The Hanover Insurance Group, Inc.

First Quarter Results

April 30, 2012

To be read in conjunction with the press release dated April 30, 2012 and the conference call scheduled for May 1, 2012

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements: Certain statements in this presentation, including responses to questions, contain or may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Use of the words "believes," "anticipates," "expects," "projections," "outlook," "should," "plan," "confident," "guidance," "on track to," "promise," "line of sight," "will" and similar expressions are intended to identify forward-looking statements. In particular, this presentation and related earnings call includes or may include forward-looking statements with respect to the ability to continue to improve our financial performance; underlying loss ratio trends; guidance on 2012 segment income per share; improved market and economic conditions; building momentum in Personal and Commercial Lines profitability improvement; the pricing environment and the company's ability to increase rates in domestic P&C and in Lloyd's businesses; the impact of foreign exchange fluctuations; competitive position, including with respect to agents; net written premium growth and retention; new business growth; future prior year reserve development and reserve adequacy; the impact of seasonality; the impact of various agency and exposure management actions on net written premiums and segment income; GAAP and accident year loss ratios; expense ratio and expense improvements from improving scale; adequacy of capital to rating agency expectations; product margins, including with respect to specialty businesses; expected contribution of Chaucer Holdings plc ("Chaucer") to consolidated earnings, including expected segment earnings for the full year 2012, and Chaucer's earnings accretion; net investment income and the effect of lower yields on future net investment income; product- geographic- and account- based mix changes on future growth and profitability; and may also include forward looking statements on underwriting conditions, capital levels, ratings, the number of shares outstanding, investment impairments and net investment income.

The company cautions investors that neither historical results and trends nor forward-looking statements are guarantees of or necessarily indicate future performance, and actual results could differ materially. Investors are directed to consider the risks and uncertainties in our business that may affect future performance and that are discussed in readily available documents, including the company's earnings press release dated April 30, 2012 and the Annual Report and other documents filed by The Hanover with the Securities and Exchange Commission, which are available at www.hanover.com under "Investors." We assume no obligation to update this presentation, which, unless otherwise noted, speaks as of March 31, 2012.

These uncertainties include the uncertain U.S. and global economic environment, the possibility of adverse catastrophe experience (including terrorism) and severe weather, the uncertainties in estimating catastrophe and non-catastrophe weather-related losses, the uncertainties in estimating property and casualty losses, accident year picks, and incurred, but not reported loss and LAE reserves, the ability to increase or maintain certain property and casualty insurance rates, the impact of new product introductions, adverse loss and LAE development for prior years, changes in frequency and loss trends, the ability to improve renewal rates and increase new property and casualty policy counts, adverse selection in underwriting activities, investment impairments, the impact of competition (including rate pressure), adverse and evolving state, federal and, with respect to Chaucer, international, legislation or regulation, adverse regulatory or litigation actions, financial ratings actions, the risks that the company will not achieve the benefits from the Chaucer transaction and those inherent in Chaucer's business.

Basis of Presentation: Prior periods were restated for the effect of the company's adoption of the new Deferred Acquisition Cost ("DAC") methodology. See Book Value and Other Items on page 6 of the press release dated April 30, 2012 for more detail.

Non-GAAP Measures: The discussion in this presentation of The Hanover's financial performance includes reference to certain financial measures that are not derived from generally accepted accounting principles, or GAAP, such as total segment income, segment income after taxes, combined ratios and loss ratios excluding catastrophes and/or development and accident year loss ratios excluding catastrophes. A reconciliation of non-GAAP measures to the closest GAAP measure is included in either the press release or statistical supplement, which are posted on our website. The reconciliation of accident year loss ratio and combined ratio excluding catastrophes to the nearest GAAP measure, total loss ratio and combined ratio, is found on pages 6, 8 and 10 of the statistical supplement. Segment income after-tax (segment income after tax per diluted share) is a non-GAAP measure. It is defined as net income excluding the after-tax impact of net realized investment gains (losses), as well as results from discontinued operations for a period divided by the average number of diluted shares of common stock. The definition of other financial measures and terms can be found in the Annual Report on pages 80-82.

First Quarter Highlights

Overall, first quarter 2012 was characterized by strong underwriting performance, continued rate momentum, higher overall retention, and less favorable development

- Net income of $49.7 million, or $1.09 per share; segment income after tax[1] of $46.0 million, or $1.01 per share
- Combined ratio of 98.1%; ex-catastrophe combined ratio of 94.2%[1]
- Improved non-cat weather and underlying loss ratios in the domestic business year-over-year
- Net premiums written of $1,016.8 million, 35.6% higher than the prior-year quarter driven by:
  - Addition of $200.2 million in net premiums written by Chaucer
  - Commercial Lines growth of 14.8% driven by both core commercial and specialty businesses
- Sixth consecutive quarter of accelerating rate increases across core Commercial Lines

[1] Non-GAAP measure. See slide 2. These measures are used throughout this presentation.

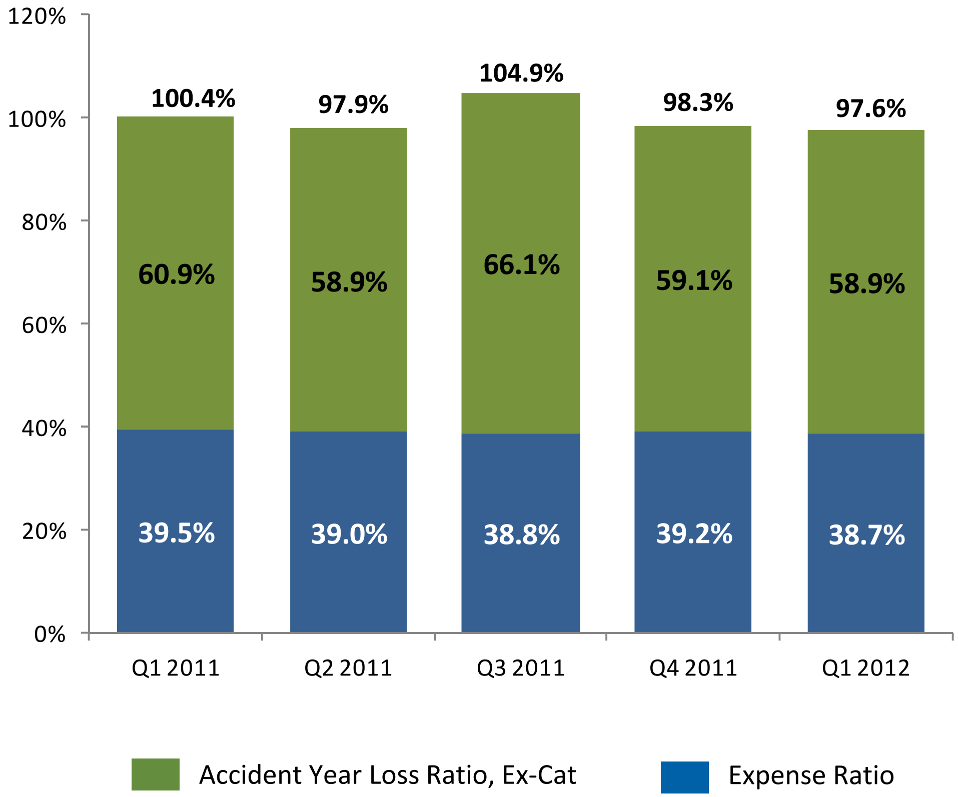
Underwriting Performance

	Three Months Ended[2] March 31	
Loss and LAE ratio:	**2012**	**2011**
Current accident year, ex-cat	61.7%	64.2%
Catastrophe losses	3.9%	6.5%
Prior year favorable reserve development	(1.7%)	(3.7%)
Loss and LAE ratio	63.9%	67.0%
Expense ratio	34.2%	33.7%
Combined ratio	98.1%	100.7%
Combined ratio, ex-cat	94.2%	94.2%
Accident year combined ratio, ex-cat[1]	95.9%	97.9%
Underwriting income (loss)	$ 16.0	$ (9.5)
Catastrophes	40.6	49.7
Ex-cat, underwriting income[1]	$ 56.6	$ 40.2
Ex-cat, ex-dev, underwriting income[1]	$ 39.4	$ 11.7

(1) Non-GAAP measure. See slide 2. These measures are used throughout this presentation.
(2) Data for 2011 excludes Chaucer since it was not acquired until July 1, 2011.

Commercial Lines Highlights

Accident Year Combined Ratio, Ex-Cat

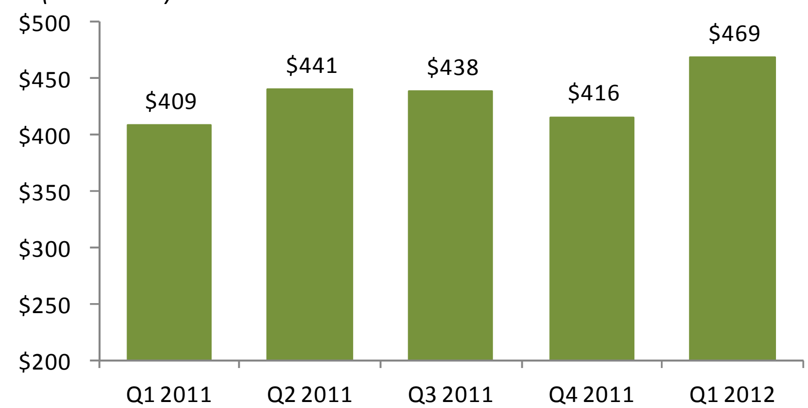


Financial Highlights

- Combined ratio of 100.3%, a 3-point improvement from Q1 2011, driven by lower catastrophe losses and improved accident-year loss ratio, excluding catastrophes, partially offset by lower reserve development
- Expense ratio improved by almost 1 point from Q1 2011, driven by fixed cost leverage from premium growth
- Net written premium growth of 14.8%, driven by both core commercial and specialty businesses
- Pricing increases of approximately 6% in core commercial, sixth consecutive quarter of pricing increase
- Retention improved to 84.6%, up 1.1 points from Q1 2011

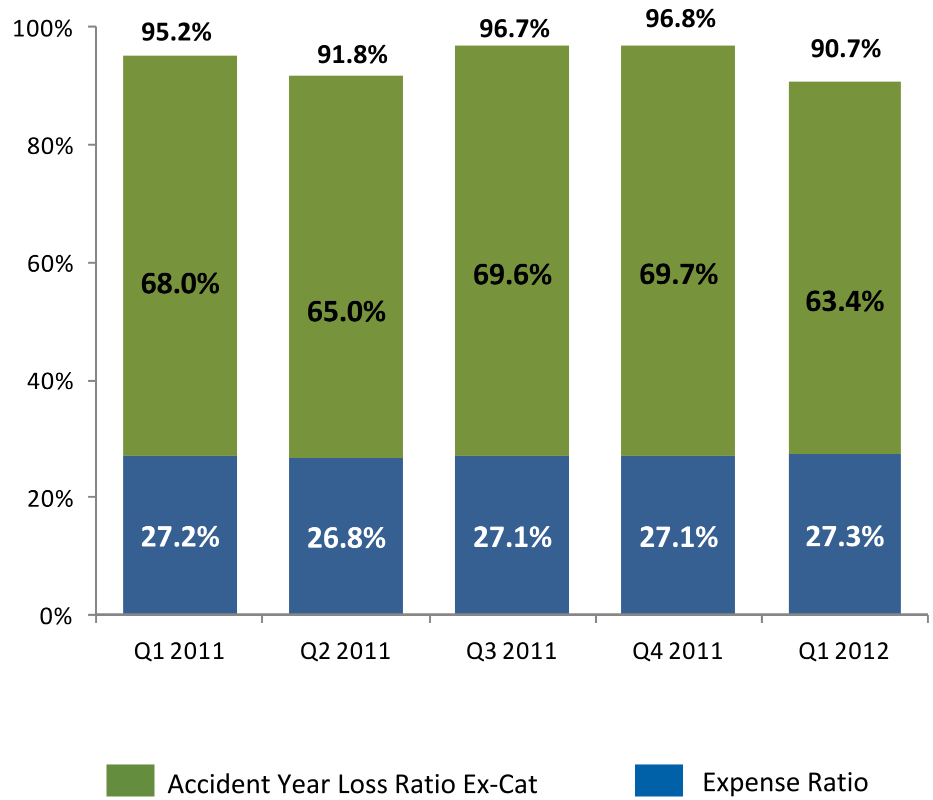
Net Written Premiums

(In millions)



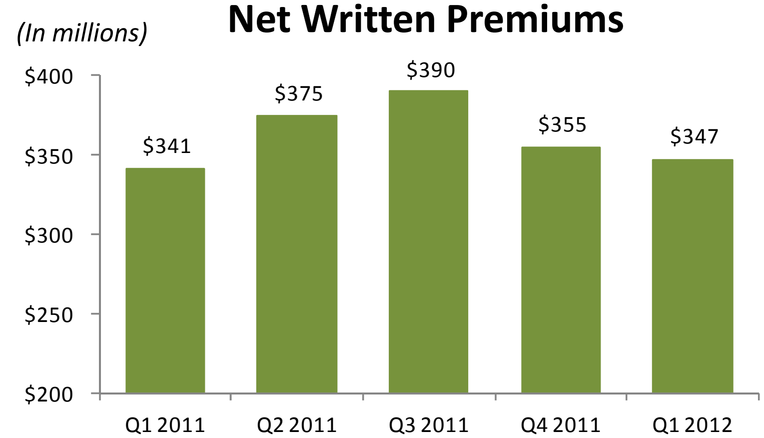
Personal Lines Highlights

Accident Year Combined Ratio, Ex-Cat



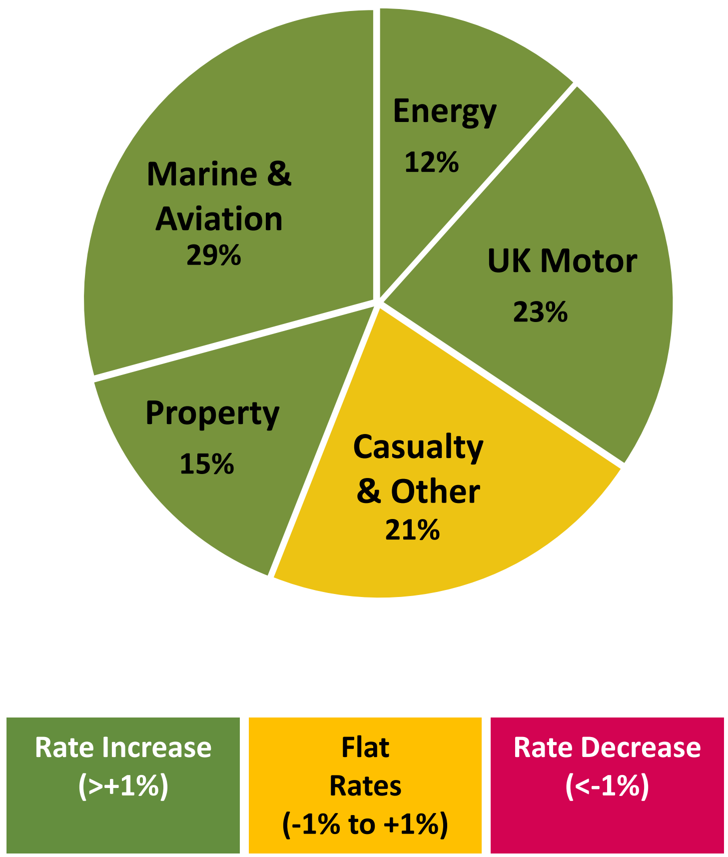
Financial Highlights

- Combined ratio of 98.0%, consistent with first quarter of 2011
- Lower accident-year loss ratio, ex-catastrophe, driven by favorable non-catastrophe weather and improved underlying margins
- Net written premium growth of 1.8%
  - Applied rate increases of 4% in auto and 7% in homeowners
- Retention improved 2 points from Q1 2011, driven by continued improvement in business mix and our account strategy



Chaucer Highlights

Net Written Premiums by Division

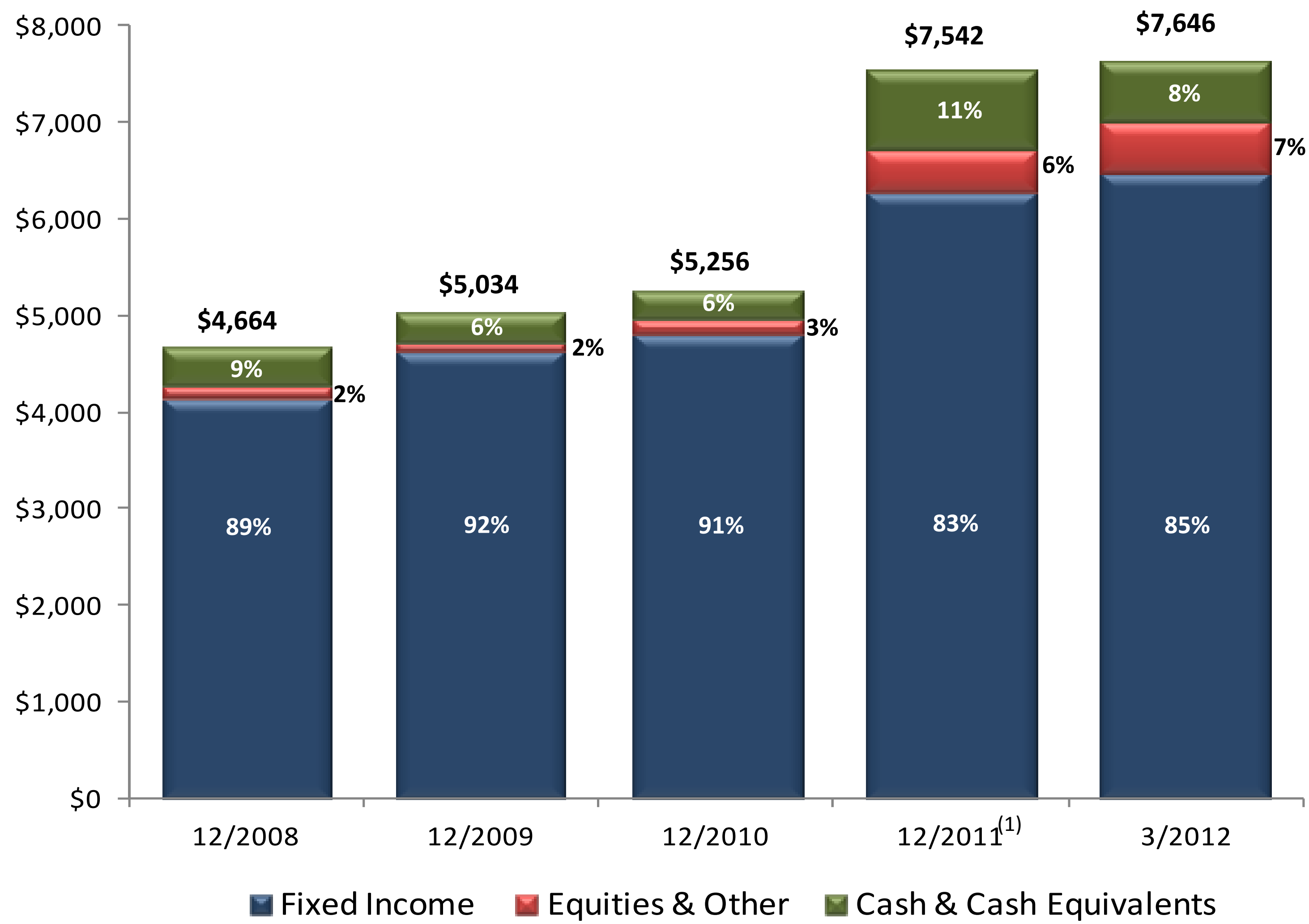


Financial Highlights

- Segment income before interest and taxes of $25.5 million
- Combined ratio of 93.8% included 2.7 points of catastrophe losses and 9.2 points of prior-year favorable reserve development
- Net written premiums of $200.2 million; net earned premiums of $237.0 million
- Approximately 80% of the Chaucer portfolio is experiencing rate increases

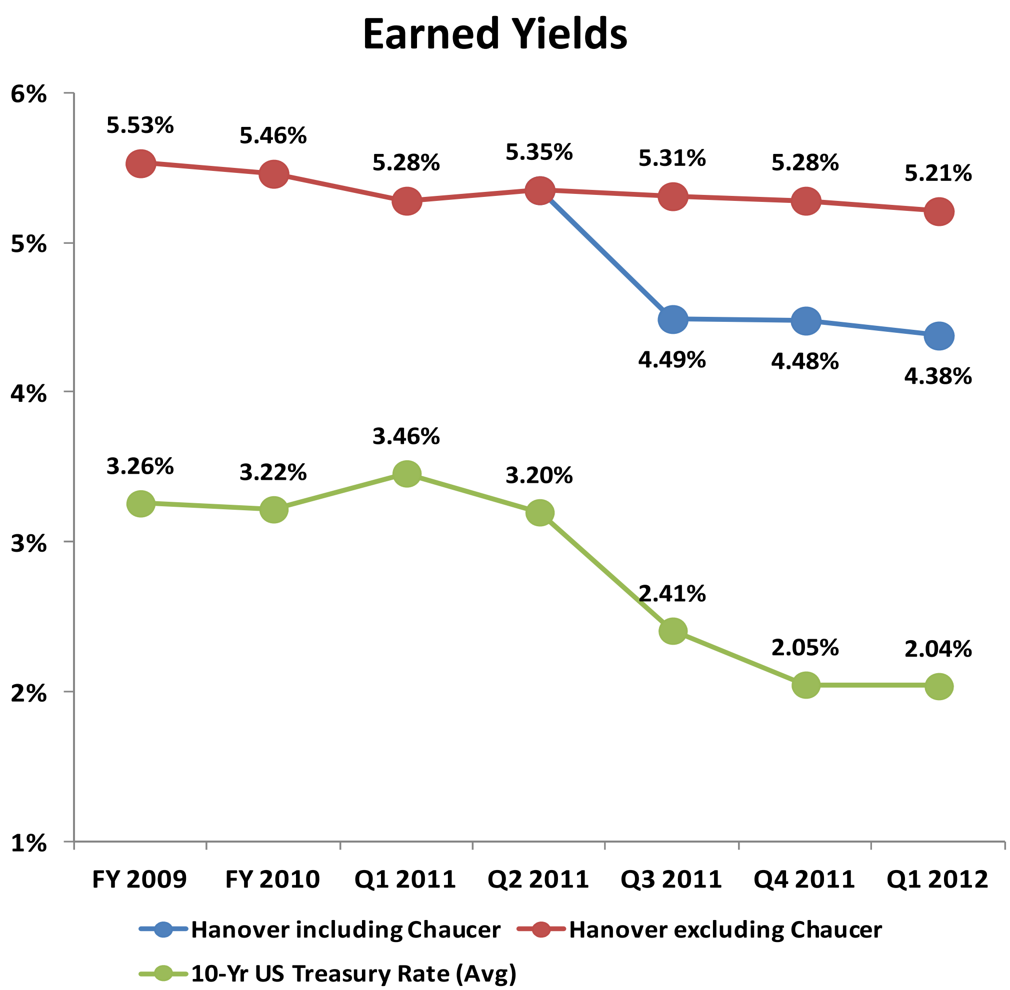
Investment Portfolio

$ in millions



(1) Increase in assets from 2010 is principally a result of the acquisition of Chaucer in 2011.

Fixed Income Yields



- Hanover has a consistent history of strong earned yields
- Decline in yield reflects addition of Chaucer's investment portfolio:

	3/31/2012	
	Yield	**Duration**
Hanover	5.21%	4.5
Chaucer	2.17%	2.6
Consolidated	**4.38%**	**4.0**

- Hanover's standalone earned yield decreased only 7 basis points from Q4 2011

Exposure to European Issuers

(as of 3/31/12)

$ in millions

Sovereign Debt

	Market Value	Book Value	% of Total Portfolio ($7.6B)	Average Quality Rating
United Kingdom	$67	$67	0.9%	Aaa
Germany	6	6	0.1%	Aaa
Denmark	1	1	0.0%	Aaa
Total	**$74**	**$74**	**1.0%**	**Aaa**

Supranational and Foreign Agency

	Market Value	Book Value	% of Total Portfolio ($7.6B)	Average Quality Rating
Supranationals	$68	$68	0.9%	Aaa
Germany	54	54	0.7%	Aaa
Netherlands	13	13	0.2%	Aaa
Norway	3	3	0.0%	Aa1
France	1	1	0.0%	Aaa
Sweden	1	1	0.0%	A1
Total	**$140**	**$140**	**1.8%**	**Aaa**

European Bank Exposure

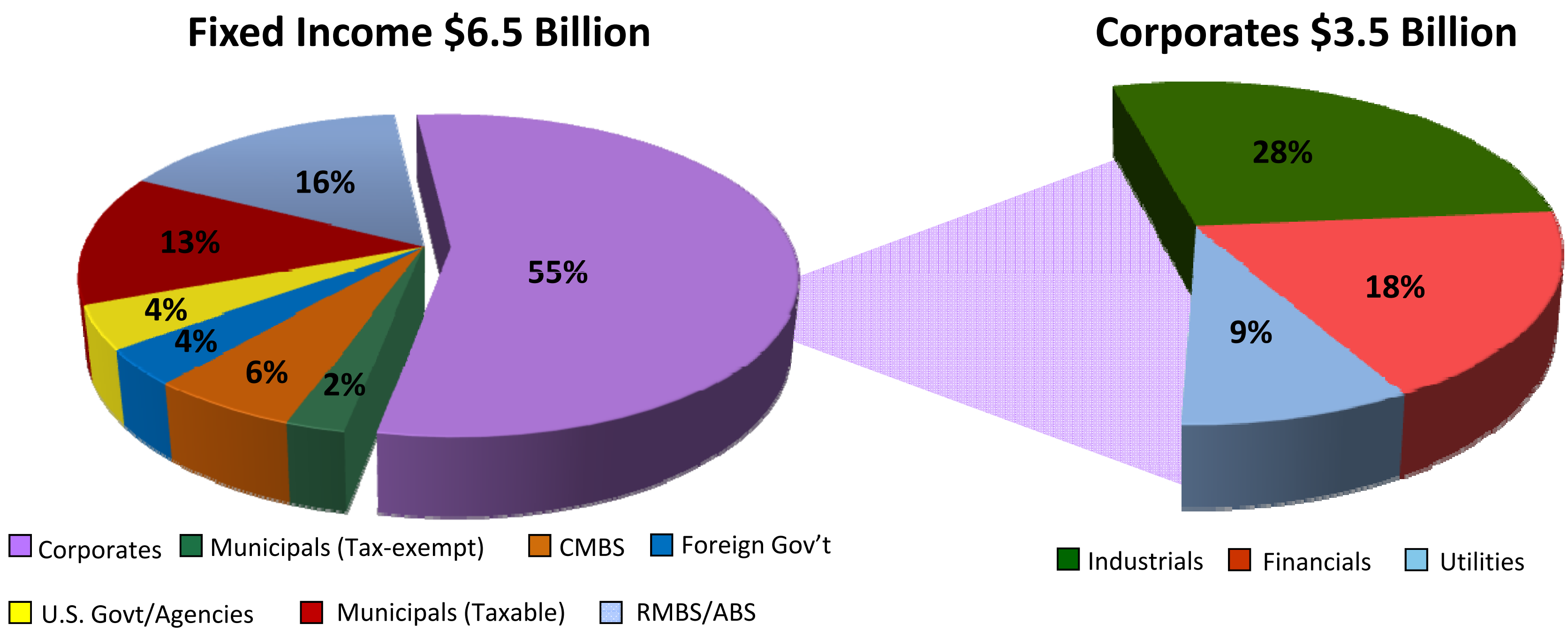
	Market Value	Book Value	% of Total Portfolio ($7.6B)	Average Quality Rating
United Kingdom				
Term Deposits (UK)	$266	$265	3.5%	Aa2
Debt	74	74	1.0%	A1
Spain				
Term Deposits (Spain)	33	33	0.4%	Aa3
Debt	13	13	0.2%	Aa3
Netherlands	39	38	0.5%	Aaa
Switzerland	21	20	0.3%	Aa3
France	17	18	0.2%	Aa3
Sweden	13	12	0.2%	Aa2
Italy	4	4	0.0%	A3
Norway	3	3	0.0%	Aaa
Total	**$483**	**$480**	**6.3%**	**Aa1**

European Non-Bank Exposure

	Market Value	Book Value	% of Total Portfolio ($7.6B)	Average Quality Rating
United Kingdom	$230	$220	3.0%	A3
Germany	73	70	1.0%	A3
Switzerland	70	65	0.9%	A3
France	56	54	0.7%	Aa3
Spain	33	32	0.4%	Baa1
Italy	17	17	0.2%	Baa1
Belgium	14	13	0.2%	A3
Sweden	13	13	0.2%	Baa1
Luxembourg	13	13	0.2%	Baa3
Netherlands	11	9	0.2%	A2
Portugal	10	11	0.1%	Ba1
Ireland	7	6	0.1%	Baa1
Norway	3	3	0.0%	Aa1
Denmark	1	1	0.0%	Baa2
Total	**$551**	**$527**	**7.2%**	**A3**

Fixed Income Sector Breakdown

as of 3/31/2012



<u>Fixed Income Characteristics:</u>

- 94% of fixed income securities are investment grade
- Weighted average quality A+
- Duration: 4.0 years

<u>Corporate Holding Characteristics:</u>

- 91% Investment Grade
- Weighted average quality BBB+
- Duration 3.8 years

Balance Sheet Strength

$ in millions, except per share data

	March 31 2011[1]	December 31 2011[1]	March 31 2012
Book value per share	$54.55	$55.67	$57.65
Shareholders' equity	$2,466	$2,484	$2,579
Debt	$561	$911	$918
Total capital	$3,027	$3,395	$3,497
Debt/total capital	18.5%	26.8%	26.3%
THG holding company cash and investments	$380	$207	$196

[1] Prior periods were restated for the effect of the company's adoption of the new Deferred Acquisition Cost ("DAC"). See Book Value and Other Items on page 6 of the press release dated April 30, 2012 for more detail.

Questions