The Hanover Insurance Group, Inc.

Fourth Quarter and Full Year 2013 Results

February 6, 2014

To be read in conjunction with the press release dated February 5, 2014 and the conference call scheduled for February 6, 2014

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 or target to," "promise," "line of sight," "will," "on the right path to" 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 underwriting profitability and financial performance; underlying loss ratio trends; outlook for 2014 and beyond; outlook on the market and economic conditions; Personal and Commercial Lines profitability improvement, including with respect to auto lines; the pricing environment, price adequacy, 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 premiums written growth and retention (including the impact of exposure management, profitability improvement and rate actions); new business growth; future prior year reserve development and reserve adequacy; the future impact of frequency and severity trends and anticipated improvements in the quality of business and reductions to catastrophe-prone businesses); the impact of various agency and exposure management actions on net written premiums, operating income, catastrophe losses and exposure in certain geographic areas; GAAP and accident year loss and combined ratios; expense ratio and expense improvements; the ability to improve profitability, earnings growth and returns; the ability to deliver on strategic and return on equity goals; adequacy of capital to rating agency expectations; product margins and margin improvement, including with respect to auto lines of business; expected profitability of Chaucer Holdings plc ("Chaucer"); net investment income and the effect of lower yields on future net investment income in 2014 and 2015; 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, future share repurchases and the number of shares outstanding, investment impairments and net investment income. Specifically, comments regarding operating earnings expectations for 2014, including overall combined ratio and written premiums growth, and reserve adequacy are forward-looking statements.

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 February 5, 2014 and the Annual Report, Form 10-Q and other documents filed by The Hanover with the Securities and Exchange Commission, which are available at www.hanover.com under "About Us - Investors." We assume no obligation to update this presentation, which, unless otherwise noted, speaks as of December 31, 2013.

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 in excess of loss trends, 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, and those risks inherent in Chaucer's business.

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 operating income (formerly total segment income, after taxes), operating income before taxes, combined ratios and loss ratios, excluding catastrophes and/or development and accident year loss ratios, excluding catastrophes and book value per share excluding net unrealized gains and losses. A reconciliation of non-GAAP measures to the closest GAAP measure is included in either the press release or financial 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 7, 10, 13 and 16 of the financial supplement. Operating income (operating income 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 divided by, in the case of per share reported figures, the average number of diluted shares of common stock. Book value per share, excluding net unrealized gains and losses, is calculated as total shareholders' equity excluding the after-tax effect of unrealized investment gains and losses, divided by the number of common shares outstanding. The definition of other financial measures and terms can be found in the 2012 Annual Report on pages 80-82.

Fourth Quarter and Full Year Highlights

The fourth quarter of 2013 was a strong conclusion to a successful year. We achieved record full-year net income of $5.59 per share, and the highest pre-tax earnings, excluding catastrophe losses, since becoming a public company in 1995.

- Combined ratio of 96.5% in the fourth quarter and 96.7% for the full year, including 2.4 and 3.1 points of catastrophe losses, respectively.
- On an ex-catastrophe basis[(1)], the full-year 2013 combined ratio of 93.6% represents a 2-point improvement over 2012
- Net premiums written of $1.05 billion in the fourth quarter, up 1.7%; Net premiums written of $4.55 billion in 2013, up 4.2%
- Strong price increases in both Commercial and Personal Lines continued in the fourth quarter
- Net investment income of $68.1 million in the fourth quarter and $269.0 million for the full-year 2013
- Year-to-date, repurchased 1.6 million common shares for $78 million, at an average price of $48.26 per share
- Book value per share was $59.43, up 1.4% from December 31, 2012, and up 1.7% from September 30, 2013, as earnings growth was partially offset by lower overall interest rates
- On December 6, the Board of Directors increased the quarterly common dividend by 12% to $0.37 per share

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

Underwriting Performance

($ in millions)

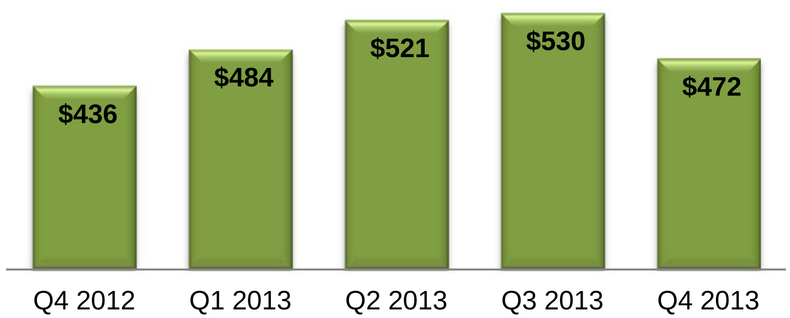
	Three Months Ended December 31		Twelve Months Ended December 31	
	2013	2012	2013	2012
Current accident year, ex-cat	59.8%	62.5%	60.6%	61.9%
Catastrophe losses	2.4%	18.8%	3.1%	8.7%
Prior year (favorable) reserve development	(1.7)%	(0.7)%	(1.7)%	(0.4)%
Loss and LAE ratio	60.5%	80.6%	62.0%	70.2%
Expense ratio	36.0%	35.1%	34.7%	34.2%
Combined ratio	96.5%	115.7%	96.7%	104.4%
Combined ratio, ex-cat[1]	94.1%	96.9%	93.6%	95.7%
Accident year combined ratio, ex-cat[1]	95.8%	97.6%	95.3%	96.1%
Underwriting income (loss)	$ 36.7	$ (174.2)	$ 130.9	$ (201.5)
Catastrophe losses	27.9	203.3	140.0	369.9

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

Commercial Lines Highlights

($ in millions)

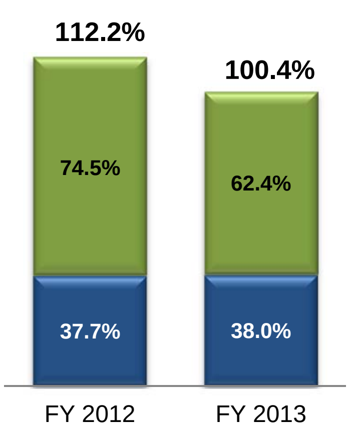
Net Written Premiums



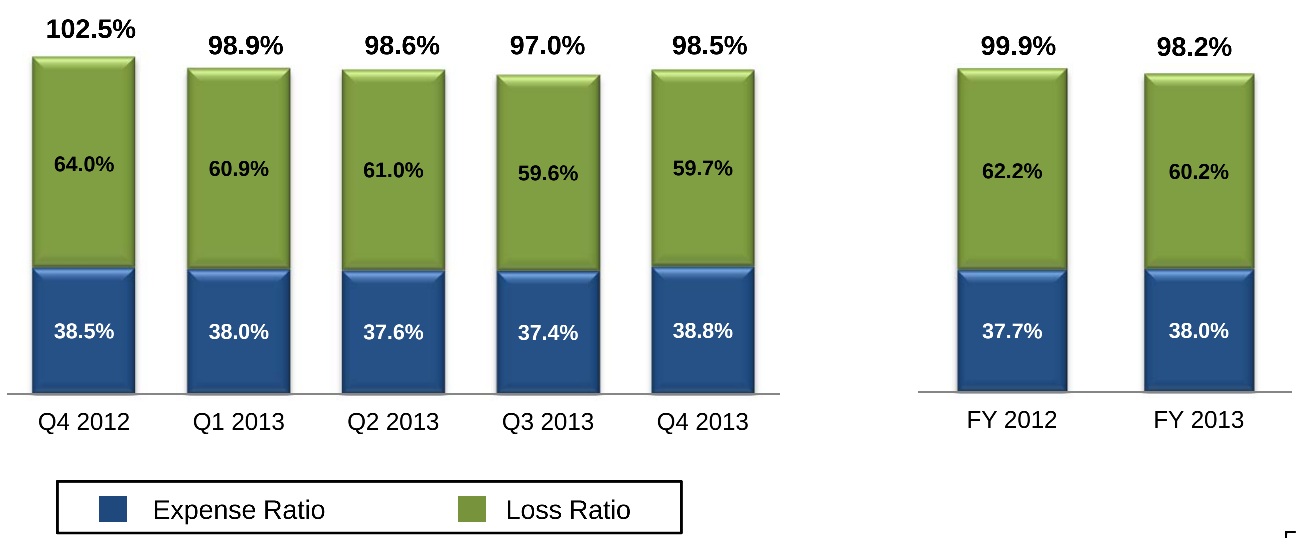
Financial Highlights

- Net premiums written grew 8.1% and 5.5% compared to the prior-year quarter and full-year 2012, respectively:
  - Continued renewal pricing gains of 9% in Core Commercial in Q4 2013, partially offset by exposure and profitability management actions
- Accident year loss ratio, excluding catastrophes, improved by 4.3 points and 2.0 points compared to the prior-year quarter and full-year 2012, respectively, driven by rate and profitability initiatives

Combined Ratio



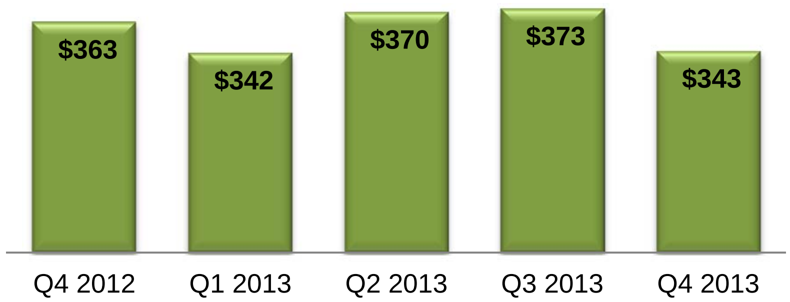
Accident Year Combined Ratio, Ex-Cat



Personal Lines Highlights

Net Written Premiums

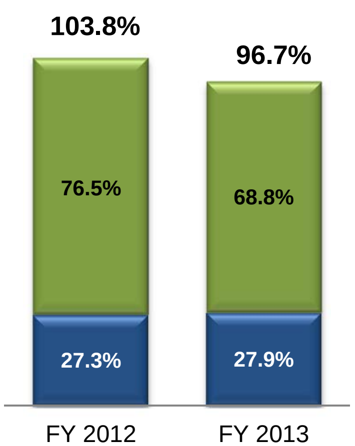
($ in millions)



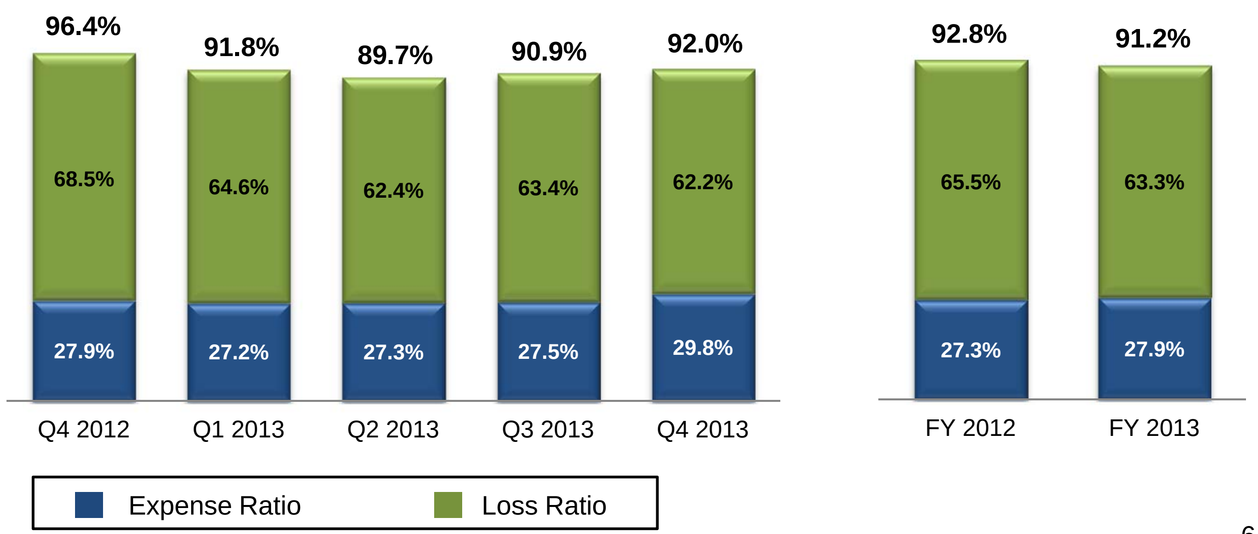
Financial Highlights

- Net premiums written decreased 5.6% and 3.2% points compared to the prior-year quarter and full-year 2012, respectively, driven by:
  - Ongoing exposure and mix management actions
  - Partially offset by strong pricing increases throughout the year
  - Reported retention of 74.4% in Q4, reflecting planned PIF reductions. Adjusted voluntary retention is stable at 80%
- Accident year loss ratio, excluding catastrophes, improved 6.3 points and 2.2 points compared to the prior-year quarter and full-year 2012, respectively

Combined Ratio



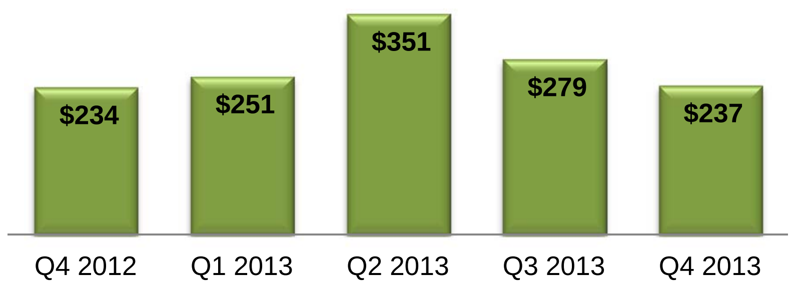
Accident Year Combined Ratio, Ex-Cat



Chaucer Highlights

($ in millions)

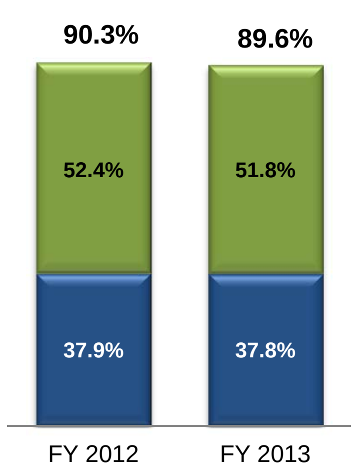
Net Written Premiums



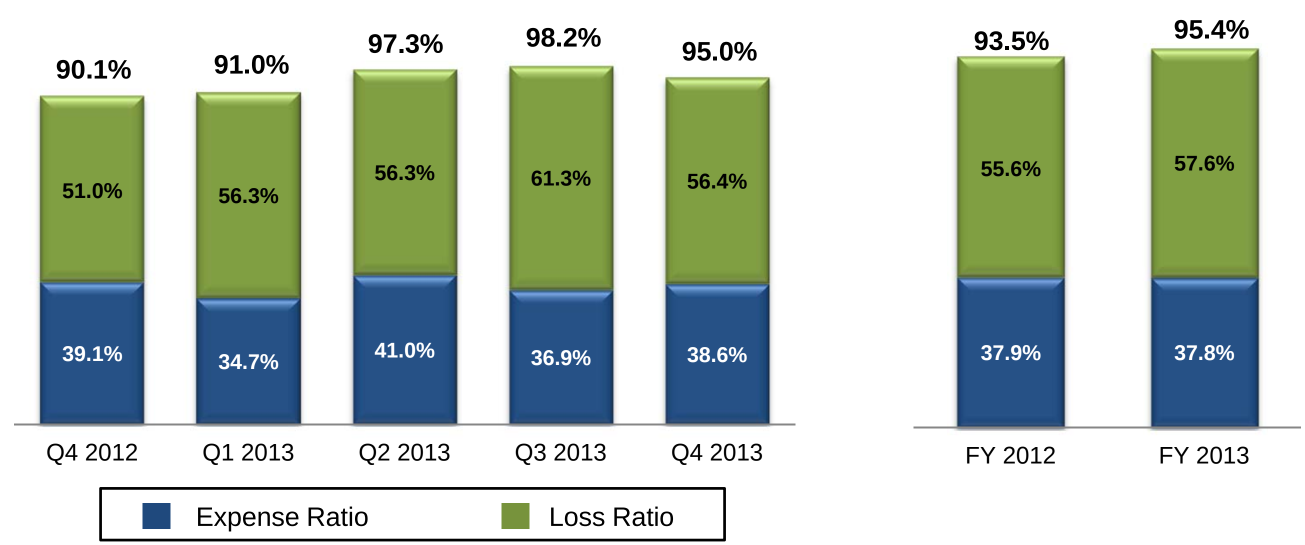
Financial Highlights

- Net premiums written grew 1.2% and 12.8% compared to the prior-year quarter and full-year 2012, respectively. The increase in the quarter was driven by:
  - Termination of quota share reinsurance agreement and increased syndicate participation
  - Partially offset by a reduction in estimated energy premiums due to lower activity in the sector, as well as lower writings in other lines
- Accident year loss ratio, excluding catastrophes, of 56.4% and 57.6% for the quarter and full year, respectively

Combined Ratio

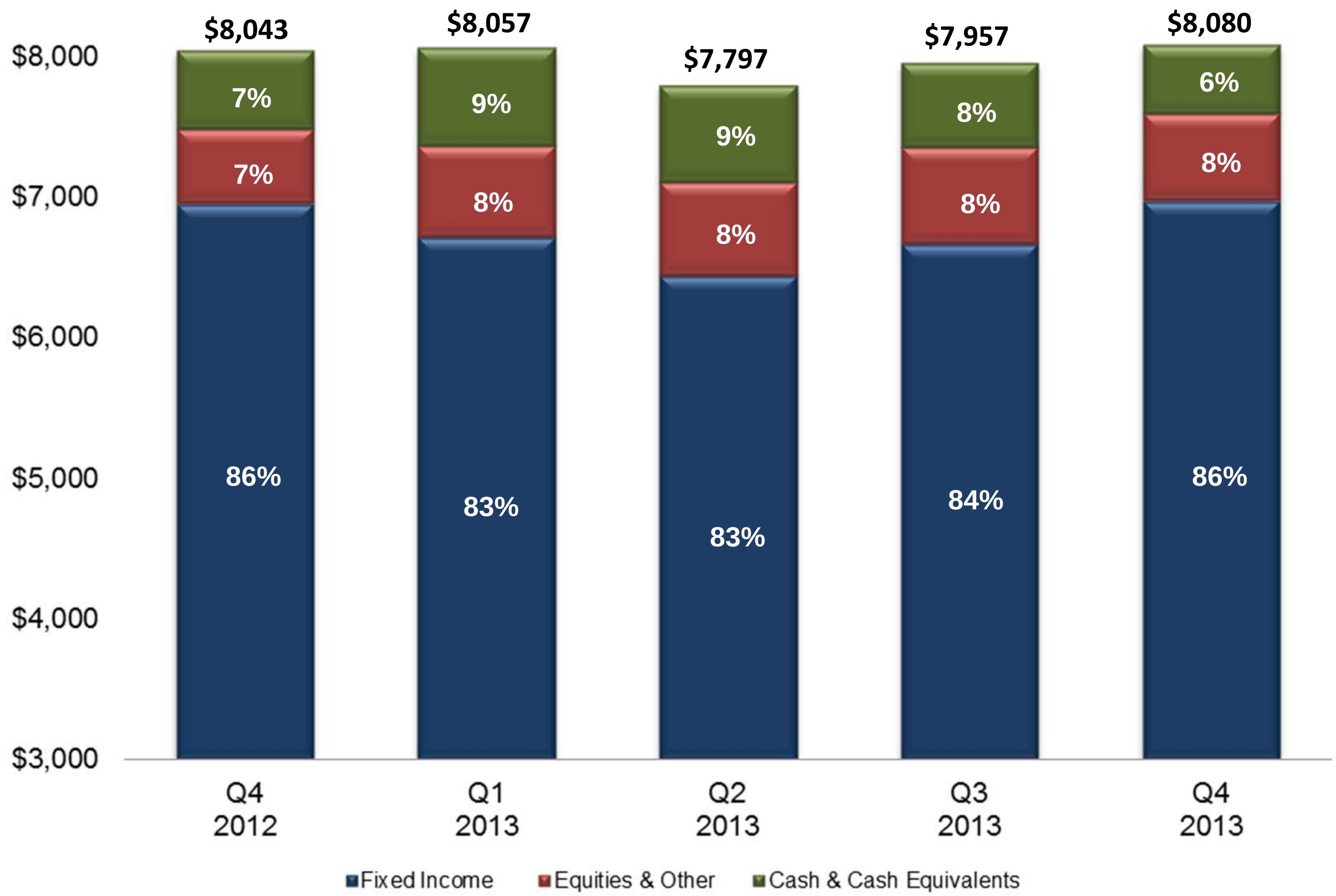


Accident Year Combined Ratio, Ex-Cat



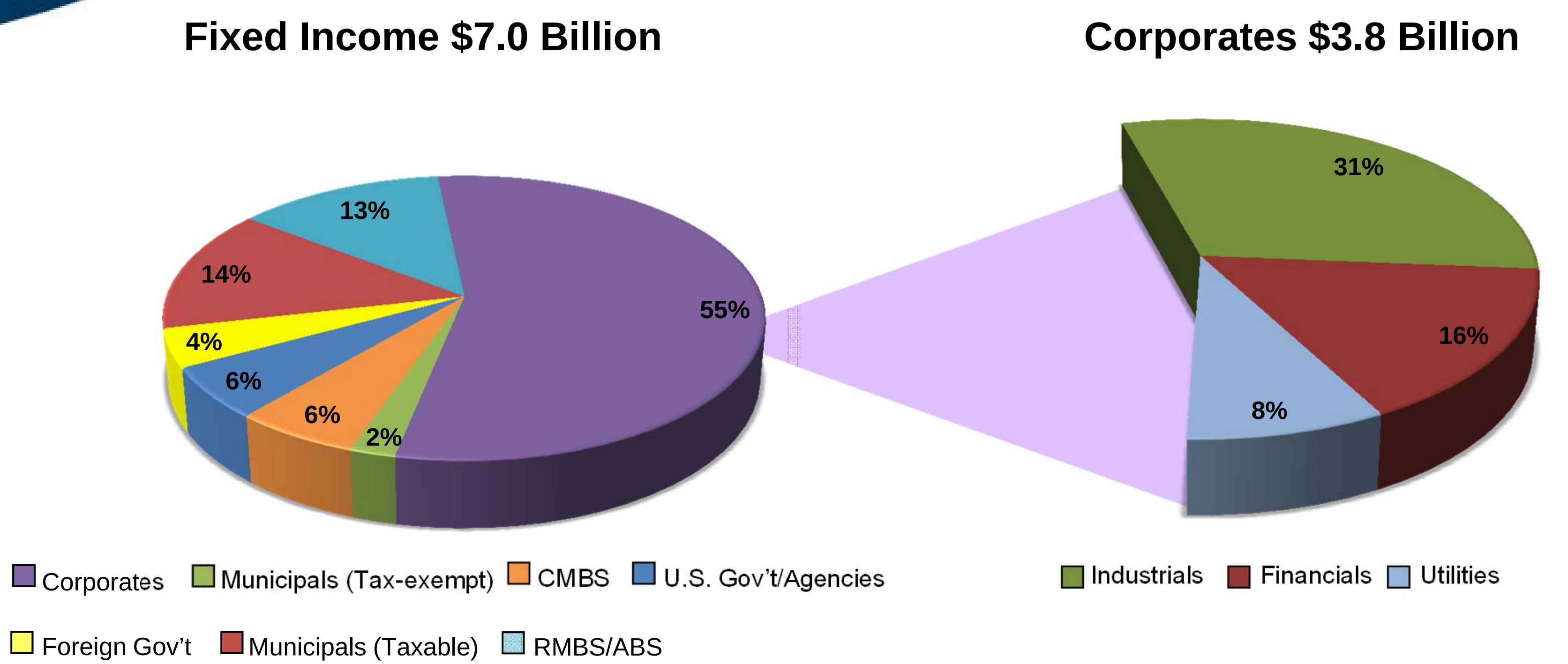
Cash and Invested Assets

($ in millions)



Fixed Income Sector Breakdown

December 31, 2013



Fixed Income Characteristics:

- 94% of fixed income securities are investment grade
- Weighted average quality A+
- Duration: 4.1 years

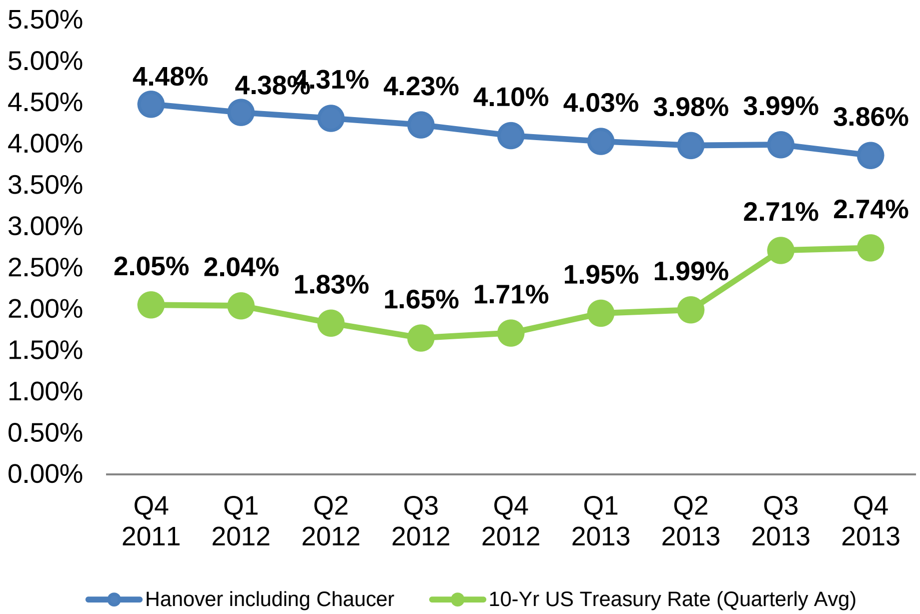
Corporate Holding Characteristics:

- 90% Investment Grade
- Weighted average quality BBB+
- Duration 3.9 years

Net Investment Income

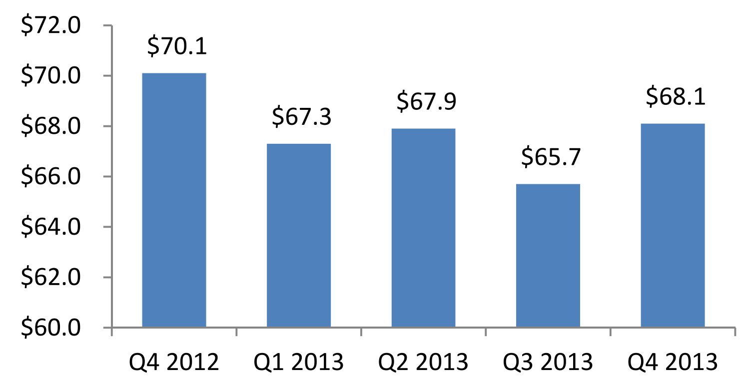
Highlights

Fixed Income Earned Yields



- Portfolio delivers strong earned yields
- Net investment income of $68.1 million for the fourth quarter and $269.0 million for the full year, down 2.9% from the prior year quarter and 2.7% from the prior year, primarily due to lower new money yields, offset by investment of operating cash flows
- Continue to employ certain portfolio management strategies intended to augment our yield without meaningfully increasing overall investment risk

Net Investment Income



Balance Sheet Strength

($ in millions, except per share data)

	December 31, 2012	December 31, 2013
Book value per share	$58.59	$59.43
Shareholders' equity	$2,596	$2,594
Debt	$849	$904
Total capital	$3,445	$3,498
Debt/total capital	24.7%	25.8%
THG holding company cash and investments	$164	$123

Strong balance sheet and holding company liquidity

Questions