The Hanover Insurance Group, Inc.

Fourth Quarter 2014 Results

February 5, 2015

To be read in conjunction with the press release dated February 4, 2015 and conference call scheduled for February 5, 2015

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," "forecasts," "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 2015; outlook on the market and economic conditions; Personal and Commercial Lines profitability improvement, including with respect to auto lines; growth momentum, particularly in Personal Lines where new business and retention trends due to the traction established through the launch of the Platinum product and the product's potential to lead to better account persistency and margin enhancement; the pricing environment, price adequacy, and the company's ability to increase rates in domestic P&C, in Lloyd's businesses and in accounts designated as small, middle or large; the ability to achieve our ultimate goals, including our ability to delivery on ROE, combined ratio and growth targets; the impact of foreign exchange fluctuations; competitive position and meaningful growth, 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 impact of various agency and exposure management actions on net written premiums, operating income, combined ratio, ROE and 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; adequacy of capital to rating agency expectations; product margins and margin improvement, including with respect to auto and specialty lines of business; expected combined ratio and growth of Chaucer Holdings plc ("Chaucer"); the ability to manage market headwinds related to Chaucer's business; net investment income, the effect of lower yields on future net investment income in 2015 and changes to the overall investment strategy to offset pressure from the interest rate environment; product- geographic- and account- based mix changes on future growth, margin improvement and target returns; and may also include forward looking statements on underwriting conditions, capital levels, ratings, and future share repurchases and the number of shares outstanding. Specifically, comments regarding operating earnings expectations for 2015, including overall combined ratio, net investment income growth 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 4, 2015 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, 2014.

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 and returns, 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, 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 dated February 4, 2015 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 2013 Annual Report on pages 81-83.

Fourth Quarter and Full Year Highlights

The fourth quarter and full year 2014 was characterized by strong underwriting performance, which resulted in record operating earnings per share[(1)] of $1.77 and $5.19, respectively.

- Operating income before taxes, excluding catastrophes[(1)], of $154 million in the quarter, and $629 million for the full year, up 18% in both periods
- Combined ratio of 94.3% in the fourth quarter and 96.9% for the full year, including 1.8 and 4.7 points of catastrophe losses, respectively
- Net premiums written of $1.1 billion in the quarter, up 6.2%, driven by growth in all three main business segments; Net premiums written of $4.8 billion in 2014, up 5.7%
- Strong price increases in Commercial and Personal Lines continued in the fourth quarter
- Net investment income of $68.8 million in the fourth quarter and $270.3 million for the full year 2014
- Book value per share of $64.85, up 9.1% from December 31, 2013, and up 2.3% from September 30, 2014
- During 2014, repurchased approximately 347,000 common shares for approximately $20 million, at an average price of $58.90 per share
- On December 5, the Board of Directors increased the quarterly dividend on common shares by 11%, to $0.41 per share

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

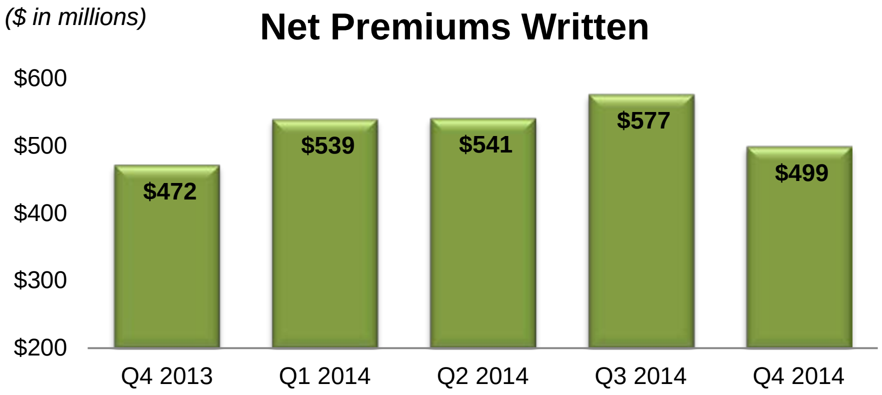
Underwriting Performance

($ in millions)	Three Months Ended December 31		Twelve Months Ended December 31	
Loss and LAE ratio:	**2014**	**2013**	**2014**	**2013**
Current accident year, ex-cat[1]	**59.1%**	**59.8%**	**59.6%**	**60.6%**
Catastrophe losses	**1.8%**	**2.4%**	**4.7%**	**3.1%**
Prior year favorable reserve development	**(2.4%)**	**(1.7%)**	**(2.1%)**	**(1.7%)**
Loss and LAE ratio	**58.5%**	**60.5%**	**62.2%**	**62.0%**
Expense ratio	**35.8%**	**36.0%**	**34.7%**	**34.7%**
Combined ratio	**94.3%**	**96.5%**	**96.9%**	**96.7%**
Combined ratio, ex-cat	**92.5%**	**94.1%**	**92.2%**	**93.6%**
Accident year combined ratio, ex-cat[1]	**94.9%**	**95.8%**	**94.3%**	**95.3%**
Underwriting income	**$64.1**	**$36.7**	**$133.2**	**$130.9**
Catastrophe losses	**21.3**	**27.9**	**223.0**	**140.0**
Ex-cat, underwriting income[1]	**$85.4**	**$64.6**	**$356.2**	**$270.9**
Ex-cat, ex-dev, underwriting income[1]	**$57.1**	**$45.7**	**$257.1**	**$194.6**

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

Commercial Lines

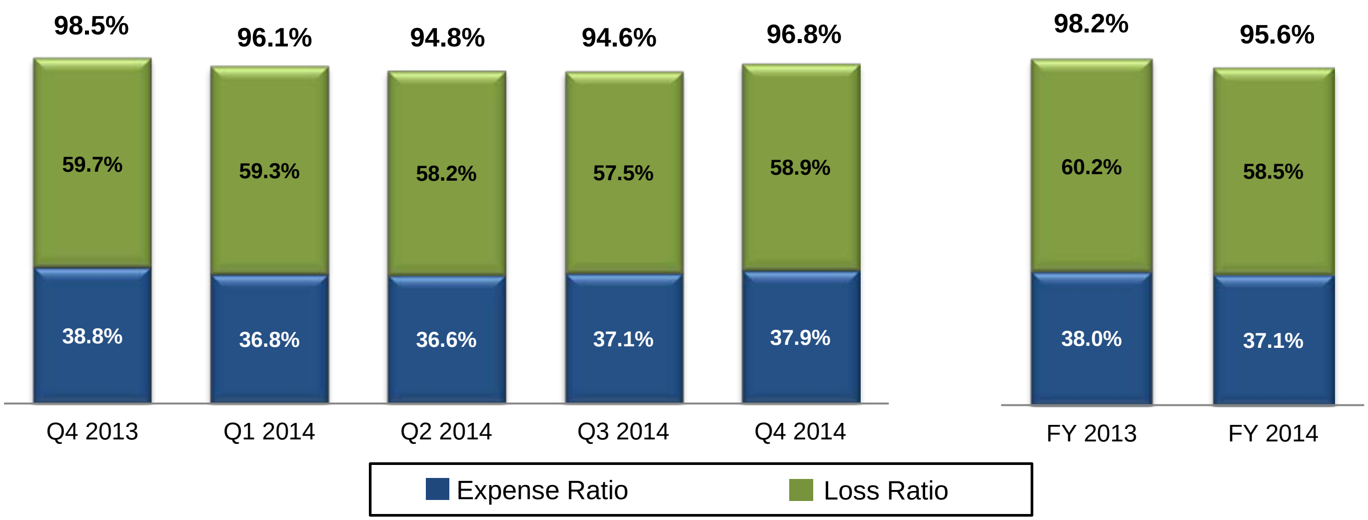
Net Premiums Written



Financial Highlights

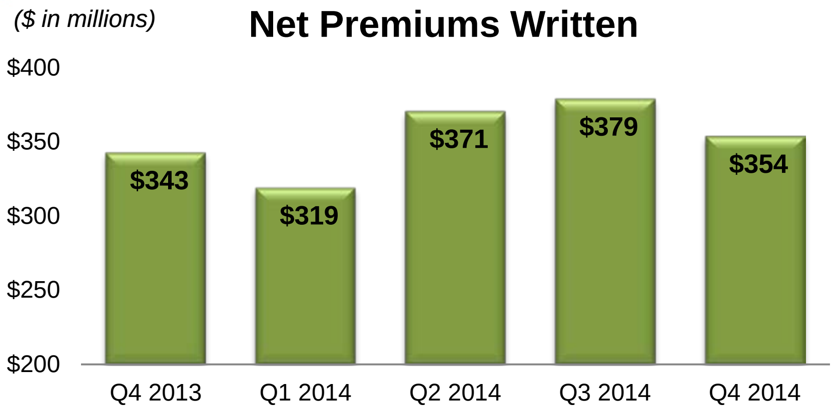
- Net premiums written grew 5.8% and 7.4%, compared to the prior-year quarter and full-year 2013, respectively
- Continued pricing gains of 7% in Core Commercial in the fourth quarter 2014
- Accident year loss ratio, excluding catastrophes, improved 0.8 points and 1.7 points compared to the prior-year quarter and full-year 2013, respectively. Improvement driven primarily by more favorable loss experience in CMP and Other Commercial lines, as well as a lower expense ratio

Accident Year Combined Ratio, Ex-Cat



Personal Lines

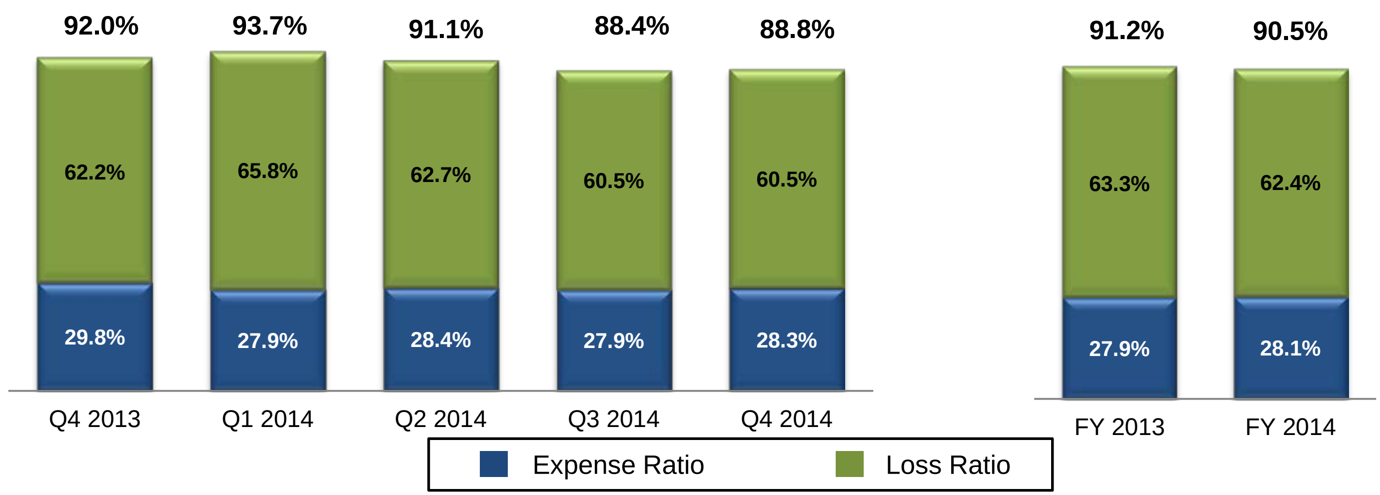
Net Premiums Written



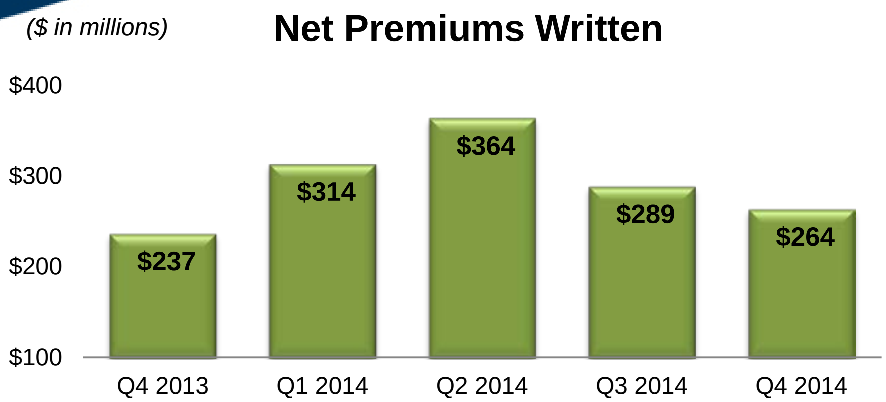
Financial Highlights

- Net premiums written increased by 3.1%, compared to the prior-year quarter, driven by rate and increased new business writings. Net premiums written decreased marginally at 0.4%, compared to full-year 2013, due to exposure management actions, primarily in the first half of the year
- Continued rate increases in Q4 2014 of 4% in auto and 6% in homeowners
- Accident year combined ratio, excluding catastrophes, improved 3.2 points and 0.7 points over the prior-year quarter and full year 2013, respectively, driven by rate and underwriting actions, partially offset by higher non-catastrophe weather losses in the homeowners line in the first half of the year

Accident Year Combined Ratio, Ex-Cat

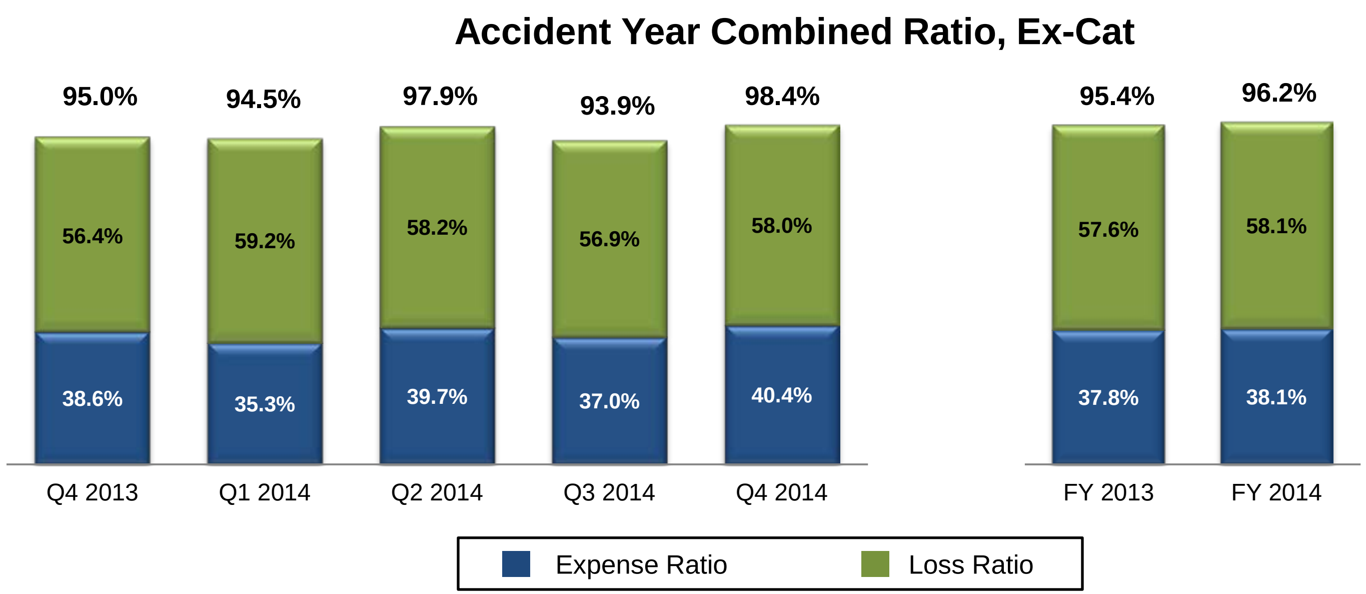


Chaucer



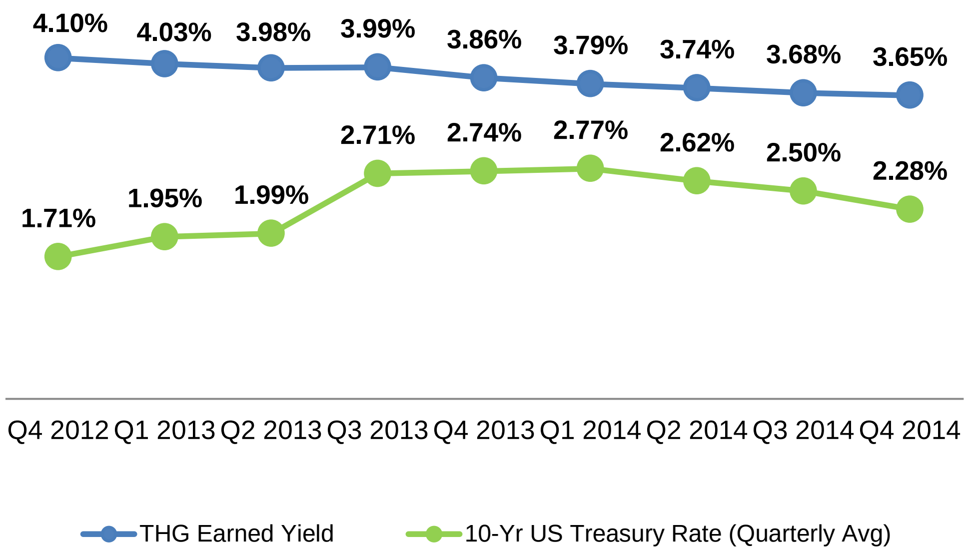
Financial Highlights

- Net premiums written grew 11.4% and 10.2%, compared to the prior-year quarter and full-year 2013, respectively, driven by growth in Casualty and Marine lines
- Fourth quarter 2014 accident year combined ratio, excluding catastrophes, was 98.4% compared to 95.0% in the prior year quarter, primarily driven by the expense ratio. Full-year 2014 accident-year combined ratio, excluding catastrophes, increased slightly to 96.2%



Net Investment Income

Fixed Income Earned Yields



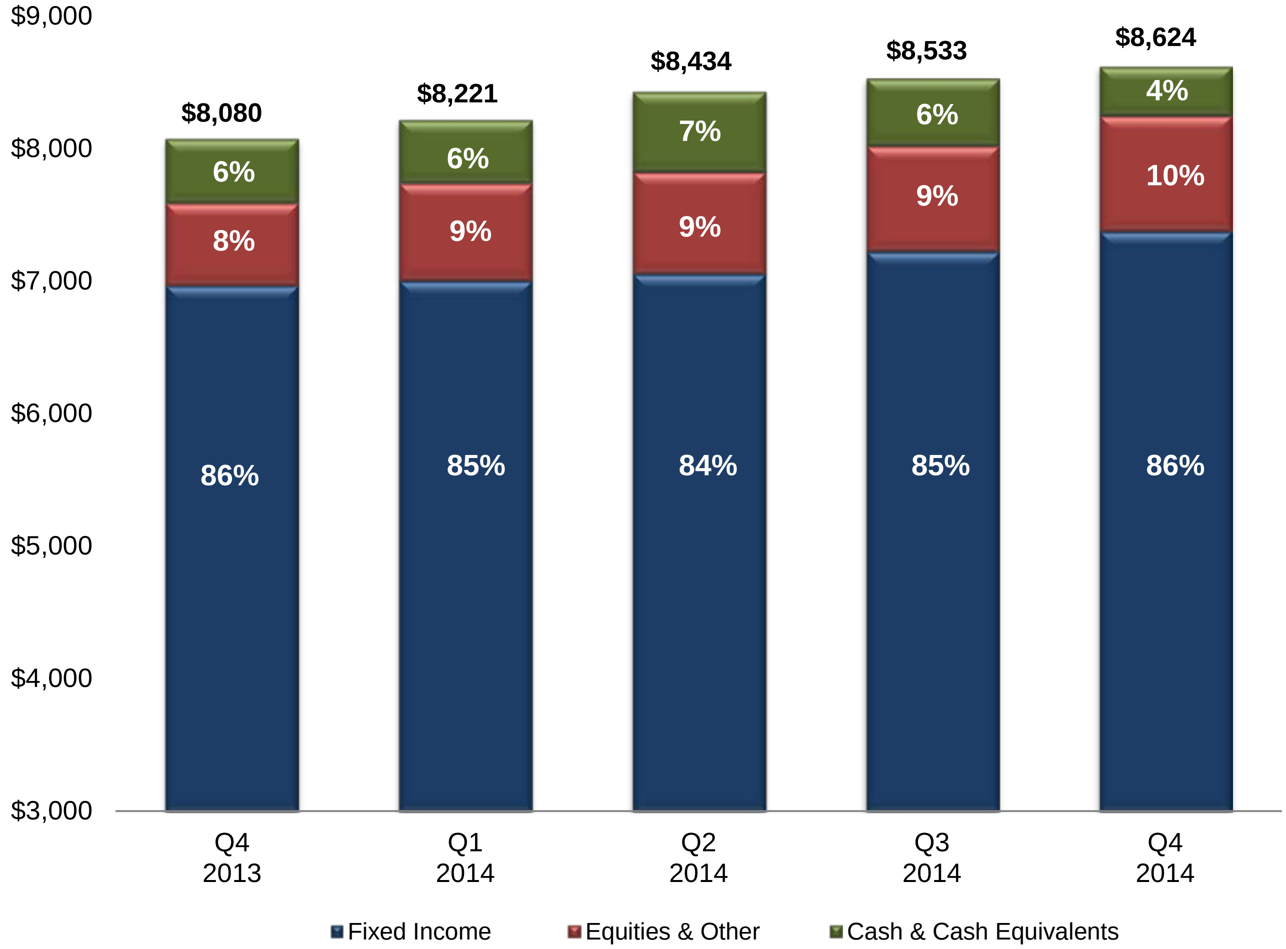
Highlights

- Net investment income of $68.8 million, an increase of $0.7 million compared to prior-year quarter, primarily due to positive operating cash flows, partially offset by lower new money yields
- Continue to employ portfolio management strategies intended to augment our yield while managing volatility and risk

Net Investment Income

Cash and Invested Assets

($ in millions)

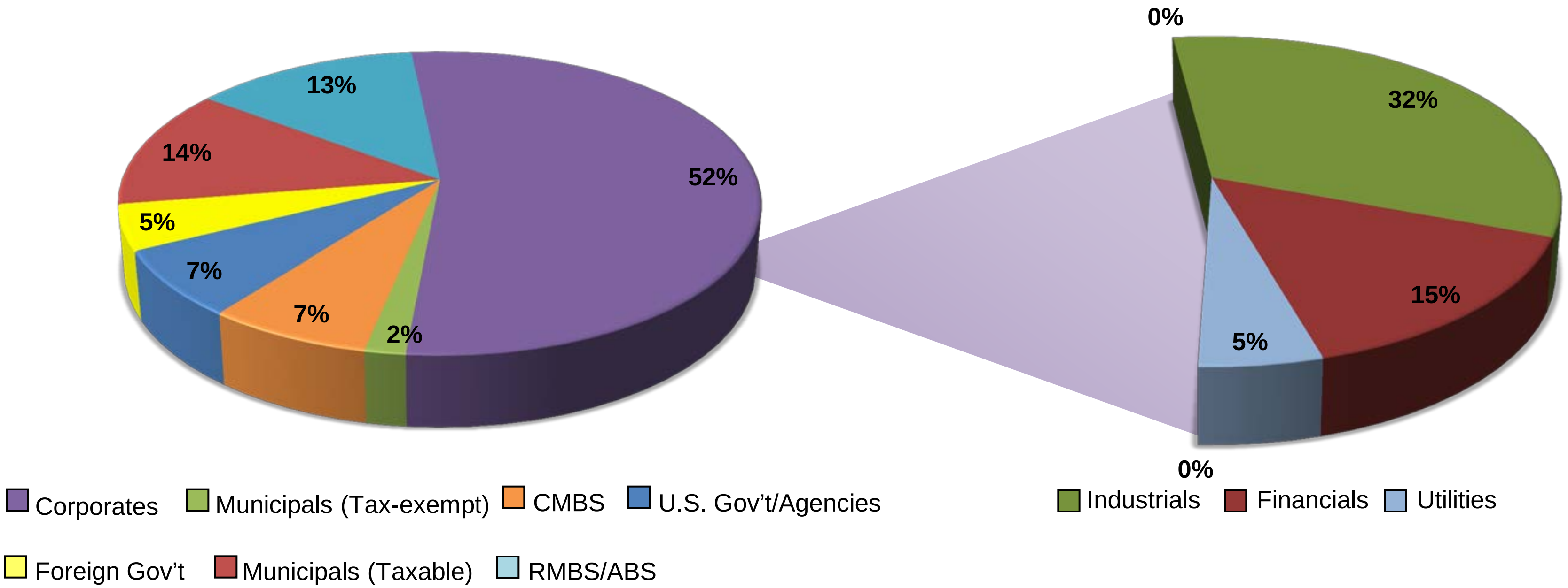


Fixed Income Sector Breakdown

December 31, 2014

Fixed Income $7.4 Billion

Corporates $3.9 Billion



<u>Fixed Income Characteristics:</u>

- 94% of fixed income securities are investment grade
- Weighted average quality A+
- Duration: 4.2 years

<u>Corporate Holding Characteristics:</u>

- 89% Investment Grade
- Weighted average quality BBB+
- Duration 4.1 years

Balance Sheet and Ratings Strength

($ in millions, except per share data)	**December 31, 2013**	**December 31, 2014**
Book value per share	$59.43	$64.85
Shareholders' equity	$2,595	$2,844
Debt	$904	$904
Total capital	$3,499	$3,748
Debt/total capital	25.8%	24.1%
THG holding company cash and investments	$123	$121

Company Ratings	**A.M. Best**	**Standard & Poor's**	**Moody's**
Financial Strength Ratings			
The Hanover Insurance Company	A 5/8/09	A 1/29/15	A3 1/28/08
Debt Ratings			
Senior Debt	bbb	BBB	Baa3
Subordinated Debentures	bb+	BB+	Ba1

Strong and flexible balance sheet recently recognized by the upgrade from S&P to "A"