



October 31, 2008

The Hartford has experienced significant pressure on its stock price following the announcement of our third quarter earnings results. Obviously, the market reaction to our results is disappointing.

Stock prices will fluctuate for many reasons, but it is important that our stakeholders know this: our current stock price is not a direct reflection of the company's ability to meet its obligations to customers. The Hartford is financially strong and well capitalized, and our liquidity position is outstanding. Despite our recent challenges, I am very confident in our capital position and ability to meet all our policyholder obligations. The Hartford does not have a solvency issue.

Our shareholders have expressed concern to us that, in a continued economic downturn, we may need to raise additional capital. I would like to offer you some facts about our financial strength. As of September 30, 2008, The Hartford has:

- Capitalization at levels consistent with the standards rating agencies have historically required for AA-level companies;
- About \$10 billion of liquidity, including cash and short-term investments of \$7.3 billion;
- Statutory surplus of \$13.1 billion;
- \$500 million of contingent capital in a facility available to us today;
- A \$90 billion general account portfolio;
- Prefunded debt obligations through June of 2010; and
- The ability to access a \$1.9 billion bank credit facility.

I am firmly committed to The Hartford's policyholders and ensuring we have the financial strength necessary to continue meeting their needs now and in the future. I want to reiterate that our current capitalization is at levels consistent with the standards rating agencies have historically required for AA-level companies. However, the rating agencies are independent entities. We do not control their views on the future of the markets and how they may affect our business.

We are implementing a number of actions to further enhance our capital position and are evaluating alternatives that could reduce the amount of capital we are required to hold. Steps such as reducing our exposures to higher-risk asset classes and maximizing the capital efficiency of our reinsurance programs can have a significant effect. These, coupled with our ability to access our contingent capital facility, would allow us to withstand meaningful reductions in the S&P from today's levels and remain well capitalized.

During these challenging times, we will continue to focus first and foremost on serving the needs of our customers.

Sincerely,

Ramani Ayer