Board requests ratification of this appointment by the shareholders. If shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Deloitte & Touche LLP.

Representatives of Deloitte & Touche LLP will attend the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

See "Audit Committee Charter and Report Concerning Financial Matters" in this Proxy Statement for further information regarding the Company's independent auditor.

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR"
THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP
AS INDEPENDENT AUDITOR OF THE COMPANY.**

ITEM 3

PROPOSAL TO APPROVE THE HARTFORD 2010 INCENTIVE STOCK PLAN

The Compensation and Personnel Committee of the Board of Directors (the "Compensation Committee") has approved (subject to shareholder approval) The Hartford 2010 Incentive Stock Plan (the "2010 Stock Plan"). The 2010 Stock Plan provides for the issuance of a maximum of 18,000,000 shares of Common Stock in connection with the grant of options and other stock-based or stock-denominated awards (approximately 4.1% of the outstanding shares of the Company as of March 31, 2010). The 2010 Stock Plan will not become effective until it is approved by the Company's shareholders. A detailed summary of the 2010 Stock Plan (the "Plan Summary") is attached to this Proxy Statement as **Appendix A** and a copy of the actual 2010 Stock Plan can be accessed at <http://bnymellon.mobular.net/bnymellon/higplan>. Each of the Plan Summary and the copy of the actual 2010 Stock Plan is incorporated herein by reference and made a part hereof.

The 2010 Stock Plan is intended to supersede and replace The Hartford 2005 Incentive Stock Plan (the "2005 Stock Plan"). As of March 31, 2010, there were 4,060,512 shares available for issuance under the 2005 Stock Plan. Accordingly, the 2010 Stock Plan provides for the issuance of 13,939,488 more shares than were available under the 2005 Stock Plan as of March 31, 2010. A table providing information as of December 31, 2009 regarding the securities authorized for issuance under the Company's equity compensation plans is included on page A-8 of the Plan Summary. To the extent that any award under the 2005 Stock Plan, or under The Hartford Incentive Stock Plan that was approved by shareholders in 2000, 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 subject to such award (or the relevant portion thereof) shall be available for awards under the 2010 Stock Plan and such shares shall be added to the total number of shares available under the 2010 Stock Plan.

In accordance with the listing standards of the NYSE, the Board has recommended that the Company's shareholders approve the 2010 Stock Plan so that the Company may use the shares authorized under the 2010 Stock Plan to assist the Company in achieving its goals of increasing profitability, increasing shareholder value, and encouraging employees of the Company to become shareholders, while also receiving a federal income tax deduction for certain compensation paid under the 2010 Stock Plan under Section 162(m) of the Internal Revenue Code, as amended, (the "Code") and qualifying certain options for special tax treatment under Section 422 of the Code. If approved by the shareholders, the 2010 Stock Plan will become effective on May 19, 2010.

The following are some key highlights of the 2010 Stock Plan:

The Compensation Committee, or its delegate(s), will administer the 2010 Stock Plan.

The 2010 Stock Plan provides for the grant of incentive stock options (intended to qualify under Section 422 of the Code) and non-qualified stock options, stock appreciation rights ("Rights"), restricted stock ("Restricted Stock"), restricted stock units ("Restricted Units") and performance shares ("Performance Shares"), or other types of stock-based awards, or any combination of the foregoing, as the Compensation Committee may determine.

Subject to shareholder approval, the 2010 Stock Plan will become effective on May 19, 2010 and will have a ten-year term, subject to earlier termination by the Board of Directors.

All employees of the Company, its subsidiaries and affiliates whose responsibilities and decisions, in the judgment of the Compensation Committee, directly affect the performance of the Company and its subsidiaries ("key employees") shall be eligible for award grants under the 2010 Stock Plan. The Company currently estimates that the number of key employees of the Company is approximately 2,800. In addition, non-employee directors of the Company and third party service providers shall be eligible for award grants under the 2010 Stock Plan.

Awards may be granted by the Compensation Committee in its discretion and, therefore, future benefits to be allocated to any individual or group of individuals under the 2010 Stock Plan are not presently determinable.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE HARTFORD 2010 INCENTIVE STOCK PLAN.

ITEM 4

PROPOSAL TO APPROVE MATERIAL TERMS OF EXECUTIVE BONUS PROGRAM

The Company has an annual executive bonus program (the "Bonus Program") that is intended to provide the Chief Executive Officer and the next three most highly compensated executive officers (other than the Chief Financial Officer) in the applicable year (the "Covered Officers") with incentive compensation based upon the achievement of pre-established performance goals and individual performance in a manner that qualifies for the exception for "performance-based compensation" from the limit on tax deductibility of compensation, as described below. The Bonus Program is intended to provide an incentive for profitable growth and to motivate the Covered Officers toward higher achievement and operating results, to tie their goals and interests to those of the Company and its shareholders and to enable the Company to attract and retain highly qualified executives and key managers.

United States tax laws generally do not allow publicly held companies to obtain tax deductions for compensation of more than \$1 million paid in any year to the chief executive officer or any of the next three most highly compensated executive officers (other than the chief financial officer), unless such payments are "performance-based" as defined in the tax laws. Where the performance criteria provide the Company a choice among different measures, one of the requirements for compensation to be performance-based under those laws is that the Company must obtain shareholder approval every five years of the material terms of the performance goals for such compensation. In accordance with Internal Revenue Service rules under Section 162(m) of the Internal Revenue Code, the material terms of the Bonus Program described below, which shareholders are being asked to approve, constitute the framework within which the Compensation and Personnel Committee would establish the actual performance goals.

At the 2005 Annual Meeting of Shareholders, the shareholders approved certain designated material terms related to the Bonus Program so that the Bonus Program would comply with the requirements of Section 162(m) for five years. If the shareholders approve the material terms described below, the Bonus Program will be eligible to meet the Section 162(m) requirements for the years 2010 through 2014, subject to limitations that apply to the Company for periods during which the Company had outstanding financial obligations under the TARP, as described below.

To enable the Company to continue to receive tax deductions for compensation awarded under the Bonus Program, the Board is requesting shareholder approval of the following material terms of the Bonus Program:

1. *Class of Eligible Executives.* The Company's Chief Executive Officer and the next three most highly compensated executive officers, other than the Chief Financial Officer, of the Company and its subsidiaries for any given year.

2. *Performance Criteria.* Awards of bonuses pursuant to the Bonus Program must be stated for the Covered Officers in terms of an objective formula or standard as required by Section 162(m), which may be based on any one or more of the following factors (collectively, the "Performance Factors"): (i) earnings per share, (ii) return on equity, (iii) cash flow, (iv) return on total capital, (v) return on assets, (vi) economic value added, (vii) increase in surplus, (viii) reductions in operating expenses, (ix) increases in operating margins, (x) earnings before income taxes and depreciation, (xi) total shareholder return, (xii) return on invested capital, (xiii) cost reductions and savings, (xiv) earnings before interest, taxes, depreciation and amortization, (xv) pre-tax operating income, (xvi) net income, (xvii) after-tax operating income, (xviii) core earnings or core earnings per share, or (xix) productivity

improvements, including such adjustments thereto as the Compensation and Personnel Committee deems appropriate. The objective formula or standard shall be:

determined solely by reference to any one or more of the Performance Factors of the Company (or the Performance Factors of any subsidiary or affiliate of the Company, or any division or unit thereof), or

based on any one or more of the Performance Factors of the Company (or the Performance Factors of any subsidiary or affiliate of the Company, or any division or unit thereof), as compared with the Performance Factors of other companies or entities, or

based on an executive's attainment of personal objectives with respect to any one or more of the Performance Factors of the Company (or the Performance Factors of any subsidiary or affiliate of the Company, or any division or unit thereof), or with respect to any one or more of the following: (i) growth and profitability, (ii) customer satisfaction, (iii) leadership effectiveness, (iv) business development, (vi) negotiating transactions and sales or (vii) developing long-term business goals.

3. *Maximum Payable to Any Executive for Any One Year.* The maximum bonus that may be paid to any of the Covered Officers for any given year is the lesser of (a) 300% of such executive's annual bonus target in effect at the beginning of such year, as approved by the Compensation and Personnel Committee, or (b) \$5,000,000.

4. *Amendment.* At the discretion of the Compensation and Personnel Committee, amendments can be made to the Bonus Program that can increase its cost to the Company and can alter the allocation of benefits among participating executive officers.

5. *Estimate of Benefits.* Because the grant of awards under the Bonus Program will be in the discretion of the Compensation and Personnel Committee, it is not possible to determine awards that will be made under the Bonus Program.

6. *Information Regarding Plans and Other Arrangements Not Subject to Security Holder Action.* Please see the table on page A-8 of the Plan Summary.

7. *Effect of TARP.* The Company understands that the U.S. Treasury Department takes the view that annual compensation amounts for the Covered Officers in excess of \$500,000 may not be deducted for federal income tax purposes for periods during which the Company had outstanding financial obligations under the TARP.

8. *Committee Discretion.* The Compensation and Personnel Committee generally takes reasonable measures to avoid the loss of a Company tax deduction due to Section 162(m). However, amendments can be made to the Bonus Program that can increase its cost to the Company and can alter the allocation of benefits among participating executive officers. In addition, the Compensation and Personnel Committee may in certain circumstances approve bonus or other payments outside of the Bonus Program that do not meet the material terms of the Bonus Program described above and that may not be deductible.

In summary, if the shareholders approve this proposal, the material terms of the Bonus Program and the performance goals thereunder, as described above, will constitute the framework within which the Compensation and Personnel Committee will set specific performance goals for Bonus Program awards between the dates of the 2010 and 2015 Annual Meetings, and will therefore preserve the Company's ability to obtain tax deductions for such compensation.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE APPROVAL OF MATERIAL TERMS OF EXECUTIVE OFFICER PERFORMANCE GOALS FOR ANNUAL INCENTIVE AWARDS.

ITEM 5

SHAREHOLDER PROPOSAL REIMBURSEMENT OF PROXY EXPENSES

The American Federation of State, County and Municipal Employees Pension Plan ("AFSCME"), which has indicated that it beneficially owned 2,155 shares of voting common stock of the Company, has requested that a proposal to amend the Company's By-laws to provide for the reimbursement of certain proxy expenses incurred in connection with a stockholder proposed director nomination be presented for stockholder vote at the Annual Meeting. The proposal, along with AFSCME's supporting statement, is included verbatim below. AFSCME's request was submitted by Charles Jurgonis, Plan Secretary of AFSCME, 1625 L Street, N.W., Washington, D.C. 20036.

The Board recommends a vote "AGAINST" the AFSCME proposal.

Approval of AFSCME's proposal requires the affirmative vote of the holders of at least a majority of the voting power of all of the Company's outstanding shares.

[The following is the verbatim proposal as received from AFSCME]

The AFSCME Proposal and Supporting Statement

RESOLVED, that pursuant to section 109 of the Delaware General Corporation Law and Article 11 of the bylaws of The Hartford Financial Services Group, Inc., stockholders hereby amend the By-laws to add the following Section 2.11 to Article 2:

"The board of directors shall, consistent with its fiduciary duties, cause the corporation to reimburse a stockholder or group of stockholders (together, the "Nominator") for reasonable expenses ("Expenses") incurred in connection with nominating one or more candidates in a contested election of directors to the corporation's board of directors, including, without limitation, printing, mailing, legal, solicitation, travel, advertising and public relations expenses, so long as (a) the election of fewer than 50% of the directors to be elected is contested in the election, (b) one or more candidates nominated by the Nominator are elected to the corporation's board of directors, (c) stockholders are not permitted to cumulate their votes for directors, and (d) the election occurred, and the Expenses were incurred, after this bylaw's adoption. The amount paid to a Nominator under this bylaw in respect of a contested election shall not exceed the amount expended by the corporation in connection with such election."

SUPPORTING STATEMENT

In our opinion, the power of stockholders to elect directors is the most important mechanism for ensuring that corporations are managed in stockholders' interests. Some corporate law scholars posit that this power is supposed to act as a safety valve that justifies giving the board substantial discretion to manage the corporation's business and affairs.

The safety valve is ineffective, however, unless there is a meaningful threat of director replacement. We do not believe such a threat currently exists at most U.S. public companies. Harvard Law School professor Lucian Bebchuk has estimated that there were only about 80 contested elections at U.S. public companies from 1996 through 2002 that did not seek to change control of the corporation.

The unavailability of reimbursement for director election campaign expenses for so-called "short slates" slates of director candidates that would not comprise a majority of the board, if elected contributes to the scarcity of such contests. (Because the board approves payment of such expenses, as a practical matter they are reimbursed only when a majority of directors have been elected in a contest.) The proposed bylaw would provide reimbursement for reasonable expenses incurred in

successful short slate efforts but not contests aimed at changing control by ousting a majority or more of the board with success defined as the election of at least one member of the short slate.

The bylaw would also cap reimbursable expenses at the amount expended by the company on the contested election. We believe that the amount spent by a dissident stockholder or group will rarely exceed the amount spent by the company, but the cap ensures that the availability of reimbursement does not create an incentive for wasteful spending.

We urge stockholders to vote for this proposal.

[This ends the verbatim proposal as received from AFSCME]

The Board of Directors' Statement in Opposition

The Board and its Nominating and Corporate Governance Committee have considered the AFSCME proposal and concluded that it should not be adopted in light of the rules proposed by the Securities and Exchange Commission (the "SEC") that, if adopted, will grant shareholders the right to include director nominees in a company's proxy materials under certain circumstances. Further, even absent these proposed rule changes, the Board believes the AFSCME proposal is unnecessary and not in the best interests of the Company's shareholders for the reasons described below. Accordingly, the Board recommends a vote **AGAINST** this Proposal.

In June 2009, the SEC proposed changes to the federal proxy rules that would require, under certain circumstances, a company to include shareholder nominees for director in the company's proxy materials. A significant amount of debate ensued among commentators regarding the merits of the proposed "proxy access" rules and alternative proxy access constructs. In December 2009, the SEC reopened the comment period for 30 days to solicit additional input on the proposed rule changes. As of April 2, 2010, the SEC had not yet adopted final proxy access rules. Although there is uncertainty regarding the final form of the SEC's proxy access rules, the SEC staff has stated that it expects to make its final recommendation to the SEC commissioners in 2010. The Board believes that the AFSCME proposal should not be adopted while the SEC is considering changes to the proxy rules regarding director nominations. Given the substantive overlap of the AFSCME proposed by-law and the SEC's proposed proxy access rules, there exists the potential that the by-law will conflict with or be superseded by the final proxy access rules and could need to be repealed or materially amended following adoption of the final rules. In light of the potential for this significant substantive overlap, the Board believes it would not be in the Company's best interests to adopt the AFSCME proposal.

Even absent the SEC's proposed proxy access rules, the Board believes that the AFSCME proposal is unnecessary and not in the best interests of the Company's shareholders. The Nominating and Corporate Governance Committee, which has the responsibility to identify and nominate qualified director candidates to serve on our Board, has a defined procedure for permitting shareholders to recommend director candidates (see "Selection of Nominees for Election to the Board" beginning on page 23). This process gives shareholders an opportunity to recommend director candidates to the Board and have their qualifications properly reviewed by the Nominating and Corporate Governance Committee. No candidates for election to the Board at the Annual Meeting were proposed by shareholders. Furthermore, with the implementation of the Securities and Exchange Commission rules that allow proxy materials to be furnished over the Internet, shareholders are able to nominate competing directors without the necessity of incurring the high printing and mailing costs previously required in such a contest. The AFSCME proposal would encourage an increase in contested elections, which would result in increased distraction of management from the Company's ordinary business and could result in increased costs to the Company and its shareholders, with no showing that it is needed.

**FOR THESE REASONS, THE BOARD OF DIRECTORS STRONGLY URGES
THE COMPANY'S SHAREHOLDERS TO VOTE "AGAINST" THE AFSCME PROPOSAL REGARDING THE
REIMBURSEMENT OF PROXY EXPENSES**

GOVERNANCE OF THE COMPANY

The Corporate Governance Guidelines adopted by the Board of Directors (the "Board") comply with the listing standards of the NYSE. A copy of the Corporate Governance Guidelines can be accessed from the corporate governance page of the Company's investor relations website at <http://ir.thehartford.com> at www.thehartford.com/higfiles/pdf/corporate-governance-guidelines.pdf. A copy of the Corporate Governance Guidelines will be provided without charge to any shareholder who requests it in writing.

The Board met nineteen times during 2009 and each of our directors attended at least 75% of the total number of meetings of the Board and the Committees on which he or she served, except for Mr. Kelly who attended 71% of such meetings.

Current Members of the Board of Directors

The members of the Board on the date of this Proxy Statement, and the Committees of the Board on which they serve, are identified below.

Director	Audit Committee	Compensation and Personnel Committee	Executive Management Committee	Finance, Investment and Risk Management Committee	Legal and Public Affairs Committee	Nominating and Corporate Governance Committee
Robert B. Allardice, III	**		*	*	*	
Trevor Fetter	*		*	*		*
Edward J. Kelly, III		**	*	*	*	
Paul G. Kirk, Jr.		*	*	*	*	
Liam E. McGee			**	*		
Gail J. McGovern		*	*	*	**	
Michael G. Morris	*		*	*		*
Thomas A. Renyi		*	*	*	*	
Charles B. Strauss	*		*	**		*
H. Patrick Swygert		*	*	*		**

* Member.

** Chair.

Committees of the Board

The Board of Directors has the following standing committees of the Board: Audit Committee; Compensation and Personnel Committee; Executive Committee; Finance, Investment and Risk Management Committee; Legal and Public Affairs Committee; and Nominating and Corporate Governance Committee.

Audit Committee. The functions of the Audit Committee are described on pages 25-26 of this Proxy Statement under the heading "Audit Committee Charter and Report Concerning Financial Matters." The charter of the Audit Committee is available on the Company's website at www.thehartford.com/higfiles/pdf/the-hartford-audit-committee-charter.pdf. A copy of the charter will be provided without charge to any shareholder who requests it in writing. The Audit Committee meets as frequently as it determines, but at least once every fiscal quarter. The Audit Committee met eleven times during 2009.

The Board has determined that all of the members of the Audit Committee are "independent" directors within the meaning of the SEC's regulations, the listing standards of the NYSE and the

Company's Corporate Governance Guidelines, and that all are "financially literate" within the meaning of the listing standards of the NYSE. None of the members of the Committee are current officers or employees of the Company or its affiliates, nor do any of them have any relationship to the Company that might interfere with the exercise of their independence from management and the Company. In addition, the Board has determined that Messrs. Allardice, Fetter, Morris and Strauss are qualified as "audit committee financial experts" within the meaning of the SEC's regulations.

Compensation and Personnel Committee. The Compensation and Personnel Committee has oversight responsibility with respect to executive compensation and has the direct responsibility to assist the Board in defining an executive total compensation policy, as described in greater detail in the Compensation Discussion and Analysis section, commencing on page 27 of this Proxy Statement. The responsibilities and authority of the Committee are set forth in the charter of the Committee. The charter of the Committee is available on the Company's website at: www.thehartford.com/higfiles/pdf/TheHartfordCompensationCommittee.pdf. A copy of the charter will be provided without charge to any shareholder who requests it in writing.

The Board has determined that all of the members of the Compensation and Personnel Committee are independent directors. The Committee meets as frequently as it determines, but at least twice a year. In 2009, the Committee met eleven times. Meeting agendas are generally prepared by the Executive Vice President, Human Resources with input from the Committee chairman and other members of the Committee, as well as the Chief Executive Officer ("CEO"). The Committee chairman approves the final version of meeting agendas prior to distributing to the full Committee. The Committee has sole authority to retain and terminate any consulting firms to be used to assist in the evaluation of executive compensation, including sole authority to approve the consulting firm's fees and other retention terms. Since March 2007, Exequity, LLP has provided consulting services to the Committee. Exequity has provided no services to the Company other than consulting services provided to the Committee. It is the policy of the Committee that its consultant may only provide executive compensation and related services to the Committee and may not provide any other services to the Company. Prior to March 2007, Hewitt Associates LLP provided consulting services to the Committee. In addition, the Committee has the sole authority to obtain such advice and assistance from outside accounting, legal or other advisors as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities, including sole authority to approve the accounting, legal or other advisor's fees and other retention terms. Any accounting, legal or other advisor retained by the Committee may, but need not, be in the case of an outside accountant, the same accounting firm employed by the Company for the purpose of rendering or issuing an audit report on the Company's annual financial statements, or in the case of outside counsel or other advisor, otherwise engaged by the Company for any other purpose. The Committee has the ability to delegate, and has delegated to the Executive Vice President, Human Resources, or her designee, responsibility for the day-to-day operations of the Company's compensation plans and programs, but in all events retains responsibility for compensation actions and decisions with respect to senior executives.

Executive Committee. The Executive Committee considers and monitors the strategic focus of the Company. The Committee also manages the process of CEO succession. In 2009, the Executive Committee met three times.

Finance, Investment and Risk Management Committee. Established in May 2009, the Finance, Investment and Risk Management Committee (the "FIRMCo") oversees the investment activities, financial management, and risk management of the Company and its subsidiaries. Additionally, the FIRMCo provides a forum for discussion among management and the Board on key financial, investment, and risk management matters of the Company. The charter of the FIRMCo is available on the Company's website at: www.thehartford.com/higfiles/pdf/Finance-Investment-Risk-Charter.pdf. A copy of the charter will be provided without charge to any shareholder who requests it in writing. The

FIRMCo consists of all ten members of the Board, is chaired by an independent director and meets as frequently as it determines, but at least four times per year. In 2009, the FIRMCo met five times.

Legal and Public Affairs Committee. The Legal and Public Affairs Committee reviews and considers major claims and litigation, and legal, regulatory, intellectual property and related governmental policy matters affecting the Company and its subsidiaries. The Committee reviews and approves management policies and programs relating to compliance with legal and regulatory requirements, business ethics and environmental matters. It also reviews and defines the Company's social responsibilities, including issues of significance to the Company, its shareholders and employees. The charter of the Committee is available on the Company's website at: www.thehartford.com/higfiles/pdf/TheHartfordLegalCommittee.pdf. A copy of the charter will be provided without charge to any shareholder who requests it in writing. The Committee meets as frequently as it determines, but at least two times per year. In 2009, the Committee met three times. The Board has determined that all of the members of the Committee are independent directors.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee makes recommendations as to the organization, size and composition of the Board and the Committees thereof, identifies individuals qualified to become members of the Board, proposes nominees for election to the Board and the Committees thereof, and considers the qualifications, compensation and retirement of directors. The Committee also develops and makes recommendations to the Board regarding the Company's corporate governance guidelines. The Committee will consider nominations of persons for election as directors that are submitted by shareholders in writing in accordance with certain requirements set forth in the Company's By-laws. The charter of the Committee is available on the Company's website at: www.thehartford.com/higfiles/pdf/TheHartfordNominatingCommittee.pdf. A copy of the charter will be provided without charge to any shareholder who requests it in writing. The Committee meets as frequently as it determines, but at least two times per year. The Committee met five times during 2009. The Board has determined that all of the members of the Committee are independent directors.

Director Independence

Pursuant to the Company's Corporate Governance Guidelines, the Board undertook its annual review of director independence in March 2010. During this review, the Board considered any transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates. The Board also examined any transactions and relationships between directors or their affiliates and members of the Company's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

As a result of this review, the Board affirmatively determined that the following members of the Board are independent of the Company and its management in accordance with the requirements of the listing standards of the NYSE and the standards set forth in the Corporate Governance Guidelines: Robert B. Allardice, III; Trevor Fetter; Edward J. Kelly, III; Paul G. Kirk, Jr.; Gail J. McGovern; Michael G. Morris; Thomas A. Renyi; Charles B. Strauss; and H. Patrick Swygert. The Company's director independence standards are contained in the Company's Corporate Governance Guidelines, which are available on the Company's website at www.thehartford.com/higfiles/pdf/TheHartfordGovGuidelines.pdf and in print to any shareholder who requests them.

Board Leadership Structure and Role in Risk Oversight

Board Leadership Structure. The roles of Chief Executive Officer and Chairman of the Board are held by Liam E. McGee. The Company has historically vested both roles in one individual, with Mr. Ramani Ayer serving in both roles from 1997 until Mr. McGee's appointment in October 2009. In

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connection with Mr. McGee's appointment, the Board concluded that continuing to combine these roles provides the optimal leadership structure to execute the Company's business strategy and maximize shareholder value. The Chief Executive Officer maintains primary management responsibility for the Company's day-to-day business operations and, as chairman, is in the best position to ensure that key business issues and interests of the Company's stakeholders (stockholders, employees, communities, customers and creditors) are communicated to the Board. The Board also concluded that Mr. McGee's experience and qualifications would enable him to fulfill the responsibilities of both roles and effectively lead the Company with a unified vision.

The Board has had a presiding director since 2003 (currently, Mr. Michael Morris). At the time of Mr. McGee's appointment, the Board clarified that the presiding director has the following responsibilities when the roles of chairman and chief executive officer are combined:

serve as a liaison between the Chairman and the non-management directors;

approve information sent to the Board;

approve meeting agendas for the Board;

approve meeting schedules to help ensure that there is sufficient time for discussion of all agenda items;

maintain the authority to call meetings of the independent non-management directors; and

if requested by shareholders, ensure that s/he is available, when appropriate, for consultation and direct communication.

The Board also determined that the non-management directors of the Board would meet in executive session at each regularly scheduled in-person meeting of the Board. Apart from Mr. McGee, our directors are all independent under applicable law, listing standards and the Company's independence standards. In 2009, the non-management directors met six times in executive session.

The Board believes that this corporate governance structure ensures that independent directors can perform their role as independent fiduciaries in the Board's oversight of management and the Company's business.

Board's Role in Risk Oversight. The Board as a whole has ultimate responsibility for risk oversight. It exercises its oversight function through its FIRMCo, Audit, Compensation and Personnel and Executive committees. The Board establishes guidelines for overseeing the specific risks assigned to each of these committees.

The FIRMCo, which consists of all ten members of the Board and is chaired by an independent director, oversees and assesses general risk management activities, as well as the investment activities and financial management of the Company and its subsidiaries. Specifically, the FIRMCo is responsible for overseeing both the policies and related operational risks related to (i) market risk, including credit, interest rate, equity market, and foreign exchange risks arising from the Company's operations and investment activities; (ii) liquidity and capital requirements of the Company; (iii) catastrophe risk, including terrorism and natural catastrophe; and (iv) any other financial risk that poses a material threat to the strategic viability of the Company. The FIRMCo also approves the design and implementation of the Company's overall risk management framework and has the authority to approve or modify enterprise policies governing management activities related to the Company's major risk exposures. The Audit Committee has primary responsibility for overseeing risks arising from specific operational activities to the extent not overseen by the FIRMCo. The Audit Committee also assists in the risk oversight role by assessing the effectiveness of steps management has taken to identify, assess and manage the Company's major risk exposures, including risk policies and practices for financial and operational risks. The Compensation and Personnel Committee evaluates, in consultation with the

Company's senior risk officers, the employee compensation arrangements and programs to ensure such programs and arrangements do not encourage excessive risk taking. As the body responsible for appointing the Company's most senior executives, the Compensation and Personnel Committee has primary responsibility for overseeing risks associated with senior management succession planning, a function in which it coordinates with the Executive Committee in the case of chief executive officer succession planning.

In 2009, the Company established the Enterprise Risk and Capital Committee (the "ERCC"), a committee that includes the Company's Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Enterprise Chief Risk Officer, the Presidents and Chief Operating Officers of the Life and Property and Casualty companies and the General Counsel. The ERCC is responsible for managing the Company's significant risks and overseeing the enterprise risk management program and reports to the Board primarily through the FIRMCo and also through interactions with the Audit Committee.

Selection of Nominees for Election to the Board

The Nominating and Corporate Governance Committee considers potential nominees for Board membership suggested by its members and other Board members, as well as by members of management and shareholders. In addition, the Company, at the request of the Nominating and Corporate Governance Committee, has retained an outside search firm to identify prospective Board nominees.

The Nominating and Corporate Governance Committee evaluates prospective nominees against the standards and qualifications set out in the Company's Corporate Governance Guidelines as well as other relevant factors as it deems appropriate, including: the relevance of the prospective nominee's experience to the business and objectives of the Company; the current composition of the Board; the prospective nominee's independence from conflicts of interest and from actual or potential economic relationships with the Company; the Board's need for financial and accounting expertise; the prospective nominee's personal and professional ethics, integrity and values; and the prospective nominee's availability to attend regularly scheduled Board meetings and to devote appropriate amounts of time to preparation for such meetings. In addition, the Nominating and Corporate Governance Committee considers the prospective nominee's potential contribution to the diversity of the Board. The Committee considers diversity in the context of the Board as a whole and takes into account considerations relating to race, gender and the range of perspectives that the directors bring to their work. As part of its consideration of director succession, the Board and the Committee monitors whether the directors as a group meet the Company's criteria for the composition of the Board, including diversity considerations. The Nominating and Corporate Governance Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will consider director candidates recommended by shareholders in accordance with the procedures set forth in the Company's By-laws. A shareholder who wishes to recommend a prospective nominee for the Board should provide notice to the Company's Corporate Secretary either by personal delivery or by pre-paid United States mail, which sets forth, among other things: the nominating shareholder's name and address and number of shares held; the name and address of the proposed nominee; a representation that the nominating shareholder is a holder of record of stock of the Company entitled to vote at the next annual meeting of shareholders; a representation that the nominating shareholder intends to appear in person or by proxy at the next annual meeting of shareholders to nominate the nominee; a description of any arrangements or understandings between the nominating shareholder and the nominee and any other person involved in the nomination process and with respect to the shares of the nominating

shareholder or the nominee; such other information regarding the nominee as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the SEC in a contested election; the consent of the nominee to serve as a director of the Company if so elected; and a representation as to whether the nominating shareholder intends to solicit proxies in support of the nominee. If any materials are provided by a shareholder in connection with the nomination of a director candidate, the materials will be forwarded to the Nominating and Corporate Governance Committee. For elections of directors at an annual meeting, these materials must be received by the Company's Corporate Secretary not later than 90 days in advance of the anniversary date of the immediately preceding annual meeting.

Code of Ethics and Business Conduct

The Company has adopted a Code of Ethics and Business Conduct, which is applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer, and which is available on the Company's website at: www.thehartford.com/higfiles/pdf/CodeHIG.pdf. In addition, the Company has adopted a Code of Ethics and Business Conduct for Members of the Board of Directors, which is available on the Company's website at: www.thehartford.com/higfiles/pdf/CodeofEthicsforBOD.pdf. Copies of each of the codes will be provided without charge to any shareholder who requests them in writing.

Board Attendance at Shareholder Meetings

The Company encourages its directors to attend the Annual Meeting of Shareholders. All of the Company's then current directors attended the Annual Meeting of Shareholders held on May 27, 2009.

Certain Relationships and Related Transactions

The Board has adopted a Policy for the Review, Approval or Ratification of Transactions with Related Persons. Pursuant to this Policy, the Company's directors and Section 16 executive officers must promptly disclose any actual or potential material conflict of interest to the Chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board for evaluation and appropriate resolution. If the transaction involves a Section 16 executive officer or an immediate family member of a Section 16 executive officer, the matter must also be disclosed to the Company's General Auditor or Director of Compliance for evaluation and appropriate resolution.

Shareholder Communications with the Board

Anyone interested in communicating directly with the Board's non-management directors, or anyone desiring to raise a complaint or concern regarding accounting issues or other compliance matters directly with the Audit Committee of the Board, may do so by any of the following means: by telephone at 1-866-737-6812 (in the U.S. and Canada) and 1-866-737-6850 (in all other countries), via the internet at www.ethicspoint.com or through written correspondence sent to The Hartford, c/o EthicsPoint, P.O. Box 230369, Portland, Oregon 97281-0369.

The above-listed resources are operated by EthicsPoint, an external vendor that employs trained professionals to take calls, in confidence, and to report concerns to the appropriate persons for proper handling.

AUDIT COMMITTEE CHARTER AND REPORT CONCERNING FINANCIAL MATTERS

Audit Committee Charter

The Audit Committee reports to the Board of Directors. Its primary function is to assist the Board in monitoring (i) the integrity of the financial statements of the Company, (ii) the independent registered public accounting firm's qualifications and independence, (iii) the performance of the Company's internal audit function and independent registered public accounting firm, and (iv) the compliance by the Company with legal and regulatory requirements. The Committee operates under a charter which is available on our website at: www.thehartford.com/higfiles/pdf/the-hartford-audit-committee-charter.pdf. The charter specifies, among other things, the structure and membership requirements of the Committee, as well as the relationship of the Committee to the Company's independent registered public accounting firm, the internal audit department, and management of the Company. A copy of the charter will be provided without charge to any shareholder who requests it in writing.

Report of the Audit Committee

The Audit Committee, in its oversight role over (i) the Company's financial accounting and reporting process, (ii) the Company's system of internal controls established by management and (iii) the internal and external audit processes, has met with Company management, the independent registered public accounting firm and the internal auditor of the Company. Discussions about the Company's audited financial statements for the year ended December 31, 2009 and internal control over financial reporting at December 31, 2009 included the independent registered public accounting firm's judgments about both the quality and the acceptability of the Company's accounting principles and underlying estimates used in those financial statements, as well as other matters, as required by auditing standards of the Public Company Accounting Oversight Board ("PCAOB"), SEC Rule 2-07 of Regulation S-X, Statement of Auditing Standards ("SAS") No. 114, *"The Auditor's Communication With Those Charged With Governance"*, and by the Audit Committee charter.

In conjunction with the specific activities performed by the Audit Committee in its oversight role, it has issued the following report as of February 17, 2010:

- (1) The Audit Committee has reviewed and discussed the audited financial statements as of and for the year ended December 31, 2009 with management of the Company.
- (2) The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by SAS 114.
- (3) The Audit Committee has discussed with the auditor the independent registered public accounting firm's independence from the Company, and the Audit Committee has received from the independent registered public accounting firm, as required by PCAOB Ethics and Independence Rule 3526, *"Communication with Audit Committees Concerning Independence"*:
 - (i) a written disclosure, indicating all relationships, if any, between the independent registered public accounting firm and its related entities and the Company and its related entities which, in the auditor's professional judgment, reasonably may be thought to bear on the auditor's independence, and
 - (ii) a letter from the independent registered public accounting firm confirming that, in its professional judgment, it is independent of the Company within the meaning of the securities acts administered by the Securities and Exchange Commission.

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Based on the review and discussions referred to in paragraphs (1) through (3) above, the Audit Committee recommended to the Board of Directors that the audited financial statements should be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the SEC.

The Audit Committee:

Robert B. Allardice, III, Chairman
Trevor Fetter
Michael G. Morris
Charles B. Strauss

Fees to Independent registered public accounting firm for Years Ended December 31, 2009 and 2008

The following table presents fees for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the "Deloitte Entities") for the audit of the Company's annual financial statements, audit-related services, tax services and all other services for the years ended December 31, 2009 and 2008.

	Year Ended December 31, 2009	Year Ended December 31, 2008
(1) Audit fees	\$ 16,790,952	\$ 19,193,271
(2) Audit-related fees(a)	2,071,668	1,838,652
(3) Tax fees(b)	124,560	98,475
(4) All other fees(c)	446,277	

- (a) Principally consisted of internal control reviews, due diligence & related services, agreed-upon procedures reports, and employee benefit plan audits.
- (b) Principally consisted of international tax compliance services and tax examination assistance.
- (c) Principally consisted of Savings & Loan Holding Company regulatory assessment project and benchmarking studies.

The Audit Committee concluded that the provision of the non-audit services provided to the Company by the Deloitte Entities during 2009 and 2008 was compatible with maintaining the Deloitte Entities' independence.

The Audit Committee has established policies requiring its pre-approval of audit and non-audit services provided by the independent registered public accounting firm. The policies require that the Committee pre-approve specifically described audit and audit-related services, annually. For the annual pre-approval, the Committee approves categories of audit services and audit-related services, and related fee budgets. For all pre-approvals, the Audit Committee considers whether such services are consistent with the rules of the Securities and Exchange Commission and the PCAOB on auditor independence. The independent registered public accounting firm and management report to the Audit Committee on a timely basis regarding the services rendered by and actual fees paid to the independent registered public accounting firm to ensure that such services are within the limits approved by the Committee. The Audit Committee's policies require specific pre-approval of all tax services, internal control-related services and all other permitted services on an individual project basis. As provided by the Committee's policies, the Committee has delegated to its Chairman the authority to address any requests for pre-approval of services between Committee meetings, up to a maximum of \$100,000. The Chairman must report any pre-approvals to the full Committee at its next scheduled meeting.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis summarizes the Company's compensation policies, programs and practices for the following six executives (the "Named Executive Officers"):

Liam McGee, the Company's Chairman, President and Chief Executive Officer ("CEO"), who began his employment with the Company on October 1, 2009;

Ramani Ayer, the Company's former Chairman and CEO, who retired on October 31, 2009; and

Lizabeth Zlatkus, the Company's Executive Vice President and former Chief Financial Officer ("CFO") who held the role of CFO until March 1, 2010 when she assumed the role of Enterprise Chief Risk Officer;

as well as the three other most highly compensated executive officers of the Company:

John Walters, President and Chief Operating Officer ("COO") of Hartford Life;

Gregory McGreevey, President of HIMCO and Chief Investment Officer; and

Alan Kreczko, Executive Vice President and General Counsel.

The discussion that follows refers to other groups of Company employees:

Tier 1 Executives: the CEO and his direct reports;

Tier 2 Executives: certain senior executives who are direct reports of the Tier 1 executives; and

Senior Executives: the Tier 1 and Tier 2 Executives.

On June 26, 2009, the Company became a participant in the Troubled Asset Relief Program ("TARP"), and therefore became subject to the restrictions on compensation under the TARP (the "TARP Restrictions"). In 2009, the compensation of Messrs. McGee, Walters and Ayer and of Ms. Zlatkus was subject to the TARP Restrictions. These employees are referred to as the "TARP Executives." Messrs. McGreevey and Kreczko did not become subject to the TARP Restrictions until January 1, 2010. While the Company repurchased all of the preferred stock securities issued to the U.S. Treasury Department under the TARP on March 31, 2010 and believes that the TARP Restrictions will not apply to compensation for services provided after that date, the TARP Restrictions had a significant effect on 2009 compensation as described in more detail below. It is anticipated that the compensation opportunities for all of the Named Executive Officers that are subject to the TARP Restrictions will be modified subsequent to the lapsing of such restrictions. All compensation actions for the Company's Senior Executives are authorized by the Compensation and Personnel Committee of the Company's Board of Directors (the "Compensation Committee"). The programs and policies described in this report generally apply to all Senior Executives, unless otherwise indicated.

Executive Summary of 2009 Compensation Actions

In 2009, financial markets and the global economy continued to experience extreme volatility and substantial disruption. This extraordinary economic environment led a number of financial institutions, including the Company, to seek federal governmental assistance. Both the macroeconomic environment and the TARP Restrictions had a significant impact on the Compensation Committee's decisions regarding 2009 compensation for the Company's Senior Executives, including the Named Executive Officers. This section is intended to highlight certain key

compensation decisions made by the Compensation Committee in 2009. This section should not be relied upon as a substitute for the more detailed description of 2009 compensation decisions which begins on page 38 under the heading "2009 Compensation Actions for the Company's Named Executive Officers."

In February 2009, the Compensation Committee determined that no compensation increases for the Company's Senior Executives were warranted in light of market conditions, 2008 financial performance and the Company's expense reduction efforts. Further, the Compensation Committee reduced long-term incentive compensation grants to 90% of target value for each Senior Executive. For Mr. Ayer, the Company's then-current Chairman and CEO, the Compensation Committee granted long-term incentive compensation at only 70% of his target value. The Compensation Committee later determined that the total target compensation opportunity for Mr. McGreevey and Mr. Kreczko should be increased to bring these executives more in line with median market levels for executives occupying similar positions at peer companies and to incentivize performance in areas of immediate and critical importance to the Company. These decisions were made in March 2009 for Mr. McGreevey and July 2009 for Mr. Kreczko. The Compensation Committee also granted restricted stock unit awards valued at \$1,000,000 and \$750,000 to Messrs. McGreevey and Kreczko, respectively, in July 2009 to recognize these executives' contribution to the enterprise and to encourage retention. These awards vested on December 31, 2009 and will be settled in cash on the second anniversary of the grant date.

On June 26, 2009, the Company became subject to the TARP Restrictions. None of the Company's employees subject to the TARP Restrictions could accrue bonuses or certain other forms of incentive compensation while the Company was subject to these restrictions. Accordingly, the Company designed the compensation arrangements for the TARP Executives (as well as other affected employees) so as to comply with the TARP Restrictions and, to the extent permissible under such restrictions, with the objectives of the Company's executive compensation program (as described below). As authorized by the Compensation Committee, the Company adopted The Hartford Deferred Stock Unit Plan to provide stock-based awards that are permissible under the TARP Restrictions: "TARP Deferred Units" (fully vested units based on the Company's stock, accrued by employees each pay period, the payment of which is deferred) and "TARP Restricted Units" (restricted stock units with a three-year vesting period that are only payable if the Company repays TARP financial assistance). These compensation components are described in more detail beginning on page 37 under "Overview of TARP-Compliant Compensation Components." The TARP Restrictions significantly influenced the amount and form of 2009 compensation of Messrs. McGee and Walters and Ms. Zlatkus as described beginning on page 41 under "Target Total Compensation Opportunity during the TARP Period."

In February 2010, the Compensation Committee undertook an assessment of the Company's financial performance, as well as an assessment of individual performance, in determining annual incentive awards for the Named Executive Officers for 2009. These awards were based 70% on the Company's financial performance and 30% on individual performance against pre-established leadership objectives. The 70% financial payout factor was based 50% on 2009 performance against pre-established financial targets and 50% on a qualitative assessment of 2009 performance in relation to key objectives of the Company. The portion of the financial payout factor based on qualitative assessment was increased as compared to 2008, to take into account performance against mission critical objectives that may not otherwise be reflected in the Company's 2009 financial results. Further, in light of the extraordinary economic environment, the Compensation Committee determined that setting the financial payout factor based solely on pre-established financial performance measures could result in annual incentive payouts to Senior Executives that would not be commensurate with Company performance.

The Compensation Committee found that the Company's full year 2009 financial performance was generally at or above the pre-established levels of performance, using measures of performance such as adjusted core earnings, adjusted core earnings return on equity, sales and deposits, written premium and several HIMCO measures predominantly related to investment return, loss mitigation and risk management. In its qualitative review of Company performance, the Compensation Committee determined that the Company had met or exceeded performance goals in areas of risk management, capital and expense management and several non-financial strategic and operational objectives. While

recognizing progress in these areas of critical importance to the Company, the Compensation Committee also determined that the Company's 2009 net loss and outstanding TARP financial obligations were significant factors to be taken into account in the qualitative assessment of 2009 financial performance. As a result of the qualitative review, the financial payout factors for Senior Executives in the Property and Casualty, Life, Corporate and HIMCO operations were lower than they would have otherwise been had the Compensation Committee relied solely on performance against pre-established financial targets. Finally, the Compensation Committee undertook its evaluation of individual performance against pre-established leadership objectives for each Named Executive Officer. Based on its assessment of Company financial performance and individual performance, the Compensation Committee approved 2009 annual incentive awards to the Named Executive Officers (other than Mr. McGee, who was not eligible for a 2009 annual incentive award). The awards ranged between 112% and 141% of the executives' annual incentive target opportunities (prior to reductions under the TARP Restrictions). The awards to Ms. Zlatkus and to Messrs. Ayer and Walters were reduced to reflect TARP Restrictions which limited the accrual of the 2009 bonus to the portion of the year prior to the date the Company became a participant in the TARP.

In addition, at the February 2010 meeting, the Compensation Committee certified the Company's financial performance against the pre-established performance objectives for performance share awards granted to Senior Executives in 2007. Based on the Company's actual peer-relative financial performance for the fiscal years 2007 through 2009, performance share awards payable to Corporate Senior Executives paid out at 17% of target value, resulting in payouts of 3,652 and 322 shares for Messrs. Ayer and Kreczko, respectively. For performance share awards granted to Senior Executives in the Company's Life operations, including Mr. Walters and Ms. Zlatkus (who served as a Senior Executive in the Life operations when 2007 performance share awards were granted), the threshold levels of performance were not achieved and, therefore, no payouts were made under these awards. Messrs. McGee and McGreevey, who each joined the Company after 2007, did not hold 2007 performance share awards.

Objectives of the Compensation Program

The Company's compensation program for Senior Executives is designed to promote the following objectives.

Pay for Performance

The Company's annual incentive compensation and long-term incentive compensation programs provide compensation that is in large part directly linked to the performance of either the Company's stock price or to corporate, divisional or individual business objectives approved in advance by the Compensation Committee. Compensatory awards that are tied to performance are commonly referred to as variable compensation. The percentage of a Senior Executive's total compensation that is variable increases with the level of the individual's responsibility, because such executives (relative to less senior executives) have a greater ability to impact the Company's financial performance through their individual decisions and actions. The apportionment between annual incentive compensation and long-term compensation is not applied rigidly; the Compensation Committee assesses each executive's total pay opportunities and whether the incentives proffered to the executive are sufficient to accomplish the Company's compensation objectives.

External Market Competitiveness

The target total compensation opportunity for each Senior Executive includes a base salary, annual incentives and long-term incentives, a structure of compensation opportunities that is consistent with those utilized by many organizations with which the Company competes for senior management talent. In determining compensation levels for each Senior Executive, the Compensation Committee focuses

its review primarily on total compensation opportunities, rather than attempting to target a market level of compensation for each component of a compensation package. In determining a Senior Executive's total compensation opportunity, the Committee considers a number of factors. It takes into account market data (generally at the median and at the 75th percentile), for comparable positions at companies in the relevant competitive peer group to determine a reasonable range of compensation. In addition to market compensation levels, a Senior Executive's total compensation opportunity depends upon a number of factors, including an assessment of internal comparability and the executive's scope of responsibilities, experience, future potential and performance. The Company's process for assessing market compensation levels is described in more detail below under "Use of Benchmarking in Determining Market Compensation Levels."

Shareholder Value Creation

The long-term incentive program is designed to promote share ownership among Senior Executives, to align the interests of Senior Executives with those of shareholders and promote the objective of increasing shareholder value. Accordingly, the Company's long-term incentive compensation is generally designed to be paid in equity, while base salary and annual incentive opportunities are designed to be paid in cash.

Risk Management

The TARP Restrictions require that the Compensation Committee, at least every six months: (1) discuss, evaluate and review with the Company's senior risk officers any risks that the Company faces that could threaten the value of the Company; (2) identify (a) features in senior executive officer compensation plans that could lead those officers to take these risks, and (b) features in employee compensation plans generally that pose risks to the Company (including features that encourage behavior focused on short-term results and not long-term value creation), and limit those features; and (3) discuss, evaluate and review the terms of each employee compensation plan and identify and eliminate those features that could encourage the manipulation of reported earnings to enhance the compensation of any employee. The results of that required review are described in the "Report of the Compensation and Personnel Committee" beginning on page 51. While the review did not identify features in the Company's compensation plans that encourage the manipulation of reported earnings or that pose unnecessary and excessive risks that threaten the value of the Company, the Compensation Committee confirmed that an objective of all Company compensation plans should be the avoidance of such features.

Use of Benchmarking in Determining Market Compensation Levels

In assessing total compensation levels relative to compensation rates at organizations with which the Company competes for senior management talent, the Company participates in a number of compensation surveys and consults multiple survey sources whenever possible. For both the Company's current Chairman, President and CEO and retired Chairman and CEO, as well as the other Senior Executives leading the Company's Finance, Legal and Human Resources operations ("Corporate Senior Executives"), the competitive market generally includes other leading insurance and financial services companies. However, general practices at large public companies outside of the insurance and financial services industry also are considered when reviewing compensation for Corporate Senior Executives whose functional responsibilities are not specific to the Company's industry. The primary survey used in the development of compensation market data for Corporate Senior Executives is the Hewitt Associates Total Compensation Measurement Survey. Messrs. McGee, Kreczko, Ayer, and Ms. Zlatkus, four of the Company's Named Executive Officers for 2009, served as Corporate Senior Executives.

For Senior Executives leading business line functions ("Line of Business Senior Executives"), such as Mr. Walters, the Company sets compensation in line with practices that are common at other leading

insurance carriers, as well as at other financial institutions that offer competing insurance and financial products. The Property and Casualty Insurance Compensation Survey conducted by Mercer Human Resources Consulting, Inc. and the Diversified Insurance Study conducted by Towers Perrin HR Services are the primary survey sources used for the Line of Business Senior Executives in the Company's Property and Casualty operations and Life operations, respectively. No executive in the Company's Property and Casualty operations was a Named Executive Officer for 2009. For Senior Executives in the Company's investment management operations ("HIMCO Senior Executives"), such as Mr. McGreevey, the McLagan Investment Professional Survey, which includes data on investment professionals in both the insurance industry and investment management firms, is used in the development of competitive market data.

Each of the surveys used by the Company in the development of competitive market data is conducted by an independent third party organization. Because the Company must compete with other large public companies for executive talent and must attract and retain critical executive talent with industry-specific skills and experience, management believes that these surveys are appropriate for use in establishing competitive market compensation levels for these executives. By utilizing compensation surveys as its source for comparative compensation market data, the Company effectively limits the universe of peer comparison to those companies participating in the surveys. In addition, as participation in these surveys is voluntary, the companies comprising these competitive peer groups may change slightly from year to year as participant rosters change. For HIMCO Senior Executives, the competitive peer group includes the insurance industry and investment management firms used in the McLagan Investment Professional Survey which are set forth on Appendix B to this proxy statement. For Corporate Senior Executives and Line of Business Senior Executives, the companies included in the competitive peer groups for the purposes of establishing 2009 market compensation levels are provided in the following table (as applicable):

Corporate	Life	P & C
<p>Aetna, Inc. Allstate Corporation American Express Company American International Group, Inc. CIGNA Corporation Citigroup, Inc. The Chubb Corporation CNA Financial Corporation Fidelity Investments ING North America Insurance Corp.</p>	<p>AEGON USA Allstate Corporation American International Group, Inc. AXA Financial Genworth Financial, Inc. ING North America Insurance Corp. John Hancock Financial Services Lincoln Financial Corp. Massachusetts Mutual Financial Group MetLife, Inc.</p>	<p>ACE Ltd. Allstate Corporation American International Group, Inc. The Chubb Corporation CNA Financial Corporation Farmers Insurance Group GEICO Liberty Mutual Insurance Company Nationwide Financial Services State Farm Mutual Insurance Company The Travelers Companies, Inc. USAA Zurich North America</p>
<p>MetLife, Inc. Nationwide Financial Services New York Life Insurance Company SAFECO Corporation State Farm Mutual Insurance Company The Travelers Companies, Inc.</p>	<p>Nationwide Financial Services New York Life Insurance Company Northwestern Mutual Pacific Life Principal Financial Services Group, Inc. Prudential Financial, Inc. TIAA-CREF</p>	

The competitive peer groups used for the purposes of establishing 2009 market compensation levels for Senior Executives in the Company's Corporate, Life, Property and Casualty and HIMCO operations (the "Competitive Peer Groups") differ from the group of companies included in the S&P Insurance Composite Index, an index of peer insurance companies that is used in the performance graph and tables contained in the Company's 2009 Form 10-K filing. The S&P Insurance Composite Index is an independently constructed index of publicly traded companies, which provides an appropriate benchmark against which to assess Company performance with respect to total returns to

shareholders. However, the S&P Insurance Composite Index does not fully reflect the pool of companies with which the Company competes for senior management talent, particularly for executives in Corporate positions whose functional responsibilities are not specific to the insurance and financial services industries. The Competitive Peer Groups therefore include companies outside the insurance industry where the Company actively recruits for senior executive talent. In addition, the Competitive Peer Groups include mutual companies and privately held companies that are not in the S&P Insurance Composite Index.

Overview of Compensation Components

The principal components of the compensation program for Senior Executives in 2009 were: base salary and a variable compensation opportunity that included an annual incentive award and a long-term incentive award. The Company received TARP financial assistance and became subject to the TARP Restrictions on June 26, 2009. The TARP Restrictions and the TARP-compliant compensation components offered to TARP Executives are described in more detail under "Impact of TARP Participation on Named Executive Officer Compensation" beginning on page 36. The immediately following description summarizes the principal components of the Company's compensation program for Senior Executives whose compensation was not subject to the TARP Restrictions. On and before June 25, 2009, that program also applied to the Senior Executives who became TARP Executives as of June 26, 2009.

Base Salary

A primary factor in establishing base salaries for Senior Executives was data regarding the base salaries paid to individuals holding similar positions at companies included in the relevant Competitive Peer Group. In setting Senior Executive salary levels, the Compensation Committee also reviewed each Senior Executive's compensation level relative to his or her peers internally and each Senior Executive's level of responsibility, experience, expertise, and on-the-job performance, including his or her demonstrated contributions to the achievement of the Company's goals. Management believes that it is important to provide competitive base salary levels in order to attract and retain critical executive talent.

Annual Incentives

Senior Executives have the opportunity to earn cash incentive awards contingent on the achievement of financial goals and the fulfillment of leadership objectives, as established by the Compensation Committee. Annual incentive awards for the Named Executive Officers are based 70% on the Company's financial performance and 30% on individual performance against pre-established leadership objectives. The 70% financial payout factor for the 2009 annual incentive awards was based 50% on financial performance against pre-established financial targets and 50% on a qualitative assessment of performance in relation to key objectives of the Company.

In addition to setting performance goals and leadership objectives, the Compensation Committee also reviews and approves, with respect to each Senior Executive, annual incentive target amounts payable in the event these financial goals and leadership objectives are fully realized. Generally, Senior Executives can earn payouts of between 0% and 200% of the target annual incentive payment levels. Actual annual incentive payouts depend on demonstrated financial and individual performance. To reward extraordinary performance, the Compensation Committee may in its sole discretion authorize annual incentive payouts of up to 300% of the target annual incentive payment level. In addition, the amounts of annual incentive awards are limited in order to qualify for federal tax deductibility of such awards by the Company as further described under "Effect of Tax and Accounting Considerations on Compensation Plan Design" beginning on page 49.

Long-Term Incentives

The Compensation Committee approves a long-term incentive award opportunity for each Senior Executive. The value of each award reflects an assessment of individual performance and potential, the executive's position in the Company relative to other Senior Executives, and a consideration of the long-term incentive grant levels previously approved for that executive.

Normally, Senior Executives receive one-third of the total value of their long-term incentive awards as stock options, one-third as performance shares, and one-third as restricted stock units. For example, a 2009 long-term target award opportunity of \$1,200,000 would be provided by a stock option grant, a performance share award and a restricted stock unit award, each having a grant date value of \$400,000. The determination of the number of stock options, performance shares, and restricted stock units in each Senior Executive's long-term incentive award is typically based on the closing stock price of the Common Stock on the date of grant.

Stock options provide value to Senior Executives only when shareholders realize positive returns on their investment in the Company over a time frame that corresponds to the period between the option's grant date and exercise date. Performance shares provide executives with actual stock ownership, subject to the attainment of three-year performance goals. Restricted stock units also provide a direct link to shareholder value and assist in the retention of key executive talent, even if stock option and performance share awards are projected to deliver less than the grant date value of the awards. Because the Compensation Committee considers it important that long-term incentive awards provide incentives for Senior Executives to (i) increase share value, (ii) achieve the specified business objectives linked to performance shares and (iii) remain in the Company's employ, the long-term incentive opportunities are divided equally between the three types of awards.

In February 2009, Mr. McGreevey received one-third of the total value of his long-term incentive award in cash-settled HIMCO performance units in lieu of performance shares. HIMCO performance units are designed to reward HIMCO Senior Executives for superior three-year investment performance relative to peers.

Stock Options

Stock options provide executives with the opportunity to acquire an equity interest in the Company and to participate in created shareholder value as reflected in the price of the Company's stock. Stock options reinforce the Company's goal of aligning the interests of its executives and shareholders. The Company grants stock option awards with the following provisions:

The option exercise price generally equals, and cannot be less than, 100% of the fair market value of the Common Stock on the date of grant, thereby ensuring that plan participants will derive benefits only as shareholders realize corresponding gains;

Stock options granted to Tier 1 executives vest and become exercisable at the later of: (i) the date upon which the closing price of the Common Stock equals or exceeds 125% of the option exercise price for a period of at least ten consecutive trading days, and (ii) three years from the grant date. These requirements enhance the retention value of the award, help promote a long-term perspective and help ensure that the Company's most senior executives will only realize gains if shareholders receive a reasonable return.

Stock options granted to Tier 2 executives vest ratably over a three-year period, with one-third of the options awarded becoming exercisable on each of the first, second and third anniversaries of the grant date to enhance the retention value of the award and to promote a long-term perspective.

For a Senior Executive who terminates employment due to retirement, options fully vest.

Option awards have ten-year terms to promote long-term value creation.

Stock option awards are made in the scheduled trading window following the filing with the SEC of the Company's Annual Report on Form 10-K to ensure that (i) the Company and management are not in possession of material non-public information, and (ii) the stock price that is used to set the exercise price reflects the market's assessment of the Company's recently disclosed financial statements. The Compensation Committee may also make such awards outside that trading window when doing so would better serve the purposes of the Company's compensation policies, especially putting in place incentives that align the interests of Senior Executives with those of shareholders.

In February 2009, the Committee granted stock options with an exercise price greater than the fair market value of the Common Stock on the date of grant to Mr. Ayer. This award is described more fully beginning on page 40.

Performance Shares

Senior Executives in the Company's corporate functions receive performance share awards with performance objectives based on overall Company performance. Senior Executives in the Company's Life and Property and Casualty operations receive performance share awards with performance objectives tied to the financial results of these operations. Target level performance relative to the pre-established performance objectives will result in the award of a target number of shares of Common Stock at the end of the applicable performance period. Better performance will yield a larger payout; poorer performance will yield a smaller payout. The maximum number of shares that may be earned under the program is 200% of the number of performance shares granted. If the minimum threshold amounts established by the Compensation Committee are not achieved, there will be no payout. Performance shares are payable in Common Stock, unless the Compensation Committee in its sole discretion elects to pay such awards part in Common Stock and part in cash or entirely in cash. Performance shares granted in 2009 vest on December 31, 2011, with pro rata vesting in the event of certain circumstances, such as retirement or disability. No dividends or dividend equivalents are paid on performance shares during the applicable performance period.

For performance share awards granted since 2007, the Compensation Committee approved as financial performance objectives peer-relative book value per share growth (for Corporate Senior Executives) and peer-relative book value growth (for Line of Business Senior Executives) with adjustments for dividends and capital contributions to ensure that these assessments are based on operating performance and not on variations in dividend or capital policies. These financial performance objectives were selected as a result of a management study indicating that book value per share growth was a strong indicator of shareholder value creation. Because Line of Business Senior Executives do not have direct responsibility for Corporate capital structure (including the number of common shares outstanding), management believes that the appropriate measure of long-term performance for these executives is peer-relative book-value growth, as opposed to peer-relative book value per share growth.

The performance share awards granted in 2009 vest and become payable following a three-year performance period beginning January 1, 2009 and ending December 31, 2011. If financial performance exceeds that of all of the selected peer companies, then the plan maximum of 200% of the shares granted would be payable. If financial performance is below that of all of the selected peer companies, there would be no payout under the plan. For intermediate levels of performance, a percentile rank of three-year financial performance relative to peers would be calculated. The amount payable would be equal to two times this percentile rank. For example, for median performance (50th percentile), 100% of the shares granted would be payable. The peer companies against which financial performance will be evaluated for 2009 performance share awards, listed in the following table, were recommended by

management and approved by the Compensation Committee at the beginning of the three year performance period. These companies were recommended based on their relatively strong historical financial performance and because they are in similar lines of business to the Company.

Peer Group Listing for 2009 Performance Share Awards

ACE Ltd.*	Principal Financial Services Group, Inc.#
Allstate Corporation*	Progressive Corporation*
The Chubb Corporation*	Protective Life Corporation#
Cincinnati Financial*	Prudential Financial Services Group, Inc.#
CNA Financial Corporation*	The Travelers Companies, Inc.*
Lincoln Financial Corp.#	Unum Group#
MetLife, Inc.#	

*
Included in both the Corporate and the Property and Casualty operations peer groups.

Included in both the Corporate and the Life operations peer groups.

HIMCO Performance Units

In lieu of performance share awards, Mr. McGreevey received HIMCO performance unit awards that are payable based upon HIMCO three-year investment performance relative to that of certain peers. The notional grant date value of HIMCO performance units is \$100 per unit. As is the case with performance share awards, target level performance relative to the pre-established performance objectives will result in the award of a target number of units at the end of the applicable performance period. Better performance will yield a larger payout; poorer performance will yield a smaller payout. The maximum number of units that may be earned under the program is 200% of the number of the HIMCO performance units granted. If the minimum threshold amounts established by the Compensation Committee are not achieved, there will be no payout. HIMCO performance units are payable in cash, with pro rata vesting in the event of certain circumstances, such as retirement or disability.

For HIMCO performance units granted in 2009, the Compensation Committee approved investment performance measures relative to benchmarks such as the Barclays Aggregate and Barclays Universal indices for the general account and peer relative performance for the mutual funds and other third party funds (using Lipper and Callan peer ratings). The measures are weighted based upon the proportionate share of general account assets, mutual funds and other third party funds to the Company's total investment portfolio. The investment performance measures and the benchmarks are established on an annual basis during the course of the three-year performance period. Awards made in 2009 vest and become payable following a three-year performance period beginning January 1, 2009. The measures adopted are intended to align the long-term compensation opportunities for the investment professionals at HIMCO with the line of business investment performance for which they are directly responsible. Cash-settled incentive plans of this nature are consistent with the general practices of investment firms with which the Company compares itself in determining the compensation of its HIMCO executives.

Restricted Stock Unit Awards

Restricted stock unit awards are intended to help retain key executive talent over the long term. These awards provide a strong incentive to remain with the Company through the vesting date, even if the grant value of stock option or performance share or HIMCO performance unit awards was not fully realized. Restricted stock unit awards are typically payable in cash or stock following the third anniversary of the grant date. The terms of the 2009 restricted stock unit awards provide for cash settlement of the awards. The awards vest pro rata in certain circumstances such as retirement or disability.

Other Long-Term Incentive Awards

In addition to annual long-term incentive awards, the Compensation Committee periodically authorizes equity grants on a selective basis in the form of restricted stock or restricted stock units to executives determined to be key contributors to the success of the Company and to executives who have high potential to move into critical positions. These awards are primarily designed to encourage retention. The Compensation Committee conducts a periodic review of the Company's executive talent and reviews management's recommendations for such equity awards. The Compensation Committee considers prior long-term, equity-based awards in connection with determinations regarding awards to Senior Executives of restricted stock and restricted stock units. In 2009, Messrs. McGreevey and Kreczko were granted restricted stock units under The Hartford Deferred Stock Unit Plan in order to recognize the value these key executives contribute to the enterprise and to encourage retention. These awards are discussed in more detail beginning on page 42.

Executive Benefits

The Company provides all of its full-time employees with employee benefits, including health benefits, life insurance, disability benefits, savings plans and pensions. The Senior Executives participate in the same benefit plans and programs as other full-time employees. In addition, the Company maintains non-qualified pension and savings plans that provide the Senior Executives and certain other management employees benefits in excess of the Internal Revenue Code limits that apply to tax-qualified benefit plans.

Impact of TARP Participation on Named Executive Officer Compensation

As previously noted, the compensation of Messrs. McGee, Walters and Ayer and of Ms. Zlatkus was subject to the TARP Restrictions in 2009 and these employees are referred to as the "TARP Executives." Messrs. McGreevey and Kreczko did not become subject to the TARP Restrictions until January 1, 2010. The TARP Restrictions prohibit payments of bonuses, retention awards and incentive compensation to the TARP Executives during the period for which financial assistance under the TARP is outstanding (the "TARP Period"). While the Company repurchased all of the preferred stock securities issued to the U.S. Treasury Department under the TARP on March 31, 2010 and believes that the TARP Restrictions will not apply to compensation for services provided after that date, the TARP Restrictions had a significant effect on 2009 compensation.

There is an exception to the limitations on compensation under the TARP Restrictions for a restricted stock or restricted stock unit award so long as (i) the award does not fully vest before the TARP obligation is repaid and (ii) the grant date value of the award does not exceed one-third of total compensation for the employee for the year, including the value of the grant. The Company's TARP Restricted Units are intended to meet these requirements. In addition, the TARP Restrictions permit a portion of the TARP Executives' compensation to be paid in the form of stock or stock awards that are fully vested at grant but will be settled at a later date. The Company's TARP Deferred Units are intended to meet these requirements. The TARP Restrictions limit the types of compensation that may

be provided to TARP Executives but do not specify an overall limit on the total amount of compensation payable.

The TARP Restrictions do not apply if an employee had a legally binding right to an incentive payment as of February 11, 2009. Therefore, outstanding long-term incentive awards granted in 2008 and earlier are not affected. These awards will be paid to TARP Executives at the same time and in the same amounts as awards made to employees not subject to the TARP Restrictions. If an incentive award granted after February 11, 2009 accrues over a multi-year period that includes some portion during which the TARP Restrictions apply to the employee, it must be reduced pro rata to reflect that period. In the event that an employee ceases to be subject to the TARP Restrictions in a subsequent year, that employee could again begin accruing a benefit under a long-term incentive award. Because the 2009 long-term incentive awards were granted on February 25, 2009, only a portion of these awards could accrue for the TARP Executives.

The TARP Restrictions prohibit tax gross-ups and "golden parachute payments" (payments contingent on termination of employment or a change of control) to the TARP Executives. The Company must ensure that any bonus payment made to a TARP Executive during the TARP Period is subject to a provision for recovery or "clawback" by the Company if the bonus payment was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. Finally, during the TARP Period, the Company understands that the U.S. Treasury Department takes the view that annual compensation amounts in excess of \$500,000 may not be deducted for federal income tax purposes, and that the "performance-based" exception generally available under Section 162(m) of the Internal Revenue Code is not available.

Overview of TARP-Compliant Compensation Components

On July 31, 2009, the Company adopted The Hartford Deferred Stock Unit Plan to compensate employees subject to the TARP Restrictions in a manner that complies with the TARP Restrictions while reflecting the objectives of the compensation program for Senior Executives, to the extent permissible, and the Company's goals of attracting and retaining executives of superior ability. The Compensation Committee authorized for Senior Executives subject to the TARP Restrictions ("Participants") a compensation program during the TARP Period to consist of base salary payable in cash, and TARP Deferred Units and TARP Restricted Units each granted under The Hartford Deferred Stock Unit Plan.

TARP Deferred Units

TARP Deferred Units are cash-settled stock units. The Compensation Committee authorizes for each Participant a dollar amount of compensation that is determined annually, accrued each pay period and credited on a quarterly basis in the form of TARP Deferred Units. The value accrued for a Participant each pay period is a pro rata portion of the annual dollar amount. The sum of the dollar amounts accrued over the course of a calendar quarter is divided by the closing stock price on the date of grant to determine the number of TARP Deferred Units to be credited to each Participant's account on the grant date. The grant date is the first day of the scheduled trading window following the filing of the Company's Form 10-Q for that quarter (or the Form 10-K with respect to the fourth quarter). For example, a Participant for whom the Compensation Committee has established \$400,000 as the annual value of TARP Deferred Units to be delivered would accrue \$100,000 for a quarter, in ratable portions each pay period. If the closing stock price on the grant date was \$25.00, the Participant's account would be credited with 4,000 TARP Deferred Units ($\$100,000 \div \25) for that quarter.

As required by the TARP Restrictions, the TARP Deferred Units are fully vested at the time the value is accrued each pay period. The TARP Deferred Units credited to each Participant's account on a quarterly basis in 2009 will be settled in cash paid to the Participant two years after the date such

units are granted (except for Mr. McGee, as described below). The cash payment will be equal to the number of units held by the Participant multiplied by the closing stock price of the Company's stock on the settlement date. Mr. McGee's TARP Deferred Units will be settled in cash paid in three equal, annual installments after the first, second and third anniversaries of the grant dates of such awards. Similarly, TARP Deferred Units earned by all Participants on or after January 1, 2010 will be settled in cash paid in three equal, annual installments. TARP Deferred Units would be forfeited in the event of termination for cause to the extent permitted by the TARP Restrictions.

TARP Restricted Units

TARP Restricted Units are cash-settled, long-term restricted stock units that (i) vest on the third anniversary of the grant date assuming continued employment, with limited exceptions for death, disability, retirement or a change of control, each to the extent permissible under the TARP Restrictions, (ii) do not exceed one-third of each Participant's total annual compensation, and (iii) are only payable as the Company's TARP financial assistance is repaid. TARP Restricted Units are granted on the first day of the scheduled trading window following the filing of the Company's periodic reports on Forms 10-Q (or, with respect to the fourth quarter, the Form 10-K) corresponding to the quarter for which the amounts are authorized by the Compensation Committee. TARP Restricted Units will be settled in cash based on the closing stock price on the vesting date.

2009 Compensation Actions for the Company's Named Executive Officers

The Compensation Committee's decisions with respect to 2009 (i) target total compensation opportunity, (ii) long-term incentive compensation, and (iii) annual incentive awards for the Company's Named Executive Officers are described below. After the Company became a participant in the TARP, the Compensation Committee authorized TARP-compliant modifications to total compensation opportunities for Mr. Walters and Ms. Zlatkus. Because the principal components of the Named Executive Officer compensation packages changed significantly as a result of the TARP Restrictions, the target total compensation opportunities authorized by the Compensation Committee prior to the TARP Restrictions and the TARP-compliant target total compensation opportunities and modifications effected during the TARP Period are set forth separately.

Target Total Compensation Opportunity prior to the TARP Restrictions

The Compensation Committee generally approves changes to Senior Executive pay packages in February. In determining the appropriate compensation actions for these executives for 2009, the Compensation Committee reviewed competitive market compensation data and detailed compensation history for each executive. In addition, the Compensation Committee reviewed tally sheets for each of the Named Executive Officers. The tally sheets provided a summary of target compensation opportunity (including welfare and retirement benefits and perquisites), an accumulated wealth summary (year-end accumulated pension benefits and the value of unvested long-term incentive awards), and potential payments due in the event of an involuntary separation from active service. In light of the magnitude of the Company's 2008 net loss and the significant decline in the Company's stock price and as part of the Company's expense reduction efforts, no compensation increases were recommended by management. Based on its review of these items and management's recommendation, the Compensation Committee did not authorize any compensation increases for the Company's Senior Executives in February 2009. Further, the Compensation Committee authorized a reduction in long term incentive awards, which is described in more detail under "Long Term Incentive Compensation prior to the TARP Restrictions" beginning on page 40.

The 2009 total target compensation opportunity for Mr. Ayer was developed in executive session of the Compensation Committee in February 2009, with the participation of all independent members of the Board. Management was not present and had no input into these deliberations. The Compensation

Committee's consultant, Exequity, LLP, provided materials and analysis to assist the Compensation Committee in its consideration of a compensation opportunity recommendation for Mr. Ayer, including competitive market data regarding compensation of chief executive officers at the peer companies identified in the Corporate Competitive Peer Group described on pages 30-32. The independent members of the Board did not authorize any compensation increase for Mr. Ayer and determined that Mr. Ayer's long term incentive compensation should be awarded at 70% of the then-current target value for each component of the award.

For Messrs. McGreevey and Kreczko, the Compensation Committee subsequently authorized an increase in the total target compensation opportunity that had been established in February 2009. Management recommended these compensation opportunity increases, which were authorized by the Compensation Committee in March 2009 for Mr. McGreevey and in July 2009 for Mr. Kreczko, to encourage retention and bring these executives more in line with median market compensation levels for executives occupying similar positions at the peer companies identified in the HIMCO and Corporate Competitive Peer Groups (as applicable) described on pages 30-32. Further, management advised the Compensation Committee that the increased annual bonus opportunity would provide for increased emphasis on the 2009 performance of these executives in addressing issues of immediate and critical importance to the Company. The Compensation Committee accepted management's recommendations. Mr. McGreevey's base salary was increased from \$500,000 to \$550,000 and his annual bonus opportunity was increased from \$1,000,000 to \$1,100,000. Each of Mr. Kreczko's base salary and annual bonus opportunity was increased from \$450,000 to \$550,000 and his long-term incentive target was increased from \$600,000 to \$750,000.

The following table compares the 2009 target total compensation opportunity established by the Compensation Committee for each Named Executive Officer before they became subject to the TARP Restrictions with the prior year compensation opportunity (Mr. McGee is not included in the table because his hire date was October 1, 2009). Changes to the 2009 compensation opportunities for certain Named Executive Officers were made after the Company entered the TARP Period on June 26, 2009 and are described in more detail under "Target Total Compensation Opportunity during the TARP Period" beginning on page 41. The information in this table relates solely to target compensation opportunities established before the Named Executive Officers became subject to the TARP Restrictions. The target amounts in this table differ from actual amounts earned or that may be earned under the Company's variable compensation opportunities, which are reflected in the *Summary*

Compensation Table. This table is not a substitute for the information disclosed in the *Summary Compensation Table* and related footnotes, which begins on page 54.

Name	Fiscal Year	Target Total Compensation Opportunity	Base Salary	Annual Incentive Target*	Long-term Incentive Target**
Lizabeth H. Zlatkus Executive Vice President and Chief Financial Officer, The Hartford	2009	\$ 4,500,000	825,000	1,000,000	2,675,000
	2008	\$ 4,500,000	825,000	1,000,000	2,675,000
	<i>% Change</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0%</i>
John C. Walters President and Chief Operating Officer, Hartford Life	2009	\$ 4,500,000	825,000	1,000,000	2,675,000
	2008	\$ 4,500,000	825,000	1,000,000	2,675,000
	<i>% Change</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0%</i>
Greg McGreevey President, HIMCO and Chief Investment Officer, The Hartford	2009	\$ 3,150,000	550,000	1,100,000	1,500,000
	2008	\$ 3,000,000	500,000	1,000,000	1,500,000
	<i>% Change</i>	<i>5.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>0%</i>
Alan Kreczko Executive Vice President and General Counsel, The Hartford	2009	\$ 1,850,000	550,000	550,000	750,000
	2008	\$ 1,500,000	450,000	450,000	600,000
	<i>% Change</i>	<i>23.33%</i>	<i>22.2%</i>	<i>22.2%</i>	<i>25%</i>
Ramani Ayer Former Chairman and Chief Executive Officer, The Hartford	2009	\$ 9,000,000	1,150,000	1,850,000	6,000,000
	2008	\$ 9,000,000	1,150,000	1,850,000	6,000,000
	<i>% Change</i>	<i>0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0%</i>

*

Actual payouts under the annual incentive program vary between 0% and 200% of the target annual incentive payment levels depending on performance relative to the established objectives. To reward extraordinary performance, the Compensation Committee may in its sole discretion authorize annual incentive payouts of up to 300% of the target annual incentive payment level.

**

Actual long-term incentive payouts under the plan depend on Company stock price performance. With respect to performance share awards, the number of shares to be awarded at the end of the performance period will vary between 0% and 200% of the target number of performance shares granted, depending on performance relative to established objectives. In lieu of performance share awards, Mr. McGreevey was granted HIMCO performance units, which are cash-settled long-term incentive awards.

Long Term Incentive Compensation prior to the TARP Restrictions

As noted above, in February 2009 management recommended that the value of the 2009 long-term incentive awards for each Senior Executive (excluding Mr. Ayer) be granted at 90% of the then-current target value for each component of the award. In addition to assessing the Company's 2008 financial performance and reviewing tally sheets and a detailed compensation history for each Senior Executive, the Compensation Committee was advised by its consultant that the values of long-term incentive awards granted to executives in the financial services industry were likely to be lower in 2009 than in 2008. The Compensation Committee approved management's recommendation regarding the reduction in long-term incentive compensation awards to Senior Executives.

Mr. Ayer's long-term incentive award was developed in executive session of the Compensation Committee, with the participation of all independent members of the Board. No member of

management, including Mr. Ayer, attended this meeting. As stated above, the independent members of the Board authorized the grant of a long term incentive award to Mr. Ayer at 70% of the then-current target value for each component of the award, resulting in an aggregate 2009 long-term incentive award valued at \$4,200,000 compared to his 2008 award which was valued at \$6,000,000. Further, the independent members of the Board granted Mr. Ayer stock options with a strike price of \$20 per share and restricted stock units that included as a vesting hurdle (in addition to those applicable to restricted stock units generally) a requirement that the stock price equal or exceed \$20 per share for a period of ten consecutive trading days. The \$20 per share strike price represented a significantly higher value per share than the closing stock price of \$7.04 on the date of grant.

Management also recommended and the Compensation Committee approved the use of a ten-day trailing average stock price, rather than the closing stock price on the date of grant, in determining the number of stock options, performance shares, and restricted stock units in each Senior Executive award. This approach was adopted in order to avoid having the size of awards determined on the basis of a closing stock price that, due to extreme market volatility in the first quarter of 2009, deviated significantly from average closing prices around the date of the award. Sizing the equity awards based on this higher, ten-day trailing average stock price of \$9.51 rather than the closing stock price on the date of grant of \$7.04 resulted in a decrease of approximately 25% in the number of stock options, performance shares, and restricted stock units that would otherwise have been awarded.

Target Total Compensation Opportunity during the TARP Period

Mr. McGee

On September 23, 2009, the Company appointed Liam E. McGee as Chairman of the Board of Directors and CEO, effective October 1, 2009. Mr. McGee succeeded Ramani Ayer, who had previously announced his intention to retire from the Company, subject to the appointment of a successor, by December 31, 2009. In determining the appropriate form and amount of the compensation opportunity for Mr. McGee, the independent members of the Board reviewed competitive market data developed by the Compensation Committee's consultant regarding compensation of chief executive officers at the peer companies identified in the Corporate Competitive Peer Group described on pages 30-32 and took into consideration Mr. McGee's compensation opportunity at his previous employer, Bank of America Corporation. Based on this data, the independent members of the Board determined that a target total compensation opportunity of \$8,200,000 was appropriate.

The principal components comprising Mr. McGee's compensation package were structured to be compliant with the TARP Restrictions. The target compensation opportunity approved for Mr. McGee included a TARP Restricted Unit award of \$2,700,000, an amount that will not exceed 33¹/₃% of his annualized total compensation (the maximum allowable percentage), to be granted at the time the Company makes long-term incentive awards to other employees in 2010. His annual base salary of \$1,100,000 was based on the median CEO base salary from the competitive CEO compensation market data. An annualized TARP Deferred Unit opportunity of \$4,400,000 provided the remaining portion of Mr. McGee's target compensation opportunity.

Mr. McGee's 2009 target total compensation opportunity was reviewed and approved by the independent members of the Board in September 2009. In addition, his 2009 target total compensation opportunity was reviewed with the Special Master for TARP Executive Compensation. All amounts payable to Mr. McGee pursuant to his compensation package are limited to the extent required by the TARP Restrictions and other applicable law.

Ms. Zlatkus and Mr. Walters

At its August 2009 meeting, the Compensation Committee approved TARP-compliant modifications to the pay packages for Ms. Zlatkus and Mr. Walters, which provided for a 28% decrease in each executive's annualized target total compensation opportunity from \$4,500,000 to \$3,250,000. The total compensation packages for these executives consisted of the following components:

Annual cash base salary of \$975,000 (an 18.2% increase from each executive's previous base salary of \$825,000),

TARP Deferred Units at an annual rate of \$1,195,000, and

A TARP Restricted Unit award of up to \$1,080,000 on an annualized basis, to be granted when the Company makes long-term incentive awards to other employees in 2010 and scheduled to vest on the third anniversary of the grant date.

The Compensation Committee determined that a decrease in total target compensation opportunities for these executives was appropriate because their TARP-compliant pay package is at less risk as compared to the variable compensation for employees who are not subject to the TARP Restrictions. In addition, the Compensation Committee anticipated lower variable compensation payouts for employees not subject to the TARP Restrictions.

The Compensation Committee also authorized a 2009 TARP Restricted Unit award for Ms. Zlatkus and Mr. Walters in the amount of \$465,000, which was an allowable award that could be made to each executive based on the compensation projected to be earned from June 26, 2009 through December 31, 2009. These awards were granted on November 5, 2009, the first day of the scheduled window period following the filing of the Company's Form 10-Q filing for the quarter ending September 30, 2009. The Compensation Committee authorized these awards to assist in providing competitive 2009 compensation opportunities to these executives. As described earlier, under the TARP Restrictions only a portion of the long-term incentive awards granted on February 25, 2009 to employees subject to the TARP Restrictions, including Ms. Zlatkus and Mr. Walters, will be payable.

Mr. McGreevey and Mr. Kreczko

As previously noted, Mr. McGreevey and Mr. Kreczko were not subject to the TARP Restrictions in 2009. Prior to the TARP Period and the public release of the rules governing the TARP Restrictions, restricted stock awards with a grant date value of \$1,000,000 for Mr. McGreevey and \$750,000 for Mr. Kreczko and a vesting date of December 31, 2010 had been approved by the Compensation Committee Chairman and discussed with the remaining Compensation Committee members, who concurred. These restricted stock awards had been intended to provide strong incentives for each executive to remain employed by the Company. Although the Company did not know at the time of making these awards how they might be treated if the Company were to become a recipient of the TARP financing, the Company had expected that the awards would remain outstanding but not payable to the executives until the TARP obligations had been repaid. However, the TARP Restrictions instead provide that an award must be reduced pro rata for the portion of the award that accrues while an employee is subject to the TARP Restrictions. Both Mr. McGreevey and Mr. Kreczko were expected to become subject to the TARP Restrictions in 2010 and, had the awards been made as initially contemplated, vesting of the restricted shares in each of these awards would have been limited to less than one-third of the total shares awarded if the TARP Restrictions continued to apply to them for the duration of the vesting period. The Compensation Committee determined that it was appropriate to make the awards with the grant date values previously agreed to and with the vesting and payment terms and conditions modified to recognize the value these executives contribute to the enterprise and to encourage retention. Accordingly, in July 2009 the Compensation Committee approved restricted stock unit awards under The Hartford Deferred Stock Unit Plan for each executive with a grant date

value of \$1,000,000 for Mr. McGreevey and \$750,000 for Mr. Kreczko, with each award fully vesting on December 31, 2009. These awards will be settled in cash on the second anniversary of the grant date.

Mr. Ayer

On June 4, 2009, Mr. Ayer announced his decision to resign as Chairman and CEO of the Company by the end of 2009, subject to the appointment of his successor. The Compensation Committee did not authorize any adjustment to the compensation opportunity for Mr. Ayer during the TARP Period. Mr. Ayer resigned as Chairman and CEO of the Company on October 1, 2009 and from active service with the Company on October 31, 2009. Under the terms of the 2005 Incentive Stock Plan, Mr. Ayer fully vested in the stock options granted to him in February 2009 upon his retirement. He also became entitled to a pro-rated portion of the restricted stock units granted to him in February 2009 based on his service through June 25, 2009 (the day prior to the TARP Period) and the achievement of the Company stock price hurdle described earlier. He also will be eligible for a pro-rated portion of his 2009 performance share award (based on service through June 25, 2009) at the end of the performance period and subject to achievement of the applicable performance criteria.

Certification of Performance Share Awards for 2007 through 2009 Performance Cycle

As described earlier, for performance share awards granted since 2007, the financial performance objectives have been three-year compound annual book value per share growth for Corporate Senior Executives and three-year compound annual book value growth for Line of Business Senior Executives. Performance share awards granted to Senior Executives on February 27, 2007 vested at the end of the three-year performance period on December 31, 2009. The Compensation Committee certified financial performance during this three-year period against the pre-established performance objectives for these awards at its February 18, 2010 meeting. Based on the Company's peer-relative financial performance for the fiscal years 2007 through 2009, performance share awards payable to Corporate Senior Executives paid out at 17% of target value, resulting in payouts of 3,652 and 322 shares for Messrs. Ayer and Kreczko, respectively. Because Mr. Ayer retired on October 31, 2009, his payout reflects a pro rata portion comprising approximately 94% of the shares otherwise payable pursuant to his 2007 performance share award. For performance share awards granted to Senior Executives in the Company's Life operations, including Mr. Walters, the threshold level of performance was not achieved and, therefore, no payouts were made under these awards. Because Ms. Zlatkus was a Senior Executive in the Company's Life operations when the 2007 performance share awards were granted, she did not receive a payout under her award. Messrs. McGee and McGreevey, who each joined the Company after 2007, did not hold 2007 performance share awards.

2009 Annual Incentive Awards

Financial targets for the Company's annual incentive plan are normally taken directly from the Company's annual operating plan reviewed with the Board in the December preceding the performance year. These financial targets, as well as established threshold and maximum levels of financial performance, are generally reviewed and approved by the Compensation Committee in February of the performance year. The Compensation Committee assigns performance against financial objectives a 70% weighting in the determination of the annual incentive award for each Senior Executive, with the remaining 30% based on an assessment of individual performance against leadership objectives established for each Senior Executive at the beginning of the performance year.

In the first quarter of 2009, the Company was considering various strategic alternatives, each of which would have led to significantly different 2009 operating priorities compared to prior years. As a result, the Compensation Committee determined in February 2009 to defer the review and approval of the annual incentive plan structure, including the establishment of financial targets, until the Company's strategic and operational priorities for the year were finalized. In July 2009, the Compensation Committee made the following determinations for the 2009 annual incentive program:

Threshold, target and maximum levels of financial performance would be based on the Company's projection of financial results for the year, which was derived from actual results through April 30, 2009. Financial performance for the annual bonus plan would generally be based on adjusted core earnings ("Earnings"), adjusted core earnings return on equity ("ROE") and top-line measures, discussed further below.

For purposes of calculating the portion of the annual incentive awards based on financial performance (70%), the Compensation Committee would determine a financial payout factor for each of the Life, Property and Casualty and HIMCO business operations (the "Financial Payout Factors") based 50% on actual 2009 financial results against established targets and 50% on a qualitative assessment of 2009 performance. The Compensation Committee's qualitative assessment of 2009 performance would include evaluations of the Company's (i) achievement of risk management goals, (ii) capital management and net income results, and (iii) performance against critical non-financial strategic and operational objectives. The 50% weighting on a qualitative assessment was adopted to take into account performance against these mission critical objectives that may not otherwise be reflected in the Company's 2009 financial results. Further, in light of the extraordinary economic environment, the Compensation Committee determined that setting the Financial Payout Factors based solely on financial performance against pre-established targets could result in annual incentive payouts to Senior Executives that would not be commensurate with Company performance.

At its July meeting, the Compensation Committee reviewed and approved the threshold, target and maximum levels of financial performance to be used in determining that portion (50%) of the Financial Payout Factors that would be based on 2009 financial results for Senior Executives in each of the Company's Life, Property and Casualty and HIMCO operations. In addition, the Compensation Committee determined that for Corporate Senior Executives, the Financial Payout Factor would be equal to the average of the Financial Payout Factors used for Senior Executives in the Company's Life and Property and Casualty operations, absent compelling reasons for a greater or lesser funding factor. This approach was adopted in order to address the potential that, in light of the extraordinary economic environment, strict adherence to the pre-established financial performance targets in determining the Corporate Financial Payout Factor, particularly with respect to consolidated Company financial performance, could result in annual incentive payouts to Corporate Senior Executives that would not be commensurate with Company performance. The Compensation Committee retained full discretion over the amount of annual payments to the Company's Senior Executives (subject to the maximum annual incentive payment level) and the ability to exercise such discretion based on its review of financial or individual performance criteria.

A key consideration in the Compensation Committee's goal setting process is that achievement of the financial objectives in the annual incentive plan is expected to enhance the Company's value. Consequently, the financial goals in the Senior Executive annual incentive plans are typically based on the Company's operating plan for the applicable fiscal year. As noted above, the 2009 financial performance measures include Earnings, ROE and top-line measures unique to the business. For Senior Executives in the Company's Property and Casualty operations the top-line measure is written premiums, while for Senior Executives in the Company's Life operations the top-line measure is sales and deposits.

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Earnings, ROE, written premiums and sales and deposits are performance measures that the Compensation Committee believes are highly correlated with the creation of shareholder value and are therefore appropriate measures to employ in the Company's annual incentive program. The Compensation Committee has approved a definition of Earnings that is intended to minimize or eliminate the effect either favorable or unfavorable of certain items on the total compensation opportunity for Senior Executives. The adjustments pursuant to the definition are intended to ensure that award payments represent the results achieved in the underlying business and are not unduly inflated or deflated due to the effect of items that do not directly reflect Company or management performance. As a result of these adjustments, the actual Earnings for annual incentive compensation purposes provided later in this section will differ from the earnings numbers provided in the Company's financial statements. The definition of Earnings approved by the Compensation Committee for 2009 incentive compensation purposes is provided below:

GAAP Net Income,

Adjusted for After-tax:

1. Net realized capital gains and/or losses, except for those net realized capital gains and/or losses resulting from net periodic settlements on credit derivatives and net periodic settlements on fixed annuity cross-currency swaps (these included net realized capital gains and/or losses directly related to offsetting items included in the income statement, such as net investment income);
2. Income/losses associated with the cumulative effect of accounting changes, and accounting extraordinary items;
3. The impact of the unlock of estimated gross profits (DAC Unlock);
4. Total catastrophe losses (including reinstatement premiums, state catastrophe fund assessments and terrorism losses) that are above 130% or below 70% of catastrophe losses in the Company's financial outlook;
5. The estimated earnings gained or lost associated with the S&P 500 index weighted average daily value during the performance period being above 105% or below 95% of the level forecasted in the Company's financial outlook. For purposes of any adjustments pursuant to this section, earnings will be reduced/increased by \$8.5 million for each percentage point the S&P 500 index weighted average daily value is above 105% or below 95% of the level in the Company's financial outlook;
6. Entire amount (or such percentage of the loss as determined by the Compensation Committee) of any other individual non-catastrophe loss associated with any unusual or non-recurring item, including but not limited to reserve development, litigation and regulatory settlement charges and restructuring charges;
7. Prior year non-recurring tax benefits or charges; and
8. Income/loss associated with the allocations resulting from the liability sharing agreement with ITT, ITT Industries and Starwood (formerly ITT Sheraton) as a result of the spin-off.

For HIMCO Senior Executives the Compensation Committee determined it would assess a number of 2009 financial performance measures, including (i) investment performance of the general account, including measures of net investment income, risk management, statutory and GAAP capital loss mitigation and total investment return, and, to a lesser extent, (ii) investment performance of third party funds managed by HIMCO, as measured by total peer-relative return. The Compensation Committee adopted these performance measures to align the annual incentive awards for HIMCO Senior Executives with the realization of key strategic priorities of the Company for 2009 which

included managing investment portfolio risk, preserving capital and the stabilization of investment portfolio losses, while continuing to reward positive investment income and returns.

In February 2010, the Compensation Committee assessed actual financial results in the Life and Property and Casualty business operations against the pre-established financial performance targets which accounted for 50% of the Life and Property and Casualty Financial Payout Factors. These financial targets and results are not intended to provide guidance on the Company's financial performance and should not be relied upon as predictive of future performance. For Line of Business Senior Executives in the Company's Life operations, the 2009 annual incentive plan target Earnings were \$901 million, the target for total sales and deposits was \$23.5 billion and the target for ROE was 8.1%, while 2009 actual Earnings for annual incentive compensation purposes were \$912 million, total sales and deposits were \$24.3 billion and ROE was 8.4%. For Line of Business Senior Executives in the Company's ongoing Property and Casualty operations, which excludes results reported in the Other Operations segment in the Company's financial statements, the 2009 annual incentive plan target for Earnings was \$1.05 billion, the target for ROE was 14.7%, and the target for written premiums was \$9.8 billion, while 2009 actual Earnings for annual incentive compensation purposes were \$1.2 billion, ROE was 17.0% and written premiums were \$9.7 billion. In assessing the financial performance of the ongoing Property and Casualty operations, performance against an Other Underwriting Expense ratio, and three- or four-year return on equity objectives are also considered. The Compensation Committee assessed the HIMCO financial performance measures described above and generally found investment performance and loss mitigation that exceeded plan, a reduction of risk in the general account portfolio and significant positive returns relative to benchmark for both general account assets and third party funds.

The Compensation Committee also undertook a qualitative assessment of the Company's performance, which accounted for 50% of the Financial Payout Factors, and determined that the Company had met or exceeded performance goals in areas of risk management, capital and expense management and several non-financial strategic and operational objectives. While solid progress had been made in these areas of critical importance to the Company, the Compensation Committee determined that the Company's 2009 net loss and outstanding TARP financial obligations were also significant qualitative factors to be taken into account in determining annual incentive awards to Senior Executives. As a result of the qualitative review, the Financial Payout Factors were lower than they would have otherwise been had the Compensation Committee relied solely on performance against pre-established financial targets.

For Corporate Senior Executives, the Compensation Committee determined that the Corporate Financial Payout Factor in 2009 would be equal to the average of the Financial Payout Factors used for Senior Executives in the Company's Life and Property and Casualty operations.

Based on its review of actual financial results against pre-established targets and its qualitative assessment of financial performance, the Compensation Committee determined that the Financial Payout Factors for Senior Executives in the Life, Property and Casualty, Corporate and HIMCO operations would be as follows:

Business Operations	Financial Payout Factor
Life	100%
Property and Casualty	130%
Corporate	115%
HIMCO	100%

Finally, the Compensation Committee conducted its annual evaluation of Senior Executive performance relative to leadership objectives, which was given a 30% weighting in determining the

annual incentive payouts to Senior Executives. The objectives for each executive had been selected based on the specific business challenges and critical strategic issues expected to be faced during the performance year and included items such as strategic direction setting, succession and talent development, and personal development. The individual performance of each Named Executive Officer against these leadership objectives and the actual 2009 annual incentive awards granted to each Named Executive Officer who was eligible to receive an award are described below.

As noted earlier, the TARP Executives generally could not earn incentive compensation, with limited exceptions, during the TARP Period. The TARP Restrictions allow for the payment of a prorated 2009 annual incentive award for services rendered prior to the TARP Period. As a result, the amount of the 2009 annual incentive award that Ms. Zlatkus, Mr. Walters and Mr. Ayer earned represented approximately 48% of the bonus amount that would have otherwise have been payable (the percentage representing the portion of the year that elapsed prior to the TARP Period). As Mr. McGreevey and Mr. Kreczko were not subject to the TARP Restrictions in 2009, their annual incentive awards were not reduced. Mr. McGee was a TARP Executive for his entire period of employment in 2009 and therefore not eligible to earn an annual incentive award under the TARP Restrictions.

Ms. Zlatkus

In assessing the individual performance of Ms. Zlatkus, the Compensation Committee considered her leadership in managing the capital position of the Company and developing a comprehensive risk management structure, as well as her critical role in the Company's response to the financial crisis. Ms. Zlatkus successfully led several financial initiatives to strengthen the Company's financial position and preserve capital, including the securing of TARP funds, the completion of a \$900 million equity offering and the establishment of captive reinsurance arrangements. Based on its assessment of the Company's performance and her individual performance, the Committee authorized an annual incentive award of \$679,888. This award represents 141% of Ms. Zlatkus's 2009 annual incentive target, or \$1,410,000, adjusted for the portion that could not be accrued under the TARP Restrictions.

Mr. Walters

In assessing the individual performance of Mr. Walters, the Compensation Committee considered his leadership of major restructuring and significant expense reduction efforts in the Company's Life operations, as well as his efforts to maintain important distributor relationships during a challenging period. Despite the challenges faced by the Company's Life operations, he led the Life operations to surpass financial performance targets in 2009. Based on its assessment of the Company's performance and his individual performance, the Committee authorized an annual incentive award of \$593,094. This award represents 123% of Mr. Walters's 2009 annual incentive target, or \$1,230,000, adjusted for the portion that could not be accrued under the TARP Restrictions.

Mr. McGreevey

In assessing the individual performance of Mr. McGreevey, the Compensation Committee considered his demonstrated leadership in connection with efforts to achieve an appropriate balance of risk, return and capital preservation in the Company's investment portfolios, as well as his oversight of a significant restructuring of the senior management team at HIMCO and HIMCO's risk management capabilities. Further, Mr. McGreevey led HIMCO to surpass performance targets related to investment performance, loss mitigation and risk reduction despite a challenging economic backdrop and volatile capital markets. Based on its assessment of the Company's financial performance and his individual performance, the Committee authorized an annual incentive award of \$1,232,000, which represents 112% of Mr. McGreevey's 2009 annual incentive target.

Mr. Kreczko

In assessing the individual performance of Mr. Kreczko, the Compensation Committee considered his leadership role in developing the Company's strategic response to the financial crisis, including his significant contributions to the strategic review undertaken by the Company during the first half of 2009 and his leadership of the Company's successful efforts to secure TARP funding. In addition, Mr. Kreczko provided critical counsel to senior management and the Board regarding compliance with the TARP Restrictions and led the development of internal legal and compliance capabilities in response to the Company's new savings and loan holding company status. Based on its assessment of the Company's performance and his individual performance, the Committee authorized an annual incentive award of \$743,000, which represents 135% of Mr. Kreczko's 2009 annual incentive target.

Mr. Ayer

Mr. Ayer's 2009 annual incentive award was considered in executive session of the Compensation Committee and approved by the independent members of the Board. In assessing the individual performance of Mr. Ayer, who retired from service on October 31, 2009, the Committee considered Mr. Ayer's leadership in formulating and executing the Company's response to the financial crisis. His 2009 actions enhanced the Company's financial strength and stability and positioned the Company to achieve 2009 financial results that generally exceeded plan. In addition, the Committee considered Mr. Ayer's efforts to ensure a seamless transition to the Company's new Chairman and Chief Executive Officer on October 1, 2009. Based on its assessment of Company performance and his individual performance, the Committee recommended and the independent members of the Board approved an annual incentive award of \$1,025,859. This award represents 115% of Mr. Ayer's 2009 annual incentive target (a percentage equal to the Financial Payout Factor for Corporate Senior Executives), or \$2,127,500, adjusted for the portion that could not be accrued under the TARP Restrictions.

Potential Payments Upon Termination or Change of Control

The Company maintains certain change of control benefits for its Senior Executives that are designed to assure a continuity of management, and to permit each of these individuals to be able to focus on his or her responsibilities to the Company without undue distraction due to concerns about personal financial security, during any period during which the Company is confronted with a contest for control. These benefits are also designed to assure that in any such contest these Senior Executives are not influenced in their actions by events that could occur following a change in control. The Company's intent is that these benefits be consistent with those generally provided to senior executives at other large, publicly traded companies, while maintaining cognizance of the need to balance the interests of the Company and its Senior Executives with the costs of these arrangements. As described earlier, the TARP Restrictions prohibited "golden parachute payments" to the TARP Executives, including severance payments and various other amounts contingent upon termination of employment or a change of control, during the TARP Period.

Stock Ownership and Retention Guidelines and Restrictions on Trading

The Senior Executives are expected to attain guideline levels of ownership of Common Stock, consistent with the compensation principle encouraging the acquisition and retention of Common Stock by Senior Executives in order to align management's interests with those of shareholders. The Compensation Committee established these ownership guidelines. In 2005, the Compensation Committee approved increases to the guideline ownership levels, targeting the 75th percentile of

ownership guidelines established at other large, publicly traded companies. The ownership guidelines for the Company's Senior Executives are provided in the table below:

Stock Ownership Guidelines

Position	(As a multiple of base salary)
Chief Executive Officer	6x
Other Tier 1 Senior Executives	4x
Tier 2 Senior Executives	3x

The Compensation Committee reviews Senior Executive ownership levels annually. Senior Executives are expected to meet these ownership guidelines by the fifth anniversary of the approval date of the new guidelines or within five years of appointment to a Tier 1 or Tier 2 position (as applicable), whichever is later.

The Company's policy on insider trading permits Senior Executives to engage in transactions involving the Company's equity securities only (1) during "trading windows" of limited duration following the Company's filings with the SEC of its periodic reports on Forms 10-K and 10-Q and (2) following a determination by the Senior Executive that he or she is not in possession of material nonpublic information. The members of the Office of the Chairman, which includes the CEO and his direct reports, are required by policy to conduct any transactions in securities of the Company and its affiliates only through the use of Rule 10b5-1 plans, which can only be entered into when not in possession of material, nonpublic information. In addition, the Company has the ability under its insider trading policy to suspend trading by Senior Executives in its equity securities if the Company becomes aware of relevant material, nonpublic information.

Effect of Tax and Accounting Considerations on Compensation Design

In designing its compensation programs, the Company considers and factors into the design of the programs the tax and accounting aspects of the programs. Principal among the tax considerations is the potential impact of Section 162(m) of the Internal Revenue Code, which generally denies a publicly traded company a Federal income tax deduction for compensation in excess of \$1 million paid to the chief executive officer or any of the next three most highly compensated executive officers (other than the chief financial officer), unless the amount of such excess is payable based solely upon the attainment of objective performance criteria. For this reason, where applicable, the Company's variable compensation is designed in a manner that meets the requirements of performance-based compensation exempt from the limitations set forth in Section 162(m). Accordingly, annual incentives and performance shares are designed to qualify as exempt performance-based compensation. The Company understands that the U.S. Treasury Department takes the view that annual compensation amounts for covered officers in excess of \$500,000 may not be deducted for federal income tax purposes for the period during which the Company had outstanding financial obligations under the TARP and that the "performance-based" exception generally available under Section 162(m) of the Internal Revenue Code is not available to the Company for services rendered during that period.

Other tax considerations are factored into the design of the Company's compensation programs, including compliance with the requirements of Section 409A of the Internal Revenue Code, which can impose additional taxes on participants in certain arrangements involving deferred compensation, and Sections 280G and 4999 of the Internal Revenue Code, which affect the deductibility of, and impose certain additional excise taxes on, certain payments that are made upon or in connection with a change of control.

Accounting considerations are also taken into account in designing the compensation programs made available to Senior Executives. Principal among these is FASB Codification Topic 718,

Compensation Stock Compensation ("FASB ASC Topic 718"), formerly FAS 123(R), which addresses the accounting treatment of certain equity-based compensation. The requirement under FASB ASC Topic 718, that stock options be expensed as opposed to the prior accounting regime where there was no accounting charge associated with the grant of service-based stock options having an exercise price at least equal to the grant date price of the underlying stock influenced the Company's decision to no longer grant stock options to non-Senior Executive employees and to grant only one-third of the long-term compensation opportunities for Senior Executives in the form of stock options.

Roles of the Company's Officers in Setting Executive Compensation

The Company's Human Resources department supports the Compensation Committee in the execution of its responsibilities in setting the compensation that is payable to the Company's Senior Executives. The Company's Executive Vice President, Human Resources, supervises the development of the materials relating to the agenda items for each Compensation Committee meeting. Meeting agendas are reviewed with the Compensation Committee Chairman prior to meetings and his recommendations are incorporated before materials are finalized and distributed to the full Compensation Committee. No member of the management team, including the CEO, has a role in determining his or her own compensation.

REPORT OF THE COMPENSATION AND PERSONNEL COMMITTEE

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

In addition, in accordance with the U.S. Treasury Department's interim final rule establishing TARP standards for compensation and corporate governance (the "Interim Final Rule"), during the TARP Period, the Committee is required at least every six months to:

Discuss, evaluate and review with the Company's senior risk officers any risks (including long-term as well as short-term risks) that the Company faces that could threaten the value of the Company;

Identify (1) features in Senior Executive Officer ("SEO") compensation plans that could lead SEOs to take these risks, and (2) features in employee compensation plans generally that pose risks to the Company, including any features in the SEO compensation plans and the employee compensation plans that encourage behavior focused on short-term results and not long-term value creation, and limit those features to ensure that the SEOs are not encouraged to take risks that are unnecessary or excessive and that the Company is not unnecessarily exposed to risks; and

Discuss, evaluate and review the terms of each employee compensation plan and identify and eliminate those features that could encourage the manipulation of reported earnings to enhance the compensation of any employee.

The following describes the process followed to conduct this review.

To assist in this review and analysis, management retained the Mercer consulting firm. As a first step in the review, management, based on criteria established by management and Mercer, screened the Company's compensation plans and assigned the plans to low, uncertain and potentially high risk categories. As part of this process, over seventy percent of the plans (121 out of 170) were categorized as low risk. This included two enterprise wide plans, 88 plans for employees in the Life operations, and 31 plans for employees in the Property and Casualty operations. Plans that were identified as low risk included (a) broad-based plans which constitute a small portion of participants' compensation, are based on profitability of a broad business unit, and have payouts which are reviewed and approved by management who do not participate in the program, and (b) sales plans which provide for payouts as the salesperson generates volume for a product that has been properly vetted from a business risk standpoint. Similarly, the benefit plans of the Company, including the Retirement Plan for U.S. Employees, the Investment and Savings Plan and the Company's Excess Pension and Savings Plans, which are based on compensation paid over an individual's career, were characterized as presenting no or little likelihood of posing unnecessary risk or encouraging the manipulation of earnings. The Hartford Deferred Stock Unit Plan, adopted in 2009 to provide TARP-compliant deferred and restricted stock units, was also categorized as not posing unnecessary risk or encouraging the manipulation of earnings.

The remaining 49 plans (including the Company's annual incentive plans, The Hartford 2005 Incentive Stock Plan and the HIMCO Long-Term Incentive Plan-Managing Directors, which are plans in which both SEOs and other employees participate) were reviewed in detail by Mercer. Mercer's analysis of those plans was reviewed by the Committee and discussed with management and Mercer.

The following table indicates enterprise-wide plans and line of business plans that were reviewed in detail:

Business Unit	Annual Incentive Plans	Sales / Commission Plans	Long-term Incentive Plans	Total Plans Reviewed in Detail
Enterprise-wide	2	0	2	4
Life	12	16	1	29
P&C	3	6	2	11
HIMCO	1	0	4	5
Total	18	22	9	49

For those plans reviewed in detail, Mercer identified and summarized any features that, in its professional judgment, required specific consideration with regard to presenting the potential to encourage employees to either take risks that could damage the Company or manipulate reported earnings, including an evaluation of the operation of the plans in light of the Company's risk management processes to determine whether such possible risks were appropriately mitigated by those processes. On the basis of its review, Mercer concluded that:

The plans applicable to the SEOs, as well as employee compensation plans generally, strike a proper balance between risk and rewards, and do not include features that would encourage SEOs to take unnecessary and excessive risks that threaten the value of the Company;

The employee compensation plans do not include elements that would encourage employees to take unnecessary risks, and

The employee compensation plans do not include features that would encourage the manipulation of reported earnings of the Company to enhance the compensation of any employee.

In conducting this review, Mercer and management considered numerous factors pertaining to each such program, including, but not limited to, the purpose of the program, the number of participants, limits and controls on the ability of the participants to take actions that would influence the calculation of the compensation payable, whether awards vest or pay out over a period of time consistent with the emergence of risk generated by the business, the existence of appropriate caps on awards, the ability of participants' supervisors and/or the Committee to exercise discretion to reduce or eliminate awards, and plan governance provisions, including an appropriate separation of duties in the administration of the programs. Any potential risks that were identified were further assessed in light of what was identified as business risks that are necessary and appropriate in the operation of the Company's business, and the Company's risk tolerance. In particular, the analysis of the risk to the Company focused on those provisions of the programs and the Company's overall risk management processes and procedures that were designed to counterbalance the possibility of employees engaging in excessive risk taking and manipulation of earnings.

At its December 2009 meeting, the Committee met with the Company's senior risk officers and Mercer and reviewed the key risks that the Company faces, the operation of the Company's compensation plans, and the Mercer report. Following this review, the Committee determined that the plans are generally well designed, and do not encourage SEOs or employees to take unnecessary or

excessive risks, or encourage the manipulation of reported earnings. Accordingly, as required by the Interim Final Rule, the Committee certifies that:

1. It has reviewed with senior risk officers the Senior Executive Officer ("SEO") compensation plans and has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the Company;
2. It has reviewed with senior risk officers the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to the Company; and
3. It has reviewed the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of the Company to enhance the compensation of any employee.

Report submitted as of March 22, 2010.

Members of the Compensation and Personnel Committee (as of March 22, 2010):

Edward J. Kelly, III, Chairman
Gail J. McGovern
H. Patrick Swygert

**COMPENSATION AND PERSONNEL COMMITTEE INTERLOCKS AND
INSIDER PARTICIPATION**

As of the date of this Proxy Statement, the Compensation and Personnel Committee consists of Messrs. Kelly (Chairman), Kirk, Renyi and Swygert and Ms. McGovern, all of whom are independent non-management directors. None of the Compensation and Personnel Committee members has served as an officer or employee of the Company and none of the Company's executive officers has served as a member of a compensation committee or board of directors of any other entity that has an executive officer serving as a member of the Company's Board.

EXECUTIVE COMPENSATION

Summary Compensation Table

The table below summarizes the total compensation paid or earned by the Named Executive Officers for the fiscal years ended December 31, 2007, 2008 and 2009. The table reflects total compensation paid or earned beginning in the later of the fiscal year ended December 31, 2007 or the year an individual first became a Named Executive Officer. On June 26, 2009 the Company became a participant in the TARP and subject to the TARP Restrictions, which affected the compensation of Messrs. McGee, Walters and Ayer and Ms. Zlatkus for the period commencing on June 26, 2009 and ending on December 31, 2009 (the "2009 TARP Period"). Messrs. McGreevey and Kreczko were not subject to TARP Restrictions in 2009. The amounts described below include compensation provided to the Named Executive Officers for services rendered prior to June 26, 2009 as well as TARP-compliant compensation modifications and other arrangements provided to the TARP Executives during the 2009 TARP Period. The long-term equity incentive compensation awarded to the Named Executive Officers in 2009 prior to the 2009 TARP Period is reflected in the table below at full aggregate grant date value. For the TARP Executives, such amounts were subsequently reduced to reflect the portion of the long-term incentive award that could not be accrued in 2009 under the TARP Restrictions. Further details on the reduction to the long-term incentive awards granted to such Named Executive Officers are provided in the footnotes to the table below.

Name and Principal Position	Year	Salary		Stock Awards (\$)(3)	Option Award (\$)(11)	Change in Pension Value and Non-Equity Nonqualified Incentive Deferred Compensation		All Other Compensation (\$)(16)	Total (\$)
		(\$)	Bonus			(\$)(14)	(\$)(15)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Liam McGee Chairman, President and Chief Executive Officer	2009	275,000(1)		0(4)			19,796	66,654	361,450
Lizabeth Zlatkus(17)	2009	881,250							