



Our policy is performance.™

The Hanover Insurance Group, Inc.

Q2 2007 Earnings Results

To be read only in conjunction with the press release dated July 30, 2007 and the conference call scheduled for July 31, 2007.



Forward-Looking Statements and Non-GAAP Financial Measures

Our policy is performance.™

Certain statements in this presentation, including responses to your questions, 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”, “guidance” and similar expressions is intended to identify forward-looking statements. In particular, this presentation may include forward-looking statements with respect to earnings growth, return on equity, anticipated price changes in our property and casualty business, premium growth, policies in-force levels, retention, expense management, underwriting conditions, loss development, the adequacy of reserves (including reserves established with respect to damage caused by Hurricane Katrina and related matters), net investment income, new product availability and impact, capital levels, ratings, effective tax rates, and Life Companies segment earnings (including continuing and discontinued operations and loss on disposal of the business).

The company cautions investors that forward-looking statements are not guarantees of 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 July 30, 2007 and Annual Report and other documents filed by The Hanover with the Securities and Exchange Commission, which are also available at www.hanover.com under “Investors.” We assume no obligation to update this presentation, which speaks as of July 31, 2007.

These uncertainties include the possibility of adverse catastrophe experience (including terrorism) and severe weather, the uncertainties in estimating property and casualty losses, the ability to increase or maintain certain property and casualty insurance rates, the impact of new product introductions (such as the multi-variate private passenger auto product and the homeowners tiered product), adverse loss development and adverse trends in mortality and morbidity, changes in the frequency and loss trends generally being experienced industry-wide, the ability to improve renewal rates and increase new property and casualty policy counts, adverse selection in underwriting activities, investment impairments, heightened competition (including increasing rate pressure, particularly in Commercial Lines), adverse and evolving state and federal legislation or regulation, adverse regulatory or litigation actions (including uncertainties over the application of the so-called “flood” exclusion and the “Valued Policy Laws” in Louisiana following Hurricane Katrina and rate actions, particularly in Florida and Louisiana), financial ratings actions, and various other factors.

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, property and casualty segment income, segment income after taxes and segment income and loss ratios excluding catastrophes and reserve development and accident year loss ratios excluding catastrophes. A reconciliation of non-GAAP measures to the closest GAAP measure is included in both the press release and statistical supplement, which are posted on our website. The reconciliation of accident year loss ratio excluding catastrophes to the nearest GAAP measure, total loss ratio, is found on page 11 of the statistical supplement.



THG Second Quarter Earnings

Our policy is performance.™

Opening Remarks by Fred Eppinger



THG Second Quarter Earnings

Our policy is performance.™

Financial Review by
Ed Parry

THG Results For The Quarter

Our policy is performance.™

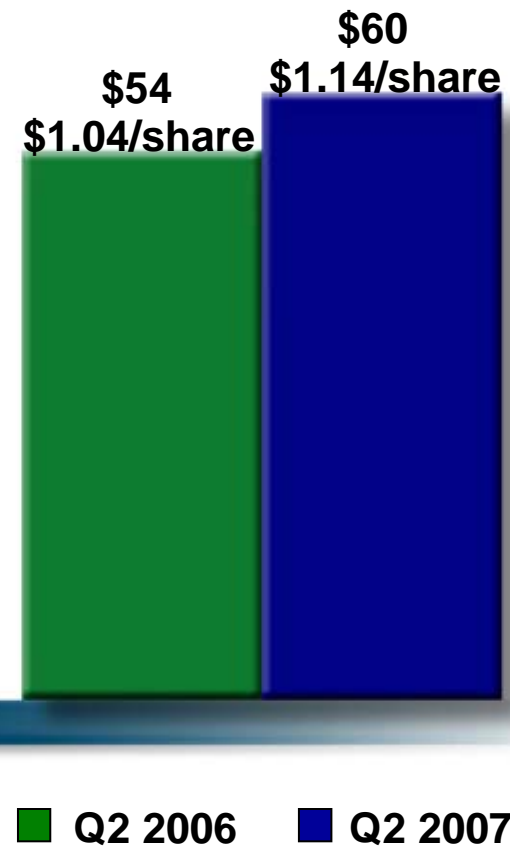
QTR Net Income

(\$ in millions, except per share)



QTR Income from Continuing Operations

(\$ in millions, except per share)



THG Segment Results

Our policy is performance.™

Segment (Loss)/Income

(\$ in millions)	Q2 2007	Q2 2006	\$ Change
Property & Casualty ⁽¹⁾	\$98	\$86	\$12
Life Companies (continuing operations)	1	(1)	\$2
Interest expense on debt	(10)	(10)	\$0
Total pre-tax segment income⁽¹⁾	89	75	\$14
Federal income tax expense	(30)	(23)	(\$7)
Total segment income after taxes⁽¹⁾	\$59	\$52	\$7
Pre-tax Net Impact of Catastrophes	(\$15)	(\$20)	\$5

⁽¹⁾ Non-GAAP financial measures that are reconciled to net income in the press release and the statistical supplement, both of which are posted on our website.

PL Operating Highlights

Our policy is performance.™

	<u>Q2 2007</u>	<u>Q2 2006</u>	<u>Change</u>
Pre-Tax Segment Income	\$ 56M	\$ 54M	\$ 2M
Catastrophe Impact	\$ 9M	\$ 7M	\$ 2M
Ex-Cat Segment Income ⁽¹⁾	<u>\$ 65M</u>	<u>\$ 61M</u>	<u>\$ 4M</u>

- Higher current accident year losses \$ (12) M
- Increased prior year reserve development \$ 5 M
- Lower loss adjustment expenses \$ 5 M
- Increased net Investment Income \$ 2 M
- Other (Primarily Mass CAR) \$ 4 M

⁽¹⁾ Non-GAAP financial measure.

CL Operating Highlights

Our policy is performance.™

	<u>Q2 2007</u>	<u>Q2 2006</u>	<u>Change</u>
Pre-Tax Segment Income	\$ 39M	\$ 30M	\$ 9M
Catastrophe Impact	\$ 5M	\$ 12M	\$ (7)M
Ex-Cat Segment Income ⁽¹⁾	<u>\$ 44M</u>	<u>\$ 42M</u>	<u>\$ 2M</u>

- Higher current accident year losses \$ (7)M
- Increased prior year reserve development \$ 4 M
- Lower underwriting and loss adjustment expenses \$ 5 M

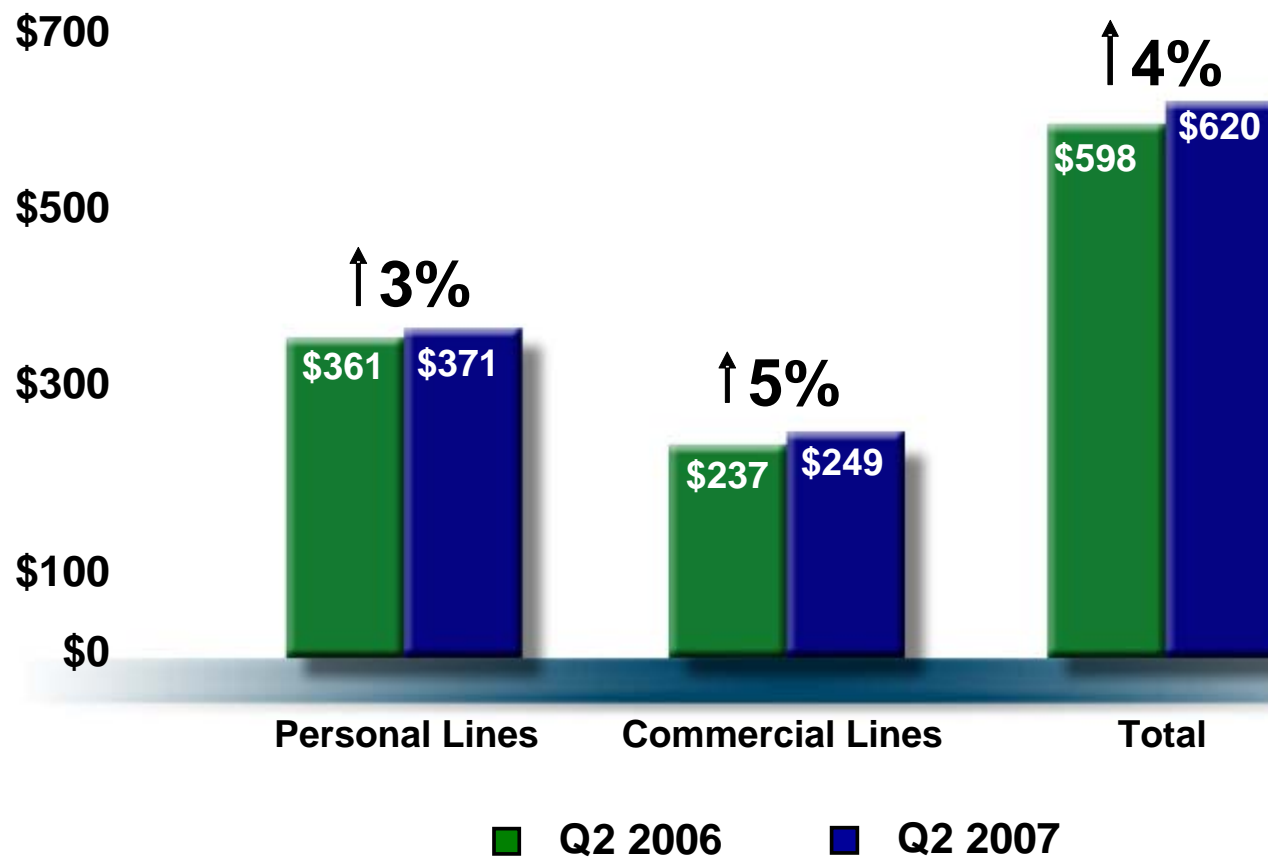
⁽¹⁾ Non-GAAP financial measure.

QTR Net Written Premium

Our policy is performance.™

(\$ in millions)

Written Premium





THG Second Quarter Earnings

Our policy is performance.™

Business Update by
Marita Zuraitis

Questions